



<b>Dept.:</b>	<b>Fiscal Services</b>
<b>Number:</b>	<b>PFS.003</b>
<b>Effective:</b>	<b>12/02/2014</b>
<b>Replaces:</b>	<b>March 2008</b>

**Title:**  
**Self Pay and Bad Debt Policy**

<b>Approvers:</b> Heidi Hamby (Director-Patient Financial Services) 12/02/2014	
<b>Reviewed By:</b> Multidisciplinary Policy Committee	<b>Writer:</b> Fiscal Services
<b>Frequency:</b> Triennial	<b>Audience:</b> Patient Financial Services Staff

**Purpose:**

1. It is the policy of Riverview Health to ensure that debts owed by patients for medical care delivered by RVH are collected in a timely manner in the interest of conserving limited resources for indigent care and education. Payment for such debts will be pursued according to uniform criteria and procedures applicable to all RVH patients who have not qualified for financial assistance
2. While Riverview Health makes every reasonable effort to collect self-pay portions of patient accounts within 120 days from the determination of self-pay liability, accounts identified as doubtful or uncollectible will be written off directly to the allowance for bad debts or placed with a collection agency. Accounts placed with a collection agency will be considered uncollectible upon return from the agency and written off to the allowance for bad debts.

**Policy:**

1. At determination of self-pay liability, a consistent process will be used to ensure due diligence is performed before moving the accounts to bad debt.
2. Patient/Guarantors will be billed in defined increments as follows:
  - a. Initial statement will be sent to guar/patient on 2nd day after self-pay liability is assigned.
  - b. Statements will continue every 30 days until account is paid in full or until selected and recommended for bad debt.
  - c. Accounts will be sent to bad debt no sooner than 120 days from initial statement to patient or guarantor unless statement is returned through the mail and we are unable to locate a forwarding address or current phone number.
    - i. Medicare beneficiaries will not be sent to bad debt collections before 120 days from initial patient statement as outlined in CMS Guidelines.
3. Patient/Guarantors will be sent statements and calls will be attempted and made based on balance criteria established by management. Calls and/or account review

follow-up will be performed after 1st, 2nd, 3rd, and 4th statements are sent if acceptable payment arrangements have not been made by patient/guarantor.

4. Financing Options are presented in the following order
  - a. Payment in full by cash, check, or credit card
  - b. Four (4) monthly installments. Balance must be paid in full within 120 days (4 months) from date of payment arrangement agreement, unless approved by management
  - c. Bank financed payment plans available for longer term payment arrangements. Terms vary based on loan qualifications.
5. If patient/guarantor fails to respond to any collections efforts made by Riverview Health via statements and/or phone calls, then the account will be forwarded to a bad debt collection agency for collection purposes.
6. Accounts will be forwarded on a weekly basis to bad debt agencies
7. Financial Assistance:
  - a. Patient and/or guarantor may apply for financial assistance at any time prior to the account being forwarded to a bad debt collection agency, 120 days from initial patient statement.
  - b. If the patient and/or guarantor applies for financial assistance on day 119 from the initial patient statement, he or she will have an additional 120 days to complete the application process and receive approval, without the balance being forwarded to a bad debt agency.

**Procedures**

**1. Financial Assistance Eligibility**

- a. Riverview Health will not charge patients who are eligible for financial assistance more for emergency or medically necessary care than the amounts generally billed to insured patients.
- b. Services eligible for financial assistance include: emergency or urgent care, services deemed medically necessary by Riverview Health, preventative physician services, and in general, care that is non-elective and needed in order to prevent adverse effects to the patient's health.
- c. Patients who are uninsured or underinsured and have a household income within 400% of the Federal Poverty Level (shown in the table below) may receive financial assistance.

<b>2014 RVH Hospital Based Inpatient and Outpatient Services</b>					
<b>Household Size</b>	<b>Up to 200% FPL</b>	<b>to 250%</b>	<b>to 300%</b>	<b>to 350%</b>	<b>to 400%</b>
<b>1</b>	\$22,980	\$28,725	\$34,470	\$40,215	\$45,960
<b>2</b>	\$31,020	\$38,775	\$46,530	\$54,285	\$62,040
<b>3</b>	\$39,060	\$48,825	\$58,590	\$68,355	\$78,120
<b>4</b>	\$47,100	\$58,875	\$70,650	\$82,425	\$94,200

<b>5</b>	\$55,140	\$68,925	\$82,710	\$96,495	\$110,280
<b>6</b>	\$63,180	\$78,975	\$94,770	\$110,565	\$126,360
<b>7</b>	\$71,220	\$89,025	\$106,830	\$124,635	\$142,440
<b>8</b>	\$79,260	\$99,075	\$118,890	\$138,705	\$158,520
<b>DISCOUNT</b>	100%	85%	70%	50%	35%

2. All uninsured patients will receive a 35% self-pay discount at the time of billing. Patients who qualify for financial assistance will receive the appropriate discount amount to the balance after the self-pay discount is applied.
3. Determinations for eligibility for financial assistance will require patients to submit a complete financial assistance application (including all documentation required by the application) and may require appointments or discussion with hospital financial counselors.
4. When determining patient eligibility, Riverview Health does not take into account race, gender, age, sexual orientation, religious affiliation, or social or immigrant status.
5. **Applying for Financial Assistance**
  - a. To apply for financial assistance, patients must submit a complete application (including all supporting documents) to Patient Financial Service, either in person or by mail.
  - b. Applications can be accessed:
  - c. At the facility at Customer Service or Patient Financial Services
  - d. By mail, if individuals make a request by phone or by mail
  - e. Online at [www.riverview.org/billpay](http://www.riverview.org/billpay)
  - f. To be considered eligible for financial assistance, patients must cooperate with the hospital to explore alternative means of assistance if necessary, including Medicare and Medicaid. Patients will be required to provide necessary information and documentation when applying for Riverview Health Financial Assistance or other private or public payment programs.
  - g. In addition to completing an application, individuals should be prepared to supply the following documentation:
  - h. Copy of your federal tax form(s) for the current year with all schedules, including W-2's
  - i. Proof of medical insurance (i.e. copy of insurance cards) if applicable
  - j. Copy of your driver's license or government issued ID card
  - k. Copy of the three most recent paycheck stubs for you and each working adult in your household
  - l. Copy of the three most recent bank statements for every account
  - m. List of your outstanding medical debts and monthly pharmacy costs
  - n. Proof of filing for Medicaid, even if denied. Also, the name and telephone number for your Medicaid caseworker, if applicable
  - o. Proof of food stamps, pension, other household income and/or child support

- p. External, public sources like credit scores may also be used to verify eligibility.
- q. For assistance with completing the Riverview Health financial assistance application, call Customer Service at 317.776.7141 and select the option for Financial Assistance.

**6. Determining Self-Pay Discount Amount**

- a. As mentioned earlier, Riverview Health will give uninsured patients a 35% discount on gross charges, reducing the amounts they owe to that of which a patient's insurance typically pays.
- b. To calculate this amount, Riverview Health uses the 'look-back' method described in the IRS and Treasury's proposed rules on the Patient Protection and Affordable Care Act (PPACA).
- c. In following this method, Riverview Health used medical claims data from the past year to determine what portion of gross charges are typically paid (by the payer and the covered individual) for medically necessary care where the primary payer was one of our top three private commercial insurers.

**7. Actions in the Event of Non-Payment**

- a. The collection actions Riverview Health may take if a financial assistance application and/or payment is not received are described in detail in the Self Pay and Bad Debt Policy. You can request a free copy of this policy at Customer Service or Patient Financial Services or by calling us at 317.776.7141.
- b. In brief, Riverview will make certain efforts to provide uninsured patients with information about our financial assistance policy before we or our collection vendors take any extraordinary actions to collect your bill (these actions include civil actions, selling debt to another party, or reporting negative information to credit bureaus).