

SOP Template: Patient Billing, Statements, and Collections Handling

This SOP details the **patient billing, statements, and collections handling** process, encompassing accurate billing practices, timely generation and dispatch of patient statements, management of payment plans, insurance claim coordination, and effective collection strategies. Its objective is to ensure efficient financial operations, maintain clear communication with patients regarding their billing status, and facilitate the resolution of outstanding balances while adhering to regulatory compliance and patient confidentiality standards.

1. Purpose

Outline standardized procedures for patient billing, statement issuance, payment management, and collections to optimize revenue cycle management and patient satisfaction.

2. Scope

This SOP applies to all staff responsible for patient billing, collections, and accounts receivable management within the organization.

3. Responsibilities

- **Billing Department:** Generate invoices, process payments, coordinate insurance claims, manage accounts receivable.
- **Front Office/Reception:** Collect patient information, verify insurance, collect copays.
- **Collections Staff:** Follow up on overdue balances, negotiate payment plans, coordinate with agencies.
- **Management:** Oversee SOP adherence, address escalated issues, monitor compliance.

4. Procedure

1. **Patient Registration and Verification**
 - Collect complete demographics and insurance information.
 - Verify insurance eligibility prior to service.
 - Inform patient of financial responsibilities, copays, and estimate of charges.
2. **Billing**
 - Document services rendered and applicable codes promptly.
 - Generate patient invoices within 2 business days of services rendered.
 - Process insurance claims for eligible charges; monitor claim status and denials.
3. **Patient Statements**
 - Send statements to patients with outstanding balances monthly.
 - Include itemized charges, insurance payments/adjustments, adjustments, and balance due.
 - Provide payment methods and contact information for billing questions.
4. **Payment Plans**
 - Offer payment plans for patients unable to pay full balance.
 - Document payment plan terms in the patient's account.
 - Monitor adherence to payment schedule and adjust as needed.
5. **Collections**
 - Send first reminder letter/email at 30 days past due.
 - Initiate phone contact at 45 days past due.
 - Send final notice at 60 days past due before referring to collections agency at 90 days.
 - Document all communications and actions in the patient account.
6. **Confidentiality and Compliance**
 - Ensure all financial communications are HIPAA-compliant.
 - Store all billing records securely with controlled access.

5. Documentation

- Patient registration forms
- Insurance verification reports
- Invoices and payment receipts
- Correspondence records (letters, emails, call logs)
- Payment plan agreements and collection notices

6. Monitoring & Auditing

- Monthly review of accounts receivable aging reports
- Quarterly audits of collection activity and compliance
- Periodic staff training on updated billing regulations

7. References

- HIPAA Privacy Rule
- Fair Debt Collection Practices Act (FDCPA)
- State-specific healthcare billing regulations

Note: Always tailor this SOP to your organization's specific policies and regulatory requirements.