

FACILITY:		
MANUAL: Global		FOLDER:
TITLE: Internal/External Collections		DOCUMENT OWNER: Accounts Receivable
DOCUMENT ADMINISTRATOR: VP Revenue Integrity		KEYWORDS: Collections, uninsured
ORIGINAL DATE: 12/2018	DATE OF REVIEW: 8/2026	REVISION DATE(S): 5/2020, 3/2021, 4/2021, 8/2021, 10/2023, 3/2024, 2/2025, 4/2026, 8/2026

SCOPE:

Phoenixville Hospital, Pottstown Hospital, Reading Hospital (including Reading Hospital Rehabilitation at Wyomissing), Tower Health Medical Group, Tower Health Urgent Care and Tower Health Providers (collectively “Facilities”).

PURPOSE:

To define when accounts become delinquent and collection efforts are necessary, appropriate, and permissible.

POLICY:

- I. Collections Practices: Facilities utilize both in-house staff and third parties to perform collection activities in order to be reimbursed for services performed. As required by Internal Revenue Code 501r, Facilities conform to said code as it pertains to “extraordinary collection actions” (e.g., lawsuits, arrests, liens, or other similar actions).
 1. In-House Collection Practices: Patient Financial Service Representative (PFS) are to adhere to the following practices:
 - a. Uninsured (“Self-Pay”) Payment Rate: Patients with no insurance, and who do not qualify for Medical Assistance or Charity Care, will be provided a payment rate of:
 - 70% of amounts generally billed (AGB)- Reading Hospital (including Reading Hospital Rehabilitation at Wyomissing), Tower Health at Home and Tower Health Medical Group
 - 25% of amounts generally billed (AGB)- Phoenixville and Pottstown Hospitals
 - \$125 base rate (+\$75 each additional procedure not to exceed \$275 (Vaccines are additional cost not included in \$275 procedure maximum)- Tower Health Urgent Care
 - Cosmetic procedures have an established self-pay fee schedules, and are not subject to the Uninsured payment rates.

The adjustment to total charges will be applied to the account at the time of billing.

- b. Training and Education – Patient Financial Services representatives and all staff that interact with patients or have any responsibility within the billing and collection

functions must be trained and educated on the Patient Financial Assistance application and the Commitment to Providing Affordable Care (C2PAC)

- c. Collection Practices – All patient/guarantor accounts shall be pursued fairly. Four (4) statements and/or 120 days (exceptions for disputes and payment arrangements only), specifying amount due and appropriate detailed instructions are sent to patients every 30 days a balance remains. Each statement shall contain a Patient Financial Assistance application with instructions and appropriate contact information.
- d. Ethics and Integrity – All collection activities shall consistently reflect the highest standards of ethics and integrity, and be consistent with the mission of Facilities with respect to the dignity of each individual.
- e. Reasonable Payment Terms – Reasonable payment plans and terms shall be offered to each patient/guarantor with self-pay balances, after an initial payment is received. These payment plans shall not accrue interest at any time.

- Facilities encourage all patients to pay in full, however, payment plans may be used if outstanding balances warrant.

- The minimum payment on a payment plan is \$25.00 per month with a term not to exceed 18 months. Payments must be paid monthly, by the due date.

- Extenuating circumstances may be taken into consideration with approval; however, payment plan terms may not exceed 24 months.

- Payments must be made in accordance with the payment plan agreement to avoid delinquency. If a patient is delinquent once during their payment plan agreement period, the account will proceed to collections.

- f. Cooperating Efforts – no account shall be sent to a collection agency as long as the patient/guarantor is actively working with a Facilities Patient Financial Services representative to resolve the open account.
- g. Transfer to External Collection Agency – A reasonable review shall be performed prior to turning an account over to a third party collection agency. This review shall occur after a patient has received at least four (4) statements and/or 120 days requesting payment or additional information.

If the patient/guarantor is not responsive after receiving statements and/or direct phone contact, the account can be transferred to a collection agency.
- h. Notification to Patient – Patients shall be notified thirty (30) days before their account is sent to a third-party collection agency.

- 2. Third-Party Collection Practices: Third-party collection agency is to perform the following steps:

- a. Standards and Scope of Practices – Third-party collection agents shall follow the same standards as the Facilities Patient Financial Services referenced in A thru D in section 1 of this policy.

- b. Financial Assistance – The third-party collection agency shall continue to advise the patient/guarantor of the availability for Facilities Financial Assistance, and if the patient demonstrates cooperation with providing necessary proof of income documentation, Patient Financial Services staff will follow up appropriately for determination of patient financial assistance.
- c. Approval – The Senior Vice President of Revenue Cycle shall consider and must approve any legal actions that may be pursued by the third-party collection agent. No other extraordinary collection activities will be utilized.
- d. Credit Bureau Reporting – Accounts will be reported to credit bureau at day 150 of the collection cycle.
- e. 180 – Day Limit – Accounts are assigned to a primary agency for 120 days and then to a secondary agency at day 241 for 180 days. Unsettled accounts shall be returned by the secondary third-party collection agency to Facilities after 180 days if they are deemed uncollectable. When returned from the collection agency the account shall be closed off of the Epic RCM system to a specific G/L code set up for this purpose.
- f. Annual Adherence Attestation – Facilities Revenue Cycle Team shall send the current Financial Assistance Policy and an attestation to each collection agency for them to sign that they will act in compliance with this Policy. In addition, each third-party collection agency shall be reviewed annually by the Facilities Revenue Cycle Team for adherence to these standards

DEFINITIONS:

N/A

PROCEDURE:

N/A

GUIDELINE:

N/A

PROVIDER PROTOCOL:

N/A

EDUCATION AND TRAINING:

Applicable staff receive training pertaining to this policy and procedure.

REFERENCES:

N/A

COMMITTEE/COUNCIL APPROVALS:

CANCELLATION:

The content of this document supersedes all previous policies/procedures/protocols/guidelines, memoranda, and/or other communications pertaining to this document.

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