



Policy AD335

Subject	Payment Policy		
Category / Section	Administration / Finance		
Owner	Manager of Receivables Management		
Stakeholder/ Reviewer(s)	Director of Patient Financial Services; VP of Revenue Cycle Operations		
Effective Date	09/06/11	Review Frequency	3 Years
Review Date	01/22/15		
Revision Date	01/22/15		

Scope of Policy (applies to entities marked below)

	All Carle Locations		Caring Place, The	X	SurgiCenter, LLC - Champaign
X	Carle Hospital		Health Alliance	X	SurgiCenter - Danville
X	Carle Physician Group	X	Home Care	X	SurgiCenter Recovery Centers
X	Carle Foundation Physician Services	X	Home Infusion	X	Therapy Services
	AirLife	X	Hospice	X	Therapy Services - MTCH
	Arrow Ambulance	X	Medical Supply & Arabella Boutique		Windsor Court
	Auditory Oral School		Risk Management Company		Windsor of Savoy
X	Cancer Center/Mills Breast Cancer Institute				

Scope Exclusions

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Purpose

A. To have a unified payment policy across all Carle entities indicated above.

Definitions N/A

Statement of Policy

- A. The guarantor of the account is responsible to pay in full the portion of charges for services received for all treatment(s) and procedure(s) performed that are considered "patient responsibility", by their insurance company. In the absence of insurance coverage, the guarantor is responsible for all charges for services received at the established rate.
- B. All charges are to be paid in full by the due date on the first guarantor billing statement.
1. Charges pending with insurance are ultimately the responsibility of the guarantor.
 2. Co-payments, deductibles and co-insurance are due at the time of service even though payment may still be pending with the insurance company.
- C. Prompt payment discount of 25% may be available upon request for those guarantors who pay in full, by the due date, the patient balance on the first guarantor billing statement.
1. Only available for those patients who do not have insurance coverage or for whose insurance coverage is limited, resulting in significant out of pocket expenses.
 2. Guarantor cannot have qualified for any other discounts, such as the Community Care Discount Program.
 3. The following service types are **EXCLUDED** from the prompt payment discount:
 - a. Infertility services
 - b. Hearing Aids above base level
 - c. Retail merchandise (including but not limited to):
 - Optical

- Weight Management Meal Kits
 - Dermatology Facial Products
- d. Elective cosmetic services
 - e. Elective dental services
 - f. Packaged services (example: Obstetrics Package for Prenatal Care and Delivery)
- D. Carle Foundation Hospital patients that are uninsured may be eligible for the State of Illinois Uninsured Patient Discount Policy. Refer to [Hospital Uninsured Patient Discount Program – AD346](#) for additional information.
- E. The Community Care Discount Program is for any patient indicating an inability to pay or if Carle believes that the patient could benefit from the program. Refer to [Community Care Discount Program – AD300](#) for additional information.
- F. Patients making less than 400% of the Federal Poverty Level with out of pocket balances exceeding 40% of their gross annual family income may be eligible for the Capped Program. Refer to [Capped Program \(future link\)](#) policy for additional information.

Procedure

- A. When provided with correct insurance information, Carle will file the charge(s) to insurance.
1. Carle does not accept the responsibility for assuring payment by the insurance company.
 2. Carle does not negotiate settlement of disputed charge(s) with the insurance company.
 3. All insurance monies for the payment of the charge(s) is to be turned in promptly to the appropriate Carle entity with the Explanation of Benefits. If the payments are not received, the account is not eligible for any discounts or a payment arrangement.
- B. The following methods of payment will be accepted:
1. Credit, Debit and HSA Flex Spending Cards:
 - a. Includes:
 - Visa
 - MasterCard
 - Discover
 - b. Excludes:
 - American Express
 - Medical Payment Credit Cards (i.e. Care Credit)
 2. Cash, Checks, Money Orders, Certified Checks and Traveler's Checks
 3. Online bill pay through banking services.
 4. Payroll deduction. See separate Payroll Deduction policy for additional information.
- C. Payment arrangement guidelines are as follows:
1. The minimum accepted monthly payment is 5% of the total balance or \$25.00, whichever is greater, of the account balance on the date the arrangement is made.
 2. Payment arrangements are re-evaluated every 120 days.
 3. A payment arrangement will only apply to the guarantor account it is set-up on. If multiple guarantor accounts, will need separate payment arrangements for each guarantor account at each Carle entity.
 4. Each Carle entity will determine where payments are applied when a payment stub is not returned.
 5. The following service types are **EXCLUDED** from payment arrangements and require payment in full prior to or at the time of service:
 - a. Infertility services
 - b. Hearing Aids above base level
 - c. Retail merchandise (including but not limited to):
 - Optical
 - Weight Management Meal Kits
 - Dermatology Facial Products
 - d. Elective cosmetic services
 - e. Elective dental services
 - f. Packaged services (example: Obstetrics Package for Prenatal Care and Delivery)

- D. A payment arrangement may be made with the patient or guarantor. This information **must** be documented in the account and a payment plan confirmation letter will be sent to the guarantor for the arrangement made.
1. If a payment arrangement is made and executed the following must be documented on the appropriate account:
 - a. The name of the Financial Services representative who agreed to the arrangement (this is system stamped).
 - b. The name of the party (patient or guarantor) who agreed to the arrangement.
 - c. The amount of the monthly payment.
 - d. When the first payment will be made.
 - e. Amount of initial payment if different than the monthly payment amount.
 - f. Day of the month the payment is due on.
 2. Carle staff cannot set-up payment arrangements for balances listed with a collection agency. Patients will be required to work directly with the collection agency to resolve account balance.
- E. Reoccurring credit card payments for payment arrangements.
1. Will not set-up on arrangements less than 2 months.
 2. Accounts not paid off within 12 months will be reevaluated for:
 - a. Adequate payment arrangements in relation to the balance.
 - b. Verification of credit card expiration date.
 3. Exclusions:
 - a. HSA Flex Spending cards cannot be used for this type of arrangement.
 - b. Cannot set-up for balances listed with a collection agency.
 4. If a reoccurring credit card payment arrangement is made and executed the following must be documented on the appropriate account:
 - a. The name of the Financial Services representative who agreed to the arrangement (this is system stamped).
 - b. The name of the party (patient or guarantor) who agreed to the arrangement.
 - c. The amount of the monthly payment.
 - d. When the first payment will be made.
 - e. Amount of initial payment if different than the monthly payment amount.
 - f. Day of the month the payment is due on.
 5. If guarantor agrees to the reoccurring credit card arrangement, the guarantor will be sent the release letter to sign and complete.
 - a. The representative will complete all information on the letter with the exception of
 - Credit card number
 - Expiration date
 - Cardholder's signature
 - b. When the letter is mailed, two copies will be sent with a postage paid return envelope. The guarantor is to return one of the signed agreement letters in the envelope.
 6. Upon return the agreement
 - a. Will be verified for accuracy
 - b. The information will be sent to the Cash Unit for processing
 - c. The payment will be noted on the account.
 7. Payment processing will occur on the 28th of each month. If the 28th occurs on a weekend, the payment will be processed the Friday before.
 8. The guarantor will be advised if a credit card payment is declined.
 - a. One declined payment
 - Carle will attempt another payment the following month.
 - Payment arrangement will be in arrears and the guarantor is responsible for paying the declined payment to bring the arrangement current.
 - A list of the declined payments will be distributed to the collector assigned to the alpha split.
 - If unable to reach the card holder by phone a letter will be sent to advise the patient of the declined payment requesting they contact Patient Accounts.
 - b. A second declined payment will void the reoccurring credit care arrangement. No further attempts to process the credit card will be made. The account will be reviewed for placement with a collection agency.

F. Transactions over 120 days from primary billing statement without payment on the account within the past 45 days may be sent to a Collection Agency.

Attachments N/A

Other Related Links

[Capped Program \(future link\)](#)

[Community Care Discount Program – AD300](#)

[Hospital Uninsured Patient Discount Program – AD346](#)

References N/A

Electronic Approval on File

Dennis Hesch

Executive Vice President/Chief Financial Officer