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Owner Sue Sangwin:  
Business Office  
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OFFICE

## Collection Policy

### POLICY

It is the policy of Cherokee Regional Medical Center to pursue collection of patient balances due the organization from its patients, unless they meet the Financial Assistance Policy guidelines.

Collection agencies may be enlisted only after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts for services where patients are uncooperative in making payments, have not made appropriate payments or have been unwilling to provide reasonable financial and other data to support their request for Financial Assistance. The following procedure will be followed in attempt to collect past due amounts in an expedient manner.

### Financial Expectations

- Patients are responsible for understanding their insurance coverage and for providing needed documentation to aid in the insurance collection process.
- Patients are generally responsible for paying self-pay balances, including any amounts not paid by insurance companies.

### Insurance Collections

CRMC will comply with timely and accurate submission of claims to all known primary third-party insurance payers. CRMC shall not refer a bill to a third-party collection agency for collection activity while a claim for payment of the bill is pending with a third party payor. Patients must sign an authorization allowing CRMC to bill the patient's insurance company or any other third party payor and must cooperate with CRMC in a reasonable manner to facilitate proper billing to a patient's insurance company.

CRMC makes every reasonable attempt to collect from all known third-party payors for services provided to assist patients in resolving their bills.

- CRMC will collect all amounts permitted from third-party payors, utilizing electronic and paper claims filing methods.
- Those responsible for third-party payor filing and collections will employ standard procedures and make reasonable efforts to ensure that third-party payors have paid claims appropriately.
- CRMC will work with patients toward resolution of outstanding insurance issues.

## Self-pay Collections

CRMC will employ reasonable procedures in a fair and consistent manner to collect patient self-pay balances, maintaining confidentiality and patient dignity. All monthly statements will include information regarding how to access the Financial Assistance Policy and who to contact with questions.

- One monthly statement will be sent on all self-pay accounts following discharge or once the account has been processed by the insurance and patient responsibility has been established.
- Self-pay accounts without any insurance information will be evaluated for potential insurance coverage. If no insurance coverage is identified, a review will be conducted for previous Financial Assistance. If a qualifying Financial Assistance determination exists, the account will be adjusted according to the determination of the previous Financial Assistance Application and the patient will be notified of such action. If no previously approved Financial Assistance Application exists, a letter offering a 10% prompt pay discount along with a Financial Assistance application will be sent to the patient/guarantor. The Financial Assistance Policy will be followed at this point. This step will happen prior to the first statement.
- Accounts with insurance coverage will be sent a monthly statement once the account has been processed by the insurance and patient responsibility has been established. Financial Assistance may be available for these balances.
- Prompt pay discount amounts are automatically applied to the account before the first statement is generated. A 10% discount is applied to all accounts at a self-pay status.
- If the discounted amount is not paid within 30 days of the statement, the system will automatically reverse the adjustment amount.
- Accounts not paid in full within 45 days of the statement, will be outsourced to AMS (Account Management Solutions) for continued follow up contact with account guarantors and monitoring of payment arrangements per our contract with AMS.
- Collection procedures may be defined based on balance size, past collection experience and anticipated collectability.
- Standard collection tools may include:
  - a. Letters requesting payment
  - b. Phone calls requesting resolution of the balance
  - c. Letters indicating the account may be placed with a collection agency

## Balance Resolution

CRMC is committed to working with each patient toward equitable resolution of the patient's self-pay balances. Financial assistance may be considered for those patients whose income and assets will not

allow full payment of services within a reasonable time.

- During collection interactions, staff must be flexible and willing to work with the patient to equitably resolve their account.
- Representatives will discuss various options available to patients and help patients identify which option may best meet their needs. Options may include:
  - a. Cash, check, debit or credit cards
  - b. Dividing payments over two or three months
  - c. Offering longer term interest free payment plans (no longer than 12 months from date of first self-pay statement)
  - d. Offer bank loan option with CRMC as a co-signer
- If a patient has additional services and additional self-pay balances are owed, CRMC will require increases to the patient's current payment plan, based on the patient's ability to pay.
- Every effort should be made to improve communication with patients and attempt to prevent referrals to outside collection agencies.
- No extraordinary collection activities will take place before 240 days after the first self pay statement for each date of service has been sent.

## Collection Agency

- CRMC strives to assist all patients in meeting their financial obligation prior to enlisting the assistance of a collection agency. Third-party debt collection agencies may be enlisted only after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts for services where patients are uncooperative in making payments, have not made appropriate payments or have been unwilling to provide reasonable financial and other data to support their request for Financial Assistance.
- Collection agency staff will uphold the confidentiality and individual dignity of each patient. All agencies will meet all HIPAA requirements for handling protected health information.
- When reviewing the account for referral to a collection agency, the responsible person must confirm that:
  - a. There is a reasonable basis to believe that the patient owes the debt
  - b. All known third party payors have been properly billed by CRMC such that any remaining debt is the financial responsibility of the patient. CRMC shall not pursue collection against a patient for any amount that an insurance company is obligated to pay, provided the patient has given authorization to bill
  - c. All collection methods by the collection agency shall be in accordance with the Fair Debt Collection Practices Act
  - d. Where the patient has indicated an inability to pay the full amount of the debt in one payment, CRMC has first offered the patient a reasonable payment plan. CRMC may require the patient to provide reasonable verification of the inability to pay the full amount of the debt in one payment
  - e. The patient has been given a reasonable opportunity to submit an application for

Financial Assistance. Particular attention should be given when a patient is uninsured or Presumptively eligible as outlined in the Financial Assistance Policy.

- f. The patient is not making payments on the account in accordance with the terms of a payment plan previously agreed to by CRMC (Note: As per this Collection Policy, payment plans may increase due to additional services provided that result in an increase of self-pay responsibility.) No referral to collection agencies shall occur if the patient is making such payments.

- Balances of accounts assigned to an outside collection agency will be moved to Bad Debt.

## Approval Signatures

| Step Description | Approver                                | Date    |
|------------------|---|---------|
|                  | Tyler Gerstandt: VP of Finance/<br>CFO  | 05/2025 |
|                  | Sue Sangwin: Business Office<br>Manager | 05/2025 |

