

UConn HEALTH

Administrative Policy

2021-06 SBO (Single Business Office) Credit and Collections

Title	SBO (Single Business Office) Credit and Collections
Policy Owner and Contact Information	Clinical Business Services Director of SBO (Single Business Office) AVP Clinical Business Services
Campus Applicability	UConn Health
Applies to	UConn Health Workforce of JDH and UMG (excludes Dental)
Effective Date	December 17, 2021

PURPOSE:

To uphold the fiscal duties of UConn Health while meeting the requirements of applicable federal and state laws, as well as commercial contract terms regarding credit and collections of patient balances. To ensure procedures are established so that all patients and individuals are treated in a consistent, equal and respectful manner.

POLICY STATEMENT:

UConn Health shall pursue balances owed by patients in accordance with the provisions outlined by the Center for Medicare and Medicaid Services (CMS), section 501(r) of the Internal Revenue Code (IRC), as well as any private payer contracts. UConn Health has procedures with respect to pursuing patient balances that are established in accordance with the Medicare billing requirements outlined in Chapter 3 of the Medicare Claims Processing Manual. Additionally, the UConn Health SBO will make reasonable efforts to determine whether an uninsured individual is eligible for Financial Assistance per its Financial Assistance Policy (FAP) before engaging in any extraordinary collection activities ("ECA").

DEFINITIONS:

ECA: An Extraordinary Collection Activity ("ECA") is defined as actions taken by a hospital facility against an individual related to obtaining payment of a bill for care covered under the hospital facility's FAP that either:

- involve selling an individual's debt to another party,
- involve reporting adverse information about an individual to consumer credit reporting agencies or credit bureaus (collectively, "credit agencies"),
- involve deferring or denying, or requiring a payment before providing, medically necessary care because of an individual's non-payment of one or more bills for previously provided care covered under the hospital facility's FAP, or
- require a legal or judicial process.

Examples of actions that may require a legal or judicial process include, but are not limited to:

- Placing a lien on an individual's property
- Foreclosing on an individual's real property

- Attaching or seizing an individual's bank account or any other personal property
- Commencing a civil action against an individual
- Causing an individual's arrest
- Causing an individual to be subject to a writ of body attachment
- Garnishing an individual's wages

A claim filed by a hospital facility in any bankruptcy proceeding is not an ECA. Also, a lien placed on the proceeds of a judgment, settlement, or compromise owed to an individual (or his or her representative) as a result of personal injuries caused by a third party for which the hospital facility provided care is not an ECA.

SBO: Single Business Office where all billing for both professional and technical (Facility) charges for medical services performed by JDH and/or UMG are consolidated and billed to patients and/or guarantors through a single Accounts Receivable system and Epic IT platform.

Self Pay – Uninsured: Balance(s) owed by a patient and/or guarantor with no insurance through either the government or private payer source or with no access to coverage through any special funding or grant programs. Per PA 21-129, CT SB 683 of the CT State statute, uninsured patients must not be charged more than the cost of providing the services, and services will be discounted accordingly.

Self Pay – Insured: Balance(s) owed by a patient and/or guarantor who has a residual out of pocket balance after a government or private payer source has processed their portion of the service obligation.

Patients: For purposes of referring to credit and collection activity, the term "patient" refers to either the person who has received the medical service, or the guarantor, who is financially responsible for the service on behalf of the patient.

PROCEDURES/FORMS:

See Exhibit A for procedure outline.

REFERENCES:

[The Provider Reimbursement Manual - Part 1 | CMS](#)

RELATED POLICIES:

UConn Health Financial Assistance Policy No 04-005.

ENFORCEMENT: - Violations of this policy or associated procedures may result in appropriate disciplinary measures in accordance with University By-Laws, General Rules of Conduct for All University Employees, applicable collective bargaining agreements, the University of Connecticut Student Code, other applicable University Policies, or as outlined in any procedures document related to this policy.

APPROVAL:

Andrew Agwunobi (Signed)

Andrew Agwunobi
UConn Health Chief Executive Officer

12/17/2021

Date

Kiki Nissen (Signed)

Kiki Nissen
Administrative Policy Committee Vice-Chair

12/16/2021

Date

Janel Simpson (Signed)

Janel Simpson
Administrative Policy Committee Chair

12/15/2021

Date

POLICY HISTORY:

New Policy Approved: 12/21

Revisions:

Reviewed Without Changes:

Exhibit A

UConn Health Procedures for Credit and Collections

I. ACCOUNTS RECEIVABLE

All self-pay account balances are due and payable upon initiation of the patient statement process. The internal statement process will continue, once initiated, for a period of up to 120 days through a series of three statements and a final notice.

If the patient is Self Pay – Uninsured, before self-pay receivables are billed in this manner, the Financial Counseling team must complete the following:

- Verify that no private or governmental healthcare exists
- Verify that the patient is not eligible for Connecticut Medicaid
- Verify that the patient is not eligible for UConn’s financial assistance policy using Propensity-to-Pay tools for systematic, objective credit scoring.

i. Statement Cycle

Once an account is deemed to have patient liability (either as Self Pay - Uninsured or Self Pay - Insured), patients will receive four (4) dunning statements via USPS at the following increments:

1. First statement generates at day 1
2. Second statement generates at day 30
3. Third statement generates at day 60
4. Final notice generates at 90

Patients may also have the option to receive paperless statements through MyChart.

II. FORMS OF PAYMENT

Payments can be made and are accepted in the form of cash, physical check, ACH, money order or credit card. PCI Compliance is maintained through a third party vendor. In addition to payments received via lock box, payments can also be made online, through MyChart or in person through the Cash Drawer process at many of the decentralized clinical areas throughout both JDH and UMG.

III. PAYMENT PLANS

Patients who are unable to pay the balance in full within the first 120 days and who would like to establish a payment plan for a minimum of 6 months are referred over to a third party vendor managing payment plans on behalf of UConn Health.

A. TERMS

- a. In order to qualify for a payment plan, a balance minimum of \$150.00 is required.
- b. Minimum monthly payment is \$25.00.
- c. Payment plans are offered in varying term lengths, including 6 months, 12 months, 18 months, 24 months, 36 months, 48 months and 60 months.
- d. Eligible total balances range from \$150.00 - \$25,000.00.
- e. Greater than \$10,000 needs approval by the Supervisor.
- f. Late payment fee of \$35.00.
- g. Returned payment fee of \$25.00.

B. RECOURSE

1. Accounts with unpaid balances are returned from the payment plan vendor as recourse/uncollectible after 90 days of no payment activity or 3 consecutive months of missed payments
2. Recourse accounts returned from the payment plan vendor are then moved to outside collections according to the 120 day billing requirement from date of initial self pay determination.

IV. OUTSIDE COLLECTION AGENCIES

Patients who either do not respond to collection efforts during the 120-day statement cycle, fail to establish a payment plan, default on a payment plan or fail to engage with our financial counseling department to apply for assistance will be referred to one or more outside collection agencies.

Balance will be referred to an outside collection agency through a daily file process. The collection agency will pursue all balances for Medicare accounts up to 150 days. Balances will be pursued for non-Medicare accounts for up to 240 days.

The contracted Collection Agencies must adhere to all Fair Debt Collection practices, Connecticut State Statutes and all 501(r) requirements as it pertains to any attempt to collect a debt on behalf of UConn Health Center. UConn Health does not report patients to any of the Credit Bureaus for failure to pay a medical debt.

All outside collection agencies will screen for bankruptcy or deceased status on placed accounts and will promptly close and return such identified accounts to UConn Health for final disposition and/or terminal bad debt determination.

V. LEGAL COLLECTIONS

Legal collections is a last resort means to attempt to collect a debt when all other avenues have been exhausted and the liable party is refusing to engage in payment plan terms or other options available to them in order to settle a debt. ECA will never be initiated prior to 120 days of the billing cycle completing for a patient debt.

Patients and/or guarantors referred to outside legal collections having one or more balances that are greater than or equal to \$1,000 (either singularly, or collectively) AND who have identifiable assets, will be pursued through legal collection activity. Foreclosures will not be initiated per Connecticut's Homestead Exemption. The steps to the process are as follows:

1. Accounts will all be reviewed with UConn Health and must be approved in writing before any action is taken
2. An initial demand letter is sent
3. A phone call is attempt is made for settlement
4. Filing with Small Claims Court if demand letter and call for settlement are not responded to

VI. SETTLEMENTS

Any type of discounts offered outside of any contractual or self-pay discounts must conform to both Federal regulations, Connecticut State statutes and contractual terms by payer. Ad-hoc discounts or settlements to outstanding patient balances may only be considered after initiation of the Accounts Receivable process above in limited circumstances. Those limited circumstances would include when a patient and/or guarantor has rightful claim to a significant customer service failure on the part of UConn Health's Clinical Business Services team which warrants any type of additional forgiveness for an outstanding balance. Settlements must be submitted for review and approval by Management and must adhere to the following approval process:

- Review and approval by Supervisor and/or Director of SBO in the amount of up to 25% via Level 3 escalation
- Review and approval by AVP of Clinical Business Services greater than 25% by Level 4 escalation