

Model collection policies for grace period patients

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Many physician practices already have internal collection policies. If your practice has an internal collection policy, you may want to review that policy to determine whether or not it is sufficient to address potential grace period issues. If your practice does not have a collection policy, you may want to put one in place that would include grace period issues. The following model language is intended to provide help to physician practices in amending existing policies or creating new policies that anticipate and address potential grace period concerns.

Grace period collections policy checklist

- 1. Eligibility verification.** Verify eligibility prior to the patient's visit. If checking eligibility over the phone, ask the health insurer representative if the patient is in the grace period and, if possible, which grace period month applies. Immediately following, document the key facts of this conversation. If checking eligibility electronically, be sure to understand how the response received will convey grace period information. Regardless of the verification process, be sure to keep excellent records just in case there are any later disputes concerning grace period status.
- 2. Discuss with your patient.** If the patient is in the grace period, during the patient's appointment, discuss why it is so important for the patient to catch up on premium payments before the grace period expires. Give the patient a copy of the model grace period notice letter, and be prepared to answer any questions he or she may have after reading the notice. Ask about the lack of payment on premiums. If the patient is in the grace period because of an unanticipated change in financial circumstances (e.g., job loss, disability or death of a family member), you should take that opportunity to talk with the patient about informational resources available and potential coverage options.
- 3. Statements and collection letters (if necessary).** When sending statements and, if necessary, collection letters to patients in the grace period, be sure you give the reason for the patient's responsibility (e.g., discontinuation of coverage due to failure to timely pay premiums in full by the end of the grace period). Send copies of any documentation you have received from the patient's health insurer regarding the grace period and termination of coverage along with the statement or collection letters to the patient.

4. Calling the patient. Reaching patients via telephone and speaking with them personally may help you resolve overdue payment issues associated with the grace period. Because the patient may not fully understand the grace period and its relation to amounts owed, ask about the overdue premium payments while addressing any questions the patient may have. Being able to explain the grace period and how it relates to the balance due may encourage the patient to pay.

Practice staff is encouraged to check the patient's medical record for any Health Insurance Portability and Accountability Act (HIPAA) or privacy forms that exclude staff from contacting patients at certain telephone numbers. Use this information to determine if a message can be left with a specific person, answering machine or voicemail prior to actually speaking directly with the patient. In order to protect patient confidentiality, the physician practice staff should not leave any specific information when leaving a message on the patient's answering machine or voicemail. Request that the patient or his or her guardian call the office. When leaving a message with another member of the household, the same policy should apply.

5. Setting up a payment plan. If amounts owed are significant or the patient was unable to pay premiums due to unexpected, adverse financial circumstances (e.g., job loss, disability or death of a family member), it may be appropriate to work with the patient to set up a payment plan. Once a patient account is in the internal collections process and a payment plan has been established, if the patient does not adhere to the agreed upon payment plan, it may be appropriate to send a patient's account to an outside collection agency.

Visit ama-assn.org/go/aca for additional information and resources on the Affordable Care Act (ACA), including a step-by-step guide to the ACA grace period.