

**WEST VIRGINIA UNIVERSITY HOSPITALS**  
*and Ambulatory Services*  
**POLICY AND PROCEDURE MANUAL**

**Policy II.010**  
**1st Effective 1-1-84**  
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## **FINANCIAL POLICY**

Our Strategic Plan, adopted in 2011, clearly sets out the WVU Healthcare mission: to improve the health of West Virginians and all we serve through excellence in patient care, research, and education. West Virginia University Hospitals, Inc is a not-for profit teaching hospital committed to providing emergency and medically necessary, high quality health care services regardless of our patients ability to pay.

In order to provide necessary medical services to our community and continue to support our teaching mission, WVUH must maintain a strong financial foundation that includes the timely collection of all Accounts Receivable. This policy establishes WVUH's financial requirements for payment of services based on consistent compliance criteria incorporating individual patient financial conditions and circumstances. This policy will ensure the appropriate resolution of patient financial obligations to WVUH while maintaining optimal customer satisfaction.

### **POLICY**

**NON-EMERGENCY SCHEDULED PATIENTS:** Patients are expected to resolve their identified financial obligations to WVUH prior to their scheduled date and time of service. WVUH expects credit card or auto check draft pre-payments 48 hours prior to the scheduled date of service. If the patient does not resolve the account(s) as defined within the financial policy guidelines, the service request may be clinically reviewed for delay, rescheduling or cancellation as appropriate.

**NON-EMERGENCY UNSCHEDULED PATIENTS:** Patients are expected to resolve their identified financial obligations to WVUH at the earliest opportunity at the time of service but no later than the time of discharge. If the patient does not resolve the account(s) as defined within the financial policy guidelines, the service request may be clinically reviewed for delay, rescheduling or cancellation as appropriate.

**PATIENTS SEEKING EMERGENCY CARE AND URGENT PATIENTS:** WVUH will provide emergency services regardless of the patient's ability to pay for those services consistent with our organizational mission and in compliance with applicable Federal and State regulations. Only after the medical screening examination has been completed and the patient has been stabilized, will WVUH initiate calls to third party payers to verify insurance coverage's and for notification of the patient's arrival in the emergency department. At no time will emergency treatment be delayed because a physician or insurance company cannot be reached or due do a patient's inability to pay. Emergency cases completing treatment and having been stabilized will be requested, prior to discharge, to comply with the same financial requirements as non-emergency unscheduled patients. Patients admitted to WVUH to stabilize their condition without meeting financial resolution requirements, will be identified and monitored post stabilization for resolution prior to discharge.

### **PROCEDURE**

**THRESHOLD DETERMINATION:** Threshold processing is determined according to the type of service, anticipated charge and/or if the service is known to have restricted coverage based on completing comprehensive processing activities.

- The following service classifications meet threshold guidelines for comprehensive processing:
  - All inpatients
  - All surgical patients
  - All emergency patients
  - All observation patients
  - All extended recovery patients

- All reoccurring patients
- Remaining patients are determined to meet threshold guidelines for comprehensive processing if at least one of the following is present:
  - Outpatient services where charges are anticipated to exceed \$500.00
  - Outpatient services where reimbursement would be impacted without comprehensive processing
- Threshold patients with identified personal liabilities over \$250.00 will be flagged for contact to complete financial education and resolution.
- Threshold levels will be re-assessed, at a minimum, once annually.

All patients meeting established threshold guidelines will undergo “comprehensive” access processing including pre-registration/registration, medical necessity review, insurance verification, authorization of service (i.e. precertification, compliance screening, etc), managed care requirement resolution, estimation of patient and third party liabilities, financial education, financial assistance reviews and financial commitment to resolve the outstanding balance, as applicable. Coordination of benefits will be determined during the comprehensive processing for all patients including but not limited to clinical trials, experimental and research participants. Comprehensive processing will be completed for all scheduled patients prior to their scheduled date and time of service. For non-scheduled threshold patients including emergency patients who have been stabilized, comprehensive access processing will be completed at the earliest opportunity at the time of service but no later than the time of discharge.

Patients determined not to meet established threshold guidelines will undergo “limited” access processing including pre-registration/registration, LMRP review when required to determine medical necessity, electronic or automated insurance verification, authorization of service (i.e. precertification, compliance screening, etc.), financial assistance reviews and financial resolution of identified patient co-payment amounts. Under threshold processing will be completed for all scheduled patients prior to the scheduled date and time of service. For non-scheduled patients, including emergency patients who have been stabilized, under threshold access processing will be completed at the earliest opportunity at the time of service but no later than the time of discharge.

### **Processing Guidelines:**

- A. **PATIENTS WITH VALID INSURANCE COVERAGE:** WVUH will complete and process all identified insurance claim submission activities for billing and payment according to the following guidelines providing valid insurance coverage is identified:
1. Insurance will be accepted as satisfying a patient’s requirement for financial resolution as part of comprehensive processing when all required insurance data set information has been collected/validated/updated and coverage is verified. Insurance accounts with anticipated deductibles, co-payments and non-covered charges will be screened and processed as follows:
    - a. Insurance accounts with deductibles, co-payments, and non-covered charges identified during pre-service or time of service will be flagged for financial resolution of these balances no later than the time of discharge. Based on clinical review, services may be delayed or canceled, as appropriate, pending pre-service and/or time of service payment to create financial resolution. For emergency patients, identified co-payments will be requested only after treatment has been completed and/or the patient has been stabilized.
    - b. Insurance accounts where patient liabilities cannot be identified until after insurance processing will become a patient liability and will be processed according to patient liability billing and follow-up guidelines. For accounts meeting threshold guidelines and patient liability cannot be established during insurance processing, a down payment may be requested in the amount of \$250.
    - c. Insurance accounts with identified patient liabilities will be required to financially resolve identified amounts using the payment options no later than discharge. Based on clinical review, services may be delayed or canceled, as appropriate, pending pre-service or time of service financial resolution. Payment Options may include but not be limited to:
      - CASH PAYMENTS: Accept cash, money orders or checks for payment
      - CREDIT CARDS: Accept most major credit cards

- **PAYMENT PLANS:** WVUH offers payment plans outlined in the Payment Agreement Policy (II.011). WVUH will also set up automatic monthly credit card charges or automatic fund transfers and/or checking or savings accounts drafts for payment plan accounts.
        - **FINANCIAL ASSISTANCE (Charity):** WVUH encourages patients to apply for financial assistance and will screen patients according to eligibility rules as defined in governmental assistance program guidelines and/or WVUH's Financial Assistance Policy (II.015)
      - d. Under threshold patients will be subject to billing statement and the hospital Billing and Collection Policy (II.013).
    - 2. All open insurance liabilities remaining unresolved 60 days after the date of clean claim submission will become due and payable from the patient unless prohibited by managed care contract or applicable state and/or federal regulations. The account financial liability will be shifted to the patient and processing will be continued according to patient liability billing and follow-up guidelines. Disputes between the patient and responsible insurance carrier resulting in undue or unreasonable delays or refusal of payment will become the responsibility of the patient for full and prompt payment according to patient liability billing and follow-up guidelines.
      - a. Where contracts prohibit WVUH from pursuing open insurance liabilities from the patient, Patient Financial Services will continue to pursue payment with the third party payer until payment is received according to established follow-up policy and procedure.
      - b. For contracted payers where a pattern of payment delays has been determined by Patient Financial Services, the issue will be referred to Management. Revenue Cycle Management will work with the third party payer to resolve the issue.
      - c. WVUH reserves the right to contact the insured's employer to assist in the resolution of an outstanding account.
  - B. **NON-MEDICALLY NECESSARY CARE:** WVUH will complete Medical Necessity reviews on patients as follows:
    - 1. Non-surgical Medicare outpatients - For services that are determined "not medically necessary" according to Medicare's LMRP criteria, an Advanced Beneficiary Notice (ABN) will be generated and the patient will be asked to sign the form agreeing to be personally and fully responsible for the payment. Claims will be completed and submitted according to CMS billing guidelines. Patient liability balances where an ABN is on file will be processed according to the hospital Billing and Collections Policy (II.013).
    - 2. Inpatients, SDS patients, SNU patients, Chestnut Ridge patients, observation patients & extended recovery patients - When a medical necessity issue is identified, clinical staff will coordinate resolution, as appropriate, with the physician, Care Management and Patient Access staff.
  - C. **PATIENTS IDENTIFIED AS SELF PAY:** All patients identified as self-pay and above established thresholds will be screened for Medicaid eligibility and Financial Assistance. When the patient has no insurance coverage, the account will be documented as the responsibility of the patient/guarantor and processed according to the following guidelines:
    - 1. To determine Medicaid eligibility, the following is completed:
      - a. Accounts will be evaluated for Medicaid coverage using established Medicaid screening criteria and will also be evaluated for possible Financial Assistance (Charity) qualification according to established eligibility rules as defined in the WVUH Financial Assistance Policy (II.015).
      - b. Accounts will be referred for Medicaid processing as follows:

- Patient Access will complete financial education with self-pay patients with an actual or anticipated balance at or above established threshold amounts and determine potential eligibility for Medicaid.
  - Patients who are believed to meet Medicaid guidelines will be referred to their local county Department of Health and Human Services office, to our Financial Counselors, or referred to a Medicaid eligibility vendor that has been contracted by the hospital to provide such service to our patients to complete a Medicaid application.
  - Accounts meeting possible qualification criteria are updated in the system as Pending Medicaid and remain there until approval or denial information is received.
  - Accounts that do not meet qualification criteria remain as self-pay accounts and are processed according to self-pay processing criteria outlined in the Billing and Collections Policy (II.013).
2. For Financial Assistance, the following is completed:
- a. The remaining self-pay accounts will be flagged for financial counseling to ensure that the patient is given a full understanding of their financial liability for their requested service.
  - b. Financial counseling will be completed at the earliest opportunity prior to service for scheduled patients and at the time of service or no later than discharge for non-scheduled patients including emergency patients who have been stabilized.
  - c. Financial counseling will assist the patient in the identification of eligibility for the Financial Assistance Program for financial resolution.
3. For payment plans, the following is completed:
- a. Upon completion of patient financial counseling, patients are required to finalize a mutually acceptable financial agreement with WVUH and UHA according to the Payment Agreement Policy (II.011).
  - b. Self-pay patients will be required to financially resolve their estimated charges using one of the facility approved payment options prior to or at the time of service.
  - c. Based on clinical review, services may be delayed or canceled, as appropriate, pending pre-service or time of service financial resolution, however, at no time will emergency treatment be delayed due do a patient's inability to pay.
  - d. Patients who make pre-payments will receive a receipt at the time of payment. Payment plan arrangements will be documented in the registration/billing system and a letter confirming payment arrangements is sent to the patient.
- D. PATIENT LIABILITY BILLING AND FOLLOW-UP: Patient liability billing and follow-up will be conducted according to the hospital Billing and Collections Policy (II.013).

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