POLICY and PROCEDURE

Billing and Collections Policy		
Effective Date: 12/1/2021	**Original Date:** 06/22/2021	**Approval Date:** 12/1/2021
Number: O-134		
Facility (Scope): Adult Day Care, Hospice, Public Health, Assisted Living, Rural Health Clinic, Critical Access Hospital, Laboratory, Radiology, Outpatient Services		

Type: General 2-year Review	**Owner**: Mary Parker, Director of Business Operations
Replaces: NA	
Other required review/approval: Ian Peterson, CEO	
Regulatory or Accreditation Agency: CMS	

POLICY STATEMENT: The policy of Pioneer Medical Center is to efficiently manage the facility's accounts receivable and provide a process of timely collection of accounts due to PMC

DEFINITIONS:

- Explanation of Benefits (EOB): An explanation of benefits is a statement sent by a health insurance company to covered individuals explaining what medical treatments and/or services were paid for on their behalf.

- Guarantor: The person who ultimately accepts financial responsibility to pay the patient's bill.

PROCEDURE:

1. For the system to generate a bill, patients will be registered in Cerner and an account will be created in the PMC financial system. Charges and diagnoses will be entered on patient accounts in a timely manner by the PMC billing staff.

2. Pioneer Medical Center's billing agent will submit bills to all insurance carriers on behalf of the guarantor; however, it is the guarantor's responsibility to provide Pioneer Medical Center with the necessary insurance information. If the guarantor is unable to provide the necessary information, the account will be entered into the system as self-pay.

3. As part of the in-patient admissions process, a representative from Patient Financial Services will visit with all inpatients and/or family members to determine insurance coverage. For patients in Observation, or Inpatient's that have insurance other than Medicare or Medicaid, a billing representative will call the insurance company to verify coverage and to determine if the stay requires prior authorization for payment. For all emergency room patients, a representative from PMC will obtain insurance information before the patient leaves the facility. For all clinic Medicaid patients, it is the expectation

that the patient eligibility and passport information is reviewed prior to the patient being seen.

4. Pioneer Medical Center's billing agent will, each business day, upload an electronic file of unbilled claims will be uploaded to the claim's clearinghouse. Claims are forwarded to the appropriate payer electronically or printed to paper and mailed to the carrier by the clearinghouse. Claims that cannot be billed electronically, such as Workman's Comp, claims are billed hard copy with copies of the corresponding medical record where appropriate. Secondary insurance claims that do not automatically transmit from the primary insurance are billed hard copy with a copy of the Explanation of Benefits from the primary insurance carrier.

5. Once a payment or denial notice is received from the insurance carrier, the remaining balance will be billed to the secondary insurance, or if there is none, it will be converted to a self-pay balance.

6. Pioneer Medical Center has the following options for patients once their self-pay balance is determined:

    - Assistance with applications to apply for State of Montana financial assistance programs (i.e., Medicaid, HMK, etc.)
    - Assistance completing the application for Pioneer Medical Center Patient Financial Assistance Program
    - A 20% self-pay prompt pay discount on all self-pay balance within 30 days of determining the self-pay balance.
    - Help setting up a short-term payment agreement with Pioneer Medical Center. The payment timeline from the first statement date is listed below:
        - 3 months $5.00-$500.00
        - 6 months $501.00-$1,000.00
        - 9 months $1,001.00-$2,000.00
        - 12 months $2,001.00+

    - Referral to the Patient Loan Program Partnership with Opportunity Bank.
        - PMC will discount the outstanding balance by 10% if you pay off the account your balance with an approved loan through Opportunity Bank or other board approved lender.
        - If you default on your loan, PMC will add this discount back to the outstanding balance, and the account will immediately be sent to a collection company and the account will be placed in Bad Debt with Pioneer Medical Center.

7. The facility billing agent sends out billing statements for all self-pay accounts (which includes insurance co-pays and deductibles) monthly to the guarantor listed on the account. Detail bills of accounts are provided to anyone upon request. Payments may be made to the facility by cash, money order, check, credit card, electronic deposit or electronically.

8. Self-Pay long term care accounts and Assisted Living accounts will be billed manually at the beginning of each month and are expected to be paid during that month.

9. Guarantor's that have accounts with self-pay balances that have received at least three statements from the Pioneer Medical Center and have not paid their account in full or agreed to one of Pioneer Medical Center's payment options, will be sent to a pre-collection service to work the accounts. Self-pay accounts excluding long term care and assisted living, will be managed by the pre-collect service Patient Business Services and company practices will adhere to the 120-day rule set forth by Medicare regulations.

10. If pre-collection service is not successful arranging payments with the patient, they will send the account to a collection agency and the account will be placed in Bad Debt with Pioneer Medical Center.

11. Any exceptions to the policy must be approved by the CEO.

KEY WORDS AND KEY PHRASES: Payments Billing Self Pay

"In order to retain necessary flexibility in the administration of policies and procedures, Pioneer Medical Center reserves the right to revise, supplement, or rescind any policies or procedures at its discretion. Moreover, Pioneer Medical Center may take reasonable action as necessary to clarify existing policies or to respond to issues not addressed by any written policy or procedure."