TITLE: Credit & Collections

PURPOSE: To clarify the billing, payment and collections process through established procedures for effective management of self-pay receivables ensuring a consistent and fair process for debt collection.

POLICY STATEMENT: The University of Vermont Medical Center (UVMCC) is a patient-centered organization committed to treating all patients equitably, with dignity and respect regardless of the patient’s health care insurance benefits or financial resources. UVMCC has established a strong mission to meet the medical needs of the communities it serves. A sound collection policy is an important and fundamental component of the mission. As such, UVMCC will maintain a policy of communicating financial responsibility to the patient prior to, concurrent with and/or through the billing process, with expectation of payment at the time of service and/or time of initial billing. Individuals who receive services are expected to pay for the services and/or find other means of resolution which may include health insurance coverage, an approved payment plan and/or if eligible the patient financial assistance program. When all efforts to obtain payment from the patient or sponsorship from the financial assistance program have been exhausted, accounts will be referred to a third party collection agency at the end of the billing cycle. The University of Vermont Medical Center does not engage in extraordinary collection actions and makes reasonable attempts to inform, educate, and encourage patients to apply for financial assistance where hardship exists. The University of Vermont Medical Center does not discriminate on the basis of race, color, sex, sexual orientation, gender identity or expression, ancestry, place of birth, HIV status, national origin, religion, marital status, age, language, socioeconomic status, physical or mental disability, protected veteran status or obligation for service in the armed forces.

PROCEDURE:

1. The University of Vermont Medical Center will submit claims to insurers and will work with them to facilitate timely processing. The patient is responsible for complying with all pre-authorization, pre-certification, referral and other items required under his or her policy. The patient’s insurance policy is an agreement between the patient and the insurance carrier; it is not an agreement between UVMCC and the insurance carrier.

2. A guarantor system determines who is financially responsible for self-pay balances. Adults are responsible for themselves as well as their minor children. In the case of married individuals, the patient shall maintain final financial responsibility regardless of who is the insurance policyholder.

3. The guarantor will be billed on a monthly (30 day month) cycle for all self-pay balances determined to be their responsibility. Statements will be sent after insurance claims have been acted on the claims and/or no response has been received from the insurer after 6 months. In the case of an uninsured patient, a statement will be generated based upon the date the patient responsibility is dropped to self-pay for dates of service on or after 11/09/2019 or on an alpha cycle during the month after services have been rendered for dates of service prior to 11/09/2019. Payment in full is due at time of service and/or no later than the due date on the initial billing statement.

4. The guarantor will receive a total of four statements over the course of 120 days. Separate statements will be generated for hospital, physician and anesthesia services for dates of services prior to 11/09/2019. For dates of service on or after 11/09/2019, patients will receive a single combined statement for their services. The same 120 day course of billing will occur across each line of business. Should statements be returned as undeliverable, Customer Service will contact the patient via phone to obtain an accurate billing address. In this case, the new
mailing date will begin the 120 day course of billing. If no contact can be made with the patient and payment is not received within 120 days, the account will be referred to a collection agency for follow-up. All statements indicate that financial assistance is available; the phone number to contact a Customer Service Representative (CS Rep) is also included.

5. When payment is not received, CS Rep will attempt to contact the patient within 30 days of statement mailing to obtain payment, establish a payment plan or offer patient financial assistance. If we are unable to connect with the patient, follow-up calls via automated message will occur weekly over the course of the 120 day billing cycle. Additional messages of increasing urgency will be reflected on all statements urging the patient contact the Customer Service department.

6. Patients/Guarantors who are unable to make payment in full may be offered a budget plan. Budget plans are a courtesy offered by UVMMC. If a patient enters into a budget plan, expectation for timely and consistent payment is expected. Budget plans may be offered up to a maximum of 36 months depending upon the total account balance. Should a patient request an extended timeframe, management reserves the option to extend up to 48 months.

7. Patients/Guarantors who are unable to make payment in full or through a budget plan shall be informed of and counseled on the Patient Financial Assistance Program. CS Reps will educate and encourage patients to apply for assistance. Patients may be directed to the UVMMC public website for the option to print an online application. CS Reps will mail an application upon the patient/guarantors’ request. At the time an application is sent to the patient, accounts in arrears will have one month of aging reduced to allow time for the patient to complete and return the application.

8. Statements include all services provided to the patient where a patient responsibility remains. Although billed in aggregate on a monthly basis, aging of individual encounters occurs independently of other services. Each encounter shall receive a minimum of 120 days of billing from the date of initial self-pay balance prior to a collection agency referral. There is one exception to this rule; for balances prior to 11/09/2019, physician services where no payment has been received over 120 days shall have all self-pay balances sent to collections as a one-time transaction. Subsequent services will re-start the 120 day aging process. Physician balance on or after 11/09/2019 will follow the 120 days of billing from the date of the initial self-pay balance.

9. It is the patient’s/guarantor’s responsibility to update the organization with any changes in their billing address or their telephone number. Statements returned undeliverable, where a viable address cannot be obtained via phone shall remain in-house for the full 120 days. An exception to this process may occur for international patients which may have an expedited transfer to a third party follow-up agency.

10. When billing statements, follow-up phone calls and mailed financial assistance applications fail to result in payment (and a minimum of 120 days have been exhausted), the aged account shall be sent to a third part collection agency for follow-up.

11. Accounts referred to a collection agency, shall be recalled if payment is made, a budget plan is established or if the patient has requested financial assistance within seven days of placement. Balances on or after 11/09/2019, will remain in collections regardless if a patient payment is made. Note: approved financial assistance applications may have accounts recalled from the third party agency if they fall within the application window.

12. UVMMC does not engage in extraordinary collection actions, including: the selling of an individual’s debt to a third party, reporting adverse information to consumer credit reporting agencies or credit bureaus, deferring or denying or requiring a payment before providing medically necessary care because of an individual’s nonpayment of one or more bills for previously provided care covered under the financial assistance program, and actions that require a legal or judicial process. UVMMC may file a lien on the proceeds of a judgment or settlement to an individual as a result of personal injuries for which UVMMC provided care, e.g., auto accident.
13. UVMMC staff will adhere to all local, state and federal collection laws and regulations regarding credit and collections. The Fair Debt Collection Practices Act is the current standard.

**MONITORING PLAN:** Sample auditing of accounts; system generated transaction based processing of aged accounts; routine review of transaction reports, statement edits and reconciliation of collection accounts will be completed by Management or designated Customer Service representative.

**DEFINITIONS:** UVMMC the University of Vermont Medical Center

**RELATED POLICIES:**
- Patient Financial Assistance PFS 7.1
- Budget Management CUST 2
- Bankruptcy CUST 9
- Self-Pay Discounts REG 1.1
- Bad Debt Status CUST 6
- Settlements CUST 3
- Self-Pay Follow-up Process CUST 4
- Self-Pay Statement Process CUST 7
- Estates Management CUST 8

**REFERENCES:**
- Fair Debt Collection Practices Act
- IRS 501r

**REVIEWERS:**
- Stephanie Martell, Director Patient Financial Services
- Shannon Lonergan, Director Patient Access
- Jennifer Parks, VP, Network Chief Compliance and Privacy Officer
- Jan Ferguson, Network Director Risk Management
- Shannon Keniston, Manager Customer Service
- Adam Trombly, Supervisor Customer Service

**OWNER:** Carla Taymans, Dir Patient Access

**APPROVING OFFICIAL:** Rick Vincent, Chief Financial Officer, UVMMC & UVMMG