



# Navigating the Financial Landscape

## Best Practices in Medical Billing

Leslie Pierce  
SVP Revenue Cycle  
Methodist Health System

**Trust. Methodist.**

Describe the current landscape of healthcare billing and collections including recent regulations and best practices

- Explore effective strategies in evaluating potential financial harm to patients and their subsequent access to healthcare
- Gain insights from Methodist Health System, on ensuring timely and comprehensive billing statements and collection practices

A 2019 report from the US Consumer Financial Protection Bureau, that analyzed a national representative sample of 5 million consumers, found that more than 25% of individuals had delinquent debt on their credit reports, with medical bills accounting for 58% of all debt.

In a survey of 1000 patients, 64% reported that they delayed or neglected seeking medical care in the past year because of concern about high medical bills.

Billing ethics as a measurable quality of care construct was articulated in a 2020 JAMA article by Drs. Simon Mathews and Marty Makary, who argued that “billing quality is medical quality.”

## Hospital Price Transparency

Federal Rule effective January 1, 2021

Evolving over time

Requires hospitals to provide clear, accessible pricing information online.

## No Surprises Act

Federal Rule effective January 1, 2022

Protection for Uninsured

Protection for Insured in regards to Emergency/Urgent Care out of network

Prohibits Balance Billing without prior consent

## The Fair Debt Collection Practices Act



# State Regulatory Response to Health Care Billing Practices

## Medical Debt Protection Act

Maryland passed this act which limits payment plans to no more than 5% of a patient's income, prohibits lawsuits against patients who qualify for charity care, and several other consumer protections.

## Texas Senate Bill 490

Hospitals are required to provide an itemized bill after services each time a request for payment is made.

## New York State Public Health Law (Section 2807-k(9-a))

All hospitals in New York licensed by the Department of Health are covered by law. Purely mental health facilities licensed only by the NYS Office of Mental Health are not covered by this law. January 1, 2007, a new state law went into effect in New York that limits what hospitals in New York can charge patients with limited incomes and no health insurance coverage. The law also regulates how hospitals can go about collecting payments from such patients.



## Presumptive Charity

- Applying adjustments at discharge using a scoring method

## Patient Estimates Provided Before Service Rendered (Insured and Uninsured)

- Financial Clearance before scheduled service
- Estimates to Patient Portals, Email, etc.
- Self Service

## Screening for Federal and State Funding Sources

- Process for screening all patients for state and federal funding before scheduled services or during non-elective admission

## Transparency

- Itemized Bills
- How to Apply for the Financial Assistance Policy
- Empowering Customer Service in Billing Concern Resolution
- Credit Agency Reporting



## **Provides every patient a billing statement within 30 days after all insurance payments have been completed (or from date of service for patients without insurance)**

Name, Address, Date of Service

Description of services billed, including facility fees, that accompany each line items or bundle of services

Amount of principal, interest or fees (e.g. late fees)

Amount of any adjustments to the bill (e.g. insurance plan discounts, payments)

Amount of any payments already received (e.g. patient prepayments or other parties)

Instructions on How to Apply for Financial Assistance

Instructions on how to obtain a copy of the bill in the patient's primary language

Notification that physician services will be billed separately, if applicable

## **Provides instructions to patients on how to contact a billing representative that has the authority to do the following within five business days of being contacted by the patient or patient representative**

Initiate an investigation into errors on a bill

Review, negotiate, and offer a price adjustment or debt forgiveness based on hospital policy

Establish a payment plan

## **Does not take legal action against patients for late or insufficient payment**

US Consumer Financial Protection Bureau (CFPB). Consumer credit reports: a study of medical and non-medical collections. CFPB website: [https://files.consumerfinance.gov/f/201412\\_cfpb\\_reports\\_consumer-credit-medical-and-non-medical-collections.pdf](https://files.consumerfinance.gov/f/201412_cfpb_reports_consumer-credit-medical-and-non-medical-collections.pdf).

Heath S. 64% of patients avoid care due to high patient healthcare costs. Patient engagement HIT website. <https://patientengagementhit.com/news/64-of-patients-avoid-care-due-to-of-high-patient-healthcare-costs>. Published February 2018.

Mathews SC, Makary MA. Billing quality is medical quality. JAMA. 2020, 323(5):409-410.

[Billing Ethics | Hospital and Surgery Center Ratings | Leapfrog Group](#)