

AMBULANCE RECEIVABLES

PURPOSE

To mitigate potential liabilities from uncollected accounts associated with Town provided ambulance-related emergency medical services (EMS), this policy establishes guidelines for managing ambulance receivables.

APPLICABILITY

This policy applies to the Fire Chief in managing the Town's ambulance billing contract. It also applies the Town Administrator's and Town Accountant's job duties related to ambulance accounts receivable. Furthermore, all persons transported by the Town's ambulances ("patients") and any associated third-party providers are subject to the provisions of this policy.

POLICY

Through a service contract with Coastal Medical Billing, Inc. (Hatfield's current ambulance billing provider), the Town will uniformly assess EMS charges to all patients who have been provided ambulance transportation, regardless of whether they have third-party health coverage. The Town will pursue all reasonable measures to collect these charges except when financial hardship waivers are warranted.

A. Charges and Billing

Fire department staff will transmit each ambulance transport's service details and patient identification information to Coastal within 24 hours of the transport. Using rates published by the Centers for Medicare and Medicaid Services (CMS), Coastal will assign values to the services detailed in each transport notification to create the ambulance accounts receivable control. To remain consistent with the industry, Coastal will notify the Fire Chief of any CMS rate changes and recommend corresponding changes to rates under the Town's contract. The Fire Chief will discuss proposed rate changes with the Town Administrator as part of the annual budget process.

When third-party health care information is available, Coastal will transmit electronic bills to the identified providers. Coastal will mail bills directly to patients whenever third-party information is unavailable or a balance remains after providers have paid their portions of the bills.

B. Collection and Enforcement

Coastal will deposit all payments received into a bank account opened for that purpose and controlled by the Treasurer. Any Town employee who receives an ambulance payment will turn it over to the Treasurer for forwarding to Coastal.

If the full payment for any account is not received after the initial bill, Coastal will issue follow-up bills at 30-day intervals but will send no more than three patient bills for any single ambulance run.

On a monthly basis, Coastal will provide the Fire Chief and Town Accountant with a full accounting of activities, including the following reports, at minimum: transaction detail and summary, deposits summary, aging details, account write-offs, and request for disposition.

Upon receipt of specific, written authorizations from the Town Administrator, Coastal will refer delinquent accounts to credit bureaus and collection agencies (as detailed in Section D below).

C. Review of Receivables

The Town Accountant and Fire Chief (or his designee) will meet quarterly to confirm all transports have been billed and are included in the receivables, reconcile deposits and outstanding balances, and review Coastal's request for disposition report. They will subsequently make recommendations to the Town Administrator regarding all potential uncollectible write-offs.

D. Uncollectible Accounts

The Town Administrator will review the Fire Chief's and Town Accountant's recommendations, determine and declare the accounts that are uncollectible, and authorize Coastal to write these off its books. All accounts with balances under \$50 will be written off. The Town Administrator will also specify to Coastal the uncollectible write-offs with balances over [\$200] appropriate for collection agency action and credit clouding. None of these write-off determinations constitute debt forgiveness; Coastal will accept and deposit in the ambulance bank account any payments that may be subsequently received for them.

E. Financial Hardship Requests

All written and verbal communications with patients, whether by Coastal employees or Town officials, will include notice that amounts owed may be waived upon demonstration of financial hardship. A patient seeking a hardship waiver must request it in writing to Coastal and submit relevant supporting documents.

As the standard for evaluating the hardship request, Coastal will use the Hill-Burton guideline, which is set at two times the federal poverty level as defined annually by the U.S. Department of Health and Human Services. If Coastal determines the patient's income is below the Hill-Burton level, the company will write the account off its books and forward notice of the determination and copies of the patient's documents to the Fire Chief.

Coastal will forward to the Fire Chief any hardship requests that cannot be approved under the Hill-Burton standard for further evaluation by a committee comprised of the Fire Chief, Town Administrator, and Town Accountant. The Fire Chief will notify Coastal of the committee's decision within five days so that Coastal can update its accounts receivable control.

F. Privacy Protection

All information received as a result of this policy, including patients' names, addresses, medical histories, and financial information, is protected and exempt from public record classification. Access to and retention of patient information are subject to compliance with federal and state regulations related to medical, personal, and financial information.

G. Reporting and Audit

The Town Accountant will provide the Board of Selectmen with a quarterly ambulance activity report, including data on collections, aged receivables, and write-offs. All ambulance receivable activities are subject to audit by Hatfield's independent auditor.

REFERENCES

M.G.L. c. 4 § 7, clause twenty-sixth

M.G.L. c. 40 § 4A

M.G.L. c. 40 § 5F

M.G.L. 93H

940 CMR 27.00

950 CMR 32.00

Health Insurance Portability and Accountability Act of 1996

CMS Ambulance Fee Schedule

US Department Health and Human Services: *Annual Update of the HHS Poverty Guidelines*

Town of Hatfield's Contract with Coastal Medical Billing, Inc.

EFFECTIVE DATE

This policy was adopted on 7/31/2018 [date].