



month for 3 months and later stored in the warehouse and maintained for 10 years (outpatient prescription orders are stored for 25 years).

- D. Charges are checked daily using various computer work queues & daily charge inquiry.
  - 1. These include: error work queue, charge work queue, daily charge inquiry.
  - 2. Detected errors are corrected on a daily basis using the review unbilled client charges and the edit function.

- E. All invoices are reviewed during the month before invoices are printed: thus, ensuring accuracy in the invoices.

- F. Any charges can be removed from the invoice using the edit function in the review unbilled client charges.

- G. Client invoices are printed on the first day of month.

- 1. One copy is mailed, faxed or emailed to the client
  - 2. If a copy is needed, it can be reprinted using the client inquiry, edit function, or the invoice inquiry function.

- H. A bill journal is printed using the account management function and sent to finance. 1. This journal lists the charges for each individual client.

- I. Client Discounting

The amount of the discount for each client shall be uniform for that client and will be based upon client volume, which takes into account the direct and indirect cost of providing the service, profitability requirements and prices charged by competitors in the Peoria market subject to the following guidelines:

- 1. Discounts are only available to clients such as physicians and other providers of health care services who agree to be responsible for the charges for the laboratory services
- 2. Decisions as to whether to offer a discount and the amount of the discount should be based only upon the historical or anticipated volume of specimens referred for laboratory testing where the client is billed for the service.
- 3. Decisions as to whether to offer a discount and the amount of the discount may not be conditioned on the client's agreement to refer testing to the laboratory where the laboratory bills the patient or the patient's third party payor for the service.
- 4. Decisions as to whether to offer a discount or the amount of such discount may not be based upon the volume of the client's referrals of specimens to the laboratory for testing where the laboratory bills the patient or the patient's third party payer.
- 5. Discounts should be set at a level that permits recovery of the marginal or incremental cost of performing the test and which contribute to the payment of fixed costs of operating the laboratory.
- 6. Discounts shall not result in charges which are below the amounts charged by other laboratories that provide testing for physicians in the Peoria market.
- 7. Testing not performed at UnityPoint Lab is not subject to discounting.

- J. Accounts Receivable Objective

- 1. Accounts Receivables must be monitored closely to insure prompt and complete payment by clients.
  - a. Receivable should average 65 days or less turnaround.
  - b. This review is accomplished utilizing the account management AR client management function in RCM.
  - c. The purpose of this report is to show outstanding account balances.
  - d. These balances are reflected based on the following Total, To invoice 0-30 days:
    - Current, 31-60 days, 61-90 days, 91-120, > 120days.
  - e. An accounts receivables report is printed and sent to finance each month.

- K. Receivable Procedure

- 1. Payments from client billed accounts are received by the Financial Analyst in the

laboratory for posting.

- a. This record is kept as a mechanism for cross-referencing if necessary.
  - b. All out-patient and third party payments are received and posted in the Patient Account Department.
2. The payments are referred to the Financial Analyst for posting to the individual client account in the HLF, laboratory computer system using the Remittance work queue.
  3. When posting is complete, the payments are totaled and delivered to the Business Office cashiers for deposit into the appropriate laboratory account.
  4. At the beginning of each month, a Cash Deposits journal is printed by the Financial Analyst.
    - a. This journal is run for the period month beginning to month end.
    - b. The cash deposits journal is sent to finance each month.

L. Collections

1. The Account Management AR is reviewed monthly to isolate and identify any accounts with an outstanding balance greater than 90 days.
  - a. Upon identification, a reminder letter is sent along with an account summary indicating which invoices are yet unpaid.
  - b. Invoices are reprinted and sent as necessary.
  - c. Follow up phone calls are performed as needed.
  - d. Collection agency is used when receivables can not be reduced.

V. MAINTENANCE AND STORAGE:

- A. All policies and procedures are reviewed every two years by Laboratory Administration and or the Medical Director of the Laboratory or designee.
- B. The Laboratory Administration and Medical Director review policies and procedures when there are changes in practice standards, or requirements.
- C. All policies and procedures are reviewed every two years by staff or at the time new or revised ones are put in effect.
- D. All policies are retained 8 years after being discontinued or revised.
- E. All procedures are retained 2 years after being discontinued or revised.

REVISION HISTORY			
Rev	Description of Change	Author	Effective Date
2.0	Updated maintenance statement and added revision history chart.	R. Borge	7/11/11
3	Updated to report titles and process for new HLF system. Added policy scope	Robert Borge	7/8/13
4	Added accounts receivable report, cash deposit journal that is sent to finance each month. And updated name of system to RCM	Rich Borge	1/21/16

**Reviewed by**

<b>Designee</b>	<b>Date</b>	<b>Laboratory Director</b>	<b>Date</b>
		<i>Richard J. Burgin</i>	1/21/16