



## Policy AD336

<b>Subject</b>	Self-Pay Billing and Collection Policy		
<b>Category / Section</b>	Administration/Finance		
<b>Owner</b>	Manager, Self-Pay Receivables Management		
<b>Reviewer(s)</b>	Director, Patient Financial Services VP, Revenue Cycle Operations		
<b>Effective Date</b>	01/01/16	<b>Review Frequency</b>	3 years
<b>Approval Date</b> <i>Dates that are marked with an asterisk(*) indicate revisions</i>	04/19/19		

**Scope of Policy/Procedure (applies to entities/locations marked below)** (see template for detailed entity/location descriptions)

This document applies to <b>all</b> entities/locations listed below			
Hospitals	Ambulatory/Off-Campus locations	Other Carle Entities	
X All Carle Hospitals listed below:	All Carle ambulatory/off-campus locations listed below:	All other Carle entities listed below:	
Urbana (CFH)	X CFH/CPG ambulatory locations <i>(also includes Home Health, Therapy Services, Medical Supply, Danville Surgicenter, Specialty Pharmacy)</i>	Arrow Ambulance, LLC	
Hoopeston (CHRHC)	X CHRHC ambulatory locations <i>(includes, CARMC, Cissna Park, Danv-Fairchild, Mattoon-Hurst, Milford, Rossville, Tuscola, Watseka)</i>	Carle Retirement Centers <i>(Windsor of Savoy &amp; Windsor Court)</i>	
	X Champaign SurgiCenter, LLC	Health Alliance Medical Plans	
	Administration Building locations (includes Carle at the Fields)		
<b>Scope Exclusions</b> (Mark this box and enter any departments or locations within a marked entity that are exempt from the policy/procedure.)			
Medical Supply			

**Attachments** N/A

### Purpose

- To outline the procedures for the collection and management of self-pay accounts.
- To outline the actions that Carle will take in the event of non-payment of self-pay accounts.

### Definitions

**A. Extraordinary Collection Activities (ECAs)**

- Initiation of actions that require legal or judicial process:
  - Civil Action
  - Placement of Liens
  - Wage Garnishments
- Reporting adverse information about the guarantor to consumer credit reporting agencies or credit bureaus.

**B. Self-Pay Accounts** are comprised of balances that are the responsibility of the individual patient/guarantor and not covered by insurance or other third-party payment sources.

### Statement of Policy

- All self-pay balances will be billed to the appropriate guarantor once the balance has reached self-pay owing responsibility.
  - Based upon an existing billing calendar:
    - Alpha based on a 28 day billing cycle.
    - Subsequent billing will occur on an every 28 day basis.

2. Billing will continue until:
  - a. Account's self-pay balance reaches a \$0.00 balance, or
  - b. Account is referred to a third party vendor.
- B. Accounts may be referred to a third party vendor for follow-up activity if the account meets placement criteria that has been established.
  1. Self-pay guarantor accounts that are not paid in a timely manner will be referred to a third party vendor for additional collection efforts.
  2. These accounts will be worked by the third party vendor for a duration pursuant to the age and type of placement.
    - a. All activity will be within legal guidelines set forth by the State of Illinois and the Federal government.
    - b. Carle reserves the right to recall accounts.
  3. Carle will manage the performance of the third party vendor and report recovery results regularly to leadership.

## Procedure

- A. Carle will make all attempts to accurately and timely bill for services rendered.
  1. All services provided will be entered into the billing system.
  2. Guarantor information for billing of services will be acquired at time patient is registered.
    - a. Guarantor information may be updated through:
      - Scheduling of services
      - Point of Service
      - Verbal requests
      - Written notification to Revenue Cycle Operations
    - b. The guarantor and/or patient is responsible to notify Carle of all insurance and/or third party payers.
    - c. Carle reserves the right to validate requests and if proper documentation is not obtained, retain the registered guarantor information on file. See Registration Standards Policy [AD344](#).
  3. Once services are entered into the appropriate billing system, billing will commence.
    - a. Carle may submit claims to known insurance companies or third party payers.
    - b. Services will be billed to registered guarantor as self-pay.
      - Bills may be consolidated.
      - All payments are due in full by the due date on the first statement unless alternate payment arrangements are made. See Payment Policy [AD335](#).
      - Statements will continue every 28 days until the balance is:
        - Paid in full
        - Sent to a Third Party Vendor
        - Adjusted for Financial Assistance
        - Adjusted off for other reasons
        - Alternate activity, such as billing of a third party payer
  4. Patient Billing Statements may be sent by US postal mail or through a secured web portal by accessing [www.MyCarle.com](http://www.MyCarle.com).
    - a. Every patient billing statement will include a Plain Language Summary (PLS) explaining the Carle Financial Assistance Programs and how to apply.
  5. Carle will abide by all collection regulations as set forth by:
    - a. Affordable Care Act
    - b. Illinois Fair Patient Billing Act
    - c. Centers for Medicare and Medicaid
    - d. All other state and Federal governing regulations
    - e. Specific payer contracts
- B. Accounts that have aged at least 121 days from the initial billing date will be reviewed for placement with a third party collection agency.
  1. All aged accounts will proceed to collections through:
    - a. Direct system action as directed by the current bad debt profiler logic
    - b. Manual placement as determined by internal staff

2. Third Party Collection Agencies may engage in Extraordinary Collection Activities (ECAs) once the guarantor has received notification of ECAs and has been made aware of the availability of the Carle Financial Assistance Programs:
    - a. At least 120 days have passed since the initial billing date, and
    - b. At least 30 days have passed since notification regarding ECAs.
    - c. Third Party Collection Agencies will attempt to notify the guarantor both orally and in writing prior to engaging in an ECA.
  3. Third Party Collection Agencies will abide by all collection regulations as set forth by:
    - a. Affordable Care Act
    - b. Illinois Fair Patient Billing Act
    - c. Centers for Medicare and Medicaid
    - d. All other State and Federal governing regulations
    - e. Specific payer contracts
  4. If filing notice for Bankruptcy Chapter 7, Chapter 11, or Chapter 13 is received by Carle, the following will ensue:
    - a. Verification of account for proper insurance and third party payers.
    - b. All charges on or before the date of bankruptcy filing will be adjusted using the appropriate adjustment code(s).
    - c. All charges occurring after the date of bankruptcy filing are the responsibility of the guarantor and will be collected per normal procedures.
    - d. If payment is received from the Bankruptcy Trustee, the matching amount of the prior adjustment is reversed off and the payment is applied.
- C. Guarantors or the associated patients may apply for the Carle Financial Assistance Programs as outlined in the Carle financial assistance policies.

**Other Related Links**

- [Carle Financial Assistance Program AD300](#)
- [Carle HRHC Financial Assistance Program AD337](#)
- [Plain Language Summary Link \(X0873\)](#)

**References N/A**

**Electronic Approval on File**

Dennis Hesch  
Executive Vice President/Chief Financial Officer