

FC-01	TANNER MEDICAL CENTER, INC.	
TITLE:	Self Pay Billing and Collection Policy	
FORMULATED BY:	Business Office/PFS	
APPLIES TO:	Self Pay Team	
EFFECTIVE: 9-29-00	REVIEWED/REVISED: 7-29-01, 05/03,10/04,02/10,3/12,11/12,4/13	
REQUIRED BY:	IRS	REFERENCE: (optional)

Purpose:

To provide for the fair collection and billing of all self-pay accounts. To have a process in place that will generate statements and collections letters on a routine basis in order to keep the patient/guarantor update on their financial responsibilities and to follow established guidelines by IRS Proposed Regulations regarding PFAP notifications and ECA (Extraordinary Collection Action).

Policy:

All patient balances are due at the time of service unless proof of insurance coverage is provided, or suitable financial arrangements made. Every reasonable effort will be made to collect any amounts known to be due from the patient or responsible party prior to, or at the time service is provided. Purely elective or cosmetic services shall be available on a cash basis, and payment of the specified deposit must be received in advance of service. Balances owed for Emergency Room services should be collected at time of discharge. Information pertaining to PFAP will be provided at time of discharge. All self pay patients will receive an initial 60% discount of total charges at time of final bill. This provides self pay patients with similar discount opportunities allowed for insured patients. All non emergent patients will receive PFAP information at time of registration.

Procedure:

A system generated self pay adjustment equal to 60% of total charges will be applied at time of final bill for uninsured 100% self pay patients. Several methods of payment are available to patients who have no insurance or who are expected to have balances remaining after insurance payment.

1. For the convenience of our patients payments can be accepted by the following methods.
 - Cash
 - Check
 - Major Credit Card
 - Visa
 - Discover
 - Master Card

- American Express
 - In-House Contracts
2. Every effort should be taken to obtain balance in full, however if payment in full cannot be obtained, other possible payment options should be investigated. Hospital financing is the method of last resort and should only be offered after other means of payment have been ruled out.
 3. During the interview process it may be determined that the patient/guarantor is not financially able to pay for the services rendered. At this time the patient/guarantor should be made aware of the PFAP (Patient Financial Assistance Program) and necessary steps taken to screen. If patients are qualified for one of the Tanner Assistance Programs, the 60% adjustment will be reversed and the full balance considered for that program.
 4. Patients who are unable to pay, or refuse to pay at or before the time of service, or make alternative arrangements will receive regularly scheduled statement, letters or phone calls from the business office and/or its contracted bill/collection service for the purpose of collecting outstanding account balances. PFAP information will be provided as part of each statement and collection letter sent to patients for the purpose of collections.
 5. Tanner will follow all established IRS Proposed Regs relating to ECA's. (Extraordinary Collection Action) Any actions taken by the facility against an individual related to obtaining payment of a bill.

Examples of ECA's are:

- a. Placing a lien on property
 - b. Commencing a civil action against an individual
 - c. Garnishing an individual's wages
 - d. Reporting adverse information about an individual to a credit bureau
 - e. Selling an individual debt to another party
6. Before engaging in ECA's the facility will engage in reasonable efforts to determine whether an individual is FAP-eligible. The following steps will take place before ECA is started.
 - a. Patient/guarantor is notified regarding PFAP
 - b. Provides patient/guarantor with information relevant to completing an incomplete FAP application
 - c. Determination is made as to whether the individual is FAP-eligible and documentations is added to patient account/s
 7. Failure to pay during this cycle of collection attempts will result in the account being transferred to a collection agency for intensive collection activity, which can include legal action. Accounts will not be referred to outside agency until all internal efforts have been exhausted and patients have

received at least three contacts offering information relating to PFAP guidelines and application process. Patients/guarantors are sent a final notice of the intent to place account with collection agency.

8. Patients identified as having insurance coverage after final bill will have the 60% discount reversed prior to billing.
9. Notification period for PFAP begins on the date and ends on the 120th day after the first billing statement. If FAP application has not been submitted by the close of the notification period, a hospital generally may undertake ECA's. However if the hospital has failed to provide PFAP notification the period beginning on the date care is provided and ending on the 240th day is considered to be the application period.