



Patient Payment Plans

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| Applicability: Organizational | Date Effective: 12/2007 |
| Department: Patient Financial Services | Date Last Reviewed: 06/19 |
| Supersedes: Payment Guidelines | Or Date Last Revision: 04/16 |
| Administration Approval: Tristan Glanville, Interim VP & CFO | |

Purpose: To establish guidelines for offering patients payment plans for balances owed.

Policy Statement: Northwestern Medical Center understands that a payment plan may be beneficial to some patients. Such plans can also facilitate collections and save on collection costs. Therefore, Patient Financial Services may offer a payment plan to patients for the balance they owe.

Background: N/A

Definitions: Billing Service – self-pay vendor which provides collection services for Northwestern Medical Center.

Procedure: Payment plans will not be offered on a “standing” or “routine” basis, and are to be offered on a case by case basis, either prior to services being rendered during the pre-registration/financial counseling/financial clearance processes, or during the collection process after services have been rendered, depending on the facts and circumstances, and in the exercise of the Hospital’s commercially reasonable business judgment.

Under payment plans, the patient is to make monthly payments on the agreed upon day each month in the agreed upon amount. The billing service will send out a patient statement the day after a payment plan has been established. The statement will note the agreed upon payment amount and the date the payment is due. The billing service will place calls on any accounts delinquent thirty days. If unable to connect with the patient by phone or unable to come to resolution within sixty days, the account will be removed from “pre-collection” and referred to “collections”. The patient/guarantor will be sent written notice that the account is being placed with a collection agency.

Payment plans will be offered as follows:

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|-------------------------------|---------------------------------------|----------------------------|
| <u>Account Balance</u> | <u>Minimum Monthly Payment</u> | <u>Maximum Term</u> |
|-------------------------------|---------------------------------------|----------------------------|



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| \$100 to \$499 months | No guidelines | 10 |
| \$500 to \$1,000 | 8.3% of account balance | 12 months |
| \$1,001 to \$5,000 | 4.2% of account balance | 24 months |

Any payment plans that deviate from the guidelines set forth above must be reviewed and approved the Patient Financial Services Manager. Any payment plans established for outstanding balances that exceed \$5,000 require CEO or CFO approval.

A copy of this policy shall be provided to the collection agencies used by the Hospital. The collection agencies are expected to comply with this policy.

Note Well: N/A

Monitoring Plan: Patient Financial Services will receive weekly reports from the billing service indicating new payment plans will be added. New payment plans will be monitored for accuracy to the above guidelines.

Related Policies:

[Billing and Collection Practices](#)

References: N/A

Reviewers:

- A. **Key Stakeholders:** N/A
- B. **Committees:** N/A
- C. **Key Process Owner (KPO):** Megan Smith, Manager of Patient Financial Services

***Keywords - Not part of policy:* Payment Plans, Self-Pay, Patient Balance**