

## **Hackensack Meridian Health Pascack Valley Medical Center**

**Applicability:** All Company-affiliated hospitals, physicians' groups and markets unless joint venture policy variations supersede per asset purchase agreement.

**Purpose:** To establish uniform policies to ensure a consistent and proper application of principles in patient billing. This policy addresses payment arrangements, prompt payments, packaged rates, bankruptcy, homeless/deceased/incarcerated patients, fraudulent ID theft, quality of care, settlements, victims of crime, liens and lawsuits, Employee discounts, Professional discounts and late charges/late credits.

**Policy:** Hackensack Meridian Health Pascack Valley Medical Center will allow patients to establish ongoing payment arrangements to satisfy their outstanding balances. Below are the guidelines for providing payment arrangements to patients.

**Statements:** When a patient account balance is determined to be patient responsibility, the billing cycle begins. The patient will receive at least 3 statements during the billing cycle. If payment in full or payment arrangements are not made, the account will subsequently go to a collection vendor.

### **Procedure:**

#### 1) Payment Arrangements (Hospital Only):

- a) Under \$250 balance will not qualify for payment arrangement.
- b) Accounts with a balance between \$251 and \$500 can receive up to a 6 month payment arrangement.
- c) Accounts with a balance between \$501 and \$5000 can receive up to a 12 month payment arrangement.
- d) Any patient who is requesting a payment arrangement for balances over \$5000 will need approval by committee / management. Account should be updated with notes regarding payment arrangements and if needed, appropriate approvals.

#### 2) Prompt Payments:

- i) Hackensack Meridian Health Pascack Valley Medical Center will allow hospital management and collection vendor discretion to provide up to a 20% discount on self-pay/self-pay after insurance



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- balances during a patient complaint/dispute call and will be a one-off exception. Account should be updated with notes regarding prompt payments. Any account adjustments needed should be referred to management for posting.
- 3) Packaged Rates:
- a) Hackensack Meridian Health Pascack Valley Medical Center will allow hospitals to provide self-pay patients packaged rate services. These rates will be defined by facility or market at CFO/CEO discretion. Packaged rates will only apply prior to or at time of service. If patient does not make payment prior to receiving services, packaged rate can no longer be offered or applied. Account should be updated with notes regarding packaged rates provided to the patient. Any account adjustments needed should be referred to management for posting.
- 4) Bankruptcy:
- a) Hackensack Meridian Health Pascack Valley Medical Center acknowledges the legal responsibilities regarding bankruptcy cases. Once notice is received that a patient has filed bankruptcy, Hackensack Meridian Health Pascack Valley Medical Center will immediately remove the patient account from collection tracks, move to Bad Debt (regardless of age) and assign a collector code associated with the bankruptcy chapter. Account should be updated with notes regarding bankruptcy notice received, including case number. Any account adjustments needed should be referred to management for posting.
- 5) Deceased / Homeless / Incarcerated
- a) Hackensack Meridian Health Pascack Valley Medical Center will take the following collection action for deceased, homeless and incarcerated patients:
- i) Deceased: Collection efforts will continue as normal and hospital will pursue any available funding resources.
- ii) Homeless: Collection efforts will continue as normal, including address search for possible residence patient did not disclose at registration.
- iii) Incarcerated: Register patient with insurance for the jail they are being held at and collect payment directly from the jail.
- 6) Fraudulent ID Theft:



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- a) Hackensack Meridian Health Pascack Valley Medical Center will refer accounts in question for ID theft to the hospital/ market Facility Compliance Officer/Risk Office for determination of theft. Account collection will be held until the Facility Compliance Officer/Risk Office has been able to make a determination on action to be taken. Account should be updated with notes regarding ID theft alert and communication with the Facility Compliance Officer/Risk Office along with outcome. Any account adjustments needed should be referred to management for posting.
- 7) Quality Care:
- a) Hackensack Meridian Health Pascack Valley Medical Center will refer accounts in question for quality complaints to the hospital/market Quality/Risk Office for determination of appropriate action. Quality/Risk Office will send a letter to the patient informing them that they are researching the complaint. Account collection will be held until Quality/Risk Office has been able to make a determination on action to be taken. Account should be updated with notes regarding communication with Quality/Risk Office along with outcome. Any account adjustments needed should be referred to  
b) management for posting.
- 8) Victims of Crimes:
- a) Hackensack Meridian Health Pascack Valley Medical Center will refer hospital accounts associated with potential Victim of Crime to hospital Medicaid Eligibility vendor to assist patient with state application. Account will be registered with Victim of Crime insurance plan for tracking purposes. Eligibility vendor will notify facility if insurance plan needs to be changed. Account should be updated with appropriate notes. Any account adjustments needed should be referred to management for posting.
- 9) Liens and Lawsuits:
- a) Hackensack Meridian Health Pascack Valley Medical Center will be notified from patient collection vendor if they feel it is appropriate and viable for a non-MVA lien or lawsuit to be filed.  
  
Business Office will refer to hospital CFO for approval to file the non-MVA lien or lawsuit. Communication of approval or denial will be given from Business Office back to collection vendor to take appropriate next steps. Account should be updated with notes regarding

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communication with CFO along with outcome. Any account adjustments needed should be referred to management for posting.

### 10) Professional Discounts:

- a) Refer to the Professional Discount policy.

### 11) Employee Discounts:

- a) Refer to the Employee Discount policy.

### 12) Medicaid Primary Patients:

- a) If a patient is Medicaid out of state and we are not contracted/not enrolled with that state, we should refer account to Medicaid Eligibility vendor to enroll for out of state or assist patient with in state application. Account will be adjusted to Charity at 181 days. If payment is received from Medicaid after charity adjustment, charity will be reversed and Medicaid payment/contractual should be posted.
- b) If patient only has Health Women's coverage through the state and visit doesn't qualify, then Medicaid should not be added to the account and patient should be treated as straight self-pay.
- c) If patient is covered through Medicaid for service dates, but all or part of the stay is denied for Spell of Illness, the dollars associated with the denial should be adjusted to Charity.

### 13) Late Charges, Late Credits (Hospital Only):

- a) Late Charges (charges posted to account after final bill/detail bill date/account moves into AR).

#### i) All Insurance Payors:

- (1) Regardless of charge amount posted, claim should be rebilled to payor if net reimbursement is greater than \$250.00. Regardless of charge amount posted, if net reimbursement is less than or equal to \$250.00 then late charges should be adjusted using "Late Charge Adjustment" transaction code.

#### ii) Straight Self Pay:

- (1) Ensure either system recalculates the private pay discount or if not automated, then manual private pay discount should be posted towards the late charges.

- b) Late Charge Credits (charge credits posted to account after final bill/detail bill date/account moves into AR).

#### i) Medicare/Medicaid/Tricare:

- (1) If credited charges cause an overpayment, then claim should be rebilled.



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- ii) Non-Government Payors:
  - (1) If credited charges cause an overpayment over \$250, then claim should be rebilled.
  - (2) If credited charges cause an overpayment equal to or less than \$250, then late credits should be adjusted using "Late Charge Adjustment" transaction code.
- iii) Straight Self Pay:
  - (1) Ensure system recalculates the private pay discount or if not automated, then manual private pay discount should be applied.
- c) Note: Adjustment claims are submitted for hospital claims, type of bill 1X7. We do not bill late charge claims under type of bill 1X5.