



**ARROWHEAD REGIONAL MEDICAL CENTER**  
**Patient Accounts Policies and Procedures**

**Policy No. 903.00 Issue 1**  
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**SECTION: PATIENT ACCOUNTS**

**SUBSECTION: RECEIVABLES**

**SUBJECT: LATE CHARGES**

**APPROVED BY:** \_\_\_\_\_  
Patient Accounts Manager

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**POLICY**

Arrowhead Regional Medical Center's (ARMC) policy is to ensure that all accounts are billed and resolved in a timely and efficient manner. The goal in Patient Accounts is to achieve maximum reimbursement and ensure prompt payment from all payers with the highest standard of ethics, legal and regulatory compliance.

This policy will authorize the ARMC Patient Accounts office to process late charges in the following manner, by Financial Class. A late charge is a charge that is entered by the department after the five-day minimum hold (minimum hold designated by ARMC) and the claim has already been billed to the primary payor.

**PROCEDURES**

I. Inpatient Late Charges

- A. Inpatients with Medicare, Medicare Replacement, Medi-Cal, or Medi-Cal Replacement financial classes will be written off with adjustment code 3021 Late Charge Insurance Write Off. These financial classes all pay at either MS-DRG or APR-DRG. No additional reimbursement will be received if we billed late charges.
- B. Inpatient Medicare with Late charges greater than \$25,000.00 will be billed with a late charge claim with the additional charges.
- C. Inpatients with a Commercial, Workers Compensation or Other financial class – all late charges will be billed for additional reimbursement. See policy 900.00 Issue #5.

II. Outpatient Late Charges

- A. All late charges will be billed for additional reimbursement for all financial classes. See policy 900.00 Issue #5.

III. Lates Charges past timely filing limit

- A. All late charges that are posted in the Electronic Health Record (Epic) past the payors timely filing limit that cannot demonstrate good cause for late filing will be adjusted utilizing the code 3023 Denials-Timely Filing write off. Timely filing limits set by payors must comply with California law. If good cause can be demonstrated for the late filing, then the late charges shall be billed without delay to the appropriate payor with an explanation of the good cause.

**REFERENCES:** N/A

**DEFINITIONS:** LATE CHARGES – Defined as an original charge that was posted after the minimum days (5 days).

**ATTACHMENTS:** N/A

<b>APPROVAL DATE:</b>	<u>5/3/24</u>	<b>Kim Hirotsu, Revenue Cycle Manager</b> Department/Service Director, Head or Manager
	<u>5/16/24</u>	<b>Arvind Oswal, Chief Financial Officer</b> Chief Financial Officer
	<u>8/28/24</u>	<b>Patient Safety and Quality Committee</b> Applicable Administrator, Hospital or Medical Committee
	<u>1/14/25</u>	<b>Board of Supervisors</b> Approved by the Governing Body

**REPLACES:** N/A

**EFFECTIVE:** 5/16/24

**REVISED:** N/A

**REVIEWED:** N/A