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Revenue Cycle Management Financial Controls & Payment Policies

The following Revenue Cycle Management (RCM) policies and appendices are presented for Board review and approval to establish standardized financial controls, payment arrangements, hardship assistance procedures, and account adjustment authority.

Payment Plan Policy

Establishes a standardized process for offering and administering payment arrangements for patient and Training Center balances, including approval authority, documentation requirements, monitoring expectations, and maximum payment plan durations.

Patient Payment Plan Structure Appendix

Establishes standardized repayment terms based on account balance thresholds, including structured payment plans with maximum repayment periods not to exceed twelve (12) months.

Training Center Payment Plan Structure Appendix

Establishes tuition deposit requirements, first-class payment requirements, and installment schedules for EMS education programs, including EMT and Paramedic courses.

Financial Hardship Write-Off Policy

Establishes eligibility criteria and procedures for evaluating and approving financial hardship assistance for individuals demonstrating an inability to pay.

Federal Poverty Guidelines (FPG) Appendix

Establishes the income thresholds used to evaluate hardship assistance eligibility in accordance with the Financial Hardship Write-Off Policy.

Write-Off and Adjustment Policy

Establishes standards and approval authority for account adjustments, contractual allowances, negotiated settlements, and write-offs of uncollectible balances.

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Summary

These policies are intended to strengthen financial accountability, improve consistency in billing and collection practices, support regulatory compliance, and provide clear administrative guidance for payment plans, hardship determinations, and account adjustments. The proposal also establishes structured Training Center tuition payment requirements and annual Federal Poverty Guideline (FPG) references for hardship eligibility reviews.

Recommendation

I recommend the Board approve the Revenue Cycle Management (RCM) financial policies and related appendices as presented, including policies and appendices related to payment plans, Training Center tuition payment structures, financial hardship assistance, Federal Poverty Guideline eligibility thresholds, and account adjustment and write-off authority.



Payment Plans

Revenue Cycle Management

Purpose

The purpose of this policy is to establish a standardized and controlled process for offering, administering, and monitoring payment plans for outstanding balances owed to Johnson County Ambulance District. This policy ensures payment plans are applied consistently, documented appropriately, and managed in a manner that supports financial accountability while allowing reasonable repayment options.

Scope

This policy applies to all District personnel involved in billing, invoicing, payment posting, reconciliation, and account follow-up for balances eligible for payment plans, including patient accounts and Training Center internal invoicing. This policy also applies to any contracted third-party billing or financial services vendors involved in payment plan administration.

Policy Statement

Johnson County Ambulance District may offer payment plans to individuals who are unable to pay an outstanding balance in full at the time of billing. Payment plans shall be structured, approved, and monitored in accordance with established financial controls to ensure timely collection, proper documentation, and compliance with District policies. Payment plans are not automatic and must be approved and administered in a consistent and auditable manner.

Eligibility and Application

- Payment plans may be offered for patient balances, Training Center tuition, fees, deposits, or other internally invoiced charges.
- Payment plan eligibility may be influenced by program-specific requirements, financial hardship determinations, or account status.
- Financial hardship-related payment plans shall be evaluated in conjunction with the Financial Hardship Write-Off Policy, when applicable.
- Program-specific eligibility criteria for Training Center students are governed by the Training Center Manual.

Standard Payment Plan Terms

- Standard payment plan terms, minimum payment amounts, deposit requirements, and allowable durations shall be defined in an approved appendix to this manual.
- Payment plans generally shall not exceed twelve (12) months unless approved by authorized District personnel.
- No interest or late fees shall be assessed unless explicitly authorized in an approved appendix or Board-approved fee schedule.

Responsibilities

Administrative / Finance



Payment Plans

Revenue Cycle Management

- Review and approve payment plan requests in accordance with this policy.
- Establish approved payment plans in the billing or financial system.
- Ensure payment plans are documented with clear terms and payment schedules.
- Post payments accurately and timely.
- Monitor compliance with payment plan terms.
- Initiate follow-up actions for delinquent or defaulted payment plans.
- Maintain documentation to support audit and compliance requirements.

Procedures

Payment Plan Setup

- Payment plans must be approved by authorized District personnel prior to activation.
- Required deposits must be received before a payment plan is initiated, when applicable.
- Payment plans must be entered into the billing system with documented terms, payment schedule, and total balance due.

Monitoring and Enforcement

- Payment plans shall be reviewed regularly to ensure payments are received as scheduled.
- Missed or late payments shall be addressed promptly in accordance with established follow-up procedures.
- Failure to comply with an approved payment plan may result in:
 - Termination of the payment plan
 - Acceleration of the remaining balance
 - Standard collection activity, when applicable

Refunds and Credit Balances

- Overpayments or refunds associated with payment plans shall be handled in accordance with the Refunds and Overpayments Policy.
- Refund eligibility is governed by applicable program policies, including the Training Center Manual, when relevant.

Documentation and Recordkeeping

All payment plan agreements, approvals, payment records, and related documentation shall be retained in accordance with the District's Administrative Record Retention Policy.

Compliance

Failure to adhere to this policy may result in inaccurate billing, delayed collections, financial loss, or audit findings. Repeated non-compliance may be addressed through supervisory review or corrective action.



Patient Payment Plan Structure

Revenue Cycle Management

Standard Payment Plan Structure

| Outstanding Balance | Maximum Term | Minimum Monthly Payment | Notes |
|---------------------|-----------------|-------------------------|-------------------------------|
| Up to \$500 | Up to 6 months | Balance ÷ term | Short-term repayment expected |
| \$501 – \$1,000 | Up to 9 months | Balance ÷ term | Moderate balance |
| Over \$1,000 | Up to 12 months | Balance ÷ term | Maximum allowable term |

Additional Requirements

- Payment plans shall not exceed twelve (12) months unless specifically approved by authorized by the EMS Chief.
- Monthly payments shall be evenly distributed across the approved term, unless otherwise authorized.
- A minimum monthly payment of \$25.00 shall apply to all plans, regardless of balance.
- Initial deposits may be required based on account status or financial review.
- Payment plans must be documented in the billing system, including total balance, term, and payment schedule.

Delinquency Standards

- Accounts missing two (2) consecutive payments may be considered in default.
- Defaulted payment plans may result in:
 - Termination of the agreement
 - Acceleration of the remaining balance
 - Referral to standard collection activity

Administrative Notes

- This appendix establishes standard payment plan structures for patient accounts.
- Training Center payment plans are governed by a separate appendix specific to program structure.
- Any deviation from this structure requires documented approval in accordance with District policy.



Training Center Payment Plan Structures

Revenue Cycle Management

| Program | Tuition | Deposit | 1st Class Due | Balance | Amount | Payments |
|-----------|---------|---------|---------------|---------|----------|----------|
| EMT | \$1,500 | \$300 | \$300 | \$900 | \$300 | 3 |
| Paramedic | \$8,800 | \$500 | \$1,500 | \$6,800 | \$566.67 | 12 |

Payment Details

EMT Program

- Registration (Deposit): \$300
- First Class: \$300 (Total Paid: \$600)
- Remaining Balance: \$900
- Payment Plan: 3 monthly payments of \$300

Paramedic Program

- Registration (Deposit): \$500
- First Class: \$1,500 (Total Paid: \$2,000)
- Remaining Balance: \$6,800
- Payment Plan: 12 monthly payments of \$566.67

Department Sponsored Paramedic Students

- Sponsoring departments are not subject to student deposit requirements.
- A minimum payment of \$2,000 is due by the first day of class for Paramedic program enrollments.
- Remaining balances should be paid in full within six (6) months of the course start date.
- Alternative payment arrangements may be approved if the sponsoring department provides written confirmation outlining the reason (e.g., budget cycle constraints) and a defined date for full payment.
- All approved payment arrangements must be documented at the time of invoice creation and monitored for compliance.

Notes

- Deposit is required to secure enrollment and convert estimate to invoice.
- Students must be current through the first class payment requirement to remain enrolled.
- Payment plan terms begin after the first class payment is received.
- All payment plans must be documented at the time of invoice creation.
- Failure to comply with the payment schedule may result in removal from the program and/or collection activity in accordance with District policy.
- Refund eligibility is governed by the Training Center Manual.
- Payment plan administration is governed by the Payment Plan Policy (RCM Manual).



Financial Hardship Write-Off Policy

Revenue Cycle Management

Purpose

The purpose of this policy is to establish a fair and transparent process for providing financial assistance and payment arrangements to patients who have received emergency medical services from Johnson County Ambulance District and are unable to pay the full cost of care due to financial hardship.

Scope

This policy applies to all patients billed for emergency medical transport or treatment services provided by Johnson County Ambulance District, including both insured and uninsured patients.

Policy Statement

Johnson County Ambulance District is committed to ensuring that financial hardship does not prevent access to emergency medical care. The District will offer financial assistance and/or reasonable payment arrangements to patients who demonstrate an inability to pay for EMS services. All financial assistance determinations will be made in a consistent, objective, and confidential manner in accordance with applicable federal and state regulations.

Eligibility Criteria

Eligibility for financial assistance is based on the patient's gross household income in comparison to the Federal Poverty Guidelines (FPG) or other documented financial hardship circumstances.

| Household Income (FPG) | Discount Level |
|------------------------|----------------|
| ≤150% of FPG | 100% discount |
| 151–250% of FPG | 75% discount |
| 251–400% of FPG | 50% discount |
| >400% of FPG | 0% discount |

Patients who do not qualify for an FPG-based discount may be considered for an extended payment plan on a case-by-case review.

Additional factors that may be considered include, but are not limited to:

- Unemployment
- Major medical expenses not covered by insurance
- Catastrophic events (e.g., fire, natural disaster, death of an immediate family member)

Application Process

- **Application:** Patients or responsible parties must complete a Financial Hardship Application.
- **Documentation:** Applicants may be required to submit proof of income, such as recent tax returns, pay stubs, or benefit statements.



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- **Review:** Applications will be reviewed within thirty (30) days of receipt.
- **Notification:** Written notice of approval or denial will be provided to the applicant.
- **Appeals:** Patients may appeal a denial by submitting additional documentation within thirty (30) days of notification.

Payment Arrangements

Payment plans offered under this policy shall be administered in accordance with the District's Payment Plan Policy.

Communication of Policy

- A summary of this policy will be made available on the District's website and in printed form upon request.
- Notice of the availability of financial assistance will be included on all patient invoices and billing statements.

Compliance

Johnson County Ambulance District will administer financial hardship determinations in full compliance with all applicable federal and state laws, including Medicare and Medicaid regulations, the federal Anti-Kickback Statute, and Office of Inspector General (OIG) guidance regarding waivers of patient cost-sharing obligations. Financial assistance will be granted only when supported by documented financial need and will not be offered routinely, selectively, or in a manner that could be construed as an inducement for the use of EMS services. All determinations under this policy will be applied consistently, documented thoroughly, and subject to internal review to ensure ongoing regulatory compliance.

Recordkeeping

The District will retain financial assistance applications, supporting documentation, and determinations for a minimum of seven (7) years for audit and compliance purposes.

Policy Review

This policy will be reviewed regularly to ensure continued effectiveness, equity, and compliance with applicable laws and regulations. A separate Federal Poverty Guidelines (FPG) chart will be maintained as an appendix to this policy and updated annually to reflect the most current guidelines for each calendar year. The FPG chart and associated discount levels shall be reviewed and approved by the Board of Directors on an annual basis.



2026 Federal Poverty Guidelines Chart

Revenue Cycle Management

2026 Federal Poverty Guidelines (FPG) Reference Chart

Used for Financial Hardship Discount Levels — Effective Calendar Year 2026

| Household Size | 100% FPG (Annual) | 150% FPG | 200% FPG | 250% FPG | 400% FPG |
|--------------------------|----------------------|-----------------|------------------|------------------|------------------|
| 1 | \$15,650 | \$23,475 | \$31,300 | \$39,125 | \$62,600 |
| 2 | \$21,150 | \$31,725 | \$42,300 | \$52,875 | \$84,600 |
| 3 | \$26,650 | \$39,975 | \$53,300 | \$66,625 | \$106,600 |
| 4 | \$32,150 | \$48,225 | \$64,300 | \$80,375 | \$128,600 |
| 5 | \$37,650 | \$56,475 | \$75,300 | \$94,125 | \$150,600 |
| 6 | \$43,150 | \$64,725 | \$86,300 | \$107,875 | \$172,600 |
| 7 | \$48,650 | \$72,975 | \$97,300 | \$121,625 | \$194,600 |
| 8 | \$54,150 | \$81,225 | \$108,300 | \$135,375 | \$216,600 |
| Each add'l person | +\$5,500 | +\$8,250 | +\$11,000 | +\$13,750 | +\$22,000 |

Notes:

- Figures reflect calendar year 2026 poverty guidelines for most of the United States
- For households larger than eight (8), add the “Each add’l person” amount per person.
- Alaska and Hawaii guidelines are higher and should be referenced separately if applicable to your program or residency requirements.

Board Review and Approval

This Federal Poverty Guidelines Reference Chart, including income thresholds and applicable percentages, shall be reviewed and approved by the Board of Directors annually.

Board Approval Date: _____

Effective Calendar Year: 2026



Write-Off and Adjustment Policy

Revenue Cycle Management

Purpose

The purpose of this policy is to establish standards and procedures for writing off or adjusting patient account balances at the Johnson County Ambulance District in a controlled, consistent, and auditable manner. This policy ensures accuracy in financial records while protecting the District's revenue integrity.

Scope

This policy applies to all JCAD personnel involved in billing, patient account management, and financial oversight. It covers routine adjustments and write-offs for patient accounts, excluding hardship write-offs, which are addressed under a separate Hardship Write-Off Policy.

Definitions

- **Adjustment:** A correction to a patient account balance due to billing errors, insurance corrections, contractual adjustments, or other authorized reasons.
- **Write-Off:** The removal of an uncollectible or negligible account balance from the patient ledger after all standard collection efforts have been exhausted.
- **Hardship Write-Off:** The write-off of a patient balance for financial hardship, as defined in the separate Hardship Write-Off Policy.

Authorization

- Routine adjustments and contractual write-offs may be processed by billing staff or the third-party billing vendor.
- Other write-offs, such as accounts deemed uncollectible after all collection efforts, require approval from District personnel with financial oversight authority.
- Hardship write-offs require separate approval as outlined in the Hardship Write-Off Policy.

Criteria for Adjustments and Write-Offs

Adjustments may be made for:

- Billing errors or duplications
- Insurance payment corrections or denials
- Contractual or negotiated adjustments

Routine write-offs may be applied to:

- Accounts with balances of \$5 or less, which may be written off by billing staff or the third-party billing vendor without District level approval

Other write-offs may be applied to:

- Accounts deemed uncollectible after standard billing, statement, and collection processes
- Accounts under dispute, review, or with active payment arrangements shall not be written off.



Write-Off and Adjustment Policy

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Payer Negotiation and Settlement Adjustments

Negotiated or settlement-based adjustments with insurance payers may be performed when necessary to resolve billing disputes, claim denials, underpayments, or other reimbursement issues.

- All negotiated adjustments must be supported by documentation, including payer correspondence, or other justification for the adjustment.
- Negotiations that result in a reduction of the expected reimbursement must be reviewed and approved by authorized District personnel prior to final adjustment, unless the adjustment falls within an established contractual allowance.
- Third-party billing vendors may identify and recommend negotiated resolutions but may not finalize agreements or apply discretionary reductions without District approval.
- All negotiated adjustments must be recorded using appropriate adjustment codes and clearly identified within the patient account record.
- Negotiated adjustments must comply with all applicable payer requirements, federal and state regulations, and contractual obligations.

Documentation and Recordkeeping

All adjustments and write-offs must be documented, including:

- Account number and patient name
- Reason for adjustment or write-off
- Supporting documentation (statements, insurance correspondence, or collection notes)
- Approval signature or electronic authorization for write-offs that require District approval
- Documentation shall be retained in accordance with the District's record retention policy for audit and compliance purposes.

Compliance

- Failure to comply with this policy may result in corrective action in accordance with District policy.
- All write-offs and adjustments must comply with applicable laws, accounting standards, and contractual obligations.