



Policy and Procedure

Policy #: 088-0130

ISO #: 1365

Policy Type: Clinical Non-clinical

Policy Name:	Collections	
Policy Manual:	Private Pay	Page: 1 of: 4
Policy Scope:	Organization Wide	Original Effective Date: 09/15/2007
Process Owner Title:	Manager of Private Pay	Version/Last Revision Date: 09/21/2022
References/ Related documents:		

POLICY

It is the policy of Nor-Lea Hospital District for private pay staff and financial counselors to not work on patient accounts of family members or business partners.

PURPOSE

Nor-Lea Hospital District has a fiduciary responsibility to the residents of the District to institute excellent business practices that include the collection of monies for services provided; whether through individual patients or insurance providers contracted with Nor-Lea Hospital District. Nor-Lea Hospital District is a community-based organization committed to treating patients regardless of their economic status. To this end, business office staff and financial counselors will assist patients with payment options to include early payment discounts, enrollment in Medicaid, Health Insurance Exchange, Community Assistance Program or indigent/charity programs. Nor-Lea Hospital District will work with the State of New Mexico to create consistency throughout the state.

PROCEDURE

- I. Self-Pay Patients**-Nor-Lea Hospital District Financial Counselors will meet with patients to give estimates for any scheduled tests or procedures. All self-pay patients receive estimates for scheduled services prior to the appointment date. These estimates are done by Financial Counselors. (*see Financial Assistance Policy*) Nor Lea does not refuse anyone based on their ability to pay.
- II. Insured patients**-Nor-Lea Hospital District reserves the right to require prior authorization and/or medical necessity on any non-emergent diagnostic testing or procedures prior to rendering services. Nor Lea Hospital District requires deductibles and co-pay amounts for insured patients before any non-emergent procedures or ancillary services are performed.
- III. Estimate Disclosure Statement**- The Estimate Disclosure Statement is made between Nor-Lea Hospital District and the guarantor. This arrangement does not require proof of income; however, patient must sign agreement.



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IV. Minimum payments - will be established based on the balance as listed below:

BALANCE	MINIMUM PAYMENT
Up to \$500	\$25.00
\$501 – \$1,000	\$50.00
\$1,001 – \$5,000	\$75.00
\$5,001 - \$10,000	\$100.00
\$10,001 - \$15,000	\$150.00
\$15,001 - \$20,000	\$200.00
\$20,001 - \$25,000	\$250.00
\$25,001 - \$30,000	\$300.00
\$30,001 - \$35,000	\$350.00
\$35,001 - \$40,000	\$400.00

V. Financial Assistance Application- Guarantors unable to meet minimum payment requirements, must submit a Financial assistance application to qualify for lower payments, indigent or charity options. Failure of patient to make application or to make minimum payment, will result in account being turned over to a credit agency. A Financial Assistant Application is between the guarantor and hospital representative only. It is used to determine qualifications and must be used in conjunction with proof of income and household obligations.

VI. Discounts – will be allowed as listed below

- I. A **30%** discount allowance will be offered to self-pay patients, who can pay the balance of an account within **30** days of the date the first statement received. **
- II. A **25%** discount allowance will be offered to self-pay patients, who can pay the balance of an account within **60** days of the date the first statement received. **
- III. A **20%** discount allowance will be offered to self-pay patients, who can pay the balance of an account within **90** days of the date the first statement received. **

*****Note: All discounts outlined in items above exclude copays of less than \$100**

Nor-Lea Hospital District offers an Annual Account Relief Opportunity beginning February 1st through June 30th. During these dates, patients can take advantage to liquidate any balance. The account must be paid in full to receive a 20% discount.



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VII. Deposits - Guarantors are required to make a deposit on elective procedures of 25%. Guarantors who cannot meet this requirement and feel elective procedure is emergent, must have the ordering physician contact Administration for approval.

VIII. Deposits for Insured- Guarantors are responsible for any deductible and co- insurance amounts as required by their insurance. A 25% deposit will be required on elective procedures if deductible is not met. Any co-insurance amounts may be set up on monthly installments.

I. 48 Month Rule- Any guarantor who has followed hospital payment polices and has continually met their payment obligations monthly for 48 consecutive months, will be given relief from balance on the account. The 48-month rule remains in effect unless an account is added to balance after the initial agreement. If an account is added the 48 months will begin again with the receipt of first payment of new agreement. (*see Financial Assistance Policy*)

II. Collections - If a patient is determined to be a self-pay patient, the following is the established billing and collection procedure, which will determine the status of the account.

III. Statement Process - Initial statements will go out as follows:

- **Private Pay Accounts** - Statement cycle will follow the discharge date
- **Insurance Accounts** – Statements will be sent after primary and secondary (if applicable) insurance have processed the claim beginning on the next available statements.
- **First Statement** – first Thursday after the account reaches a self-pay status.
- **Second Statement** – will be submitted 28 days after 1st statement.
- **First Past Due Letter** – will be submitted 28 days after 2nd statement.
- **Final Notice Letter/Phone Call** – will be 28 days after the first past due letter.

Policy Name:	Sliding Scale	
Policy Manual:	Financial Counseling Department	Page: 1 of: 4
Policy Scope:	Organization Wide	Original Effective Date: 8/1/1994
Process Owner Title:	Manager of Financial Counseling Department	Version/Last Revision Date: 6/1/2010
References/ Related documents:		

9. **Collection Process** – After the above-mentioned process and no payments have been received on an account for 120 days, a third-party collection company will be utilized by Nor Lea Hospital District. We will work directly with the collection vendor, after account has been placed with them. Patients will be directed to make any and all payments to the collection vendor, after account has been placed. Nor Lea Hospital District does not sell any accounts to third party collection agencies. Nor Lea does not refuse emergent care to anyone based on their financial status with the organization.
- ❖ Nor Lea Hospital District will pull accounts back from the collection vendor only under the follow circumstances.
 - Insurance or liability claims pay after account has been placed, pulling back only the portion that was paid by insurance.
 - Any error on account that was made by Nor Lea Hospital District
 - If a patient has presented a Financial Assistance Application the account will be pulled from the collection company as long as the application is presented within 240 days of discharge date
 - ❖ The private pay office will work in conjunction with collection company to ensure all information is given to the collection company. The private pay will also provide any additional information for legal accounts, including representing Nor Lea Hospital District in court.

Nor Lea Hospital District reserves the right to send any parties who do not comply with this policy to the designated collection agency.