Tri-City Healthcare District
Oceanside, California

ADMINISTRATIVE
DISTRICT OPERATIONS

ISSUE DATE: 11/22 **SUBJECT: Self-Pay & Collections Policy**

REVISION DATE:

Administrative Content Expert Approval:	**11/22**
Administrative Policies & Procedures Committee Approval:	**11/22**
Pharmacy & Therapeutics Committee Approval:	**n/a**
Administration Approval:	**11/22**
Professional Affairs Approval:	**n/a**
Board of Directors Approval:	**11/22**

A. **PURPOSE:**
1. To provide an overview of the process in which Tri City Medical Center follows for assigning self-pay and balance after insurance accounts to a third-party collection agency.

B. **DEFINITION(S):**
1. Charity Care – The portion of the hospital stay in which a third-party payer is not responsible and the patient does not have means to pay and for which the hospital does not have payment expectation.
2. Self-Pay Patient – A patient who meets the following criteria:
   a. No Medi-Cal eligibility
   b. No third-party insurance
   c. No compensable injury (i.e.: Workers Compensation, auto insurance)
   d. A patient who chooses to pay for their treatment directly rather than using private health insurance
3. Uninsured Patient - Patient who is not currently eligible for a federal, state, other government program or who is not currently an eligible subscriber/dependent under an insurance plan

C. **SELF PAY PROCESS:**
1. Patient balance after insurance:
   a. The encounter is sent to a first party self-pay outsourcing vendor which is an extension of the hospitals business office to pursue the balance due by the patient.
   b. The first party self-pay outsourcing vendor contacts the patient through a series of letters and phone calls spanning 120 days.
      i. Day 2 – Notice 1 mailed to the patient
      ii. Day 35 – Notice 2 mailed to the patient
      iii. Day 92 – Notice 3 Final “Goodbye” Letter and Financial Assistance Application mailed to the patient
   c. After 120 days the balance is then assigned to a collection agency for additional collection measures. Exceptions include:
      i. Patient has a payment arrangement in good standing
      ii. Patient has provided documentation the balance was included in a bankruptcy
      iii. Patient has a charity application under review
      iv. Patient has applied for financial assistance and a determination not yet made
      v. The account balance is below a threshold set by the hospital that balances must reach/exceed to be assigned to collections

vi. Med-Cal Managed Care, Medicare or Medi-Cal is responsible for any portion of the balance outstanding
vii. Statute of Limitations exceeded (based on the guarantor's state of residence)

d. Interest free extended payment plans will be made available to patients that qualify. Payment terms are agreed upon between the hospital and the patient based on the patient's ability to pay the agreed upon amount monthly.

2. Self-Pay (Uninsured) Patients:
   a. Financial counseling services are provided to uninsured and underinsured patients which include but are not limited to:
      i. Applying for state and Federal Health Care Programs
      ii. Identify if coverage is available under the ACA (Affordable Care Act)
      iii. Inform the patient of Financial Assistance Programs available at the facility and assist in completing the application
   b. If the patient remains uninsured/under-insured after this process the encounter is sent to first party self-pay outsourcing vendor which is an extension of the hospitals business office to pursue the balance due by the patient.
   c. The first party self-pay outsourcing vendor contacts the patient through a series of letters and phone calls spanning 120 days.
      i. Day 2 – Notice 1 mailed to the patient
      ii. Day 35 – Notice 2 mailed to the patient
      iii. Day 92 – Notice 3 Final "Goodbye" Letter and Financial Assistance Application mailed to the patient
   d. After 120 days the balance is then assigned to a collection agency for additional collection measures. Exceptions include:
      i. Patient has a payment arrangement in good standing
      ii. Patient has provided documentation the balance was included in a bankruptcy
      iii. Patient has a charity application under review
      iv. Patient has applied for financial assistance and a determination not yet made
      v. The account balance is below a threshold set by the client that balances must reach/exceed to be assigned to collections
      vi. Medi-Cal Managed Care, Medicare or Medicaid is responsible for any portion of the balance outstanding
      vii. Statute of Limitations exceeded (based on the guarantor's state of residence)
   e. Interest free extended payment plans will be made available to patients that qualify. Payment terms are agreed upon between the facility and the patient based on the patient's ability to pay the agreed upon amount monthly.

D. **PROGRAMS AVAILABLE TO UNINSURED, UNDER-INSURED OR THOSE CHOOSING NOT TO USE THEIR INSURANCE:**

1. Tri City Medical Center offers a variety of programs to patients for meeting their financial obligations, included are:
   a. Self-Pay Discount Program (uninsured or those not using their insurance ONLY)
   b. Financial Assistance
   c. Charity to those eligible based on income

E. **COLLECTIONS PROCESS:**

1. Eligibility:
   a. Account has completed the patient billing cycle without resolution
   b. Final "Goodbye" letter was sent to the patient informing them that a payment remains due
   c. Account exceeds the amount set-forth in the facilities policy outlining collection threshold eligibility (=/> $25)
2. Balance after Insurance / Self-pay (Uninsured) Patients:

a. Accounts are assigned weekly to collections through a systematic process performed by first party self-pay outsourcing vendor
    i. This information is transmitted electronically in accordance with both client and regulatory requirements
b. Accounts are split between 2 collection agencies based upon a predefined alpha-split
    i. California Business Bureau, Inc. (CBB)
    ii. CMRE Financial Inc.
c. The collection agency will have access to the supporting documentation to validate the debt owed by the guarantor or the estate thereof should the guarantor be deceased
d. Collections are pursued in a consistent manner based upon hospital procedure and applicable law including Federal Fair Debt Collection Practices Act, Rosenthal Fair Debt Collection Practices Act, and other state and federal financial assistance laws
e. Accounts assigned to collections may be recalled and returned to Tri City Medical Center at the discretion of the hospital and/or state or federal laws and regulations.
f. Accounts that have “Returned Mail” on file are eligible for collections assignment only after reasonable efforts have been made and are exhausted. Reasonable efforts include:
    i. Skip tracing
    ii. Contacting the Guarantor via telephone

F. **REFERENCE(S):**

1. Affordable Care Act (ACA)
2. Federal Fair Debt Collection Practices Act
3. Rosenthal Fair Debt Collection Practices Act