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POLICY

This policy applies to The Johns Hopkins Health System Corporation (JHHS) and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center, Inc. (JHBMC), Johns Hopkins Community Physicians (JHCP), Johns Hopkins Home Care Group (JHHC) and Howard County General Hospital

Purpose

The purpose of this policy is to provide an additional means for patients and/or guarantors ("patient/guarantors") to meet their financial obligations to a JHHS affiliate, while recognizing individual budgetary constraints. Patients who are unable to pay their expected liability in full or through use of available financing alternatives will be offered the opportunity to pay their account balance in monthly installments.

General Conditions

- For patients with multiple outstanding patient liabilities, the total balance and the available income of the debtor will be used to calculate the installment amount.
- A matrix will be used to calculate the patient/guarantor's monthly payment amount (refer to Appendix A included with this policy).
- The patient and/or guarantor must make a deposit equal to the amount of one installment payment at the time that the installment arrangement is finalized (100% for electives, 25% for emergency/urgent) and service is provided.
- Patients/guarantors failing to make payments as arranged will be subject to collection agency referral when they fall two (2) payments behind their agreed upon installment schedule. Agency referral may be deferred for patients who are rehospitalized.


Exceptions

- Any deviations from this standard schedule must be reviewed and approved by the Senior Director/Director (based on organization) of the Business Office or a designee before confirming with the patient/guarantor. The reason for the exception and approval for granting such exception must be clearly documented in the patient's financial record.
- Non - U.S. residents are not eligible for this payment option.

REFERENCE

JHHS Finance Policies and Procedures Manual

- Policy No. FIN034 - JHHS Financial Assistance Program
- Policy No. FIN041 - Estimating Inpatient Payment Requirements
- Policy No. FIN044 - Inpatient Admission and Financial Responsibility
- Policy No. FIN055 - Discharge Clearance

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JHCP Finance Policy Manual

Policy No. 0001 Point of Service Collection
Policy No. 3300 Self-Pay Collections/Bad Debt Write-Off Criteria
Policy No. 3400 Hill-Burton Application Policy
Policy No. 3401 Hill-Burton Application Procedures

RESPONSIBILITIES - JHH, JHBMC

Financial Counselor (Pre-Admission/Admission/In-House/Outpatient)

- Determine suitability of installment program for patient/guarantor.
- Compute estimated patient liability.
- Explain installment policy terms to patient/guarantor.
- Obtain signed installment agreement and deposit.
- Document relevant notes in patient financial records.

Patient Financial Services Representative and/or Collection Staff

- If installment arrangements were not finalized before discharge:
- a. Compute and notify patient/guarantor of patient liability.
 - b. Obtain signed promissory note and deposit
 - c. Monitor account for compliance.
 - d. Determine if/when to send account to collection agency.
 - e. Document relevant notes in patient financial records.


Director of Patient Financial Services

- Review and approve any deviations from the standard installment schedule.
- Document relevant information in patient financial records.

RESPONSIBILITIES - JHHCG

Admission/Customer Service

- Compute estimated patient liability.
- Explain installment policy terms to patient/guarantor.
- Send and obtain signed installment agreement and deposit with first delivery.
- Document relevant notes in patient financial records.

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Customer Service Representative
and/or Collection Staff

If installment arrangements were not finalized before delivery:

- a. Compute and notify patient/guarantor of patient liability, via phone.
- b. Send and obtain promissory note and deposit, via next day delivery or mail.
- c. Ensure return of signed agreement.
- d. File agreement in patient's financial files.
- e. Monitor account for compliance.
- f. Determine if/when to send account to collection agency.
- g. Document relevant notes in patient financial records.

RESPONSIBILITIES - JHCP

Collection Staff

On initial contact:

Determine suitability of installment program for patient/guarantor.

Determines available income of debtor.
Compute estimated patient liability.

Explain installment policy terms to patient/guarantor.

Obtain installment deposit, promissory note and installment agreement.

Document relevant notes in patient financial records.

Collection Staff

During monthly collection follow-up activity:


Monitor account for compliance.

Determine if/when to send account to collection agency.

Document relevant information in patient financial records.

Review and approve any deviations from the standard installment schedule.

Document relevant information in patient financial records.

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Director, Business Office

Review and approve any deviations from the standard installment schedule.

Document relevant information in patient financial records,

SPONSOR

CFO, JHCP
 Senior Director of Patient Financial Services (JHH, JHHS, JHBMC)
 Director of Reimbursements (JHHCG)

REVIEW CYCLE

Three (3) years

APPROVAL

 President, JHHS/JHH

 Date


PROCEDURES - JHH

INPATIENT SERVICES:

Patient Financial Services personnel use two different sets of procedures depending on the type of patient admission: A) Elective; B) Emergent/Urgent. Transplant admissions, because of their extreme costliness, normally are not appropriate candidates for installment payments.

A. Elective Admissions

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Pre-Admission Financial Counselor | <ol style="list-style-type: none"> a. Determine prior to admission that patient/guarantor is unable to meet estimated financial responsibility through other means and that the Installment Program is most appropriate (see JHHS Finance Policy No. FIN034 - JHHS Financial Assistance Program for income determination procedures). b. Compute the Total Payment required, in compliance with JHHS Finance Policy No. FIN041 - Estimating Inpatient Payment Requirements. c. Determine the patient/guarantor's required deposit and estimated monthly payment amount in accordance with matrix shown in Appendix A. d. Notify patient/guarantor of the estimated liability; explain the Installment Program option; and inform patient/guarantor of the required deposit amount and potential monthly payments. |
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Respond to patient/guarantor's questions and ensure understanding of the program.

- e. Establish "Contract" in the automated billing system which specifies payment terms.
 - f. For all patient liability balances:
 - 1) If sufficient time (7 calendar days) prior to admission:
 - a) Mail the installment agreement and promissory note to the patient/guarantor for signature and return of agreement and deposit amount.
 - b) Ensure return of signed agreement.
 - c) File agreement in patient's pre-admission folder.
 - 2) If not sufficient time prior to admission:
 - a) Advise Admitting Office that installment agreement and promissory note must be signed at admission.
 - b) Ensures signature by patient/guarantor at time of admission.
 - c) File agreement in patient's folder.
 - g. Document all comments relevant to the installment agreement and patient's financial status not already noted in the patient's record in automated registration/billing systems.
2. In-House Financial Counselor
 - a. Seek to obtain signature of patient/guarantor on installment agreement and promissory note before discharge if not signed at admission.
 - b. If agreement and note remain unsigned, notify Nursing floor and/or Cashier's Office that patient/guarantor should stop at Cashier's Office when patient is discharged.
 - c. Obtain patient/guarantor's signature at discharge.
 - d. Document all comments relevant to the installment agreement and patient's financial status not already noted in the patient's record in automated billing system's comments file.

In the event that installment arrangements were not established and agreement signed prior to discharge or delivery/start of care:


1. Patient Financial Services Representative/ Collection Staff Customer Service JHH/JHHCG
 - a. Review notes made in automated billing system's comments file after patient's final bill is produced.
 - b. Determine the patient/guarantor's estimated monthly payment amount in accordance with the installment matrix (see Appendix A).

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- c. Notify patient/guarantor of the liability and monthly payment amount.
 - d. Satisfy patient/guarantor's questions and ensure understanding of the Installment Program.
 - e. Prepare and mail the promissory note with installment agreement to patient/guarantor for signature and return with deposit (if required).
 - f. Ensure return of the signed promissory note and installment agreement and required payment.
 - g. Code the patient's account in the billing system to reflect the monthly installment payment and terms.
 - h. Monitor the patient's account to ensure compliance with the terms of the Installment Agreement.
 - i. Determine appropriateness of referring patient's account to collection agency if two (2) or more scheduled payments are missed. Agency referral may be deferred if patient has been re-hospitalized and if patient/guarantor notifies Patient Financial Services on a timely basis.
 - j. Document all comments relevant to the agreement and patient's financial status not already noted in the billing system.
2. Director of Patient Financial Services (or designee)
Sr. Manager, Billing (JHHCG)
- a. Review any deviations from the standard installment schedule. Approve any deviations before Financial Counselors notify patient/guarantor.
 - b. Document clearly in writing and in automated billing system's comments file the reason(s) for the deviation from the standard. Deviations from the standard installment schedule may be permitted if the patient's liability results from a large bill for a single major illness (rather than from the accumulation of many small delinquent balances).

B. Emergent/Urgent Admissions

Urgent or emergent admissions originating in the Emergency Department of a JHHS affiliate will not be denied or delayed for financial reasons. Due to the urgency of these admissions, determination regarding installments is normally not made until after the patient is admitted. Procedures then would follow those for Elective Admissions in Part A, above, beginning at Procedure No. 8 (In-House Financial Counselor, "If agreement is not signed at admission...").

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OUTPATIENT SERVICES:

Procedures to be completed after approval of outpatient financial policies.


PROCEDURES - JHBMC

INPATIENT SERVICES:

Patient Financial Services personnel use two different sets of procedures depending on the type of patient admission: 1) Elective; 2) Emergent/Urgent.

A. Elective Admissions

1. ADVANCE Team Financial Counselor/Coordinator-Patient Registration
 - a. Determine prior to admission that patient/guarantor is unable to meet estimated financial responsibility through other means and that the Installment Program is most appropriate (see JHHS Finance Policy No. FIN034 - JHHS Financial Assistance Program for income determination procedures).
 - b. Compute the Total Payment required, in compliance with JHHS Finance Policy No. FIN041 - Estimating Inpatient Payment Requirements.
 - c. Determine the patient/guarantor's required deposit and estimated monthly payment amount in accordance with installment matrix (see Appendix I on page 14).
 - d. Notify patient/guarantor of the **estimated** liability; explain the Installment Program option; and inform patient/guarantor of the required deposit amount and potential monthly payments. Satisfy patient/guarantor's questions and ensure understanding of the program.
 - e. Complete an installment agreement and note the terms of the agreement in the comments section of the pre-registration.
 - f. For all patient liability balances:
 - 1) If sufficient time (7 calendar days) prior to admission:
 - a) Mail the installment agreement and promissory note to the patient/guarantor for signature and return of agreement and deposit amount.
 - b) Ensure return of signed agreement.
 - c) File agreement in patient's pre-admission folder.
 - 2) If not sufficient time prior to admission:
 - a) Advise Admitting Office that installment agreement and promissory note must be signed at admission.
 - b) Seek to obtain signature by patient/guarantor
 - c) File agreement and note in patient's folder.


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2. Patient Registrar
 - a. Document all comments relevant to the installment agreement and patient's financial status not already noted in the patient's record in automated billing system's comments file.
 - b. Ask patient to sign and collect required deposit if agreement is not signed by time of admission.
 - c. If patient is not willing to sign the installment agreement and/or make the required payments, refer the patient to the Financial Counselor/Registrar.

3. Financial Counselor/Registrar
 - a. For those patients/guarantors who are unable or unwilling to complete an installment agreement and make the required deposit in advance of their admission, contact the patient's admitting physician to determine if the admission can be deferred until the patient/guarantor can make suitable financial arrangements.
 - 1) If the Physician agrees with the deferral, the Patient Registrar must notify the patient/guarantor of the postponement.
 - 2) If the physician overrides the deferral recommendation, the Financial Counselor/Registrar should:
 - Contact the patient/guarantor to negotiate further terms and
 - Note the override in the pre-registration comments.
 - b. Seek to obtain patient/guarantor signature at discharge.
 - c. Document all comments relevant to the installment agreement and patient's financial status not already noted in the patient's record in automated billing system's comments file.

In the event that installment arrangements were not established and agreement signed prior to discharge:

- | | |
|---|---|
| Patient Financial Services
Representative/Collection Staff | <ol style="list-style-type: none"> a. Review notes made in automated billing system's comments file after patient's final bill is produced. b. Determine the patient/guarantor's estimated monthly payment amount in accordance with the installment matrix (see Appendix I on page). c. Notify patient/guarantor of the liability and amount of the estimated monthly payments. d. Satisfy patient/guarantor's questions and ensure understanding of the Installment Program. |
|---|---|

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- e. Prepare and mail the installment agreement and promissory note to patient/guarantor for signature and return with deposit (if required).
 - f. Ensure return of the signed installment agreement and promissory note and required payment.
 - g. Code the patient's account in the automated billing system to reflect the monthly installment payment and terms.
 - h. Monitor the patient's account to ensure compliance with the terms of the Installment Agreement.
 - i. Determine appropriateness of referring patient's account to collection agency if two (2) or more scheduled payments are missed. Agency referral may be deferred if patient has been re-hospitalized and if patient/guarantor notifies Patient Financial Services on a timely basis.
 - j. Document all comments relevant to the agreement and patient's financial status not already noted in the automated billing system.
2. Director of Patient Financial Services (or designee)
- a. Review any deviations from the standard installment schedule. Must approve any deviations before Financial Counselors notify patient/guarantor.
 - b. Document clearly in writing and in automated billing system's comments file the reason(s) for the deviation from the standard. Deviation from the standard installment schedule may be permitted if the patient's liability results from a large bill for a single major illness (rather than from the accumulation of many small delinquent balances).

B. Emergent/Urgent Admissions

Urgent or emergent admissions originating in the Emergency Department of a JHHS affiliate will not be denied or delayed for financial reasons. Due to the rapidity of these admissions, determination regarding installments is normally not made until after the patient is admitted. Procedures then would follow those for Elective Admissions in Part A, above, beginning at Procedure No. 8 (In-House Financial Counselor, "If agreement is not signed at admission...").

OUTPATIENT SERVICES:


Procedures to be completed after approval of outpatient financial policies.

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PROCEDURES - JHCP

1. Collection Staff
 - a. Review notes in automated billing system's comments file thirty (30) days after patient's bill is produced to determine if the balance is due from the patient. Note payor classification and follow proper procedures relevant to payor class.
 - b. Determine the patient/guarantor's estimated monthly payment amount in accordance with the installment matrix (see Appendix A).
 - c. Notify patient/guarantor of the liability and amount of the estimated monthly payments and ensure understanding of the Installment Program.
 - d. Code the patient's account in the automated billing systems to reflect the monthly installment payment and terms.
 - e. Monitor the patient's account to ensure compliance with the terms of the Installment Agreement and seek to obtain required payment.
 - f. Determine appropriateness of referring patient's account to collection agency if two (2) or more scheduled payments are missed.
 - g. Document all comments relevant to the agreement and patient's financial status not already noted in the automated billing system's comments file.

2. Director of the Business Office (or designee)
 - a. Review any deviations from the standard installment schedule. Approve any deviations before Financial Counselors notify patient/guarantor.
 - b. Document clearly in writing and in automated billing system's comments file the reason(s) for the deviation from the standard. Deviation from the standard installment schedule may be permitted if the patient's financial circumstances warrant an extension of the installment period.

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APPENDIX A

INSTALLMENT MATRIX

The following installment matrix will be used to calculate the patient's monthly payment amount:

Total of Patient Liabilities	Maximum Repayment Term	Minimum Monthly Payment
\$50.00 and less	IN FULL	IN FULL
\$51 - 100	2	\$40
\$101 - 300	3	\$55
\$301 - 600	6	\$75
\$601 - 1,000	9	\$100
\$1,001 - 3,000	12	\$150
\$3,001 - 6,000	15	\$250
\$6,001 and over	18	\$350

- A. To calculate the patient's monthly installment, **both** the Minimum Monthly Payment and Maximum Repayment Term criteria **must be satisfied**.
- B. For example, a patient has a balance of \$1,200 to pay off. This results in monthly payments of \$150 for 8 months. The matrix shows that a balance of \$1,200 requires a **minimum** monthly payment of \$150. Dividing \$1,200 by \$150 yields 8 months, which is within the **maximum** Repayment Term.
- C. If a patient owed a balance of \$85, the installment amount would be \$42.50 for 2 months. Two months is the **maximum** Repayment Term and \$42.50 is above the **minimum** Monthly Payment amount.