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## Patient Billing and Collection Process

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### I. Purpose

This policy sets forth guidelines for the consistent 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 LSU Health System (OLHS).

### III. Definitions

- A. Early Out 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). In many cases, the patient is the Guarantor.

### IV. Policy Statements

OLHS 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. The steps in the collection process 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 within 30 business days of determination of patient responsibility.
2. A minimum of 4 patient statements are sent based on a 30 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

1. Within 45 business days from the date Guarantor financial responsibility is determined, accounts will become eligible for outbound collection calls which may either be made in house or by an Early Out Vendor.
2. After 60 days of remaining as an open balance, accounts will be placed with an Early Out Vendor.

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3. Accounts remain with the Early Out 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 Guarantor's first statement date.
  2. Bad debt accounts are placed with a collection agency for further follow-up through automated and manual processes.
    - a. The collection agency is authorized to send legal letters and make outbound telephone calls.
    - b. Collection attempts are made by the agency for a minimum of 120 days from the date of placement.
    - c. On day 120, unresolved accounts or accounts not on an active payment arrangement may be closed and returned.
- D. Uninsured Discount
- a. Uninsured patients are automatically eligible for a discount of total charges for hospital services. 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 facility specific and represent the average payor yield by reviewing Medicare and commercial actual and expected payments (including the patient portion) over a year period.

### 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, OLHS shall 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 defaults and loan program recourse.

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- B. Some accounts are not sent to collection agencies based on pre-determined criteria. Examples of accounts included in the offload rules are:
  - 1. International
  - 2. Research Study
  - 3. Hospice
- C. Requests for exception to this policy must be submitted to the leader of Guarantor Follow-up and describe the reasons for requesting the exception.
- D. Prior to the approval of any exception request, all employees will continue to comply with policy requirements.

### **VII. Internal References**

*This section intentionally left blank.*

### **VIII. External References**

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### **IX. Policy History**

UH. 1.6.1-C Billing and Collections (October 2016)

### **X. Approved**

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