

# **Barstow Community Hospital**

## **Patient Billing and Debt Collection Policy**

### **EFFECTIVE DATE:**

The effective date of this Patient Billing and Debt Collection Policy (“Policy”) is April 16, 2024.

### **PURPOSE:**

1. Barstow Community Hospital (“Barstow” or “Hospital”) aims to maintain the highest level of commitment to providing excellence in Customer Service. We recognize patients usually seek medical services out of necessity and may have to make adjustments when facing an unforeseen financial burden. Billing and debt collection activities may be taken by the Hospital, an affiliate or subsidiary of the Hospital, or by an external collection agency, or debt buyer.
2. The purpose of this Policy is to establish reasonable procedures regarding billing and collection of patient outstanding accounts in accordance with applicable federal and state laws.
3. This policy, together with our Discounted Payment Policy and Charity Care Policy, is intended to satisfy the requirements related to hospital billing and debt collection activities including California’s Hospital Fair Billing Law codified at Health and Safety Code section 127400, *et seq.* and the associated implementing regulations at California Code of Regulations section 96051, *et seq.*, California’s Rosenthal Fair Debt Collection Practices Act as applicable to hospitals codified at Civil Code section 1788, *et seq.*, section 501(r)(6) of the federal Internal Revenue Code, and the federal Fair Debt Collection Practices Act, Regulation F codified at 12 C.F.R. part 1006.
4. A copy of this published Patient Billing and Debt Collection Policy, and all amended or revised Policies, shall be provided to the State of California Department of Health Care Access and Information or “HCAI” (f/k/a the Office of Statewide Health Planning and Development) in accordance with HCAI state filing procedures (*See generally*, Title 22 of the California Code of Regulations (CCR) section 96040-96050, *et seq.*).

### **SCOPE:**

This policy applies to all Hospital billing departments as well as any agency the Hospital enters into an agreement with for the purposes of collecting Hospital receivables.

### **PROCEDURE**

#### ***A. Prior to Commencing Debt Collection Activities***

1. At the time of billing, the Hospital shall provide the patient with a written summary, which includes the same information concerning services and charges provided to all other patients who receive care at the Hospital.
2. Prior to assigning a bill to collections, or selling patient debt to a debt buyer, the Hospital must send a patient a notice with the following information:
  - a. The date or dates of service of the bill that is being assigned to collections or sold.
  - b. The name of the entity the bill is being assigned or sold to.

- c. A statement informing the patient how to obtain an itemized Hospital bill from the Hospital.
  - d. The name and plan type of the health coverage for the patient on record with the hospital at the time of services or a statement that the hospital does not have that information.
  - e. A copy of the Hospital's Charity Care & Discounted Payment Application.
  - f. The date or dates the patient was originally sent a notice about applying for financial assistance, the date or dates the patient was sent Hospital's Charity Care & Discounted Payment Application, and, if applicable, the date a decision on the application was made.
3. Prior to commencing debt collection activities against a patient, the Hospital, any assignee of the Hospital, or other owner of the patient debt, including a collection agency, shall provide the patient with written notice with the following information:
- a. The commencement of collection activities may occur;
  - b. Nonprofit credit counseling services may be available in the area; and
  - c. The following summary:

“State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at [www.ftc.gov](http://www.ftc.gov).”
4. If the Hospital has been notified that the patient has filed a complaint with HCAi, the Hospital shall not send the unpaid bill to any collection agency, debt buyer, or other assignee unless that entity has agreed to comply with the Hospital Fair Pricing Act. This shall apply only to the bill(s) for which the patient has filed a complaint with HCAi.
5. Extended Payment Plans
- a. Interest free extended payment plans may be offered to patients eligible under the Hospital's Charity Care Policy and Discounted Payment Policy. When an extended payment plan as referenced in the Hospital Discounted Payment Policy has been established, debt collection activities will not commence prior to the time the extended payment plan is declared to be no longer operative.
  - b. An extended payment plan may be declared no longer operative when the patient fails to make all consecutive payments for 90 days and fails to renegotiate a payment plan.

- c. Before the Hospital can declare an extended payment plan as inoperative, the Hospital, collection agency, debt buyer, or assignee shall make reasonable attempts to contact the patient by telephone and written notice to inform the patient that the extended payment plan may become inoperative, and to give the patient an opportunity to renegotiate the terms of the extended payment plan. The Hospital must attempt to renegotiate the terms of the extended payment plan, if requested by the patient.
- d. The notice and telephone call to the patient may be made to the last known telephone number and address of the patient.
- e. The Hospital, collection agency, debt buyer, or assignee shall not report adverse information to a consumer credit reporting agency or commence a civil action against the patient or responsible party for nonpayment before the time the extended payment plan is declared to be no longer operative.
- f. At all times, patients maintain all protections consumers have under existing federal and state debt collection laws, or any other consumer protections available under state or federal law. If a patient fails to make all consecutive payments for 90 days and fails to renegotiate a payment plan, the patient maintains the obligation to make payments on the debt owed to the Hospital pursuant to any contract or applicable statute from the date that the extended payment plan is declared no longer operative.

***B. Notification Period***

- 1. Debt collection activities for the Hospital services will not commence for a period of 180 days after the date of the initial billing statement for the applicable medically necessary or emergency medical care.
- 2. Where there is a “pending appeal” for coverage of the services and the patient makes a reasonable effort to communicate with the Hospital about the progress of any pending appeal, this period will be extended until a final determination of that appeal is made.
- 3. A “pending appeal” includes a grievance against a contracting health care service plan or against an insurer, an independent medical review, a MediCal claim review fair hearing, or an appeal regarding Medicare coverage consistent with federal law and regulations.

***C. Debt Collection Criteria***

Patient balances will be considered for collection if the following criteria are met:

- 1. Three (3) statements have been sent (28 - 35 days apart) and the patient balance is not paid in full;
- 2. The patient balance exceeds the “Automatic Small Balance Write-off Amount” of \$9.99;

3. The claim balance has been in a patient due status for 180 days;
4. The patient misses two or more scheduled payments of a reasonable payment plan established between the Hospital and the patient; or
5. The patient's statements are on mail return and current address information is not able to be updated by the clinic.

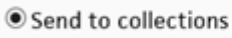
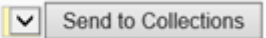
**Note:** The Hospital may only consider income in determining the amount of a debt the Hospital may seek to recover from patients who are eligible under the Hospital's Charity Care Policy or Discounted Payment Policy.

#### ***D. Collection Worklist Review***

1. All provider groups have a collection worklist created that may be found in the table space under **Claims**. At the bottom of the Claims worklist, there is a Filter Button



Anytime during the month, clinic staff may generate and review the list by clicking the Filter Button. If the staff is comfortable with the claims on the list, they can check the accounts to generate a manual batch and send at any time by selecting

“Send to collections”   Once the claims are sent to collections, they will be deleted from the worklist and will not need be reviewed again. Those accounts that were unchecked will remain on the collections worklist.

2. If the Hospital identifies claims that should be removed from the list and not sent to collections, the Hospital must obtain approval from the CFO, CEO, or authorized delegate to withhold transfer of accounts that are eligible for placement with collection agency based on the established Debt Collection Criteria. The Hospital will also be responsible for providing evidence of this approval as required by QHCCS, LLC for compliance records.

**Note:** Once an account is removed from the collection worklist, the account should either be billed to an updated insurance or adjusted for small balance or other adjustment reason. Failure to change the account status will result in it being back on the worklist the next day.

3. Clinic staff members have an opportunity to work on all collection eligible claims through the 26th day of each month and create a file. If the Hospital has not created a collection file by the 26th day, a file will be automatically created by athenahealth and all collection eligible accounts will be sent to collections. The collection file will be sent on the 27th of the month.
4. Patient accounts must have an established payment plan set up in athenahealth and meet QHCCS, LLC payment plan standards to avoid being sent to collections. Accounts that are sent to collections without a payment plan established cannot be recalled from collections for this reason alone. Patient payments can continue to be collected at the Hospital as per the “Collection Payments” section.

### ***E. Collection Payments***

If an account has been sent to collections and a payment is collected or received at the Hospital, those payments must be posted to the collection balance without voiding the balance. The Hospital will need to post the payment as a standard payment, to allow a recovery adjustment to auto-post once the payment is posted.

### ***F. Debt Collection Steps***

Once an account is sent to collections, the billing and debt collection steps are as follows:

1. athenahealth sends invoices or statements to patients, when patients have outstanding balances not covered by insurance. Statements are mailed six times per week. A patient will not get more than one statement every 28 to 35 calendar days. The phone number for patient billing questions is on the patient statement and is handled through Frost Arnett.
2. If the patient has filed a change-of-address form with the post office, then athenahealth will change the address on the statement but the Hospital and Hospital staff are responsible for correcting the addresses in athenaNet. Return mail goes to the Hospital, if requested.
3. athenahealth does not contact patients to inquire about the status of unpaid statements. Each patient is put on a 28 to 35-day statement cycle (so in any given week, approximately one quarter of all patients who are currently responsible for charges receive a statement). If charges on a statement go unpaid, progressively severe dunning messages appear on each subsequent statement.
4. Patients receiving services from providers in different medical groups will receive separate statements from each medical group.

### ***G. Removal of Accounts From Collections***

1. Once an account has been sent to collections and the Hospital is requesting it be removed, the Hospital will need to create a Collections Reversal Log (CRL).
2. The CRL should be completed and sent to 2800\_RM\_AthenaSupport  
AthenaSupport@quorumhealth.com for processing.
3. The CRL must have all information completed and contain appropriate CFO approval. CFO approval is required for all requests to have collection amounts removed from the agency with the exception of an account with active, confirmed insurance, for which eligibility has been verified, and when the claim is still within timely filing limits. In this instance the Practice Director or Administrator may approve the CRL, so the account may be updated and billed to the appropriate payer. CRL's received without the appropriate approvals, will be returned to the Hospital unprocessed until approval signatures are received.

#### ***H. Restrictions on Debt Collection Activities:***

1. The Hospital shall not sell patient debt to a debt buyer unless **all** of the following apply:
  - a. The Hospital has found the patient ineligible for financial assistance or the patient has not responded to any attempts to bill or offer financial assistance for 180 days;
  - b. The Hospital includes contractual language in the sales agreement in which the debt buyer agrees to return, and the Hospital agrees to accept, any account in which the balance has been determined to be incorrect due to the availability of a third-party payer, including a health plan or government health coverage program, or the patient is eligible for Charity Care, Discounted Payment, or other financial assistance;
  - c. The debt buyer agrees to not resell or otherwise transfer the patient debt, except to the originating hospital or a tax-exempt organization, or if the debt buyer is sold or merged with another entity;
  - d. The debt buyer agrees not to charge interest or fees on the patient debt; **and**
  - e. The debt buyer is licensed as a debt collector by the Department of Financial Protection and Innovation.
2. The Hospital, any assignee of the Hospital, or other owner of the patient debt, including a collection agency or debt buyer, shall not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment before 180 days after initial billing.
3. If a patient is attempting to qualify for eligibility under the Hospital's Charity Care or Discounted Payment Policies and is attempting in good faith to settle an outstanding bill with the Hospital by negotiating a reasonable payment plan or by making regular partial payments of a reasonable amount, the Hospital shall not send the unpaid bill to any collection agency, debt buyer, or other assignee.
4. The Hospital or other assignee that is an affiliate or subsidiary of the Hospital shall not, in dealing with patients eligible under the Hospital's Charity Care or Discounted Payment Policies, use wage garnishments or liens on any real property as a means of collecting unpaid hospital bills.
5. A collection agency, debt buyer, or other assignee that is not a subsidiary or affiliate of the Hospital shall not, in dealing with any patient under the Hospital's Charity Care or Discounted Payment Policies, use as a means of collecting unpaid hospital bills, any of the following:
  - a. A wage garnishment, except by order of the court.
  - b. Notice or conduct a sale of any real property owned, in part or completely, by the patient.
  - c. Liens on any real property.

6. Information obtained from the patient's income tax return or pay stubs must not be used for collections activities. However, Hospital, a collection agency, or assignee may use such information if obtained independently of the eligibility process for Charity Care or Discounted Payment.
7. This Section does not preclude the Hospital, collection agency, debt buyer, or other assignee from pursuing reimbursement and any enforcement remedy or remedies from third-party liability settlements, tortfeasors, or other legally responsible parties.

***I. Other:***

1. This Policy shall not be construed to create a joint venture between the Hospital and any external entity, or otherwise to allow Hospital governance of an external entity that collects Hospital receivables.
2. Hospital must maintain all records relating to money owed to Hospital by a patient or a patient's Guarantor for five years, including, but not limited to, the following:
  - a. Documents related to litigation filed by the Hospital;
  - b. A contract and significant related records by which a Hospital assigns or sells medical debt to a third party;
  - c. A list, updated at least annually, of every person, including the person's name and contact information that meets at least one of the following criteria:
    - i. The person is a debt collector to whom the Hospital sold or assigned a debt that a patient of Hospital owed Hospital and/or
    - ii. The person is retained by Hospital to pursue litigation for debts owed by patients on behalf of Hospital.
    - iii. For purposes of this Policy, "debt collector" and "person" have the same meanings as defined in Section 1788.2 of the Civil Code.
3. The adoption of and adherence to this documentation and billing policy by this facility is pursuant to and in furtherance of the "Fraud and Abuse" element of the Code of Conduct of QHCCS, LLCs, and its subsidiaries. Failure to comply with this Policy shall constitute a serious violation of Policy and subject an employee to suspension or termination of employment.

Last Revised Date: October 30, 2024