

4C's Clinic Billing and Collection Policy

-Approved
GB 07/28/11
-Effective 10/01/11

The 4C's Clinic expects patients to pay their outstanding balances in a timely manner. A bill for services is based on the patient's Ability to Pay. A patient who refuses to pay his/her outstanding balance will be notified and may be subject to a Payment Plan, which may lead to termination of services if not followed.

4C's Clinic accepts third-party coverage, but patients are expected to pay any remaining balance owed after the third-party coverage makes payments. Patients who do not have third-party coverage will be billed based on their Ability to Pay. All patients will be charged based on the 4C's Patient Financial Guide (see attached).

Patients have a right to receive an explanation of their bill. Patients are also responsible for providing accurate information regarding health insurance, address, and applicable financial resources. (See Patient Rights and Responsibilities)

Definitions

Ability to Pay If services rendered to a patient are not covered by insurance or a public program, patients may undergo financial screening to determine what degree patients are Able to Pay.

Based on financial screening, patients are assigned a discount based on the Board approved sliding fee schedule. A determination is made rendering the patient as either unable to pay our charges for services (0% Pay) or able to pay 20%, 40%, 60%, 80% or 100% Pay of Board approved fees for service.

Bad Debt Self Pay charges classified as uncollectable.

Clinic Fee A \$15 per visit fee is charged for all uninsured patients.

If an uninsured patient is financially screened to be below or at 80% Pay (less than 200% Federal Poverty Level), the person is not refused services for inability to pay the Clinic Fee. If the Clinic Fee is not paid at time of check-in then the patient will receive a bill for the Clinic Fee and any additional charges for services. However, the Clinic Fee must be collected on patients who waive financial screening or are deemed able to pay 100% (greater than the 200% Federal Poverty Limit) of Board approved fees at the time of service.

Co-Pay This applies to persons with private insurances and the Co-Pay amount is determined by the health insurance plan.

Payment Plan	A Payment Plan will be for one year. A monthly minimum payment will be determined on the amount owed and the ability to pay the entire balance within a year.
Self Pay	All Clinic Fees and service fees that are the patient's responsibility.
Third Party Payers	An organization that is utilized as a payment source for financing a patient's health services. (Examples: Medicare, Medicaid, private insurance).

Financial Screening

Patients may complete an Application for Discounted Health Services with the 4C's Clinic. If a patient completes the application and the financial screening process, the patient may be eligible for a discount of Governing Board approved fees for clinic services. To complete the application a patient must bring:

- Proof of Identification (only for each family member that would like to become a patient)
- Proof of Residency (one proof in patient or spouse's name, dated within the last 60 days)
- Proof of Income (for each family member)
- Other Health Care Coverage (only for each family member that would like to become a patient)

Collection Classifications & Debt Collection Process

The following classifications determine how a patient's Payment Plan will be executed if full or partial payment is not made within the 90 days after the service. Depending on the Collection Classification a Debt Warning Notice may be issued. This Notice will inform the patient of his/her failure to pay the outstanding balance and either a) request the patient to call the Billing Office to initiate a Payment Plan or b) warn the patient of his/her failure to comply with the Payment Plan. The Notice will also warn the patient that future access to clinic services may be terminated due to failure to comply with a Payment Plan.

0% Pay	Patients will be sent statements for outstanding balances every 30 days until paid. Outstanding balances at 180 days will be written off to Bad Debt.
20% - 80% Pay	Patients will be sent statements for outstanding balances every 30 days until paid. If at 90 days the balance is over \$1,000 the patient will be sent a Debt Warning Notice requesting that the patient contact the Billing Office to setup a Payment Plan.

If there is no response after 30 days from the first Notice, a second Debt Warning Notice will be issued stating that future access to clinic services may be terminated due to failure to pay outstanding debt.

If after 60 days from the second Debt Warning Notice there is no response or if the patient has failed to initiate or comply with a Payment Plan, upon approval by the Governing Board panel, the patient will be sent a Notice of Intent to terminate his/her access to the 4C's Clinic services based on non-payment.

Outstanding balances at 180 days will be written off to Bad Debt.

100% Pay

Patients at 100% Pay are those who waived financial screening, have incomplete financial screening, or have been assessed through financial screening to pay 100% of Board approved fees and are expected to pay all applicable fees at the time of service. Patients will be sent statements for outstanding balances every 30 days until paid.

Debt Warning Notice will be issued to a patient with an outstanding balance over 90 days old. The Notice will request that the patient contact the Billing Office to setup a Payment Plan.

If there is no response after 30 days from the first Notice, a second Debt Warning Notice will be issued stating that future access to clinic services may be terminated due to failure to pay outstanding debt.

If after 60 days from the second Debt Warning Notice there is no response or if the patient has failed to initiate or comply with a Payment Plan, upon approval by the Governing Board panel, the patient will be sent a Notice of Intent to terminate his/her access to the 4C's Clinic services based on non-payment.

Outstanding balances at 180 days will be written off to Bad Debt, but if a payment plan has not been setup or the patient does not comply with the terms of the plan these accounts will be turned over to a collection agency for further action.

Inability to Pay versus Refusal to Pay

Once a patient's Ability to Pay is determined, the patient is expected to pay for services based on the assigned percent of charges they are deemed Able to Pay. Patients who *refuse to pay* for services are patients who have not made full or partial payment within the 90 days, according to Collection Classifications. Patients with the *inability to pay* for services are those who have been financially screened to be at the 100% Federal Poverty Level or less (0% Pay).

Billing Process

4C's Clinic will bill Third Party Payers daily. Patients will be billed for all outstanding charges, including the unpaid portion of the claim which is deemed patient responsibility within 30 days of date-of-service. A statement will be issued every 30 days as long as there is an outstanding balance.

Governing Board Panel

The Governing Board Panel will review billing history of patients who have received two Debt Warning Notices and still refuse to pay. The Panel will then decide whether to issue the patient a Notice of Intent to Terminate access to the clinic.

The Notice of Intent to Terminate will include reasons for termination and the patient's right to appeal the determination to the Governing Board according to the existing 4C's Operational Policy. A patient who appeals this Notice will issue an appeal to the Board thru the CEO. The Governing Board will have the final decision on whether to terminate the patient's access to the clinic.

Revenue Cycle Management

Revenue Cycle Management is made up of three basic components which identify the various stages of the revenue generating process.

Front Office	This includes appointment scheduling, financial screening, and the check-in process.
Middle Office	After the patient receives services, this process includes charge completion, charge capture, diagnosis coding and charge entry.
Back Office	This includes billing, error and rejection process, accounts receivable management, collections, managing outstanding claims, payment and adjusting posting, contract compliance, denial and appeal processing and customer service.

An electronic system is in place to track each stage of the revenue generating process. Written procedures are in place for the Revenue Cycle Management system, and job descriptions and responsibilities reflect those procedures.

Bad Debt & Write-Off Policy

All Self Pay patients will be written off as Bad Debt after 180 days and will be brought to the Governing Board for review and approval. Third Party Payer adjustments will also be brought to

the Board and the reason for the adjustment will be identified. These processes will happen biannually in December and June.

Reports to the Board

The following items will be reported on quarterly to the 4C's Finance Committee and the Governing Board for their review:

1. Quarterly and YTD breakdown of visits by Department and Payer
2. New patient analysis
3. Quarterly and YTD breakdown of Charges and Collections
4. Account receivables by Payer and number of days in Accounts Receivable
5. Current collection rates by Payer
6. Write-offs and Adjustments during the reporting period
7. Number of patients with Payment Plans
8. The number of patients and the amount of money at the collection agency
9. Number of patient terminated due to refusal to pay

Authority Delegated to Chief Executive Officer

The Governing Board delegates to the Chief Executive Officer authority to review individual cases and make decisions in the best interest of the 4C's Clinic.

This policy will become effective October 1, 2011.