Self-Pay, Debt and Collection Policy

PURPOSE

A. This policy establishes reasonable procedures regarding collection of patient accounts including actions that may be taken by Catalina Island Heath or contracted external collection agencies and law firms.

AFFECTED DEPARTMENTS

A. Patient Financial Services department

POLICY

A. It is the policy of Catalina Island Health to pursue collection of patient balances from patients who can pay for services. Catalina Island Health will make reasonable efforts to identify patients who may be eligible for financial assistance.

B. Collection procedures will be applied consistently and fairly for all patients regardless of insurance status. All collection procedures will comply with applicable laws.

C. For those patients unable to pay all or a portion of their bill, the applicable Financial Assistance and Charity Care Policy will be followed: Financial Assistance, Charity Care, and Discounted Care Program.

D. Collection agencies and law firms may be enlisted after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts where patients are uncooperative in making payment, have not made appropriate payments, or have been unwilling to provide reasonable financial and other data to support their request for Financial Assistance.

PROCEDURE

A. Uninsured Patients:

1. For patients presenting to Catalina Island Health (CIH) without insurance coverage, the patient (or representative) will be provided with the Financial Assistance and Charity Care Policy, Financial Assistance Application and Self-Pay, Debt and Collection Policy in accordance with the California Assembly and State bills AB 774, SB 1276, AB 532, and AB 1020, which are requirements for Fair Pricing Policies and the Financial Assistance, Charity Care and Discount payment policies. Patients will be screened to the extent possible for consideration in these programs.

The initial billing statement submitted to the patient will request that the patient contact the Patient Financial Services Department to verify the absence of insurance coverage.

Additionally, the statement will identify agencies to apply for various local, state, and federal insurance programs and provide information related to the agency to contact for the Local Consumer Assistance Center.

2. Self-pay discounts will be available for patients that are uninsured, under-insured or where coverage is not available from their insurance company for the services being rendered. All Self-Pay patients will be screened for linkage to any appropriate form of assistance, including Medi-Cal, Covered CA, Healthy Family program, or any third-party liability program (Automobile Insurance, Worker's Compensation, etc.).

   Self-Pay patients will be offered a Self-Pay discount in accordance with the Hospitals current discount policy and in compliance with the State and Federal guidelines.

B. Third Party Coverages and Charity:

1. Patients who have insurance, Medicare, or Medi-Cal coverage and who also qualify for Charity care shall be entitled to total free care for the portion of the bill for which they are responsible.

   a) Patients who have insurance, Medicare, or Medi-Cal coverage and who also qualify for discounted care shall be entitled to discounted care for the portion of the bill for which they are responsible as per the terms of their individual insurance coverage.

   b) Any patient who seeks charity care or discounted care must first exhaust all methods of payment coverage for which they may be eligible, e.g., Medi-Cal, Medicare, or Medi-Medi participation.

2. Charity

   a) Patients who qualify for Charity, i.e., whose income is at or below 200% of Federal Poverty Guidelines (FPG) will be eligible for Full Charity total free care.

   b) Patients whose income exceeds the FPG but is at or below 400% of FPG will be eligible for discounted care (See Financial Assistance Policy).

C. Patient Responsibility:

1. Patients who pay their bill in full after insurance adjudication within 30 days from receipt of their first billing statement will be provided with a 25% discount, excluding any co-pay or deductible for contracted plans.
2. For non-contracted plans, the discount applies to the entire balance.

D. Payment Arrangements:

1. Payment plans can be set up to extend up to 12 months depending on the balance. If a payment arrangement is not maintained, the account may be subject to review for financial assistance eligibility and, if appropriate, may be referred for collection in accordance with this policy.

E. Payments at the time of visit:

1. Co-payments must be paid in full at the time of service.

F. Collection Agency:

1. After 120 days third party debt collection agencies may be enlisted by the authority of the CFO, or designee, only after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts for services where patients are uncooperative in making payments, have not made appropriate payments or have been unwilling to provide reasonable financial or other data to support their request for financial assistance or charity care.
2. Collection agency staff will uphold the confidentiality and individual dignity of each patient. All agencies will meet HIPAA requirements for handling protected health information.
3. When reviewing the account for referral to a collection agency, the CFO, or designee, will confirm that:
    a) There is reasonable basis to believe that the patient owes a debt.
    b) All known payors have been properly billed such that any remaining debt is the financial responsibility of the patient.
    c) A reasonable payment plan, not to exceed 12 months, has been considered.
    d) The patient has been given a reasonable opportunity to apply for Financial Assistance given when a patient is uninsured or for any other relief, based on need.

e) If a patient submits a complete application for Financial Assistance after an account has been referred for collection activity, Catalina Island Health will suspend collection activity until the patient's application has been processed and notified the patient of Catalina Island Health's determination.

4. Information and documentation obtained from patients for the purpose of determining eligibility for Charity Care or Discount Payment shall not be used for debt collection activities.

5. Catalina Island Health does not sell outstanding debt.

RELATED POLICIES

A. Financial Assistance Program

B. Fair Pricing Policy

RELATED FORMS

A. Financial Assistance Evaluation Application

RELATED LINKS/REFERENCES

A. California Assemble and State Bills

1. AB 774
2. SB 1276
3. AB 1503
4. AB 532
5. AB 1020
6. AB 2297

B. Federal Poverty Guidelines (FPG)

C. Hcai.ca.gov