



## 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>Stakeholder/ 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>Review Date</b>			
<b>Revision Date</b>			

### Scope of Policy (applies to entities marked below)

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

### Scope Exclusions

--	--

### Purpose

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

### Definitions

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

1. Initiation of actions that require legal or judicial process
  - Civil Action
  - Placement of Liens
  - Wage Garnishments
2. 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

- A. All self-pay balances will be billed to the appropriate guarantor once the balance has reached self-pay owing responsibility.
  1. Based upon an existing billing calendar
    - a. Alpha based on a 28 day billing cycle.
    - b. 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. 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. The guarantor and/or patient is responsible to notify Carle of all insurance and/or third party payers.
    - c. 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. Statements may be sent by US postal mail or through a secured web portal by accessing [www.MyCarle.com](http://www.MyCarle.com).
  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 Carle's financial assistance policies:
    - a. At least 120 days have passed since the initial billing date, and
    - b. At least 30 days have passed since notification regarding ECAs.
  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
- C. Guarantors or the associated patients may apply for Carle's financial assistance as outlined in the Carle financial assistance policies.

**Other Related Links**

[Registration Standards Policy AD344](#)

[Payment Policy AD335](#)

[Carle Financial Assistance Program AD300](#)

[Carle HRHC Financial Assistance Program AD337](#)

**Electronic Approval on File**

Dennis Hesch

Executive Vice President/Chief Financial Officer