



DEBT COLLECTION POLICY

EASTERN PLUMAS HEALTH CARE - BUSINESS OFFICE

EFFECTIVE: 5/12/2025

I. Policy Statement

This policy applies to Eastern Plumas Health Care (“EPHC”) and any outside agencies working on EPHC’ behalf that have the responsibility to bill patients and applicable third-party payers accurately, timely, fairly and consistently in accordance with all contractual obligations, laws and regulations. EPHC will not threaten or treat patients or payers with disrespect or with an aggressive tone or behavior. EPHC collection practices shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

II. Purpose

It is the goal of this policy to provide clear and consistent procedures for EPHC staff, Collection Agencies, and other third-party vendors when conducting billing and collections functions in a manner that promotes compliance, patient satisfaction, and efficiency. This policy applies to EPHC and any outside agencies working on its behalf.

III. Billing Procedure

a. Billing Third-Party Payers

For all patients with health insurance, EPHC will bill the third-party payer information as provided or verified by the patient on a timely basis.

If a third-party payer denies the claim due to EPHC’ error, EPHC will not bill the patient for any amount in excess of that for which the patient would have been liable had the third-party payer paid the claim. However, if the third-party payer denies the claim due to factors outside of EPHC’ control, hospital staff will follow up with the third-party payer and patient as appropriate to facilitate a resolution to the claim. If a resolution cannot be reached, after reasonable follow-up efforts, EPHC may bill the patient or take other actions consistent with current industry standards.

b. Billing Insured Patients for Patient Responsibility

For all patients with health insurance, EPHC will send the bill to the patient in a timely basis after it receives payment from the payer.

c. Billing Uninsured Patients

For uninsured patients, EPHC shall promptly send the patient's bill for items and services provided to the patient.

d. Third-Party Reimbursement

The patient is required to pay EPHC the entire amount of any reimbursement sent directly to the patient or guarantor by a third-party payer for the hospital services received. If the patient receives a legal settlement, judgment, or award under a liable third-party action that includes payment for health care services or medical care related to the injury, the patient or guarantor must reimburse EPHC for the related health care services rendered up to the amount reasonably awarded for that purpose.

e. Requesting and Itemized Statement

All patients may request an itemized statement for their account at any time.

f. Accessing Financial Assistance Information and Application

EPHC will again provide a summary of its Financial Assistance Policy to all patients provided services at EPHC. All billed patients will have the opportunity to contact EPHC regarding financial assistance for their accounts. Financial assistance may include charity care, discounted care, or other applicable programs.

EPHC's financial assistance policy and application are available free of charge by visiting or contacting:

- EPHC Health Care Main Admitting Department
- Financial Counseling Office at:
 Eastern Plumas Health Care – Financial Counseling Office
 500 First Ave,
 Portola, CA, 96122
 Phone: 530-832-6500
- Website at <https://www.ephc.org/financial-assistance.php>

EPHC and the collection agencies, debt buyers, or other assignees not a subsidiary or affiliate of EPHC (the "Collection Agencies") shall not pursue collections from a patient who is attempting to qualify for financial assistance under EPHC's financial assistance policy and is attempting in good faith to settle an outstanding bill by negotiating a

Reasonable Payment Plan, as defined below, or by making regular partial payments of a reasonable amount.

If EPHC determines the patient qualifies for charity care or discounted care, EPHC will only use the patient's income information for determining eligibility and debt due. EPHC will not use this information, or any other information obtained for the purpose of determining discount payment or charity care eligibility, for collection activities. If the patient has already paid more than the amount due after the financial assistance determination, EPHC shall refund the amount actually paid to EPHC in excess of the amount due including interest at the rate provided in the Code of Civil Procedure Section 685.010 from the date of EPHC's receipt of the overpayment.

IV. Extended Payment Plans

EPHC and its Collection Agencies shall offer uninsured patients and insured patients with a patient responsibility portion the option to enter into an agreement to pay their patient responsibility portion and any other amounts due over time.

a. Terms of Extended Payment Plans

EPHC will also offer extended payment plans for those patients who indicate an inability to pay a patient responsibility amount in a single installment. The extended payment plan shall be negotiated between EPHC Patient Financial Services and the patient and may take into consideration the patient's Family Income, Essential Living Expenses, and the availability of a health savings account help by the patient or patient's Family. All extended payment plans shall be interest-free.

If EPHC and the patient cannot agree on the extended payment plan, the hospital shall create a Reasonable Payment Plan, which is defined as a monthly payment that does not exceed 10% of the patient's Family Income for a month, excluding deductions for Essential Living Expenses.

b. Declaring an Extended Payment Plan Inoperative

EPHC may declare an extended payment plan no longer operative after the patient fails to make all consecutive payments during a 90-day period. Before declaring the extended payment plan inoperative, EPHC or its Collection Agencies will make a reasonable attempt to contact the patient by the last known telephone number and provide notice in writing with the last known address to notify the patient that the extended payment plan may become inoperative and provide an opportunity to renegotiate. EPHC or the Collection Agency acting on EPHC's behalf will attempt to renegotiate the extended payment plan if requested by the patient.

After an extended payment plan is declared inoperative and over 180 days have passed since the initial billing of the patient, EPHC or its Collection Agencies may commence Extraordinary Collection Actions (as defined below).

V. Collection Practices

EPHC and its Collection Agencies do not engage in collection activities including Extraordinary Collection Actions (“ECAs”) to collect outstanding patient balances. EPHC shall not furnish information about any medical debt to any consumer credit reporting agency. EPHC and its Collection Agencies shall not pursue collections from a patient who is attempting to qualify for financial assistance under EPHC’s financial assistance policy and is attempting in good faith to settle an outstanding bill.

a. Initiating Collections

After at least 180 days have passed since the initial billing statement was provided to the patient and either EPHC has found the patient ineligible for financial assistance or the patient has not responded to any attempt to bill or offer financial assistance, EPHC may place the patient’s bill with a Collection Agency to pursue collections at the discretion of the Chief Financial Officer or his/her designee. If the patient has a pending appeal for coverage of the claim(s) and has made a reasonable effort to communicate with EPHC about the progress of the appeal, EPHC will wait until a determination of that appeal is made to place the patient’s unpaid bill with the Collection Agency.

b. Required Notices

Before sending an account to a Collection Agency to obtain payment, EPHC shall send the patient a notice with the following information:

- The date(s) of service of the bill that is being assigned to collections or sold;
- The name of the entity the bill is being assigned or sold to;
- A statement informing the patient how to obtain an itemized hospital bill from EPHC
- 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;
- An application for EPHC’s financial assistance;
- The date(s) the patient was originally sent a notice about applying for financial assistance, the date(s) the patient was sent a financial assistance application, and, if applicable, the date a decision on the application was made.

VI. Collection Agencies

EPHC will contract with an external collection agency to pursue further collections. Collection Agencies that collect unpaid patient bills on EPHC’s behalf will be required to

meet the same debt collection standards and comply with this EPHC Billing and Collection Policy.

EPHC will evaluate the performance of each Collection Agency at least on an annual basis, including patient reactions and complaints regarding Collection Agencies. EPHC will investigate and analyze complaints about the activities of Collection Agencies and promptly make and document any necessary corrections.

Additionally, EPHC should obtain written statements from the Collection Agency not less than annually attesting that they are following EPHC's policies and complying with all state and federal laws.

EPHC shall maintain records relating to money owed to EPHC by a patient for five years, including the following:

- Documents related to litigation filed by EPHC, if any;
- A contract and significantly related records by which EPHC assigns debt that the patient owes; and
- An annually updated list of (i) debt collectors to whom EPHC assigned patient debt and (ii) persons retained by EPHC to pursue litigation for debts owed by patients on behalf of the hospital, if any.

VII. Definitions

All terms not defined within this Billing and Collections Policy will be defined in accordance with California Health and Safety Code section 127400.

- a. **Collection Agency:** a collection agency contracted by EPHC, a debt buyer, or other assignees not a subsidiary or affiliate of EPHC that is attempting to collect unpaid bills for provided services.
- b. **Essential Living Expenses:** Expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.
- c. **Extraordinary Collection Action (ECA):** ECAs include the following:
 - Selling an individual's debt to another party except as expressly prohibited by federal law.
 - Deferring or denying, or requiring a payment before providing, Medically Necessary Care (excluding emergency medical care) because of an individual's nonpayment of one or more bills for

previously provided care covered under EPHC' Financial Assistance Policy.

- Certain actions that require a legal or judicial process as specified by federal law, including some liens, foreclosures on real estate, attachments/seizures, commencing a civil action, causing an individual to be subject to a writ of attachment, and garnishing an individual's wages.

d. Family: Family is defined as:

- For persons 18 years of age and older, spouse, domestic partner, dependent children under 21 years of age, or any age if disabled, whether living at home or not, and
- For persons under 18 years of age or for a dependent child 18 to 20 years of age, parent, caretaker relatives, and other children under 21 years of age, or any age if disabled, of the parent or caretaker relative.

e. Family Income: The combined income of the patient seeking Financial Assistance and his/her/their Family as determined under this Policy. Income as used here shall include any sources used to calculate the adjusted gross income, as set forth on line 11 of Form 1040, U.S. Individual Income Tax Return.

f. Medical Debt: A debt owed by a consumer to EPHC for the provision of medical services, products, or devices. Medical debt includes, but is not limited to, medical bills that are not past due or that have been paid.

g. Medically Necessary Care: A service is "medically necessary" or a "medical necessity" when it is reasonable and necessary (a) to protect life, to prevent significant illness or significant disability, (b) to alleviate severe pain, or (c) to prevent, diagnose or treat an illness, injury, condition or disease, or the symptoms of an illness, injury, condition or disease; and (d) meets accepted standards of medicine.

h. Reasonable Payment Plan: A monthly payment that does not exceed 10% of the patient's family income for a month, excluding deductions for Essential Living Expenses.