

LAKWOOD BILLING PROCESS

November 2, 20—

The billing process at Lakewood Hospital will be undergoing review soon. This report will explain how fees are determined, how transactions are recorded, how payments are made, and how overdue accounts are collected at this point in time.

DETERMINING FEES

Fees that a physician charges for services should be fair both to the patients that are under his or her care as well as to the medical profession. A doctor's fees should be based on the following criteria:

- The amount of time involved in providing the service.
- The level of skill required in providing the service.
- The degree of expertise required to interpret the results of the service provided.

Fees should be identified in a fee schedule that lists procedures performed and the charges assessed for those procedures. The fee schedule should be made available to patients if it is requested. If patients inquire about the amount of the fee, an estimate should be given to the patient. In all instances, this estimate should be made available to the patient before treatment begins.

RECORDING TRANSACTIONS

A record of all patient visits must be maintained. A charge slip should be used to record all procedures. The charge slip includes information such as a checklist of all procedures; a checklist of all diagnoses; space for additional information; and an area for all previous charges, payments, and balances. As the doctor performs procedures, annotations and changes are made to the charge slip so that it is kept current. The charge slip should be attached to the patient's chart. When all procedures have been completed, a copy of the charge slip is sent to the patient to indicate the charges incurred during the patient's visit.

MAKING PAYMENT ARRANGEMENTS

A patient's bill can be paid by one of the following methods:

- A patient can pay the bill by cash or check at the conclusion of the visit.
- A patient can pay fixed amounts of the bill at designated times, weekly or monthly.
- A bill (statement) can be sent to the patient at the conclusion of the visit.
- A bill can be sent to the health insurance carrier.

COLLECTING OVERDUE ACCOUNTS

There are a number of reasons why a patient might not pay a bill. Whatever the reason, however, steps must be taken to collect delinquent accounts. Depending on the number of days the account has been overdue, here are some suggestions for steps that can be taken to collect payment:

1. Attach a reminder when the bill is sent if payment is over 30 days overdue (this is the usual grace period given to accounts).
2. If payment is not received after the reminder is sent, it may be necessary to call the patient to request payment.
3. The next step would be to attach a personal note to a statement that is overdue, possibly as long as 60 days.
4. Make one further attempt to telephone the patient for payment.
5. Send a collection letter for payment. The letter should be friendly but firm. Remind the patient that the account is overdue. Offer to assist the patient in making payments on a fixed schedule by establishing a payment plan. Leave your telephone number so the patient can call you if there are any questions that need to be answered regarding the bill.
6. The final alternative in collecting an unpaid bill is to turn the account over to a collection agency or go to court for legal action. This is a costly step for both caregivers and patients, and it should be used only as a last resort.