 <b>JOHNS HOPKINS</b> MEDICINE JOHNS HOPKINS HEALTH SYSTEM	<b>The Johns Hopkins Health System          Policy &amp; Procedure</b>	<i>Policy Number</i>	FIN076
	<i>Subject</i>	<i>Effective Date</i>	03-03-08
	<b>COLLECTION AGENCIES PERFORMANCE          ANALYSIS</b>	<i>Page</i>	1 of 4
		<i>Supersedes</i>	05-06-05

## 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 (JHHCG) and Howard County General Hospital (HCGH).

### Purpose

The purpose of this policy is to establish a mechanism to monitor and evaluate the performance of all external collection agents contracted by JHHS and its affiliates.

### Patient Communications

Patient Financial Services shall follow these general lines of communication when patients whose accounts have been transferred to an agency call the affiliate for information:

1. General Inquiries - Refer the patient to the appropriate agency and make note of the call in the automated Patient Financial Services system.
2. Service Complaints - Refer the patient to the Patient Relations Department (Operations Directors for JHHCG) and make note of the call in the automated Patient Financial Services system.
3. Charge Disputes - Obtain all relevant information from patient and follow up to resolve dispute. As appropriate, advise the agency of inquiries received from patients and place "holds" on accounts.


### Reporting

Each affiliate shall prepare monthly reports displaying inpatient, outpatient and total collection activity:

- For each agency;
- In aggregate; and
- Comparative ratios across agencies.

At a minimum, agency and aggregate reporting should display the following elements:

- Total dollars placed;
- Dollars collected at agency;
- Dollars collected at affiliate ( as a result of agency efforts);
- Commission rate;
- Commission expense;
- Net collections;
- Ratio of agency/total collections;
- Ratio of total collections/placements;
- Ratio of net collections to placements.

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Data sources include:

- Affiliate placement reports;
- Periodic collection reports from the agencies;
- Agency close and return reports.

Additionally, affiliate personnel shall exercise care in reviewing agency collection reports to ensure that collected dollars are accurately reported and commission rates are appropriate.

#### Non-financial Reporting

Patient Financial Services personnel shall use such non-financial measures as electronic or paper logs to record complaints received from:

- The patient/guarantor directly;
- The Maryland Consumer Protection Division;
- Maryland Department of Licensing;
- Other relevant agencies.

Logs should categorize complaints by agency and by type of complaint, e.g., abusive calls, harassment, calling at inappropriate times, etc.


Complaint logs should be reviewed at periodic staff meetings to determine if any patterns or trends are developing.

#### Agency Audit

At least annually, collection personnel shall perform an unannounced audit of each agency either on site or electronically. These audits shall be carried out by randomly selecting a statistically valid number of placed inpatient and outpatient accounts (including partial payments, no payments, closed accounts) for review of:

- Frequency of mailings and calls;
- Documentation on skip tracing;
- Documentation on research of patient's assets, credit reports;
- Evaluation of assertiveness of collection efforts;
- Evaluation of third party billing, handling of bankruptcy, estate claims;
- Comparison of amounts paid by agency to JHHS entities against amounts reported to JHHS entities by agency.

A summary report of audit findings shall be prepared by audit personnel and sent to the Director of Patient Financial Services.

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### Internal Review

All agency contracts shall contain language which reflects the affiliate's rights to use its criteria in judging agency reports, to alter volume of placements, and to suspend or withdraw placement. Patient Financial Services management uses the agency audit results in conjunction with agency financial reporting to evaluate agency performance and determine whether to continue with the agency, to review substandard findings with the agency or to terminate the relationship. Files on agency performance will be maintained for the life of the contract, or a minimum of three years.

The Internal Audit and Accounting Departments will periodically review the reasonableness of Patient Financial Services financial and non-financial reports relating to agencies' productivity and effectiveness.

### REFERENCES

Fair Debt Collection Practices Act

American Collectors Association Code of Ethics

**JHHS Finance Policies and Procedures Manual**  
 Policy No. FIN094 - Bad Debt Placement

### RESPONSIBILITIES

Agency Liaison/Representative  
 (JHH, JHHS, JHBMC and JHHCG),

Monitor agency activity and prepare required reports.

Collection Supervisor (JHCP, JHH,  
 JHHS, JHBMC and JHHCG)

Resolve patient questions or complaints and document accordingly.


Review internal agency reports and evaluate performance.

Collection Management (JHH,  
 JHHS, JHBMC and JHHCG),  
 Director of Business Office (JHCP)

Discuss performance and any patient complaints with staff and agencies and take appropriate action.

Accounting Depts.

Review on a periodic basis the internal reporting prepared by Patient Financial Services.

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**SPONSOR**

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

**CYCLE REVIEW**

Three (3) years

**APPROVAL**

  
 Vice President of Finance/CFO and Treasurer, JHHS

7-9-09  
 Date

**PROCEDURES**

1. Agency Liaison/Representative (JHH, JHHS, JHBMC and JHHCG), Collection Supervisor (JHCP)
  - a. Monitor agency activity.
  - b. Handle communication with patients/guarantors; resolve patient questions or refer to relevant party as appropriate.
  - c. Review agency reports, adjust data as appropriate.
  - d. Incorporate affiliate placements reports. (N/A for JHHCG)
  - e. Prepare monthly report detailing placements and collections by entity by agency.
  - f. Record agency complaints; compile complaint log.
  - g. Participate in agency audits.
  
2. Collection Management (JHH, JHHS, JHBMC and JHHCG), Director of Business Office (JHCP)
  - a. Review internal reports on agencies.
  - b. Evaluate performance; discuss performance, complaints with staff at periodic staff meetings.
  - c. Audit agencies at least annually; meet periodically with agencies to discuss performance.
  - d. Maintain performance files; as appropriate, suspend or withdraw placements.
  
3. Accounting
  - a. Review on a periodic basis the internal reporting prepared by Patient Financial Services.