



<b>Policy Name:</b> Credit & Collections Policy		<b>Policy #:</b> #BS103
<b>Division:</b> Organizational	<b>Manual:</b> Department	<b>Approved By:</b> Juli Hester & Sara Ruiz
<b>Origination Date:</b> 8/2010	<b>Last Revised Date:</b> 12/28/2023	<b>Approved Date:</b> 12/28/2023

**PURPOSE:**

Pomona Valley Hospital Medical Center (PVHMC) provides high quality care to patients when they are in need of hospital services. This Policy is intended to identify the actions that may be taken with respect to collection of payments for services provided to PVHMC patients. The Policy also describes the process and time frames used in taking these collection actions, including the requisite “reasonable efforts” that must be taken to determine whether an individual is eligible for Financial Assistance before initiating “Collection Actions”. This Policy is intended to comply with the requirements imposed by the Health Care Debt and Fair Billing (AB1020) in addition to the Surprise Act.

All patients or their guarantor have a financial responsibility related to services received at Pomona Valley Hospital Medical Center and must make arrangements for payment to PVHMC either before or after services are rendered. Such arrangements may include payment by an insurance plan, including coverage programs offered through the federal and state government. Payment arrangements may also be made directly with the patient, or their guarantor subject to the payment terms and conditions of PVHMC.

Emergency patients will always receive all medically necessary care within the scope of services and resources available at PVHMC, to assure that their medical condition is stabilized prior to consideration of any financial collections.

The Credit and Collection Policy establishes the guidelines, policies and procedures for use by hospital personnel in evaluating and determining patient payment arrangements. This policy is intended to establish fair and effective means for collection of patient accounts owed to the hospital.

When establishing payment arrangements for a patient or guarantor, PVHMC will provide the patient or guarantor the option to apply for charity care based on PVHMC Financial Assistance Policy.

SCOPE

The Credit and Collection Policy will apply to all patients who receive services at Pomona Valley Hospital Medical Center. This policy defines the requirements and processes used by the hospital business office when making payment arrangements with individual patients or their account guarantors. The Credit and Collection Policy also specifies the standards and practices used by the hospital for the collection of debts arising from the provision of services to patients at PVHMC. The Credit and Collection Policy acknowledges that some patients may have different amounts of patient responsibility as defined by the patient or guarantor insurance contract to which PVHMC is a party, or in accordance with hospital conditions of participation

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in state and federal programs. PVHMC endeavors to treat every patient or their guarantor with fair consideration and respect in regards to any debt owed to PVHMC.

### POLICY

All patients who receive care at PVHMC must make arrangements for payment of any or all amounts owed for hospital services rendered in good faith by PVHMC. PVHMC reserves the right and retains sole authority for establishing the terms and conditions of payment by individual patients and/or their guarantor, subject to requirements established under state and federal law or regulation.

### GENERAL PRACTICES

1. PVHMC and the patient share responsibility for timely and accurate resolution of all patient accounts. Patient cooperation and communication is essential to this process. PVHMC will make reasonable, cost-effective efforts to assist patients with fulfillment of their financial responsibility.
2. Hospital care at PVHMC is available to all those who may be in need of necessary services. To facilitate financial arrangements for persons who may be of low or moderate income, both those who are uninsured or underinsured, PVHMC provides the following special assistance to patients as part of the routine billing process:
  - I. For uninsured patients, a complete, itemized statement of charges for services rendered by the hospital is provided upon request.
  - II. Patients who have third party insurance will be provided a statement clearly showing the amounts due and payable by the patient. A complete itemized statement of charges will be provided upon request.
  - III. If a patient is uninsured, an application to the Medi-Cal or other appropriate government assistance program will be provided prior to discharge from the hospital.

All patients will receive a document titled “*Condition of Admissions (COA)*” at registration.

This document contains the following information:

- A written request that the patient inform PVHMC if the patient has any health insurance coverage, Medicare, Medi-Cal or other form of insurance coverage;
- A written statement informing the patient or guarantor that they may be eligible for Medicare, Medi-Cal, California Children’s Services Program, or the PVHMC Financial Assistance Program;
- A written statement indicating how the patient may obtain an application for the Medi-Cal, or other appropriate government coverage program;

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- A PVHMC business associate is available at no cost to the patient to assist with application to relevant government assistance programs;
- V. A written statement regarding eligibility criteria and qualification procedures for Charity Care under the PVHMC Financial Assistance Program. This statement shall include the name and telephone number of hospital personnel who can assist the patient or guarantor with information with applying and/or completing an application for the PVHMC Financial Assistance Program.
3. The PVHMC Business Office is primarily responsible for the timely and accurate collection of all patient accounts. Business Office personnel work cooperatively with other hospital departments, members of the Medical Staff, patients, insurance companies, collection agencies and others to assure that timely and accurate processing of patient accounts can occur.
  4. Accurate information provides the basis for PVHMC to correctly bill patients or their insurer. Patient billing information should be obtained in advance of hospital services whenever possible so that verification, prior authorization or other approvals may be completed prior to the provision of services. When information cannot be obtained prior to the time of service, hospital personnel will work with each patient or their guarantor to assure that all necessary billing information is received by PVHMC prior to the completion of services.

**PROCEDURE:**

- A. Each patient account will follow the patient billing process as defined by PVHMC in compliance with all applicable state and federal laws.
- B. If the account is payable by the patient’s insurer, the initial bill will be forwarded directly to the designated insurer. PVHMC Business Office personnel will work with the patient’s insurer to obtain any or all amounts owed on the account by the insurer. This will include calculation of contracted rates or other special arrangements that may apply. Once payment by the insurer has been determined by PVHMC, any residual patient liability balance, for example a patient co- payment or deductible amount, will be billed directly to the patient. Any or all patient balances are due and payable within 45 days from the date of the first patient billing. If patient payment is not received within 180 days it will be transferred to bad debt.
- C. If the account is payable only by the patient, it will be classified as a Self-pay. Self-pay accounts may potentially qualify for a prompt payment discount,

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government coverage programs, or Charity care under the PVHMC Financial Assistance Policy. Patients with accounts in self-pay status should contact a Business Office representative to obtain assistance with qualifying for one or more of these options.

- D. The Hospital will review all of the patient’s accounts within 6 months of an approved Charity Care application and complete a reconciliation of amounts due less total amounts paid to determine if the patient overpaid. Interest shall begin to accrue on the first day that payment by the patient is received by the hospital. Interest amounts shall be accrued at the prime interest rate, as reported by the Wall Street Journal's bank survey. In the event that the amount of interest and/or the amount owed to the patient are within the “small balance range” as defined by the Hospital’s Small Balance Policy, the balance will be processed in accordance with the Small Balance Policy.
- E. All Self-pay accounts may be subject to a credit history review. PVHMC will use a reputable, nationally-based credit reporting system for the purposes of obtaining the patient or guarantor’s historical credit experience.
- F. PVHMC offers qualified patients an extended payment plan option when they are not able to settle the account in one lump sum payment. Payment plans are established on a case-by-case basis through consideration of the total amount owed by the patient to PVHMC and the patient’s or patient family representative’s financial circumstances. Payment plans generally require a minimum monthly payment of an amount such that the term of the payment plan shall not exceed twelve (12) months. This minimum monthly payment amount shall be determined by dividing the total outstanding patient liability balance by 12. Payment plans are free of any interest charges or set-up fees. In some situations, may necessitate special payment plan arrangements based on negotiation between the hospital and patient or their representative. Such payment plans may be arranged by contacting a PVHMC Patient Business Office representative.
- G. Once a payment plan has been approved by PVHMC, any failure to pay a consecutive payment due during a 60 day period will constitute a payment plan default. It is the patient or guarantor’s responsibility to contact the PVHMC Credit & Collections department if circumstances change and payment plan terms cannot be met. However, in the event of a payment plan default, PVHMC will make a reasonable attempt to contact the patient or their representative by telephone and also give notice of the default in writing. The patient shall have an opportunity to renegotiate the payment plan and may do so by contacting a Patient Business Office representative within Fourteen (14) Days from the date of the written notice of extended payment plan default. If the patient fails to request renegotiation of the extended payment plan within Fourteen (14) Days, the payment plan will be deemed inoperative and the account will become subject to collection.

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- H. Patient account balances in Self-pay status will be considered past due after 45 days from the date of initial billing. Accounts may be advanced to collection status according to the following schedule:
- a. Any or all self-pay account balances where it is determined by PVHMC that the patient or guarantor provided fraudulent, misleading or purposely inaccurate demographic or billing information may be considered as advanced for collection immediately upon such a determination by PVHMC. Any such account will be reviewed and approved for advancement by the Business Office Director or her/his designee;
  - b. A Self-pay outpatient account will qualify for systematic transfer to a collection agency when no payment has been received and the patient has not communicated with PVHMC within 180 days of initial billing and a minimum of three cycle statements have been sent to the patient or guarantor.
  - c. Any or all other patient accounts, including those where there has been no payment within the past 180 days, may be forwarded to collection status when:
    - i. A Collection Notice Letter is provided to the patient or guarantor that payments have not been made in a timely manner and the account will be subject to collection 45 days from the notice date;
    - ii. The patient or guarantor fails to communicate or cooperate with PVHMC Business Office representatives.
- I. Patient accounts will not be forwarded to collection status when the patient or guarantor makes reasonable efforts to communicate with PVHMC Business Office representatives and makes good faith efforts to resolve the outstanding account. The PVHMC Business Office Director or her/his designee will determine if the patient or guarantor are continuing to make good faith efforts to resolve the patient account and may use indicators such as: application for Medi-Cal, or other government programs; application for the PVHMC Financial Assistance Program; regular partial payments of a reasonable amount; negotiation of a payment plan with PVHMC and other such indicators that demonstrate the patient's effort to fulfill their payment obligation.
- J. When an account becomes past due and subject to external collection, every patient will receive written notice in the following form:
- a. The state Rosenthal Fair Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances,

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collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or [www.ftc.gov](http://www.ftc.gov).

- b. Nonprofit credit counseling services may be available in your area. State and federal law require debt collectors to treat you fairly, and prohibit debt collectors from using profane language or making improper communications with third parties, including your employer.”
- K. Patients may qualify for Charity Care if their income is less than 400% of the current Federal Poverty Limit. PVHMC’s Financial Assistance Policy and Financial Assistance Application (English & Spanish) can be obtained in any of the following ways:
1. For an electronic copy, go to Pomona Valley Hospital Medical Center’s website: [www.pvhmc.org](http://www.pvhmc.org).
  2. To pick up a paper copy, visit PVHMC’s Eligibility Services Department located PVHMC Cashier Department.
  3. To receive via US Mail, call PVHMC’s Eligibility Services Department at 909-469-9441.
- L. For all patient accounts where there is no 3<sup>rd</sup> party insurer *and/or* whenever a patient provides information that he or she may have high medical costs, the Business Office representative will assure that the patient has been provided all elements of information as listed above in number 2, parts (a) through (g). This will be accomplished by reviewing an imaged copy of the signed statement.
- M. For all patient accounts where there is no 3<sup>rd</sup> party insurer *and/or* whenever a patient provides information that he or she may have high medical costs, PVHMC will not report adverse information to a credit reporting agency or commence any civil action prior to 180 days after initial billing of the account
- N. If a patient or guarantor has filed an appeal for coverage of services in accordance with Health & Safety Code Section 127426, PVHMC will extend the 180 day limit on reporting of adverse information to a credit reporting agency and/or will not commence any civil action until a final determination of the pending appeal has been made.

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- O. PVHMC will only utilize external collection agencies with which it has established written contractual agreements. Every collection agency performing services on behalf of PVHMC must agree to comply with the terms and conditions of such contracts as specified by PVHMC. All collection agencies contracted to provide services for or on behalf of PVHMC shall agree to comply with the standards and practices defined in the collection agency agreement; including this Credit and Collection Policy, the PVHMC Financial Assistance Policy and all legal requirements including those specified in Health & Safety Code Section 127425 et seq.
  
- P. PVHMC and/or its external collection agencies will not use wage garnishments or liens on a primary residence without an order of the court. Any or all legal action to collect an outstanding patient account by PVHMC and/or its collection agencies must be authorized and approved in advance, in writing by the PVHMC Business Office Director or Chief Financial Officer. Any such legal action must conform to the requirements of Health & Safety Code Section 127425 et seq.
  
- R. PVHMC, its collection agencies, or any assignee may use any or all legal means to pursue reimbursement, debt collection and any enforcement remedy from third-party liability settlements, tort feasons, or other legally responsible parties. Such actions shall be conducted only with the prior written approval of the Business Office Director or Chief Financial Officer.