Clarity Child Guidance Center Policy and Procedure	
EFFECTIVE DATE: October 15, 1998 **REPLACES:** April 30, 2013 **DATE OF LAST REVIEW:** April 17, 2023	**POLICY NUMBER: T-201**
DEPARTMENT/SECTI0N: Finance	
TITLE: Patient Billing and Collections Policy	**Page 1 of 6**
APPROVED BY STRATEGIC QUALITY COUNCIL ON: ___April 24, 2023 **Date**	

1. Purpose:

This Board of Directors approved policy establishes the billing and collections procedures for collection of Self-Pay patient accounts, while maintaining Clarity Child Guidance Center's (CCGC) commitment to provide services to children and families regardless of their ability to pay. The policy was developed with an empathic approach that considers the influence and impact of past and current trauma.

2. Scope:

This policy applies to Self-Pay patient accounts for inpatient, outpatient and partial hospitalization services billed by CCGC. This policy does not apply to any service that is deemed not medically necessary by Southwest Psychiatric Physicians Group (SPP), UT Health or CCGC clinicians. Additionally, this policy does not apply to services not performed by CCGC, its employees, UT Health or SPP. This policy provides a basic outline of our policies along with definitions so parents/patients can be familiar with billing terms frequently mentioned. CCGC will provide comprehensive information and encourage families to ask questions or voice concerns so there is a clear understanding of billing procedures.

3. Definitions:

Bad Debt: Accounts that have been determined to be uncollectible because the patient has not been willing to pay for their medical care.

Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows.

Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if the patient claims someone as a dependent on their income tax return, they may be considered a dependent for purposes of the provision of financial assistance.

Family Income: Determined using the Census Bureau's definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
- Excludes noncash benefits (such as food stamps and housing subsidies);

- Determined on a before-tax basis;
- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (Non-relatives, such as housemates, will not be considered).

Financial Assistance: Aid to a patient or responsible party for the amounts the patient is responsible, regardless of the patient's insured status. Financial assistance is primarily based upon the patient's economic need. Financial Assistance is not to be considered a substitute for personal responsibility and patients are expected to cooperate with CCGC's procedure for applying for Financial Assistance and to contribute to the cost of their care based on their individual's ability to pay.

Uninsured: The patient has no level of insurance or third-party assistance to assist with meeting his/he payment obligations.

Underinsured: The patient has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Gross charges: The total charges at the organization's full established rates for the provision of patient care services before deductions from revenue are applied.

Services- Inpatient and outpatient services provided by CCGC that in its sole judgments are medically necessary are eligible for financial assistance.

Medically Necessary Service: A service that is reasonably expected to prevent, diagnose, prevent the worsening of, alleviate, correct, or cure conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or to aggravate a handicap, or result in illness or infirmity. Medically necessary services shall include inpatient and outpatient services as mandated under Title XIX of the Federal Social Security Act.

Third Party Insurers: Any party insuring payment on behalf of a patient to include but not limited to: insurance companies, Workers' Compensation, governmental plans such as Medicare and Medicaid, State/Federal Agency plans, Victim's Assistance, etc., or third-party liability resulting from automobile or other accidents.

Deductible: The deductible is the amount you agree to pay for your care each year before your health insurance coverage begins to pay. For example, if you have a deductible of $1,500, you're expected to pay all of that before the insurance company pays its share. Insurers keep a running total of what you pay for various services. Once you've reached your deductible, the insurance company will start sharing costs with you.

Co-payment: Your copayment is a set fee for healthcare services. For example, you may be required to pay $30 each time you visit your doctor and $250 if you visit the emergency room. Depending on your insurance policy, and the service, you may still have to share costs.

Co-insurance: This is the amount of your healthcare bill that you're responsible for — after you reach your deductible. For example, if you have 20% coinsurance, you pay 20% of the bill while the insurer pays the remainder. So, if you have a procedure that costs $3,000, you're responsible for $600.

Account Guarantor/Responsible Party: The person who authorized the admission for services unless legal documentation is otherwise provided.

Insurance Guarantor: The person who is the holder of the insurance policy being used for the services.

4. Policy:

This Patient Billing and Collection Policy is consistent with CCGC's mission and in compliance with the State of Texas, Internal Revenue Service 501(r) rule, No Surprises Billing Act and requirements of the Federal Fair Debt Collection Practices Act. All patients who have received emergency or medically necessary care shall be provided the opportunity to apply for free or reduced cost care in conformance with the Federal Patient Protection and Affordable Care Act and its implementing regulations. CCGC will not discriminate based on race, color, national origin, citizenship, alienage, religion, creed, gender, sexual preference, age, or disability in providing its services.

This policy, along with the related Financial Assistance Policy, provides a reasonable balance between the need for financial stewardship and needs of individual patients who are unable or unwilling to pay their accounts. For CCGC to responsibly manage its resources and provide the appropriate level of assistance to the greatest number of persons in need, patients are asked to contribute to the cost of their care based on the requirements of their insurance, or in the case of those uninsured/underinsured, based on their individual ability to pay.

CCGC will always treat families with compassion and empathy as we assist them with navigating the financial responsibilities of services provided. Patients are asked to cooperate with CCGC's Patient Billing and Collections procedures, Financial Assistance Policy and to contribute to the cost of their care based on their individual ability to pay. Financial Assistance or Charity Care is not considered to be a substitute for personal responsibility. Applicants for Financial Assistance or Charity Care must agree to complete the patient Financial Assistance Application Form and assist CCGC staff by furnishing information required to complete the application in a timely manner, but not later than ~~120~~ 30 days after the first, post discharge statement has been sent.

5. Procedures:

A. General

CCGC uses the same reasonable efforts and follows the same reasonable process for collecting amounts due for services provided to all patients, including insured, underinsured or uninsured patients. Collection activities may occur during the pre-registration process and will continue until account resolution, determination of eligibility for financial assistance or a determination the account is uncollectible. The collection process may include the use of deposits, implementation of payment plans or discretionary settlements, use of outside collection agencies which may include reporting the outstanding balance to credit reporting agencies. The collection process is documented in the patient's account files accessible to the hospital and its business associates involved in the collections process. Collection will not be pursued against patients who fall within populations exempt from collection action by law. CCGC will make reasonable and diligent efforts to investigate whether a third-party resource may be responsible for the services provided by the hospital. In accordance with applicable State regulations or the insurance contract for any claim where reasonable and diligent efforts resulted in a recovery on the health care claim billed to a private insurer or public program, CCGC will report the recovery and offset it against the claim paid by the private insurer or public program.

B. Self-Pay Statements and Collection Notices

CCGC has a fiduciary duty to seek payment for services it has provided from patients who are deemed able to pay. CCGC reserves the right to utilize outside vendors to assist the facility and patients regarding balances due, process payment plans, etc. When a balance is owed by the patient, the payment is considered "Self-Pay" and payment is expected in full.

An account is determined to be Self-Pay if:

- There is no insurance on record,
- All expected payments from the insurance carriers and other third-party payers have been paid,
- A patient has not responded timely to requests for information/documentation needed to determine eligibility under Financial Assistance Policies, or
- Patient does not provide information requested from third party insurers to process claims.

All Self-Pay accounts process through specific statement cycles. Patient balance statements will be sent out every 30 days by the 15th of each month. All Self-Pay accounts will be sent a minimum of three statements. The statements will include all accounts and services with a Self-Pay balance. After three statements CCGC reserves the to transfer to a collection agency unless a financial assistance application is submitted and/or payment arrangements have been made within 10 days of the statement. All communications prior to bad debt placement, including verbal communications, will include notification of the availability of financial assistance. This process may be supplemented by other notification methods that constitute a genuine effort to contact the party responsible for the obligation, including telephone calls, collection letters, personal contact notices, and computer notifications. Reasonable efforts will be made to determine an accurate mailing address using internal and external tools and resources for statements that have been returned as undeliverable. These efforts will be documented in each patient's account. If there is no means to contact the patient or patient's family, i.e., phone number is disconnected, return mail, CCGC staff may utilize skip tracing, access to databases, or other reasonable and lawful means to locate and communicate with the patient or their legal representative to attempt collection. As soon as it is determined that the patient or their legal representative cannot be located or contacted, the balance will be referred to a collection agency.

C. Documentation of Collection Effort

Patient financial records will be maintained by CCGC as required by applicable law and in accordance with hospital policies. Documentation will support billing and collection actions and will include all documentation of the hospital's collection effort including the bills, codes and letter templates, reports of telephone and personal contact, and any other efforts made.

D. Patient / Responsible Party Obligations

Prior to the delivery of health care services, all reasonable attempts will be made to work with the patient and family regarding insurance status, demographic information, changes to their family income or insurance status, and information on any deductibles or co-payments that are owed based on their existing insurance or financial program's payment obligations. The detailed information may include full name of the patient's guarantor, home address, telephone number, date of birth, social security number, current health insurance coverage options, and applicable financial resources that may be used to pay for the patient's bill. Other resources that may be used to pay their bill, including other insurance programs, motor vehicle or homeowners' insurance policies if the treatment was due to an accident, worker's compensation programs, and student insurance policies, among others.

The patient or responsible party should keep track of and timely pay their unpaid medical bill, including any existing copayments and deductibles. The patient is further required to inform either

his/her current health insurer (if insured) or the government agency that determined the patient's eligibility status in a government program (if participating) of any changes in family income or insurance status.

Although medical services will be provided to patients regardless of their ability to pay, patients receiving services in the CCGC's Crisis Assessment Center shall be directed to Patient Financial Services after services are rendered to make any deductible or copay payments. Patient Financial Services will discuss CCGC's Financial Assistance Program and payment plans if appropriate. Patients that receive other outpatient services are expected to pay any copay amounts due for services to be rendered if indicated and determinable by information contained on the patient's insurance card prior to receiving service. Any patients that do not have insurance coverage that cannot pay for their services shall be directed to a Patient Financial Services counselor for further assistance.

Patients or their responsible parties are expected to pay their full liability for services rendered within thirty (30) days of receipt of their first bill or in accordance with a mutually agreed upon installment payment plan.

CCGC may offer limited prompt pay discounts, which are intended to reduce collections expenses for CCGC, to patients who pay outstanding balances within a predefined period. All patients with account balances in excess of $0.00 are eligible to receive a prompt pay discount of 10% of the balance for claims paid in full within 30 days of the date of the initial bill. Patients must request the discount. The discount cannot be combined with Financial Assistance Program.

6. Outside Collection Agencies

CCGC contracts with outside collection agencies to assist in the collection of certain accounts not resolved after issuance of hospital bills or final notices. CCGC requires such agencies to abide by the CCGC Patient Billing and Collection policy for debts the agency is pursuing. CCGC requires any outside collection agency that they contract with to follow the regulations and licensing requirements within the State of Texas, Internal Revenue Service 501(r) rule, No Surprises Billing Act and requirements of the Federal Fair Debt Collection Practices Act.

7. Legal Collection Actions

Legal actions may be taken if an account goes unpaid after CCGC has exhausted other efforts to collect on the account. Prior to legal collection placement, all accounts are reviewed for financial assistance eligibility. Only accounts found in-eligible for financial assistance are subject to legal collection placement if no payments have been made. The CCGC CFO has final authority in determining when legal actions can take place after accounts are determined to be ineligible for financial assistance. If a patient is found eligible for financial assistance after a legal action has been initiated, legal action will be reversed and financial assistance discounts will be applied. For accounts where parties are unable to provide documentation to determine eligibility or are not eligible for discounts under hospital's coverage and financial assistance process, or payment plans options, CCGC reserves the option to refer these accounts for legal collections. Legal action against individuals may be taken only when there is some evidence the patient or responsible party has income and/or assets to meet their obligation or did not provide appropriate documentation to demonstrate financial need.

Legal action shall be considered a last resort after all reasonable collection efforts have been exhausted. Charges incurred related to any legal fees and court costs may be charged to the patient.

NOTE: Approved by the Clarity Board of Directors on May 25, 2023