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| <b>Document Title</b> | <b>Payment Plans</b>      | <b>Version</b>       | 1          |
| <b>Approved By</b>    | Chief Financial Officer   | <b>Approval Date</b> | 02/08/2022 |
| <b>Reviewed By</b>    | Revenue Integrity Manager | <b>Reviewed Date</b> | 03/26/2024 |

*"The policies, procedures and forms in the manual are intended as guidelines. It is recognized that situations can be unique. Personnel are expected to use established practice and sound judgment in making decisions during their daily activities."*

## **POLICY:**

It is the policy of St. Mary's and Clearwater Valley Hospitals and Clinics (SMH/CVH) to offer payment plans to assist patients and guarantors who are not able to pay in full their outstanding balances due at time of service.

## **PROCEDURE:**

1. SMH/CVH expects all patients to pay their balances in full at pre-registration or at time of service. SMH/CVH also allows limited, interest free payment plans. Payment plans may be used for outstanding balances, pre-service deposits, co-payment, co-insurance or deductible amounts due.
2. Revenue Cycle Management and their designated staff are authorized to approve and execute payment plans, per the terms described below. Any requested terms outside of this established policy must be approved, on a case specific basis, by the Director of Revenue Cycle Operations and/or the hospital CFO.
3. Payment arrangements will be made for all SMH/CVH locations using the matrix below.

| <b>Patient Liability</b> | <b>Maximum Repayment Term<br/>(in months)</b> | <b>Minimum Monthly Payment</b>            |
|--------------------------|-----------------------------------------------|-------------------------------------------|
| <b>\$50 or less</b>      | <b>Pay in full at time of service</b>         | <b>Payment in full at time of service</b> |
| <b>\$ 51 - \$100</b>     | <b>Pay in full within 30 days</b>             | <b>\$ 75</b>                              |
| <b>\$ 101 - \$300</b>    | <b>Pay in full within 2 months</b>            | <b>\$100</b>                              |
| <b>\$ 301 - \$750</b>    | <b>Pay in full within 3 months</b>            | <b>\$150</b>                              |
| <b>\$ 751 - \$1,500</b>  | <b>Pay in full within 6 months</b>            | <b>\$200</b>                              |
| <b>\$1,501 - \$3,000</b> | <b>Pay in full within 9 months</b>            | <b>\$250</b>                              |
| <b>\$3,001 - \$4,500</b> | <b>Pay in full within 12 months</b>           | <b>\$300</b>                              |
| <b>\$4,501 - \$6,000</b> | <b>Pay in full within 15 months</b>           | <b>\$325</b>                              |
| <b>Over \$6,000</b>      | <b>Pay in full within 18 months</b>           | <b>\$375</b>                              |

4. If a patient or guarantor states that s/he is not able to meet the terms of the SMH/CVH payment plan matrix, they will be provided with information for the SMH/CVH external no-interest patient loan program.
5. If the patient or guarantor states that a financial hardship exists, s/he may also request to be screened for possible financial assistance, per the terms of SMH/CVH Financial Assistance Policy.
6. Once the SMH/CVH payment plan is approved, an automatic payment withdrawal from the guarantor's account can be arranged, if requested by the patient.
7. Once approved, the details of the payment plan must be recorded in the account notes in the EMR applicable to the impacted accounts.

8. When a payment plan is established, a statement listing the details of the payment plan will be mailed to the patient or guarantor. The statement mailing schedule may vary depending on SMH/CVH or outsourced Patient Billing service.
9. The account is categorized in the EMR as a "Payment Plan" for tracking and monitoring purposes.
10. Delinquent Payments:
  - a. A delinquent payment plan report is generated on a weekly basis. (A delinquent payment plan account (or "broken payments") is an account for which more than 30 days has passed since last payment posted).
  - b. A patient who has a delinquent account is contacted by phone and may be issued a final notice. As part of the final notice process, the patient is allowed no more than 30 days from the date of the notice to come current on the terms of the payment plan.
  - c. For delinquent patient accounts, after final notice is sent: If the patient or guarantor fails to return to current status within the allowed time frame, the account will no longer be eligible for a payment plan, and must be paid in full. If the account is more than 120 days past the original billing statement date, it is classified as eligible to be turned over to the collection agency. (See Bad Debt Policy and Procedure.) Similarly, if the patient defaults on the external patient loan agreement, the account may be returned to SMH/CVH as eligible for assignment to the collection agency.
    - i. At time of final notice, on a case by case basis, Revenue Cycle Management may determine that the patient or guarantor is a good candidate for the patient loan program
    - ii. If this should occur, the patient or guarantor will be offered one last chance to bring the account current. If the patient declines this offer, then the account will be noted that the patient declined, and the responsible party will promptly escalate to the Bad Debt Collection agency.

### COMPLIANCE CRITERIA

List Departments affected by this document and which Committees approved this document (including your own service line committee).

| Departments Affected | Approved by:                        | Date Approved |
|----------------------|-------------------------------------|---------------|
| Revenue Cycle        | Michelle Gates, Director of Revenue | 04/01/2021    |
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