


| | | | |
|---|--|-----------------------|----------|
|  JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN069 |
| | <i>Subject</i> | <i>Effective Date</i> | 05-11-09 |
| | SPECIAL COLLECTIONS SITUATIONS | <i>Page</i> | 1 of 10 |
| | | <i>Supersedes</i> | 05-01-06 |

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), and Johns Hopkins Community Physicians (JHCP), Johns Hopkins Home Care Group (JHHCG) and Howard County General Hospital (HCGH).

Purpose

To establish the practices for handling the following special collections situations for Patient Financial Services at JHHS affiliates:

- A. Filing Claims Against Decedent Estates
- B. Bankruptcy Collections
- C. Liens
- D. Settlement and Lawsuit Authorizations

A. Filing Claims Against Decedent Estates

The purpose of this policy is to reduce the risk of non-collection of balances owed by patients whenever the Patient Financial Services Department learns that a patient/responsible party has expired with an outstanding self-pay balance.

The Patient Financial Services Department is responsible for filing a claim with the decedent's estate in order to collect as much of the amount due as possible.

For estates in Maryland, claims must be filed no later than six (6) months after the patient/responsible party has expired, or within two (2) months after the personal representative delivers a notice to the affiliate stating that a claim will be barred unless filed within two (2) months, whichever occurs first (but in any event no later than six (6) months after date of death).


For non-Maryland estates, filing procedures and time frames will vary; the Patient Financial Services Legal Representative or the Office of General Counsel shall research procedures in these situations.

B. Bankruptcy Collections

The purpose of this policy is: (a) to comply with bankruptcy regulations regarding the filing of a claim against a patient/responsible party who has filed for bankruptcy; (b) to ensure that a proof of claim is filed in a bankruptcy estate in order to assure that the debt owed will be allowed and paid when there are estate assets; and, (c) to ensure that balances determined to be covered by the bankruptcy decree are appropriately adjusted and not billed to the responsible party.

If the debtor is discharged of the debts, affiliates shall hold the responsible party/patient harmless for charges that are not covered by third party payers and were incurred prior to the court declared effective date of bankruptcy.

Charges incurred after the effective date of the bankruptcy will not be considered part of the bankruptcy write off.

| | | | |
|---|--|-----------------------|----------|
|  JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN069 |
| | <i>Subject</i> | <i>Effective Date</i> | 05-11-09 |
| | SPECIAL COLLECTIONS SITUATIONS | <i>Page</i> | 2 of 10 |
| | | <i>Supersedes</i> | 05-01-06 |

All accounts for which a Notice of Bankruptcy has been received shall be processed and the appropriate paperwork filed with the court and, when appropriate, Trustee (Chapter 13) within the shorter of the following time frames: prior to the stated filing date; within three (3) working days of the Notice receipt.

All accounts for which the Bankruptcy Discharge Order have been received will be processed within five (5) working days of receipt of the order.

C. Liens

The purpose of this policy is to describe the methods for filing hospital liens to secure the JHHS affiliate's financial interest in collection on accounts of patients who have been injured due to the negligence of a third party (exclusive of Worker's Compensation).

JHHS affiliates shall obtain at the point of initial treatment sufficient information to file a lien. This information includes patient name, insurer, liable party name and insurer, date of injury, attorney name, etc.

Patient Financial Services shall determine at the point of billing the need to file the notice of Hospital Lien. In order for the lien to be effective, it must be filed before payment of any money to the patient, his attorney, heirs or personal representatives as compensation for the injuries.

D. Settlement and Lawsuit Authorizations


The purpose of this policy is to describe the methods for authorizing: (a) settlements upon accounts receivable due a JHHS affiliate, and (b) legal action upon certain accounts due a JHHS affiliate.

This policy applies to all accounts receivable (active AR and Bad Debt) that are assigned to either an outside collection agency or to inside legal counsel.

- 1) **Settlements** - Settlements are defined as the agreement to accept less than the HSCRC-approved charges, after considering applicable allowances and discounts, as full satisfaction of the balance due. Settlements are considered by Patient Financial Services after lengthy and repeated efforts to collect payment have met with little or no success, and the proposal is judged to be a reasonable offer. Settlements shall be accepted, modified, or rejected in accordance with established signature authority policies.
- 2) **Lawsuit Authorizations** - JHHS affiliates may use legal suits to obtain payment on accounts which remain uncollected after repeated efforts by the affiliate or its designated collection agency and sufficient assets are available to satisfy the patient's debt.

Patient Financial Services shall review documentation to determine if the patient/responsible party is considering the initiation of, or has already initiated, legal action against JHHS. In situations where the patient/responsible party has threatened or has already initiated legal action, Patient Financial Services will consult the JHHS Office of General Counsel before proceeding.

Patient Financial Services shall begin review of the designated accounts that would be affected by the lawsuit within five (5) working days of the agency's request to file suit. Patient Financial Services always retains the right to deny a request to file suit.

| | | | |
|---|--|-----------------------|----------|
|  JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN069 |
| | <i>Subject</i> | <i>Effective Date</i> | 05-11-09 |
| | SPECIAL COLLECTIONS SITUATIONS | <i>Page</i> | 3 of 10 |
| | | <i>Supersedes</i> | 05-01-06 |

Patient Financial Services shall complete and convey decisions related to the lawsuit (approve/deny) within ten (10) working days of receiving the agency's request to file suit.

REFERENCE

JHHS Finance Policies and Procedures Manual

- Policy No. FIN017 - Signature Authority: Patient Financial Services
- Policy No. FIN063 - Self-Pay Collections
- Policy No. FIN094 - Bad Debt Placement

Patient Financial Services Department procedures for Filing Motor Vehicle Accident of Other Third Party Liability

Maryland Annotated Code, Commercial Law Article, Section 16-60, et seq.
 Maryland Annotated Code, Estates and Trusts Article, Section 8-101 et seq.

11 U.S.C.101 et seq.


RESPONSIBILITIES

A. Filing Claims Against Decedent Estates

- | | |
|--|--|
| Patient Financial Services or Collections Representative | Ensure before filing claim that decedent's account is not on list to be monitored by senior Finance management (see Finance Policy No. FIN075 - Handling Customer Communications). File a claim with the Register of Wills in the appropriate court; follow-up on all claims filed to ensure that the claim is properly registered; refer any Notices of Disallowance to the Patient Financial Services Legal Representative or the Office of General Counsel for pursuit; if estate payment insufficient, determine if any other party is responsible; maintain pertinent comments on the account in the automated system. |
| Patient Financial Services Legal Representative or Office of General Counsel | Research all Notices of Disallowance; refute those notices that are determined to be invalid. |

B. Bankruptcy Collections

- | | |
|---|--|
| Patient Financial Services or Collections Representative | Receive Notice of Pending Bankruptcy; determine patient/responsible party accounts affected; cease collection activity on affected accounts. |
| Collections Supervisor | Transfer appropriate account balances to Self Pay financial class; periodically audit accounts for quality control; review bimonthly all new accounts written of to bankruptcy code. |
| Patient Financial Services Legal Representative | File as appropriate to protect JHHS claims. |

| | | | |
|--|--|------------------------------|-----------------|
|  <p>JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM</p> | <p>The Johns Hopkins Health System Policy & Procedure</p> | <p><i>Policy Number</i></p> | <p>FIN069</p> |
| | <p><i>Subject</i></p> | <p><i>Effective Date</i></p> | <p>05-11-09</p> |
| | <p>SPECIAL COLLECTIONS SITUATIONS</p> | <p><i>Page</i></p> | <p>4 of 10</p> |
| | | <p><i>Supersedes</i></p> | <p>05-01-06</p> |

C. Liens


| | |
|---|---|
| ER Facilitator/Inpatient Admissions Officer | Obtain sufficient information to file liens from patients injured in all motor vehicle accidents, other third party liability or police involvement cases to the extent possible considering medical condition; complete Hospital Lien Form. |
| Admissions Officer | Ensure that In-house Financial Counselor receives Lien Form for inpatient admissions. |
| Financial Counselor | Follow up to obtain any additional information pertinent to potentially filing liens; enter appropriate comments in the automated system. |
| Patient Financial Services Representative | Determine need to file lien simultaneously with billing to responsible party; file lien as appropriate. Receive settlement offer; determine accounts involved and their outstanding balances; obtain information concerning patient's financial ability to pay and facts concerning lawsuit/insurance settlement; determine amount acceptable for settlement; accept/reject/modify settlement in accordance with applicable signature authority policy; forward any other accounts to Collections Supervisor with recommendations. |

D. Settlements

| | |
|--|---|
| Patient Financial Services or Collections Representative | Review pertinent financial and lawsuit/insurance information; determine what amount is acceptable for settlement; accept/reject/modify settlement in accordance with applicable signature authority policy; forward all other accounts to Associate Director, Collections or Director, Patient Financial Services with recommendations. |
| Associate Director, Collections/Director, Patient Financial Services | Review recommendations and supporting documentation; accept/reject/modify settlement in accordance with applicable signature authority policy; periodically review all settlements for proper write off. |

E. Lawsuit Authorizations

| | |
|--|--|
| Collection Agency Liaison | Forward agency's accounts recommended for lawsuit to Associate Director - Collections. |
| Director, Patient Financial Services (or designee) | Review recommended accounts; consult as necessary on VIP and risk management accounts approve/reject filing of lawsuits; reconcile approved accounts on agency list to affiliate automated system; enter any comments into automated system. |

| | | | |
|---|--|-----------------------|----------|
|  JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN069 |
| | <i>Subject</i> | <i>Effective Date</i> | 05-11-09 |
| | SPECIAL COLLECTIONS SITUATIONS | <i>Page</i> | 5 of 10 |
| | | <i>Supersedes</i> | 05-01-06 |

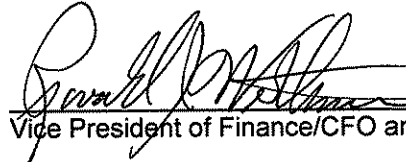
SPONSOR

Senior Director, Patient Finance (JHH, JHHS, JHBMC)
 Senior Director of Finance (JHCP)
 CFO (JHHCG)
 Director of Revenue Cycle (HCGH)

REVIEW CYCLE

Three (3) years

APPROVAL



 Vice President of Finance/CFO and Treasurer, JHHS

5-15-09
 Date

PROCEDURES

A. Filing Claims Against Decedent Estates

1. Patient Financial Services or Collections Representative
 - a. Ensure before filing claim that decedent's account is not on list to be monitored by senior Finance management (see Finance Policy No. FIN075 - Handling Customer Communications). Enter all pertinent information concerning patient's account in the automated system.
 - b. File claim with Register of Wills in appropriate county.
 - c. Determine if estate has been opened; if so, obtain correct estate name, name/address of personal representative.
 - d. File claim form with Register of Wills for amount owed to affiliate together with cover letter which requests receipt; send copy of claim and cover letter to personal representative, and keep another copy of each in patient's file.
 - e. Monitor return of receipt from Register of Wills and take following actions:
 - 1) Staple returned receipt to file copy of claim.
 - 2) If no receipt is returned within three (3) weeks of filing claim, contact Register of Wills.
 - 3) If Register of Wills never received, claim; file another within the six (6) month limitation period.
 - f. Monitor Register of Wills for status of estate, reasonably

| | | | |
|---|--|-----------------------|----------|
|  JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN069 |
| | <i>Subject</i> | <i>Effective Date</i> | 05-11-09 |
| | SPECIAL COLLECTIONS SITUATIONS | <i>Page</i> | 6 of 10 |
| | | <i>Supersedes</i> | 05-01-06 |


relating time and effort expended to amount due and amount likely to be collected.

- g. If the personal representative files Notice of Disallowance of Claim, immediately refer account to *Patient Financial Services* Legal Representative or JHHS Office of General Counsel for review/response.
 - h. Determine if someone other than patient is responsible if estate payment is not sufficient.
 - i. Write off account as non-collectible when determined that estate has insufficient assets, no other party is responsible for bill, and account balance is less than \$2,500, (\$500.00 for JHHCG).
2. Patient Financial Services Legal Representative or Office of General Counsel at JHH/JHBMC Reimbursements at JHHCG
- a. Determine if Notice of Disallowance is valid, and if so, notify Patient Financial Services. If not valid, file response with Personal Representative in support of claim.
 - b. Follow up with the Personal Representative concerning the Notice of Disallowance at 45-day intervals until resolution is reached.

B. Bankruptcy Collections

1. Patient Financial Services or Collections Representative
- a. Enter all pertinent information concerning patient's account in the automated system.
 - b. Determine the patient/responsible party accounts for inclusion under the bankruptcy after receipt of the Notice of Pending Bankruptcy and cease all activity on the affected accounts.
 - c. Complete proof of claim for any balances due the affiliate; send proof via certified mail to clerk of the Bankruptcy Court, requesting date-stamped copy of proof of claim, and copy to Trustee (in Chapter 13 cases) with any required supporting documents.

File returned copy of proof of claim in patient's folder.
 - d. Determine charges incurred prior to the bankruptcy filing date after receipt of the Discharge Order from the bankruptcy Court.
 - e. For active accounts receivable (not sent to collection agency):
 - 1) Determine whether insurance company has been contacted and the likelihood of any payment.

| | | | |
|---|--|-----------------------|----------|
|  JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN069 |
| | <i>Subject</i> | <i>Effective Date</i> | 05-11-09 |
| | SPECIAL COLLECTIONS SITUATIONS | <i>Page</i> | 7 of 10 |
| | | <i>Supersedes</i> | 05-01-06 |

- 2) When insurance payment unlikely, refer account to Collections for transfer of insurance balance to Self Pay.
 - 3) After notification of bankruptcy discharge is received, the accounts should be written off with a unique code (BAN), which would be applicable to both JHH and BMC.
 - 4) When remaining balance includes insurance liability, change patient/responsible party name and address to:


Collections Supervisor, affiliate address.
 - 5) When account has collectible insurance balances, ensure follow up with insurance company only.
- f. For accounts sent to collection agencies:
- 1) Provide copies of bankruptcy notice to appropriate agency with instructions to return the account if entire balance is included in notice. File copy of notice in patient folder.
 - 2) Write off bankruptcy filing balance with appropriate code in accordance with applicable signature authority policy after return from agency.

2. Collections Supervisor
 - a. Approve transfer of doubtful insurance accounts to Self-Pay financial class.
3. Agency Liaison
 - a. Audit bankruptcy accounts periodically and review accounts written off to bankruptcy code on a bimonthly basis.
4. Patient Financial Services
Legal Representative
 - a. File as appropriate to protect all JHHS claims.

C. Liens

1. ER Facilitator/Inpatient
Admissions Officer
 - a. Enter all pertinent information concerning patient's account in the automated system.
 - b. Obtain sufficient information to file liens from all patients injured in motor vehicle accidents, other third party liability or police cases.


Complete Hospital Lien form along with other registration forms and forward to In-house Financial Counselor for admitted patients.
2. Financial Counselor
 - a. Obtain any additional information required for filing liens and document in automated system.

| | | | |
|---|--|-----------------------|----------|
|  JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN069 |
| | <i>Subject</i> | <i>Effective Date</i> | 05-11-09 |
| | SPECIAL COLLECTIONS SITUATIONS | <i>Page</i> | 8 of 10 |
| | | <i>Supersedes</i> | 05-01-06 |

- 3. Patient Financial Services Representative
 - a. Determine if lien should be filed simultaneously with billing to responsible party. Both hospitals will write off balances of less than \$2,500, (500.00 for JHHCG). The write off accounts will be to ALAW@ for JHHS and AIHL @ for JHBMC.
- 4. Legal Counsel
 - a. File liens as appropriate.

D. Settlements

- 1. Patient Financial Services or Collections Representative
 - a. Enter all pertinent information concerning patient's account in the automated system.
 - b. Review all of patient's accounts upon request of settlement and determine total amount owed, including accounts with agencies.
 - c. Notify party requesting settlement of all accounts and balances. If accounts are with agencies, notify agency of request for settlement; provide agency information to party and instruct party to contact agency regarding settlement.
 - d. Obtain credit report and financial application to determine patient/responsible party's financial ability to pay.
 - e. Obtain details of settlement:
 - 1) amount paid by insurance/negligent party pursuant to lawsuit/insurance settlement
 - 2) amount patient receiving
 - 3) amount other providers are receiving
 - 4) amount attorney receiving
 - 5) time frame for funds to be paid to affiliate.
 - f. Determine if affiliate has filed a lien, letter of protection or assignment of funds and provide all pertinent information to Collections Supervisor.
- 2. Collections Supervisor
 - a. Review information received pertaining to proposed settlement and determine if settlement is justified and acceptable in amount.
 - b. Make recommendations and forward to Associate Director, Collections or Director, Patient Financial Services for authorization.

| | | | |
|---|--|-----------------------|----------|
|  JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN069 |
| | <i>Subject</i> SPECIAL COLLECTIONS SITUATIONS | <i>Effective Date</i> | 05-11-09 |
| | | <i>Page</i> | 9 of 10 |
| | | <i>Supersedes</i> | 05-01-06 |

3. Associate Director,
Collections or Director,
Patient Financial Services

a. Review information and approve, deny or modify the settlement request.

E. Lawsuit Authorizations

1. Collection Agency Liaison

a. Enter all pertinent information concerning patient's account in the automated system.

b. Review all agency documentation for accounts recommended by agencies for filing suit and determine if appropriate collection attempts were made prior to filing suit.

c. Request an account profile to serve as additional supporting documentation for the lawsuit authorization.

d. Forward VIP or risk management accounts to the Director, Patient Financial Services. Forward all other accounts and supporting documentation to Collection Supervisor.

e. Reconcile accepted/rejected accounts to original list received from the agency and note disposition of each account on the listing.

f. Send original authorization for lawsuit request to the agency.

g. Prepare the following and any other documents required by the agency:

1) Copies of bills

2) Signed admission agreement and financial responsibility statement

3) all relevant correspondence and collection comments.

h. Place copy of authorization and all documentation in all appropriate files.

2. Collections Supervisor


a. Review accounts to determine if lawsuit is justified. Forward accounts with respective recommendations to the Associate Director, Collections.

3. Associate Director,
Collections

a. Review accounts and authorize or reject lawsuits. Forward accounts with balances greater than \$2,500, (\$500.00 for JHHCG) to Director, Patient Financial Services for lawsuit authorization.

4. Director, Patient Financial
Services

a. Review VIP, risk management and recommended accounts with balances greater than \$2,500:

| | | | |
|---|--|-----------------------|----------|
|  JOHNS HOPKINS MEDICINE <hr/> JOHNS HOPKINS HEALTH SYSTEM | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN069 |
| | <i>Subject</i> | <i>Effective Date</i> | 05-11-09 |
| | SPECIAL COLLECTIONS SITUATIONS | <i>Page</i> | 10 of 10 |
| | | <i>Supersedes</i> | 05-01-06 |

- 1) Consult with JHHS Senior Director of Patient Financial Services concerning VIP accounts.
 - 2) Consult with JHHS Office of General Counsel concerning risk management accounts.
- b. Approve or reject lawsuits for accounts with balances greater than \$2,500 (\$500.00 for JHHCG).