

# **BHC ALHAMBRA HOSPITAL**

## **POLICY AND PROCEDURES**

<i>Date Issued: January 1, 2024</i>	<i>Debt Collection Policy</i>
<i>Date(s) Revised:</i>	
<i>Issued by: Administration</i>	

### **I. Purpose**

- a. BHC Alhambra Hospital (“Hospital”) provide compassionate care to patients when they need hospital services. All patients or their guarantors have a financial responsibility related to services received at the Hospital, and must make arrangements for payment, either before or after services are rendered. Such arrangements may include payment by an insurance plan, including programs offered through the Federal and California government. Payment arrangements may also be made directly with the patient, subject to the payment terms and conditions of the Hospital. The Hospital is committed to ensuring that conversations about financial obligations do not unreasonably impact the scheduling of care.
- b. This Policy sets out the guidelines and procedures for establishing fair, reasonable, and consistent means for collection of patient accounts owed to the Hospital and ensures the Hospital and any collection agency that the Hospital partners with, treat all patients, their families, and other contacts with fairness, dignity, compassion, and respect. Additionally, this Policy ensures that the Hospital and its assigned collection agencies comply with all applicable Federal and California law including, without limitation, the following:
  - i. 26 U.S.C. Section 501(r) et. seq. Additional Requirements for Certain Hospitals.
  - ii. 15 U.S.C. Section 1692 et seq. Debt Collection Practices.
  - iii. California Civil Code section 1788 et seq. Fair Debt Collection Practices.
  - iv. California Health & Safety Code section 1339.50 et seq. Payers’ Bill of Rights.
  - v. California Health & Safety Code section 127400 et seq. Hospital Fair Pricing Policies.
  - vi. The American Hospital Association Patient Billing Guidelines Affirmation.

### **II. Policy**

#### **a. General Practices**

- i. If a patient account is payable by insurance, then the initial bill will be forwarded directly to the designated insurer to obtain any or all amounts owed by the insurer.
- ii. Patient balances, after insurance payments, will be billed directly to the patient.
- iii. The Hospital and the patient share responsibility for timely and accurate resolution of all patient accounts. Patient cooperation and communication is essential to this process. The Hospital shall make reasonable and consistent efforts to assist patients with the fulfillment of their financial responsibilities.
- iv. Payment Plans may be arranged with the Hospital, on a case-by-case basis. Payment plans may be entered into as part of a debt payment arrangement between the Hospital and a patient.
  - 1. Payment plans shall generally have a term no longer than 6-months and are free of interest charges and set-up fees.

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2. It is the patient or guarantor's responsibility to contact the Hospital if circumstances change, and payment plan terms cannot be met.
3. Once approved, any failure to pay in accordance with the payment plan terms will constitute a default, and the Hospital may cancel the payment plan and begin collection activities only after the patient's failure to make payments in the amount due over any continuous 90-day period, in accordance with Federal and California law.
  - a. Prior to canceling a payment plan, the Hospital shall make a reasonable attempt to notify the patient both orally and in writing that the payment plan may be cancelled, and there may be an opportunity, upon the patient's request, to renegotiate the plan terms.
  - b. Upon any cancellation of a payment plan, the patient's financial responsibility shall not exceed the discounted principal amount agreed under the payment plan.
- v. The Hospital provides the following information and special assistance to all patients:
  1. A Financial Counseling Application and/or an application to Medi-Cal or other appropriate government assistance program to uninsured patients, receiving non-emergency services, upon admission or prior to discharge.
  2. Assistance in applying for its financial assistance or government assistance, at no cost to the patient.
  3. A written bill for services rendered by the Hospital.
  4. A summary statement, upon request, with the expected payment by insurance, if applicable, and any or all amounts due and payable by the patient.
- b. **Billing and Determining Eligibility for Financial Assistance.** At the time of billing, the Hospital shall provide to all patients information concerning services received and amounts billed related to those services at the Hospital. Prior to assigning an account to a collection agency, the Hospital shall have taken the following steps to determine a patient's financial assistance eligibility, as applicable:
  - i. In its collection letters and statements to all patients, the Hospital shall include language to inform patients if they meet certain requirements, they may be eligible for government-sponsored payer programs or financial assistance from the Hospital. Patient bills shall also include the name/title or department and telephone number to contact for additional information.

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- ii. The Hospital shall notify patients of its financial counseling program before assigning an account to a collection agency to obtain payment for the care.
- iii. If the patient has not submitted a Financial Counseling Application, or is determined ineligible for financial assistance, then collection agencies may be initiated only as permitted by applicable law and in accordance with this Policy.

### **c. Assignment of Patient Accounts to Collection Agencies**

- i. When the Hospital assigns an account to a collection agency, the amount that will be assigned for collection will be the amount remaining after any and all prior discount arrangements or waivers have been applied to the account balance.
- ii. If a collection agency determines that a patient account qualifies for an alternative source of payment or determines that the patient does not have sufficient assets, then the collection agency shall return the account to the Hospital with an explanation of the determination and the supporting data. The Hospital will attempt to collect from the alternate source and/or work to qualify the patient for financial assistance.
- iii. If a patient asks a collection agency whether the Hospital will negotiate an additional discount above the discount provided, then the agency may notify the Hospital for authority to adjust the account as appropriate.
- iv. Prior to filing any legal action against a patient, the collection agency shall ensure all legal and regulatory requirements related to fair debt collection practices are met and have confirmed multiple attempts were made to reach and negotiate with the patient. The collection agency shall also:
  - 1. Perform an analysis of the patient’s assets and income to determine whether the patient has assets and income sufficient to justify filing the legal action; and
  - 2. Have the Hospital review the analysis and receive approval from the Chief Financial Officer or their designee before the filing of any legal action against the patient.

### **d. Suspending Collection Actions**

- i. If a patient has properly submitted an approved Financial Counseling Application, then the Hospital will immediately suspend assignment of an account to a collection agency.
- ii. For patients who have an application pending for government-sponsored coverage or programs, the Hospital shall not knowingly assign the account to a collection agency prior to 240 days from the date of initial billing, post-discharge.
- iii. The Hospital shall not knowingly assign an account to a collection agency for patient portions that qualify for financial assistance, or if the patient has negotiated a

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payment plan and is reasonably cooperating to settle an outstanding bill. Collection activities will resume in accordance with applicable laws and regulations if the patient/guarantor becomes delinquent in fulfilling the payment plan.

- iv. All payment collection activities by the Hospital's collection agencies shall stop upon receipt of notice that a patient has submitted a complaint to the Department of Health Care Access and Information's ("HCAI") Hospital Bill Complaint Program. Collection agency activities will not resume until the complaint has been resolved, as confirmed by HCAI.