



Policy Number OHS.REV.044
Issue Date 10/2015
Review Dates
Revision Dates
Policy Owner(s) Revenue Cycle

Patient Billing and Collection Process

I. Purpose

This policy sets forth guidelines for consistent billing and collection processes on all Guarantor balances.

II. Scope

This policy applies to all Guarantors of patients that have an outstanding professional or hospital patient balance at Ochsner Health System ("Ochsner").

III. Definitions

- A. Early Out Collection Vendor: Outside agency responsible for the outsourcing of collection attempts prior to being considered bad debt.
- B. Guarantor: The party responsible for payment of charges not covered by insurance or all charges when the patient does not have insurance coverage (Self-Pay/Private-pay patient)

IV. Policy Statements

Ochsner is committed to following a consistent approach to notify all Guarantors of financial responsibility and provide 120 days to resolve account balances before transferring accounts to bad debt. Collection efforts may include statements, telephone calls, letters, online bill pay and access to a customer service operation which can provide assistance regarding billing inquiries.

V. Procedures/Standards and Roles & Responsibilities

A. Statements

1. Statements are generated after determination of patient responsibility.
2. A minimum of 4 patient statements are sent based on a 28 day cycle.
3. Patients will not be sent a statement for any balances not previously billed to the patient within 12 months of determination of patient responsibility. These amounts will be adjusted as untimely transfer to patient responsibility.

B. Additional collection activity process



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1. Accounts may be eligible for outbound collection calls which may either be made in house or by an Early Out Collection vendor responsible for making outbound collection calls.
2. After 60 days of remaining as an open balance, accounts may be placed with an Early Out Collection Vendor.
3. Accounts remain with the Early Out Collection Vendor until the outstanding balance reaches 120 days and 4 statements have been sent

C. Bad debt determination and transfer process

1. Accounts qualify for bad debt placement when the account balance is outstanding for a minimum of 120 days from the determination of patient liability.
2. Bad debt accounts may be placed with one of two primary collection agencies.
 - a. Collection agencies are authorized to send legal letters and make outbound telephone calls.
 - b. Collection attempts are made by the primary agency for a minimum of 180 days from the date of placement.
 - c. On day 181, unresolved accounts or accounts not on an active payment arrangement may be closed and returned.
 - d. OHS collection agencies do not and will not report patients to the various credit reporting agencies.
3. Accounts closed and returned from the first collection agency may then be placed with a secondary agency (***excluding Leonard J. Chabert Medical Center, which if unresolved are closed and returned after the first placement***).
 - a. When normal collection attempts fail, the secondary agency can recommend legal action in order to effect collections after obtaining prior approval from Ochsner. The secondary agency can seek judgments and garnish wages after first receiving approval from OHS leadership for the effective collection of a bad debt. **Accounts are screened for financial assistance prior to approval for legal action.**
 - b. If the 2nd placement agency attempts fail, accounts with an outstanding balance are closed and returned to Ochsner to be tagged as uncollectible bad debt in the patient accounting system.

D. Uninsured Discount



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1. For patients who are uninsured, the financial assistance discount is applied to gross charges for the eligible services after first deducting the uninsured discount on technical charges. The Uninsured discounts are separately calculated for each facility and represent the average payor yield by reviewing Medicare and commercial actual and expected Payments (including the patient portion) over the prior twelve month period. In no event are gross charges billed to a patient approved for Financial Assistance without a corresponding discount.

VI. Enforcement and Exceptions

- A. Early placement to an outside collection agency may be determined by a representative regardless of age for the following reasons:
 1. Mail Returns/Skips
 2. Deceased/Successions
 - a. In compliance with Medicare guidelines, Ochsner will cease billing processes once formal notification of the death of a Guarantor is received.
 - b. Accounts with outstanding balances may be referred to an outside agency for further research to determine if a claim against the estate should be filed.
 3. Patient Payment Plan Loan Program Recourse.
- B. Some accounts are not sent to collection agencies based on pre-determined criteria.
- C. The directors, managers and supervisors of Business Services are responsible to communicate, monitor and measure compliance of the above documented policies and procedures.
- D. Requests for exception to this policy must be submitted to the Vice President of Revenue Cycle, or designee, and describe the reasons for requesting the exception.
- E. Prior to the approval of any exception request, all employees will continue to comply with policy requirements.

VII. Internal References

Bankruptcy Policy and Procedure
Death Notification Policy and Procedure
System Discount Policy and Procedure

VIII. External References

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IX. Policy History

Former Policy	Policy Title #
Bad Debt Determination and Transfer	ISOP-HCA-01
Guarantor's Collection Process	ISOP-CCA-02

X. Approved

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Reviewers

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System Policy Review Committee, 10/26/2015