Appendix A – Financial Risk Procedure	RC-002 Appendix A
Penn State Health Revenue Cycle	**Effective Date** February 2024

SCOPE AND PURPOSE *The document is applicable to the people and processes of the following Penn State Health components specified below:*

X	Penn State Health Shared Services		Penn State College of Medicine
X	Milton S. Hershey Medical Center	X	Medical Group – Academic Practice Division
X	St. Joseph Medical Center	X	Medical Group - Community Practice Division
X	Holy Spirit Medical Center	X	Spirit Physician Services, Inc.
X	Hampden Medical Center	X	Penn State Health Life Lion, LLC
X	Lancaster Medical Center	X	Pennsylvania Psychiatric Institute – eff. 12/2023

POLICY AND PROCEDURE STATEMENTS

A financial risk encounter may have some or all of the following characteristics:

- A history of unpaid balances and/or bad debt referrals to collection agencies.
- No commitment to make payment by the patient or guarantor.
- No likely means of payment from another source or program.
- A payer or insurance for which we are out of network and no benefits exist.
- A foreign patient with no insurance coverage.
- Incomplete payment or deposit for an impending procedure.

If the encounter has been reviewed and identified as a potential financial risk, the following steps will be followed:

- The financial counselor sends a message to the physician and Revenue Integrity Process Manager outlining the following account details:
    - Date of service.
    - Scheduled Service, i.e. office visit, procedure.
    - Example email; *This patient is a potential financial risk. Is it urgent/emergent to proceed with these services prior to financial arrangements being made? Please advise whether services can be postponed until financial arrangements are satisfied, or if the procedure should proceed.*

Response from Department

- The Department, including the physician, Revenue Integrity Process Manager and/or the Department Chair, makes the decision and responds to the financial counselor.

- If the procedure is postponed, the department communicates to the patient that the procedure is being postponed. The financial counselor continues to work with the patient to collect payment, determine eligibility of Medical Assistance and/or financial assistance. See Applying for Medical Assistance/Chip or Financial Assistance Program. If resolution with the patient is made, the counselor emails the department with an update so the department can proceed with scheduling the patient. Any revenue related to a postponed or deferred procedure will not be accrued and/or will be adjusted at 100 of charges.

RELATED POLICIES AND REFERENCES

RC-002 PATIENT CREDIT AND COLLECTIONS POLICY

APPROVALS

Authorized:	Paula Tinch, Executive Vice President and Chief Financial Officer
Approved:	Nicholas Haas, Vice President Revenue Cycle

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