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**In reference to the following regulations:**

- Financial Accounting Standards Board ASC Topic 606 Revenue Recognition

**Policy**

This policy outlines the patient billing and collection procedures.

It is the mission of Altru Health System to provide services required and to extend every courtesy possible. Altru Health System, however, recognizes that to maximize its resources to the community, it must submit bills and collect for these services as quickly as possible. No emergency patient will be refused any required treatment based on inability to pay in compliance with EMTALA rules (See Financial Assistance Policy# 2614).

Altru Health System practices a policy of non-discrimination. Services and facilities are available to all without regard to race, color, sex, national origin, disability, religion, age, sexual orientation, or gender.

Altru Health System recognizes that accounts not paid by the patients are a part of the cost of healthcare services, which must be carried by patients who pay their accounts and third-party payers.

Altru Health System recognizes its responsibility to see that all accounts are paid and that proper business practices are followed regarding patients who are delinquent in paying their accounts. Altru Health System recognizes the need to give charity, and to occasionally accept scheduled payments until the full obligation can be met.

**Definitions:**

**Patient:** A patient (first party) is any recipient of health care services that are performed by healthcare professionals.

**Guarantor:** A person/company who ultimately accepts financial responsibility to pay the patient's bill. In most cases it is the adult patient receiving the service. If the patient is a child, the responsible party may be the child's parent or legal guardian.

**Healthcare Provider:** A health care provider (second party) is an individual health professional, or a health facility organization licensed to provide health care diagnosis and treatment services including medication, surgery, and medical devices. Health care providers often receive payments for their services rendered from health insurance providers.

**Third party payer:** (1) The insurance company or other health benefit plan sponsor that pays for medical services provided to patient. (2) An insurance company or organization (the third party) other than the patient (first party) or healthcare provider (the secondary party) that pays for medical services.



## Patient Admission and Financial Services Policy (Policy 2600)

Division: Patient Financial Service

Leadership Owner:

Reviewed/Revised Date: 7/2021

**Financial Assistance:** A reduction of an eligible patient's account balance under the terms of the Financial Assistance Policy on patients who are unable to pay their bills. Financial Assistance consists of services for which hospitals neither received, nor expected to receive, payment because they had determined the patient's inability to pay.

**Financial Assistance Policy:** A written policy providing information for financial assistance or discounted care for emergency and medically necessary healthcare services received as an inpatient or outpatient from the Hospital in a fair, consistent, respectful, and objective manner to indigent, medically indigent, uninsured, or underinsured patients.

**Bad Debt:** An expense that occurs when a patient/guarantor, who is unwilling to pay (when credit has been extended) is no longer considered to be collectable.

### General:

#### **Pre-registration/Pre-admission**

Altru Health System will "pre-register" all patients when possible. The method the responsible party intends to use for payment of their account will be verified prior to the encounter or admission, when possible.

#### **Third party coverage**

Altru Health System will wait up to thirty (30) days for payment from all third parties when benefits are assigned to the hospital and coverage has been verified.

#### **Prepayment**

Altru Health System may require advance payment on accounts prior to providing services (See Prompt Pay Policy #2621).

#### **Collection Policy**

Altru Health System's collection policy requires that patients accounts be maintained in good standing, and that all services are due and payable within thirty (30) days of the first statement, are pre-paid when required, or an approved payment plan has been established with a Patient Account Representative. See the Collection Policy for additional details.

Altru Health system accepts payment for all out-of-pocket expenses by either cash, check or credit (VISA, MASTERCARD, AMERICAN EXPRESS or DISCOVER) for the patient's convenience.



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### **Insurance:**

Altru Health System provides a service to its patients in the form of an Insurance Department that is capable and willing to assist with filing insurance claims. When the patient provides complete and accurate information, Altru will file insurance claims. These claims will be forwarded to the insurance carrier. Insurance is considered a method of reimbursing the patient for fees paid for the services and is not a substitute for payment. If your insurance carrier pays only a portion of the bill, or rejects your claim, any contract or explanation of benefits should be communicated to you, the policyholder. Reduction or rejection of your claim by your insurance carrier does not relieve the financial obligation you have incurred.

It is the patient's responsibility to pay any deductible amount, co-insurance, co-payment, or other balance not paid for by your insurance company.

Altru Health System does not have, nor will it accept, the responsibility of negotiating claims with insurance carriers. The patient is responsible for payment of medical care provided within a reasonable time regardless of the status of the claim. In circumstances where a claim is pending it is recommended that the patient discuss the circumstances with our insurance department and their insurance carrier(s). Altru Health System does not allow insurance companies to define our usual and customary charges.

### **Insurance overpayments**

Altru Health System will not refund insurance overpayments to the responsible party until all accounts for which the party is responsible for are paid in full. Paid in full means all accounts paid in full and not pending any other third-party payments.

### **Worker's Compensation**

Altru will file worker's compensation claims. The patient is responsible for payment of medical care provided within a reasonable time regardless of the status of the claim. In circumstances where a claim is pending it is recommended that the patient discuss the circumstances with our insurance department and their worker's compensation carrier.

### **Patient Accounts:**

#### **Monthly Payments**

Altru Health System is a not-for-profit institution. It is impossible to carry long-term financing without the proper funds; therefore, we encourage that payments be paid in full. Altru Health System has planned to accept payments via Visa, MasterCard, American Express, and Discover credit cards. After all other methods of payment have been exhausted, monthly payments will be accepted for a period, based on balance size, not to exceed 36 months, unless a financial assistance application has been completed and approved for reduced payments.



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### **Self-Pay**

Altru Health System or designee may follow up by telephone or letter within 10 days after a patient has missed a payment promised on a given date. If acceptable arrangements are not made, the balance may be forwarded to a collection agency.

### **Bad Debts**

See Collection Policy

### **Charity**

See Financial Assistance Policy (#2614)

### **Patient statements**

Altru Health System will mail or send statements electronically to the responsible party, on all open accounts once each month. Altru Health System will make every effort to make the bill easy to understand.

### **Parental Responsibility**

Altru Health System takes the position that both natural parents are responsible for their children's medical costs. However, as a matter of policy Altru will hold the custodial parent as the guarantor.

### **Self-pay overpayments**

Altru Health System will refund personal overpayments to the guarantor after all self-pay balances have been resolved.

### **Litigation**

Altru Health System will not become a party to litigation on behalf of a patient to settle an account. Also, Altru does not await the outcome of litigation for our account to be settled. Patients in litigation must plan for their balance to be paid.

## **Admission/Registration:**

### **Registration/Admission Information**

Altru Health System expects patients to take responsibility to update our institution with current information whether in person or electronically (MyChart).

- Providing the health system with complete and timely insurance and demographic and financial information.
- Notifying the health system of potential third-party sources of payment such as a liability (auto or other) insurance, litigation activity or worker's compensation



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- Understanding and complying with the requirements and limitations of their health insurance coverage and benefits but not limited to network limitations, referral and pre-authorization requirements and timely submission of claims.
- For self-pay patients, working within our payment arrangement guidelines and for Financial Assistance, submitting a complete and timely application and adhering to Altru Health System Policy.

### **Emergency Admission**

Altru Health System will admit and provide emergency medical services to patients regardless of ability to pay or prior bad debt history in accordance with EMTALA rules. Altru will make reasonable efforts to collect patient, insurance and guarantor information for services being provided. Altru will defer any attempt to obtain information during emergent health care services until a medical screening has been performed. The responsible party may be contacted while the patient is in the hospital and payment of the account, according to hospital policy, will be encouraged.

### **Non-Emergency Admission**

Altru Health System may deny non-emergency medical services to patients who have bad debt accounts with Altru Health System. Altru will make reasonable efforts to collect patient, insurance and guarantor information for services being provided. This information may be gathered prior to the delivery of non-emergent services. The responsible party may be given an opportunity to pay their old accounts and meet the requirements for the current registration/admission prior to the patient's new registration/admission.

### **Third-party coverage**

Altru Health System will bill all third-party payers in accordance with requirements of applicable law and the terms of the applicable third-party payer contracts when the responsible party has furnished the necessary information, signed Release of Information and Assignment of Benefits Form assigned to Altru Health System. Altru Health System or designee will follow up with the third-party payers by telephone, electronically or letter on all accounts that have exceeded 30 days without payment.

### **Third Party Filing Without Assignment of Benefits/Release of Information**

Altru Health System will file third party claims for patients without Assignments of Benefits and Release of Information signed. Patient will be accountable to pay Altru the payments sent to them by their third-party to pay Altru balance.

### **Guarantor:**

#### **14 to 17 years old**

Any patient, 14-17 years old, requesting to obtain confidential services as pursuant to North Dakota Century Code Section 14-10-01, state and federal laws regarding emancipation, and the Altru Privacy Manual, Altru must create a Confidential



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Guarantor Account for the patient and ensure that all protected health information, including billing and financial information, remains private. The patient shall also be direction the Patient Financial Services Department to make arrangement for payment and billing to ensure bills are not mailed to the family residence.

### **Emancipation**

Minors emancipated are automatically on their own account.

### **18 years and older**

The patient should be on his or her own account even if they are still living at home and/or in high school. If a patient is disabled and/or has a designated Financial Power of Attorney, the Financial Power of Attorney should be listed as guarantor.

### **Spouse**

Spouses should be on the same account unless otherwise requested.

### **Divorced**

Custodial parent should be listed as the guarantor.

### **Joint Custody**

Custodial parent should be listed as the guarantor.

### **Nursing home patients remain their own guarantors unless there is a Power of Attorney.**

### **History of Review**

Original: 7/1997

Reviewed Date: 4/2022

Revised Date: 4/2022

Reviewed every **3** years

*Next Revision Date: 7/2025*

### **Key Word Search**

**Finance, Admission, Credit, Insurance, Parental, Third Party, Guarantor, Payment, Bad Debt**

### **Approval**

Approved by: Revenue Cycle Leader

(Date): 7/8/2021