



THE UNIVERSITY OF
KANSAS HEALTH SYSTEM

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VP, Revenue
Cycle Operations
Area Fiscal
Management
Applicability TUKHS System
Tags Revenue
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revenue cycle

Self Pay Collections

SCOPE:

This policy applies to persons working within the Revenue Cycle, including Patient Financial Services, Customer Service, Single Business Office (SBO) Self Pay Follow-up, and outside vendors responsible for collecting on guarantor balances.

PURPOSE:

The University of Kansas Health System is committed to following a consistent approach to notify guarantors of financial responsibility and provide ample time to resolve account balances before transferring accounts to bad debt. The steps in this process include statements, telephone calls, letters, online bill pay, and access to a customer service operation which can provide assistance to billing inquiries. The purpose of this policy is to ensure consistent collection processes on all guarantor balances, in accordance with all State and Federal Guidelines, including the No Surprises Act (“NSA”). For additional information on the No Surprises Act, please go to <https://www.cms.gov/nosurprises>.

DEFINITIONS:

Guarantor – The party responsible for payment of charges not covered by insurance or all charges when the patient does not have insurance or other third party liability coverage (Self-Pay/Private-pay patient)

Uninsured – Patient has no form of third party assistance to assist with financial responsibility for medical services

Gross charges – Total charges at the organization's full established rates for the provision of patient

care services before deductions from revenue are applied

Self pay discount – Discount applied to amounts due from patients for uninsured services.

Health System – The University of Kansas Health System

PHILOSOPHY

The Health System will provide care to patients based on the following principles:

- A. The Health System will treat patients equitably, with dignity, with respect, with compassion and with consistency.
- B. The Health System will serve the emergency health care needs of everyone, regardless of their ability to pay for care.
- C. The Health System will provide dedicated staff (Financial Advisors) to assist Financial Assistance Policy (FAP) Applicants with their hospital bills and will make the availability of financial advising known throughout the billing and collection process.
- D. The billing and debt collection policies of the Health System and its external collections agencies will reflect the mission and values of the Health System.
- E. The Health System will educate staff members to be able to direct patients to financial advising resources.

SELF PAY COLLECTIONS GUIDELINES

The Health System will abide by the following self pay collections guidelines:

- A. The Health System's goal is to use a billing and collection process that is clear, concise, and correct.
- B. The Health System will work with FAP Applicants to provide financial assistance and/or establish a reasonable payment plan.
- C. The Health System will respond promptly to FAP Applicants' questions about their bills.
- D. The Health System will provide the estimated patient financial responsibility for services as requested by potential FAP Applicants.
- E. The Health System will provide detailed charge information to existing Applicants upon request within two business days once patient statements have been generated.
- F. The Health System will contractually define the standards and scope of practices and guidelines to be used by outside collection agencies acting on its behalf.
- G. In regards to debt collection practices, the Health System will adhere to the Fair Debt Collection Practices Act.
- H. The Health System will not pursue legal action for non-payment of bills against patients who have clearly demonstrated that they have neither sufficient income nor assets to meet their financial obligations. The Health System may take legal action to include seeking judgment's which can lead to the garnishment of wages and/or seizure of property or attachment of liens, when there is sufficient evidence that the patient or responsible party has income and/or assets to meet his or her obligation. However, the Health System will not force the sale or

foreclosure of a patient's assets, such as home or automobiles, to pay an outstanding medical bill nor attach liens to such properties.

- I. The Health System will not use body attachment liens to require the patient or responsible party to appear in court.
- J. The Health System will not automatically report all delinquent accounts to credit reporting agencies but does reserve the right to report such accounts to such agencies.
- K. The Health System will provide a notice of the availability of the Good Faith Estimate to self-pay patients. The Health System will provide self-pay patients with a Good Faith Estimate upon scheduling services at least three (3) business days in advance or upon request.
- L. The Health System will not send debt to collections or attach interest in the event the patient appeals a bill under the NSA Patient-Provider Dispute Resolution Process ("PPDR") until the conclusion of the PPDR.

PROCEDURES

A. Due at the Time of Service

- 1. Patients are expected to pay all co-pays and deductibles at the time of service.
- 2. Self-pay patients are expected to pay in accordance with these guidelines:
 - a. For medically necessary services: The patient estimated amount is due at the time of service. For planned treatment and surgical procedures, self-pay patients are expected to pay 50% of the estimated amount due at the time of service, and secure the remaining balance in accordance with the health-system's payment arrangement guidelines, as outlined in Addendum A of the Financial Clearance Policy.
 - b. For services generally not covered by industry standards and/or which represent pre-packaged pricing: The full estimated amount is due at the time of scheduling, or 15 days prior to the procedure, whichever comes first.
- 3. All authorizations, and/or referrals are due at the time of service.
- 4. It is the responsibility of the patients to obtain insurance referral authorizations from their primary care physicians.
- 5. The referral should specify the name of the provider the patient will see and the time range the referral will cover.

B. Statements & Single Business Office (SBO) Guarantor Follow-up

- 1. Statements are generally generated within 5 business days of determination of patient responsibility.
- 2. A minimum of 4 patient statements are sent based on a monthly cycle for unpaid balances.
- 3. Accounts remain with SBO Guarantor Follow-up Team for a minimum of 120 days based upon the statement cycle.

C. Self Pay Discount

1. Patients without insurance, or whose insurance is out of network, are expected to pay for services rendered. If they are unable to pay, patients are expected to cooperate with the Health System's financial assistance program.
2. A 80% self pay discount is automatically applied to hospital charges. This discount is consistent with the Amounts Generally Billed (AGB) approach, as defined within section 501(r) of the IRS code, and is based on what insurance companies consider "allowable" for hospital gross charges.
3. A 65% self pay discount is automatically applied to professional charges.
4. Self pay patients include:
 - a. Uninsured patients, regardless of residency
 - b. Patients with Health Share, limited benefit plans
 - c. Patients with out-of-network insurance plans that provide/cover no benefits
 - d. Commercially insurance patients who elect not to have claims submitted to insurance
5. Patients not eligible for the self pay discount include:
 - a. Patients receiving care at a Federally Qualified Health Center (FQHC)
 - b. Patients with in-network coverage who have high deductibles
 - c. Patients with large Medicaid spend downs
 - d. Patients receiving experimental and investigational procedures
 - e. Patients receiving services generally not covered by industry standards and/or which represent pre-packaged pricing

D. Bad Debt Determination and Transfer Process

1. Accounts qualify for bad debt placement when the unsecured account balance is outstanding for a minimum of 120 days from the guarantor's first statement date.
 - a. Accounts for HME/MyHealth at Home that qualify for bad debt placement will need a Bad Debt Recognition/Write-Off Request form completed and approved prior to being placed with an agency.
2. Bad debt accounts are placed with a primary collection agency for further follow-up through automated and manual processes.
 - a. Collection agencies are authorized to send letters and make outbound telephone calls for the effective collection of a bad debt.
 - b. The Health System's collection agencies do not, and will not, report patients to the various credit reporting agencies.

REGULATORY REQUIREMENTS

The Health System will comply with all applicable federal, state, and local laws, rules, and regulations that may apply to activities conducted pursuant to this policy.

REFERENCES:

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SUPPORTING DOCUMENTS:

Self Pay Collections SBO 100

Qualifications for Bad Debt

MyHealth at Home Section Bad Debt Recognition Write-Off Request (**See Attached**)

REVIEWED/APPROVED BY:

Vice President - Revenue Cycle, Financial Clearance Workgroup

Director - Patient Admitting, Financial Clearance Workgroup

Financial Advising Manager, Financial Clearance Workgroup

Director - Patient Financial Services, Financial Clearance Workgroup

Assistant Director - Patient Financial Services, Financial Clearance Workgroup

Director – Physician Revenue Cycle, Financial Clearance Workgroup

Health System Controller, Financial Clearance Workgroup

Director – Shared Revenue Cycle Services, Financial Clearance Workgroup

Note: The University of Kansas Health System policies are maintained electronically and are subject to change. Printed copies may not reflect the current official policy.

Attachments

[📎 MyHealth at Home Section Bad Debt Recognition Write-Off Request.pdf](#)

Approval Signatures

Step Description	Approver	Date
	Jennifer Palmer: Health System Policy Administrator	07/2025

Douglas Gaston: SVP & Chief
Financial Officer

07/2025

Colette Lasack: VP, Revenue
Cycle Operations

07/2025

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