	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN063	
		<i>Effective Date</i>	02-01-97	
	<i>Subject</i>	SELF-PAY COLLECTIONS	<i>Page</i>	1 of 8
			<i>Revised</i>	2/25/08

POLICY

This policy applies to The Johns Hopkins Health System Corporation (JHHS) and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center, Inc. (JHBMC), Johns Hopkins Community Physicians (JHCP), Johns Hopkins Home Care Group (JHHCg) and Howard County General Hospital (HCGH).

Purpose

JHHS and its affiliates employ the same principles and standards for the collection of patient liabilities owed to the affiliates. This policy is applicable to all patients receiving services at a JHHS affiliate who are considered self-pay (as defined in this policy) and are judged to be able to pay; that is, this policy applies to those who are not eligible for financial assistance or a special entitlement program (see JHHS Finance Policies Nos. FIN034 - JHHS Financial Assistance Program and FIN054 - Special Entitlement Advocacy Program.)

A self-pay account is defined as one that is not covered by any medical insurance or other indemnity, in whole or in part (co-payment, co-insurance, deductible, spend down, etc.), and for which the patient or guarantor is liable for payment.


Every JHHS affiliate will comply with Fair Debt Collection Practices regarding the patient/guarantor. For self-pay accounts, the following post-treatment collection efforts will be directed to the patient/guarantor:

- Phone calls, letters and/or data mailers
- Outside collection agencies and legal recourse
- Consolidation of same obligor/Patient Financial Services (inpatient, outpatient and across affiliates).

All JHHS affiliates will use a standardized intensity and a time frame of no more than ninety (90) days from the date that the account is placed in a self-pay status for completing the in-house collection process. Based on the affiliate's average collection balance and staffing constraints, each affiliate may set its own balance limits for purposes of automated bad debt write-off, personalized contact, etc. All affiliates will also use consistent criteria for referral of accounts for legal action.

Special Circumstances

- The Johns Hopkins University School of Medicine - When practical, collection activities will be coordinated with the medical billing component (School of Medicine) for special circumstances, including international patients, estates, bankruptcies, etc.
- Pending Medical Assistance - External collection efforts may be initiated to qualify patients in cases of poor cooperation with in-house resources, deceased patients or other at-risk patients.
- Bankruptcies - Account balances that are included in a bankruptcy filing will be held in abeyance until a final determination is made. Proofs of claim will be filed in support of each bankruptcy filing. See JHHS Finance Policy No. FIN069 - Special Collections Situations.
- Estate Claims - Claims will be filed against estates within six (6) months after the patient expires whenever there is an outstanding balance of over \$250 on the account. See JHHS Finance Policy No. FIN069 - Special Collections Situations.

	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN063	
		<i>Effective Date</i>	02-01-97	
	<i>Subject</i>	SELF-PAY COLLECTIONS	<i>Page</i>	2 of 8
			<i>Revised</i>	2/25/08

- Criminal Injuries Compensation Board Claims – Accounts subject to claims filed by patients with the Criminal Injuries Compensation Board (CICB) will be placed in the Special Billing financial class (and the “CIB Bad Debt Agency Code for JHHS hospitals) to ensure no debt collection activity while the claim is pending. See Policy No. FIN129.
- Liens - Property liens will be filed whenever judgment is rendered and no liquid assets are available. Liens will only be executed when ownership of the property is being transferred. See JHHS Finance Policy No. FIN069 - Special Collections Situations.
- Risk Management Accounts - The Corporate Legal Dept. must approve any activity on accounts that have outstanding risk management issues, as noted in the billing system. See JHHS Finance Policy No. FIN069 - Special Collections Situations.

Exceptions

All JHHS affiliates have the prerogative to modify the standard collection cycle based on case-specific circumstances; for example, to expedite the cycle in cases of uncooperative debtors or undelivered/refused mail or slow the cycle if the debtor is making a good faith effort and has provided insurance and/or other necessary information.

Any deviations from this policy must be reviewed and approved by the Director of Patient Financial Services or a designee. Documentation describing the reason for the exception and approval for granting such an exception must be clearly documented in the patient's financial record.

REFERENCES

JHHS Finance Policies and Procedures Manual

- Policy No. FIN003 - Signature Authority: General Policy
- Policy No. FIN033 - Installment Payments
- Policy No. FIN034 - JHHS Financial Assistance Program
- Policy No. FIN054 - Special Entitlement Advocacy Program
- Policy No. FIN069 - Special Collections Situations
- Policy No. FIN129 - Criminal Injuries Compensation Board
- Procedure No. BIL018 – Allowances/Adjustments/Agency Placements

JHCP Cash Collections Reference Manual

Fair Credit Collection Practices Act


Fair Credit Billing Act

Regulation Z - Truth In Lending Act

Maryland Code Criminal Procedure Article 11-809

RESPONSIBILITIES

Collector	Contact patient/guarantor to arrange for payment of patient liability and send letters to patient/guarantor to expedite payment. Document all conversations and actions in the automated billing
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	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN063
		<i>Effective Date</i>	02-01-97
	<i>Subject</i>	<i>Page</i>	3 of 8
	SELF-PAY COLLECTIONS	<i>Revised</i>	2/25/08

system.

Set up installment accounts and assist patients in applying for JHHS Financial Assistance Program as appropriate.

Recommend uncollectible accounts for bad debt write-off and placement with an external agency.

Collection Supervisor

Monitor and approve bad debt write-offs recommended by collection staff.

Analyze collector productivity and evaluate collection agency performance.

Assist collectors in resolving difficult accounts and approve initiation of legal action by external collection agents.

Meet with other departments to develop and coordinate efforts to reduce bad debt.

Corporate Legal Dept.

Review accounts referred by Collection Dept. and provide guidance on the resolution of specific cases.

SPONSOR

Senior Director of Patient Financial Services (JHH, JHHS, JHBMC)
Senior Director of Business Office (JHCP)
Director of Finance, JHHCG


CYCLE REVIEW

Three (3) years

APPROVAL

President, JHHS/JHH


Date

	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN063	
		<i>Effective Date</i>	02-01-97	
	<i>Subject</i>		<i>Page</i>	4 of 8
	SELF-PAY COLLECTIONS		<i>Revised</i>	2/25/08

PROCEDURES – JHBMC/JHH/JHCG

1. Collectors (JHH, JHCG)
 - a. Document all conversations and actions taken in automated billing system.
 - b. Review self-pay accounts for those \$2,000 and over and prioritize follow-up using aging status below:
 - 0 to 30 days - Current
 - 30 to 60 days - Delinquent
 - Over 60 days - Seriously Delinquent


Monitor accounts under \$2,000 which are automatically billed with data mailers by the automated billing system
 - c. Consolidate related accounts as appropriate.
 - d. Contact patient/guarantor via telephone to determine the timing of paying the balance in full. Determine timing and frequency of contacts based on dollar balance, account age, billing cycle, and prior representations made by patient/guarantor.
 - e. If patient asserts inability to pay in full or in part, obtain household size and income to determine if the patient is qualified for JHHS Financial Assistance Program:
 - 1) If patient appears qualified, send an application.
 - 2) If the patient does not appear to meet the qualifications, negotiate the shortest possible repayment terms in accordance with JHHS Finance Policy No. FIN033 - Installment Payments. Set up installment plan in automated billing system.
 - f. Collect balance on undisputed portion of disputed account, and resolve questions and conclude payment arrangements for the disputed portion of account within 15 days.
 - g. Refer accounts with outstanding legal issues (bankruptcy, estate, possible litigation, criminal injuries compensation board claims, etc.) to supervisor for resolution or referral to proper department.
 - h. Send letter requesting immediate payment or contact with a JHHS Collection Representative to patient/guarantors who cannot be reached by telephone.
 - i. Record and re-queue the account for the expected payment date (allowing two days for posting) or for the return of the JHHS Financial Assistance application.

	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN063
		<i>Effective Date</i>	02-01-97
	<i>Subject</i>	<i>Page</i>	5 of 8
	SELF-PAY COLLECTIONS	<i>Revised</i>	2/25/08


- j. Complete proof of claim for estate or bankruptcy processing as applicable.
 - k. Determine if an account is uncollectible and recommend placement with an external collection agency as appropriate.
 - 2. Collection Supervisor
 - a. Monitor productivity of collection staff (number of contacts made, amount collected) and prepare productivity reports on a regular basis.
 - b. Meet with other departments to develop and coordinate efforts to improve the collectibility of the receivables generated from the service areas.
 - c. Review problem accounts referred by collection staff to determine proper resolution. Consult Corporate Legal Department and/or Risk Management Department for instructions on handling of specific cases.
 - d. Review and approve accounts recommended for collection agency placement by collection staff.
 - e. Monitor collection agency performance and conduct periodic performance audits.
 - 3. Corporate Legal Dept.
 - a. Review accounts referred by Collection Dept. and provide guidance on the resolution of specific cases.

PROCEDURES – JHBMC – Community Psychiatry

- 1. Collection Representatives
 - a. Document all conversations and actions in the automated billing system.
 - b. Work all inpatient Financial Services and all outpatient Financial Services with balances greater than \$250, beginning with newly assigned accounts.
 - c. Gather all necessary telephone and address information for patient/guarantor.
 - d. Correct any incorrect or missing demographic information in the automated billing system.
 - e. Contact the patient/guarantor by telephone, stating identification and the exact nature of the call, including the outstanding account balance. Request arrangements for payment of the account balance:


	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN063
		<i>Effective Date</i>	02-01-97
	<i>Subject</i>	<i>Page</i>	6 of 8
	SELF-PAY COLLECTIONS	<i>Revised</i>	2/25/08

- 1) If patient/guarantor claims to have paid this balance, request a copy of the canceled check or receipt number.
 - 2) If account has not been paid, allow patient/guarantor to offer explanation for delinquency and offer to make account current. Clarify that JHBMC expects payment in full of outstanding balance, and describe all relevant payment options (check, credit card, etc.).
 - 3) If patient/guarantor states that he/she is unable to pay account balance in full, discuss installment plan options and application for JHHS Financial Assistance, as described in JHHS Finance Policies No. FIN033 - Installment Payments and No. FIN034 - JHHS Financial Assistance Program.
 - 4) If installment plan is agreed to by patient/guarantor, mail installment agreement letter and instructions for payment to patient/guarantor for signature and return. If installment agreement is not adhered to by patient, refer account to the Self-pay Collection Supervisor for further action.
 - 5) If patient/guarantor does not respond positively to any payment arrangement suggestions, advise them that the account will be referred to a collection agency. Explain that this referral may damage the parent/guarantor's credit and the ability to obtain future credit for medical services at JHBMC. If no satisfactory payment arrangement is made, refer the account to the Self-pay Collection Supervisor with a recommendation for referral to an outside collection agency in accordance with current Patient Financial Services procedures.
- f. Efforts at collections will be made at the following points:
- 1) During registration at the time of patient's visit to the program, all outstanding Self Pay balances are printed on the service ticket and payment requested.
 - 2) Monthly statements which are sent to the patient's home
 - 3) The clinical staff who are most familiar with the patient and his/her situation will encourage payment.
 - a) For active patients with an outstanding self pay balance and where there have been no payments and a plan for payment has been established, the case will be reviewed to determine if treatment should be withheld.

	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN063
		<i>Effective Date</i>	02-01-97
	<i>Subject</i>	<i>Page</i>	7 of 8
	SELF-PAY COLLECTIONS	<i>Revised</i>	2/25/08

Due to potentially serious clinical implications, ultimate authority to withdraw treatment lies with the Medical Directors.

- b) For patients who have been discharged, patient statements shall continue to be sent to the patient for three months. If this results in no payment, the outstanding balance shall be written off to bad debt and sent to a collection agency.
 - g. Monitor accounts with existing installment arrangements for prompt payment. When proper payments are not made, contact patient/guarantor and advise them that the account must be brought to a current status, or the entire balance will become due and payable within two (2) weeks. Refer any account delinquent for more than two (2) payments to the Self-pay Collection Manager for resolution.
 - h. If unable to initially reach the patient/guarantor by telephone, refer the account to the Self-pay Collection Supervisor for further action.
2. Collection Supervisor
- a. Monitor productivity of collection staff (number of contacts made, amount collected) and prepare productivity reports on a regular basis.
 - b. Meet with other departments to develop and coordinate efforts to improve the collectibility of the receivables generated from the service areas.
 - c. Review problem accounts referred by collection staff to determine proper resolution. Consult Corporate Legal Department and/or Risk Management Department on handling of specific cases.
 - d. Review and approve accounts recommended for collection agency placement by collection staff.
 - e. Monitor collection agency performance and conduct periodic performance audits.
3. Corporate Legal Dept.
- a. Review accounts referred by Collection Dept. and provide guidance on the resolution of specific cases.

	The Johns Hopkins Health System Policy & Procedure		<i>Policy Number</i>	FIN063
			<i>Effective Date</i>	02-01-97
	<i>Subject</i>		<i>Page</i>	8 of 8
	SELF-PAY COLLECTIONS		<i>Revised</i>	2/25/08

PROCEDURES - JHCP

Refer to JHCP Cash Collections Reference Manual for procedures.