

POLICY FI86

Subject:
Extended Payment Options

Effective Date:
January 1, 2016

Applies to:
Houston Methodist Hospitals
Houston Methodist Physician Organization

Date Revised/Reviewed:
January 1, 2020

Originating Area:
Revenue Cycle Council

Target Review Date:
January 1, 2023

I. POLICY

Houston Methodist will provide an interest-free extended payment option for patients who are not able to pay their balances in full in a single payment.

II. PROCEDURE

A. The following are guidelines to be used in setting up the extended payment option:

1. Minimum account balance eligible for extended payment is \$75;
2. Maximum extension of time to pay balance in full is 18 months for balances less than \$3,000 and 36 months for balances \$3,000 or more; and
3. Minimum monthly payment should not be less than \$50.

B. The following are actions that will be taken for breaches of extended payment terms:

1. A payment made less than 50% of the term is considered a missed payment;
2. Missed payments shall be made whole within four months of a missed payment in order for the payment plan to be considered current; and
3. Any extended payment plan that is not in current status within four months of missed payment will be considered delinquent and will be moved to bad debt.

C. The following are actions that will be taken on an established payment plan when the patient incurs an additional balance(s):

1. An additional balance that is less than 25% of the total balance will be added to the payment plan by increasing the amount of the monthly payment; and
2. An additional balance that is greater than 10% of the total balance will be added to the payment plan by increasing the number of payments.

III. **COUNCILS OR COMMITTEES REVIEWING OR APPROVING PROCEDURE:**

Patient Access Services Leadership Team
CFO Council

IV. **AUTHORITATIVE REFERENCES:**

System Policy FI 85: Collections Policy

V. **NAME OF APPROVING EXECUTIVE:** Marc L. Boom, M.D.

Title: President and Chief Executive Officer

Authorized by Chief Administrative Officer:

(Signed Original on File)

M. Boom
President
Chief Executive Officer
Houston Methodist

Date