

	TITLE: PFS Billing and Collections Policy
	DEPARTMENT/COMMITTEE: Patient Financial Services
	Effective Date: December 20, 2024

Policy Purpose:

Plumas District Hospital (PDH) is committed to providing patients with the highest quality of care; and ensuring patients are presented with payment options that are sensitive to their financial situations. The purpose of this policy together with the Charity Care and Financial Discount Policies, is to meet the requirements of federal, state, and local laws, including, without limitation, section 501(r) of the Internal Revenue Code and the regulations there under.

Policy:

PDH will treat patients and responsible individuals equally with dignity and respect and ensure appropriate billing and collection procedures are uniformly followed, and to ensure reasonable efforts are made to determine whether Individual(s) Responsible for payment of all or a portion of a patient account is eligible for assistance under the Charity Care and Financial Discount policies..

Definitions:

Collection Agency: An entity engaged by PDH to pursue or collect payment from Patients.

Extraordinary Collection Action (ECA): The act of submitting a Patient's account(s) for a bill related to payment for services to a collection agency. ECAs do not include transferring an account to another party for purposes of establishing an interest free payment plan.

Financial Assistance: Refers to interest free payment plans and Discount Payment and Charity Care policies, as provided by PDH or its authorized vendors.

Patient: A patient is the individual who received services at PDH. For purposes of this policy, "patient" includes any person financially responsible for their care.

Patient Responsibility: The amount that an insured patient is responsible to pay out-of-pocket after the patient's insurance has determined the amount of the patient's benefits.

Procedure:

1. Billing Third Party Payers (Insurance):

- a. **Obtaining Coverage Information:** PDH shall make reasonable efforts to obtain information from Patients whether private, public health insurance, or "other"

sponsorship coverage may fully or partially cover the services rendered by PDH to the Patient.

- b. **Billing Third-Party Payers:** PDH shall diligently pursue all amounts due from third party payers, including but not limited to contracted and non-contracted payers, indemnity payers, liability and auto insurers, and government program payers that may be responsible for a Patient's care. PDH will bill all applicable third-party payers based on information provided by or verified by the Patient or their representative in a timely manner.
 - i. The initial claim will be filed with the primary insurance, secondary and or tertiary payers and will have claims filed by PDH or its authorized vendors on behalf of the patient after resolution of the claim has been made with the primary payer. Uninsured patients will be directly billed by PDH.

2. **Billing Patients:**

- a. **Billing and Financial Consideration:** PDH will not engage in ECAs (see Section 3 of this policy for ECA procedures) before requirements under the Hospital Fair Pricing Policies Act (California Health and Safety Code Sections 127400 through 127446) are met, including:
 - i. Reasonable effort is made to determine if patient is eligible for assistance under the Discount Payment and Charity Care policies;
 - ii. PDH or its Authorized Vendors will not engage in ECAs until 180 days after the date of the first billing statement for the care at issue;
 - iii. PDH or its Authorized Vendors will provide the patient with five (5) statements via mail including financial assistance which is available and at least one (1) phone call attempt or notice in writing offering Help Paying Your Bill at which time PDH or its Authorized Vendors can notify the patient of the financial assistance policies; AND
 - iv. At least 30 days prior to initiating any ECAs, PDH or its Authorized Vendors will:
 - 1. Provide the patient with a final statement, including a copy of the Charity Care and Financial Assistance Application, with a plain language summary of the policies.
 - (a) This statement will provide the patient with written notification that PDH intends to initiate ECAs including collection agency name, and contact information for the collection agency.
 - 2. In the event an application for Financial Assistance is received, PDH will suspend ECAs while it makes a reasonable effort to determine if a Patient is eligible for financial assistance under arrangement with an Authorized Vendor, or through Charity Care or Financial

Discount policies.

- (a) Collection Activity will resume in the following situations:
 - (i) A partial adjustment occurs;
 - (ii) The Patient fails to cooperate with the financial assistance process; OR
 - (iii) The Patient is not eligible for financial assistance.
- b. **Patient Responsibilities:** It is the obligation of the patient or guarantor (referred herein as “patient”) to provide a correct mailing address and correct phone number at the time of service or upon moving. If an account does not have a valid address or telephone number, this may affect the determination of reasonable effort.
- c. **Billing Insured Patients:** PDH will promptly bill Insured Patients for the patient Responsibility amount as computed by the third-party payer Explanation of Benefits (EOB), and any approved discount determinations resulting from Financial Assistance application(s).
- d. **Billing Uninsured (Self-Pay) Patients:** PDH shall promptly bill Uninsured Patients for items and services provided by PDH, including amounts remaining after approved Charity Care policy discounts.
- e. **Financial Assistance Information:** All bills to patients shall include the Notice of PDH financial assistance options including contact information for Patient Financial Counselors to assist with applying for our programs.
- f. **Interest Free Payment Plans:** PDH offers payment plans with 0.00% interest to qualifying individuals. PDH may contract with an Authorized Vendor to provide payment plans to our Patients. Applications for Payment Plans are available on the PDH web site, or by calling the PDH Patient Financial Counselors.
 - i. Interest free payment plans may be considered no longer operative if the patient fails to make all consecutive payments during a 90-day period.
 - (a) Before declaring this plan no longer operative, the hospital or assignee will make an attempt to call the patient by phone and provide notice in writing that the payment plan may become inoperative.
- g. **Itemized Statements:** All patients may request an itemized statement for their account at any time.
- h. **Prompt Pay Discount:** All bills to patients shall include information about the Prompt Pay Discount included in the PFS Prompt Payment Discount Policy. The Prompt Payment Discount is an additional write-off of the patient’s bill available to under or uninsured patients who pay promptly.

- i. **Disputes:** Any patient may dispute an item or charge on their bill.

3. Submitting Accounts to Collection Agency (ECA)

- a. **Statement Cycles:** Patient statements will be sent every 30 days once a balance has been identified as patient responsibility. At 150 days, the final statement sent to the patient will include a copy of the Charity Care and Financial Discount Application in both English and Spanish with plain language explaining how to apply for financial assistance. This statement will also include language stating the balance due is past its due date and will be sent to the collection agency with the full name of the collection agency present on the statement.
- b. **Transfer to Collection Agency:** No sooner than day 180 from the first statement, if no contact is made with the patient to apply for financial assistance, or arrange scheduled payments, PDH will transfer the account to the collection agency to begin ECA procedures.
- c. **Documentation Limitation:** Information obtained from a patient's income tax returns, paystubs, or the monetary asset documentation collected for the discount payment or charity care eligibility determinations shall not be used for collection activities.
- d. **Agency Response:** The Collection Agency will submit a detailed report of accounts submitted by PDH to the Agency, acknowledging acceptance of each account for collection activity.
- e. **Payments to PDH After Transfer:** Payments made directly to PDH by a Patient for an account currently managed by the collection agency will be reported to the agency within 2 business days.
- f. **Medicare Beneficiaries:** Medicare beneficiaries will be sent to the Collection Agency as Medicare Bad Debt. The Collection Agency will not refer these patients to the credit bureau. Three consecutive letters in a 30-day period will be mailed to the patient (guarantor). After 180 days, the Collection Agency will close the account as uncollectible. PDH will report these unpaid coinsurance and deductibles on their Medicare Bad Debt Log.
 - i. Medicare patients who have expired will be sent to the Collection Agency for the sole purpose of locating estate asset information for claim filing. The Agency will be notified in advance that the patient had expired. If there is no estate, the Agency will follow steps outlined in Section 3.e., above.
- g. **Debt Sale Timing:** PDH will not sell Patient debt to a debt buyer unless it 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.

4. Returned Accounts from a Collection Agency

- a. **Financial Assistance:** If the Collection Agency identifies a Patient as meeting PDH's financial assistance eligibility criteria, the Patient's account may be considered for

financial assistance; ECAs may be suspended for no more than thirty (30) days while PDH provide written notice to the patient that ECAs may be initiated or resume if the application is not completed.

- i. Collection Activity will resume in the following situations:
 - 1. A partial adjustment occurs;
 - 2. The Patient fails to cooperate with the financial assistance process;
OR
 - 3. The Patient is not eligible for financial assistance.
- b. **Settlement Requests:** All settlement offers will be forwarded from the collection agency to the Patient Financial Manager for review.
- c. **Cancellation of Account Assignments:** PDH may cancel any Collection Agency referral for any reason at any time.
 - i. “Valid” patient (guarantor) disputes will be researched by PDH.
- d. **Patient Communication:** All patient (guarantor) calls received at PDH for accounts sent to the Collection Agency will be referred directly to the Collection Agency. Patients refusing to deal with the Collection Agency may work directly with the PDH hospital representative who will communicate details of the call and advise the Agency of the next action.
- e. **Agency ECA Efforts:** The Collection Agency will comply with all federal, state, and local laws applicable to collection efforts and cycles.

References:

Hospital Fair Pricing Policies Act (California Health and Safety Code Sections 127400 through 127446) (specifically, Sections 127425 and 127430)

Fair Debt Collections Practices Act (California Civil Code Sections 1788 through 1788.33)

PDH Charity Care Policy

PDH Discount Payment Policy

PDH Prompt Payment Policy