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Owner **Aaqil Khan:**  
Director, Revenue Cycle  
Area Revenue Cycle

## Payment Policy

### PURPOSE:

To provide every patient from the community we serve with medically necessary health services regardless of their ability to pay. This policy sets standards for the collection of patient payments and establishes a classification of payment methods which are both friendly to the patient and beneficial to the hospital.

### POLICY:

It is the policy of Katherine Shaw Bethea (KSB) Hospital to provide payment options to patients.

### CONSIDERATIONS AND RELATED ISSUES:

Financial assistance provided by the Hospital is not a substitute for personal responsibility. All patients are expected to contribute to the cost of their care, based upon their individual ability to pay.

The Hospital will endeavor to provide patients with "user friendly" billing statements. In this regard, the Hospital will utilize the Patient Friendly Billing standards and recommendations of the Healthcare Financial Management Association.

Medically Necessary Services: Services of supplies which are provided for the diagnosis, direct care, and treatment of a medical condition, meet the standards of good medical practice in the local area, are covered by and considered medically necessary by the Medicare and Medicaid programs, and are not mainly for the convenience of the patient or physician. Medically necessary services do not include cosmetic surgery or non-medical services, such as social, education, or vocational services.

This policy will provide an established sequence for revenue cycle staff members to provide payment options to patients. This payment hierarchy sets up an equitable process by which a patient and/or

guarantor can make a payment or acceptable payment arrangement. This policy also allows for the patient's financial obligation to be collected before or upon admission for scheduled inpatient services, at the time service is rendered for outpatient services, and prior to discharge for emergency admissions. The terms of this policy will also meet all compliance requirements (i.e., Emergency Medical Treatment and Active Labor Act - EMTALA).

## PROCEDURE:

1. Evaluate patients for any health care program operated or financed by the State or Federal Government (ex: Medicaid). Patients will be assisted in completing any necessary application(s) if requested.
2. Evaluate patients for the hospital financial assistance program, based on the criteria set forth in the hospital's Financial Assistance Policy. If the patient is not deemed eligible for financial assistance program, the payment options which follow will be provided to the patient (including any applicable discounts). The following options include the ability to take advantage of any applicable discounts, provided the patient fulfills the terms of those discounts:
  - A. **Uninsured Discount:** 30% applied automatically to all true self-pay patients' accounts regardless of income (refer to Uninsured Discount Policy for more detail). Self-pay discount does not apply to any patient self-pay balances after insurance.
  - B. **Catastrophic Care:** Patient may be eligible for this discount if their liability is greater than 25% of their annual adjusted income.
3. Cash is the most desirable payment method, but for higher balances other options are presented.
4. Patients not paying in cash will be advised they are able to pay with a debit or credit card. All major credit cards will be accepted. Patients not able to pay with debit or credit cards within the below thresholds will be directed to outside financing options to resolve their financial obligation to the hospital.
5. Patients will be offered a 0% interest monthly payment plan based on the established guidelines:

Self-Pay Balance Amount	Monthly Minimum Payment	Payment Term
6. \$100 to \$500	\$20 or 10%, whichever is higher	Max 10 months
\$501 - \$1000	\$50 or 8.5%, whichever is higher	Max 12 months
\$1,001 - \$2,000	\$85 or 5%, whichever is higher	Max 24 months
\$2,001 - \$5,000	\$100 or 4.5%, whichever is higher	Max 36 months
≥ \$5,000.00	Any balance which exceeds \$5,000 will be referred to Midland	

States Bank for extended payment plan options

7. Patients unable to meet the above payment terms or with balances above \$5,000 will be referred to any applicable outside financing options. The hospital offers extended payment plan options through Midland States Bank.
8. If a patient defaults on his or her payment plan, the payment plan will be terminated and the remaining balance will be immediately due.

## REGULATIONS AFFECTING POLICY:

Fair Patient Billing Act allows the patient reasonable time to make payment arrangements or complete financial assistance application.

EMTALA that allows the patient access to emergency care regardless of the patient's ability to pay.

## SCOPE:

All affected employees and patients.

## RESPONSIBILITY FOR ENFORCEMENT:

All affected departments.

## METHODS OF DISSEMINATION:

Administrative Management Manual.

## Approval Signatures

Step Description	Approver	Date
CFO	Austin Frazier: Chief Financial Officer	01/2024
Policies & Procedures Committee	Hilary Thomas: Director, Professional Practice & Development	09/2023
	Aaqil Khan: Director, Revenue Cycle	08/2023