

SANILAC COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

ADMINISTRATIVE PROCEDURE

NUMBER: DA1032

NAME: BILLING AND COLLECTION PROCEDURE

INITIAL APPROVAL DATE:	05/25/1995	BY: Sanilac CMH Board
(LAST) REVISION DATE:	03/16/2023	BY: CFO
(LAST) REVIEW DATE:	03/21/2024	BY: Policy Committee
DISCONTINUED DATE:	N/A	REPLACED BY: N/A

I. **PURPOSE**

The purpose of this procedure is to establish a uniform method for the billing of services and the collection of fees, as well as to establish and maintain account receivable records for individuals we serve and agency receivable control accounts.

II. **APPLICATION**

Populations: **ALL**
Programs: **Direct - ALL**
Contracted - ALL

III. **PROCEDURE**

- A. All providers will complete activity logs or enter their activity into the EMR. The activity logs will contain the name of the individual served, case number, date of service, authorization number, staff/contract employee number, procedure code, start time, and elapse time. These logs will be used to enter activity into the EMR for billing purposes.
- B. The EMR will be used to generate the necessary forms for submission electronically or in hardcopy form to all insurance companies.
- C. Statements for the individuals served will be generated using the computer system and will then be mailed.
- D. If the individual served has any insurance, this will be noted on the account. The established monthly fee for the individual will either be collected at the time of service or billed.
- E. If the individual served refuses to apply for insurance or other medical benefits, which are available to pay all or part of the charges, the individual will be liable for the **full cost** of services.
- F. "Past due" accounts over \$100.00 may be pursued through District Court, Small Claims Division, with the approval of the CFO.
- G. An accounts receivable ledger will be maintained on all individuals served in the EMR.
- H. Uniform collection procedures will be followed.

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- I. If an individual served has not been billed within 2 years following a service, they will not be held liable for cost of service.
- J. All payments from insurance companies and individuals served will be entered into the EMR when received. Checks will then be given to the Finance Department for deposit.
- K. All rejections from insurance companies will be investigated. The claim will be corrected and re-billed or adjusted based on the findings.
- L. All account write-offs and adjustments (excluding insurance adjustments due to allowed amounts) must be approved by the CFO.
- M. All appropriate staff should be enrolled in any applicable insurance plan to maximize the Agency's ability to bill for services rendered.

IV. DEFINITIONS

V. STANDARDS

VI. ATTACHMENTS

VII. REFERENCES