

Policy Title: Patient Billing and Collection Policy
Policy Owner: The Office of the Revenue Cycle
Origination Date: October 2, 2024
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SCOPE:

This policy was developed for SIU Medicine (SIU). SIU Medicine collectively applies to the SIU School of Medicine (SIU SOM), including the Federally Qualified Health Center (FQHC), and SIU HealthCare (SIU HC). These entities are collectively referred to as SIU in this policy.

This policy applies to SIU staff, faculty, trainees, agents, officers, directors, interns, volunteers, contractors, and any other individual or entity engaged in providing teaching, research and health care items and services at SIU. These individuals are collectively referred to as SIU personnel in this policy.

PURPOSE:

The Patient Billing and Collection policy exists to provide clear practices for which SIU resolves patient billing responsibilities. The goal of this policy is to provide consistent guidelines to ensure that all patients are treated in a fair reasonable manner.

POLICY:

The Billing and Collection policy outlines the processes in which SIU Medicine manages the billing of patient services for SIU, including SIU SOM, FQHC, and SIU HC. The information below outlines the definitions and steps taken regarding billing from the time the appointment is scheduled through resolution of the balance.

DEFINITIONS:

Bad Debt: A patient's financial obligation that is unpaid for more than 120 days from the date the responsibility was established and the first billing statement was sent to the patient or patient's guarantor. This also includes a past due balance in an agreed upon payment plan.

Extraordinary Collection Actions (ECA): For the purposes of this policy, ECAs include referring past due accounts to an outside agency for collection activity which could include credit reporting agencies or credit bureaus.

Financial Assistance Discount: The adjustment applied to an account balance as the result of an approved financial assistance application. Refer to the SIU Financial Assistance Policy for more information on qualifications and process to apply.

Guarantor: An individual, who may or may not be the patient, who is responsible for the payment of a patient's bill. This could include, but is not limited to a parent, legal guardian, or other individual financially obligated by law to pay for the balance of a patient's account.

Medically necessary services: Health care services or supplies needed to diagnose and/or treat an illness, injury, condition, disease or its symptoms. These must meet the accepted standards of medical practice and are clinically appropriate, in terms of type, frequency, extent, site, and duration.

Patient Responsibility: The portion of the charges that is the responsibility of the Guarantor. This is determined after all insurance payments and/or adjustments are applied.

Payer: Any financial party, such as an insurance carrier, employee benefit plan or plan sponsor, government payer, or any other entity responsible for reimbursing medical expenses.

Payment Plan: A plan agreed upon by both SIU and the Guarantor to pay the Patient Responsibility over a period of time.

Statement: A communication sent to the patient by mail, email, or text that indicates the balance(s) due.

Uninsured: Patients identified as having no insurance coverage under private health insurance, health coverage program, workers' compensation, accident liability insurance, or other third-party liability.

PROCEDURES:

Scheduling

SIU will schedule patients with providers based on provider availability. Insurance information, if applicable, is required at the time of scheduling in order to schedule patients with providers who are contracted with the patient's insurance policy. If complete insurance information is not provided, SIU Medicine cannot guarantee the scheduling provider will be in network and any charges incurred due to this will be billed to the patient or patient's guarantor.

Uninsured patients, as well as patients who choose not to bill insurance, will receive a Good Faith Estimate (GFE) in the mail for any appointment that is scheduled at least 3 business days in advance.

Pre-Arrival

SIU will try when possible to preregister patients prior to arriving to their scheduled services to verify demographic information, insurance information and eligibility.

Registration

At the time of arrival, SIU will gather any missing information needed for billing purposes not collected by the pre-arrival department. In addition, SIU will verify identity through scanning a photo ID, insurance card and signing consent forms, if necessary.

Collecting at Time of Service

SIU requires any insurance copayments be paid at the time of services being provided.

If the patient is uninsured, the treatment is elective, or the treatment is not being billed to an insurance payer, payment in full must be collected prior to the date of service. Some SIU Departments require payment for these services at least 30 days prior to the date of service.

Insurance Billing

For all insured patients, SIU will bill applicable payers in a timely manner. SIU will follow up with payers to ensure payments and/or responses to claims are received in a timely manner to ensure appropriate claim adjudication.

Patient Billing

Statements

SIU will inform the guarantor of the balance due once a patient's financial responsibility has been determined and insurance has resolved any outstanding balance(s), review(s), and/or appeal(s). SIU can bill the patient up to 12 months past an Explanation of Benefits (EOB) being received from insurance. The guarantor will receive notices and/or statements via mail, email, or text message on a monthly cycle. SIU will send a minimum of 4 statements/letters indicating the patient balance. At least one of the statements will include a written notice that informs the responsible party of the ECAs (Extraordinary Collection Actions) that may be taken if the balance is not paid in full, payment arrangements are not made or financial assistance has not been applied for.

Text Notifications

SIU will send text notifications to patients as balances are moved to patient responsibility. The phone number these messages will come from will be a 5-digit number. A guarantor can pay statement balances via the secured link. If a balance is not paid via text message, a paper statement will be mailed. Patients can choose to opt out at any time if they no longer want to receive text messages regarding outstanding balances.

Payment Plans

SIU may approve a payment plan for patients or guarantors who are unable to pay the balance in full within thirty (30) days. The payment arrangements must be made with a representative at SIU Billing Department. Balances of \$300 and less can extend payments over six (6) months; balances between than \$301 and \$1000 can extend payments over twelve (12) months; balances over \$1000 can be paid over eighteen (18) months.

Returned Mail

When a statement is returned as undeliverable, SIU will make reasonable efforts to locate the correct address. A review of the patient's account will be completed to find an updated address. If an address is not located, two (2) phone call attempts will be made to the patient or guarantor to update the mailing address. The account will be expedited to bad debt if the attempt to reach the patient has failed.

Bad Debt

SIU may engage in collection activities, included ECAs, required to collect outstanding patient balances. Patient balances may be referred to a third party for collections at the discretion of SIU and in compliance with all applicable local, state and federal practices. SIU does not sell the debts and will still maintain the ownership of the account.

A balance may be referred to collections that meet the following criteria:

- The total patient balance is at least 120 days from the first date the statement was sent.
- The balance has not been set up on a formal payment plan and is in good standing
- The patient does not have an account that is in disputed status.
- Returned mail could be referred sooner (see *Returned Mail*)

If an account is eligible for collections, but the patient will be applying for financial assistance, the account will be placed on a hold for 30 days to allow time for the application to be received. If no application is received within 30 days, the accounts will continue to be referred to the outside agency. If an incomplete application has been received, the responsible party will be given 30 days to return the required documents needed for the application.

Finance Charges

Finance charges, cost of collections, late fees and attorney fees can be applied to an account balance that is unpaid 90 days or greater after the initial billing. The finance charge will be an amount equal to a periodic rate of 1% per month (Annual Percentage Rate of 12%) applied to any part of a balance 90 days or older. The minimum charge will be Fifty Cents (\$0.50) per month.

Refunds

SIU Medicine will identify all credit balances and refund within applicable federal and state statutes and regulations. Prior to refunding any balances to patients, patient accounts will be reviewed and any existing balances outstanding, including those that have been sent to a collection agency, will be resolved prior to any credits being issued.

Deceased Patients

For deceased patient with a surviving spouse, the surviving spouse is assumed to be responsible for payment of the remaining balances on the deceased patient's account unless legal documents stating otherwise have been received. SIU may place a lien on an estate of a deceased patient who has no surviving spouse.

PERIODIC REVIEW OF POLICIES AND PROCEDURES

SIU shall review its policy and procedure at least once every two (2) years.

The Office of the Revenue Cycle