

Houston Methodist Policy and Procedure FI86

Subject:
Extended Payment Option

Effective Date:
January 1, 2016

Applies to:
Hospitals and PO

Date Revised/Reviewed
January 1, 2016

Originating Area:
Revenue Cycle Council

Target Review Date:
January 1, 2019

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. PROCEDURES

- A. The following are guidelines to be used in setting up the extended payment option:
 - 1. Minimum account balance eligible for extended payment is \$50;
 - 2. Maximum extension of time to pay balance in full is 18 months; and
 - 3. Minimum monthly payment should not be less than \$20.
- 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 10% of monthly payment 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 monthly payment will be added to the payment plan by increasing the number of payments.

III. AUTHORITATIVE REFERENCE

- 1. Collections Policy – FI85

Recommended by Revenue Cycle Council
Approved by CFO Council

Authorized by Chief Administrative Officer:

(Signed Original on File)

M. Boom
President
Chief Executive Officer
Houston Methodist

Date