I. PURPOSE

To establish standardized procedures for the **fair, ethical, and legally compliant collection of patient financial obligations**, ensuring protection of patients and families—especially those eligible for financial assistance—while maintaining the hospital's financial integrity.

II. POLICY STATEMENT

HealthBridge Children's Hospital is committed to:

- Conducting all billing and collection activities in a **compassionate, transparent, and legally compliant manner**
- Ensuring **no Extraordinary Collection Actions (ECAs)** are taken without proper notice and eligibility screening
- Protecting **low-income and uninsured patients** in accordance with:
    - California Health & Safety Code §127400–127446
    - Title 22 CCR §96051.1–96051.37
    - IRS 501(r) requirements
- Prioritizing **Financial Assistance Program (FAP)** eligibility before initiating collections

III. SCOPE

This policy applies to:

- All hospital departments involved in:
    - Billing
    - Patient Financial Services (PFS)
    - Revenue Cycle
- All patient accounts, including:
    - Self-pay balances
    - Underinsured balances
    - Patient responsibility after insurance

IV. DEFINITIONS

Extraordinary Collection Actions (ECAs):
Actions such as:

- Reporting to credit bureaus
- Wage garnishment
- Liens on property
- Legal/judicial actions

Financial Assistance Program (FAP):
Hospital program providing:

- Charity Care (≤200% FPL)
- Discounted Care (≤400% FPL)

Reasonable Efforts:
Actions taken to determine FAP eligibility before initiating ECAs.

V. POLICY GUIDELINES

A. Financial Assistance Screening (REQUIRED FIRST STEP)

Before any collection activity:

1. Patients must receive:
    - Written notice of financial assistance

  - Plain language summary (multi-language)
2. Hospital must:
  - Screen for FAP eligibility
  - Allow **at least 240 days** from first bill for application
3. No account may be sent to collections if:
  - FAP application is pending
  - Patient qualifies for charity care or discount

B. Billing & Notification Requirements

HealthBridge will:

- Send **at least 3 billing statements**
- Provide:
  - Clear balance explanation
  - Instructions for financial assistance
  - Contact information for assistance

Timeline:

- Initial bill
- Follow-up statements (30-day intervals)
- Final notice prior to collections (minimum 30 days before action)

C. Prohibited Collection Practices

The hospital and any contracted agency **shall NOT**:

- Initiate ECAs before completing reasonable efforts
- Pursue collection from:
  - Patients eligible for charity care
  - Patients making agreed-upon payments
- Use:
  - Harassment, threats, or misleading statements
- Contact patients:
  - At unusual hours
  - At workplace if prohibited

D. Extraordinary Collection Actions (ECAs)

ECAs may only occur after:

1. **120 days** from first post-discharge billing statement
2. Completion of **reasonable efforts to determine FAP eligibility**
3. Issuance of a **written 30-day final notice** including:
  - Intent to initiate ECAs
  - FAP application instructions

Approval Required:

- Director of Patient Financial Services or higher

E. Payment Plans

HealthBridge will:

- Offer **reasonable payment plans**
- Avoid requiring:
  - Interest (unless permitted by law)
  - Large upfront payments

Patients complying with payment plans **will not be referred to collections**

F. Special Protections for Pediatric Population

Given the vulnerable population served:

- Additional emphasis on:
  - Family education
  - Financial counseling
- Avoid aggressive collection actions for:
  - Long-term pediatric cases
  - Medically necessary care
- Coordination with:
  - Medi-Cal
  - CCS
  - Other public programs

G. Documentation Requirements

The hospital must maintain:

- Records of:
  - Billing notices sent
  - FAP communications
  - Determination of eligibility
- Documentation of:
  - Approval for ECAs
  - Collection agency activities

Retention per hospital record retention policy

VI. COMPLIANCE & REGULATORY REFERENCES

This policy complies with:

- **California Hospital Fair Pricing Act** (HSC §127400–127446)
- **Title 22 CCR §96051.1–96051.37**
- **IRS 26 CFR 1.501(r)**
- **Fair Debt Collection Practices Act (FDCPA)**
- **CMS Conditions of Participation**