SUBJECT:	BILLING AND COLLECTIONS
DEPARTMENT:	FINANCE - PATIENT FINANCIAL SERVICES
AUTHOR:	MANAGER, PATIENT FINANCIAL SERVICES

POLICY:

It is the policy of San Mateo Medical Center to bill patients and applicable third-party payers accurately, timely, and consistent with applicable laws and regulations, including without limitation California Health and Safety Code section 127400, Assembly Bill No's. 774 (AB774), 1020 (AB1020), 532 (AB532) and Senate Bill (SB1276).

PURPOSE:

The purpose of this policy is to provide clear directives for San Mateo Medical Center (SMMC) hospital and clinics to conduct billing and collections functions in a manner that complies with applicable laws.

GUIDING PRINICIPLE:

It is the policy of SMMC to provide emergency treatment to all individuals, regardless of their ability to pay and to provide financial assistance to eligible, low-income patients who are uninsured, underinsured, or ineligible for third-party assistance. It is our policy to refer and accept non-emergent services according to the patient's primary care provider and coverage plan.

SCOPE:

This policy applies to SMMC hospital and clinical services billing and applies to any collection agency or external vendors working on behalf of the medical center. Unless otherwise specified, this policy does not apply to physicians or other medical providers, including emergency room physicians, anesthesiologists, radiologists, hospitalists, pathologists, etc., whose services are not included in a hospital bill generated and submitted by SMMC. This policy does not create an obligation for SMMC to pay for such physicians' or other medical providers' services. In California, (Assembly Bill 1020) an emergency physician who provides emergency services in a hospital is also required to provide a discount to uninsured patients or patients with high medical costs who are at or below 350 percent of the federal poverty level.

DEFINITIONS:

Patient: For purpose of this policy, a "Patient" includes the individual who received services at a hospital and any person financially responsible for their care.

Financial Assistance Policy: The "Financial Assistance Policy" is the San Mateo Medical Center's policy which describes SMMC's financial assistance programs including Charity Care, Access to Care for Everyone (ACE), and Discounted Health Care (DHC). The policy details the eligibility criteria patients must meet and the process by which patients may apply for financial assistance.

Financial Assistance: "Financial Assistance" refers to full or partial Charity Care for uninsured and underinsured patients, as those terms are defined in this policy

Primary Language of Hospital's Service Area: A "Primary Language of Hospital's Service Area" is a language used by the lesser of 1,000 people or 5% of the community served by the hospital based upon the most recent Community Health Needs Assessment performed by the hospital.

Uninsured Patient: An "Uninsured Patient" is a patient who has *no* third-party source of payment for any portion of their medical expenses, including without limitation, commercial or other insurance, government sponsored healthcare benefit programs, or third-party liability, and includes a patient whose benefits under all potential sources of payment have been exhausted prior to an admission.

Underinsured Patient: An "Underinsured Patient is a patient having a third-party insurance with a high-cost deductible, co-insurance or out of pocket medical expense.

Insured Patient: An "Insured Patient" is a patient who has a third-party source of payment for all or a portion of their medical expenses.

Patient Responsibility: "Patient Responsibility" is the amount that a patient is responsible to pay out-of-pocket after the patient's third-party coverage has determined the amount of the patient's benefits or the entire bill if the patient is uninsured.

Collection Agency: A "Collection Agency" is any entity engaged by a hospital to pursue or collect payment from patients.

Billed Charges: "Billed Charges" are the undiscounted amounts that a hospital customarily bills for items and services otherwise known as the total amount billed to a third-party payer or a patient.

Third Party Payer: A "Third Party Payer" is an entity that pays medical claims on behalf of the insured. Examples of third-party payers include government agencies, insurance companies, health maintenance organizations (HMOs), employers and in some cases private parties assume responsibility for medical costs.

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

Prompt Payment Discount: All bills to patients shall include information about the Prompt Payment Discount. The Prompt Payment Discount is an additional write-off of the Hospital's bill available to uninsured patients who pay promptly. The Prompt Payment Discount is a discount of 50% of the amount owed by an uninsured patient after all other discounts have been applied. An uninsured patient is eligible for this discount if payment is received at the time of service or within 30 days from the 1st billing statement date.

Charity Care: The "Charity Care" program is SMMC's program to provide access to care for patients who are unable to pay for themselves and meet certain financial criteria. It is designed to provide a consistent and uniform evaluation of the patient's/guarantor's ability to pay the outstanding medical balances.

The Charity Care program is consistent with the changes to the California Health and Safety Code made by Assembly Bill No's. 774 (AB774), 1020 (AB1020), 532 (AB532) and Senate Bill (SB1276).

Discounted Health Care (DHC): The "Discounted Health Care" program is SMMC's program for uninsured or underinsured patients who have income at or below 400% of the Federal Poverty Level (FPL). Qualified patients will receive a 65% discount on total charges.

Disputes: Any patient may dispute an item or charge on their bill. Patients may initiate a dispute in writing or over the phone with a customer service representative. If a patient requests documentation regarding the bill, staff members will use reasonable efforts to provide the requested documentation within ten (10) days. Hospitals will hold the account for at least thirty (30) days after the patient initiates the dispute before engaging in further collection activities.

BILLING: The Patient Financial Services (PFS) department is responsible for billing and collection for services rendered within the SMMC hospital and clinics. PFS may employ outside vendors to bill and collect for a portion of the accounts receivable. Employed vendors augment staff and are governed by SMMC policies and applicable billing and collection laws.

The PFS department employs a vendor and systems for claim scrubbing software edits. The claims scrubbing software edits daily charge batches against payer rules and ensures claims pass through clean to the respective payers using a HIPPA compliant claim format. Proper claim scrubbing increases the likelihood of first-time payment, validates 837 files for the carrier, identifies potential problems and errors on claims, and ensures HIPAA compliance.

Claims are submitted timely to the third-party insurance on behalf of SMMC patients. If the patient is responsible for a portion of the amount due after the insurance has adjudicated the claim, PFS will bill the patient for co-payments, deductibles or share of cost amount. The patient is ultimately responsible for understanding his/her insurance benefits and coverage plan options. As a benefit to the patient, PFS will assist patients to secure an authorization and/or approval required for services. In situations where services are denied by the insurance, PFS will assist the patient in the appeal process. PFS will send the patient a minimum of three (3) statements indicating the balance due, a final good-by letter and an application for financial assistance prior to referring to collections.

COLLECTIONS: SMMC will employ reasonable collection efforts to obtain payment from patients. General collection activities may include issuing patient statements, phone calls, and final letters. SMMC procedures ensure that patient questions and complaints about bills are researched and corrected as appropriate, with timely follow up with the patient.

Prohibits Extraordinary Collection Action: SMMC will adhere to the federal statute and the Rosenthal Fair Debt Collection Practices Act which promote honest, fair, and responsible debt collection by giving consumer debtors specific rights. These include the right to cut off contacts by a debt collection agency, the right to specify periods when and places where contacts with the debtor may and may not be made, and the right to *dispute* a debt and require a debt collection agency to investigate its validity and amount. SMMC and employed vendors are permitted to take reasonable steps to enforce and collect payment of debt. SMMC'S debt collection practices statutes promote credit extension and debt enforcement practices that are *honest*, *fair,* and *responsible* according to regulations prohibiting extraordinary collection action.

Payment Plans: SMMC may enter into payment plans for patients who indicate an inability to pay a patient responsibility amount in a single installment. Patients having an established payment plan agreement will not be referred to collections as long as payments are made as agreed and according to the terms of the payment plan. All payment plans are interest free. Patients have the opportunity to agree to the terms of the payment plan. SMMC will extend a payment plan option under which the patient may make a monthly payment of not more than ten percent (10%) of the patient's monthly family income after excluding essential living expenses.

No Collection During Financial Assistance Application Process: SMMC and employed vendors will not pursue collection from a patient who has submitted an application for financial assistance and shall return any amount received from the patient before or during the time the patient's application is pending.

Collection Agencies: SMMC may refer patient accounts to a collection agency, subject to the following conditions:

1. The collection agency must have a written agreement with the hospital.

2. The hospital's written agreement with the collection agency will provide that the collection agency's performance of its functions shall adhere to SMMC's mission, vision, core values, the terms of the Financial Assistance Policy, this Billing and Collections Policy, and the Hospital Fair Pricing Act, Health and Safety Code section 127400 and Assembly Bill No's. 774 (AB774), 1020 (AB1020), 532 (AB532) and Senate Bill (SB1276).

3. The collection agency must agree that it will not engage in any "Extraordinary Collection Actions" as consistent with the Rosenthal Fair Debt Collection Practices Act.

4. The collection agency must have processes in place to identify patients who may qualify for financial assistance, communicate the availability and details of the Financial Assistance Policy to these patients, and refer patients who are seeking financial assistance back to the Hospital's Health Coverage Unit at 650-616-2002 or at Info-HCU@smcgov.org. The collection agency shall not seek any payment from a patient who has submitted an application for financial assistance and shall return any amount received from the patient before or during the time the patient's application is pending.

5. All third-party payers must have been properly billed, payment from a third-party payer must no longer be pending, and the remaining debt must be the financial responsibility of the patient. A collection agency shall not bill a patient for any amount that a third-party payer is obligated to pay.

6. The collection agency must send every patient a copy of the Notice of Rights to appeal and to apply for financial assistance.

7. At least 180 days must have passed since the hospital sent the initial bill to the patient on the account.

8. The patient is not negotiating a payment plan or making regular partial payments of a reasonable amount.

SMMC Policy Review & Approval Grid	
Origination Date: 2018-06	Last Review Date: 2018-06
Reviewed and approved by:	Date:
Manager, Patient Financial Services	3/22
Chief Finance Officer	3/22
RGCG	3/22, FINAL
Date & Submission By: 2022-03, Portia Dixon, Patient Financial Svs Mgr	
NOTE(s):	