

UC San Diego Health

Policy Name:	Debt Collection
Policy Number:	UCSDHP 750.4
Authoring Department:	Admissions/Revenue Cycle Administration
Last Revised Date:	December 19, 2024

APPLICABILITY:

This policy is an institutional policy applicable to all parts of UC San Diego Health Sciences, which reports to the Vice-Chancellor of Health Sciences.

UC San Diego Health Sciences includes UC San Diego School of Medicine, Skaggs School of Pharmacy and Pharmaceutical Sciences, Public Health, and UC San Diego Health.

UC San Diego Health clinical locations include (but are not limited to): UC San Diego Health - Hillcrest, Jacobs Medical Center, Moores Cancer Center, Sulpizio Cardiovascular Center, Koman Outpatient Pavilion, East Campus, and other health system outpatient clinic locations.

Departmental policies and procedures are unit-specific within a single department, unit, or service area.

The scope of this policy applies to any team member involved with making business, financial, or purchasing decisions at UC San Diego Health Sciences.

PURPOSE:

It is the goal of this policy to provide clear and consistent guidelines for conducting billing and collection functions in a manner that promotes compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, and phone calls, UC San Diego Health will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires UC San Diego Health to make reasonable efforts to determine a patient's eligibility for financial assistance under UC San Diego Health's Financial Assistance Policy before engaging in collection actions to obtain payment.

POLICY:

After our patients have received services, it is the policy of UC San Diego Health to bill patients and applicable payers accurately and in a timely manner. During the billing and collections process, staff will provide quality customer service and timely follow-up, and all unpaid accounts will be handled in accordance with the IRS and Treasury's 501r final rule under the authority of the Affordable Care Act.

PROCEDURE:

I. Insurance Billing:

- A. Please note that it is the patient's responsibility to know their insurance benefits and

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coverage prior to their services at UC San Diego Health. All required referral(s) or authorizations must be secured prior to services. If the patient has questions regarding their financial responsibility or coverage of services at UC San Diego Health, they can contact their insurance company in advance of services.

- B. For all insured patients, UC San Diego Health will bill applicable third-party payers (based on information provided by or verified by the patient) in a timely manner.
- C. If a claim is denied (or is not processed) by a payer due to an error on our behalf, UC San Diego Health will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
- D. If a claim is denied (or is not processed) by a payer due to factors outside of our organization's control, staff will follow up with the payer and patient as appropriate to facilitate the resolution of the claim. If resolution does not occur after prudent follow-up efforts, UC San Diego Health may bill the patient or take other actions consistent with current regulations and industry standards.

II. **Patient Billing:**

- A. All uninsured patients will be billed directly and timely and will receive a statement as part of UC San Diego Health's normal billing process.
- B. For insured patients, after claims have been processed by third-party payers, UC San Diego Health will bill patients in a timely manner for their respective liability amounts as determined by their insurance benefits that were not collected at/or before the time of service.
- C. All patients may request an itemized statement for their accounts at any time.
- D. UC San Diego Health may approve payment plan arrangements for patients who indicate they may have difficulty paying their balance in a single installment.
- E. If a Guarantor disagrees with the account balance, the Guarantor may request the account balance be researched and verified prior to account assignment to a collection agency.

III. **Financial Assistance:**

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- A. UC San Diego Health will notify individuals that financial assistance is available to eligible individuals by doing the following:
1. Patients will be provided written notice regarding UC San Diego Health's Charity Care Policy and Uninsured Discount Policy at the time of service if the patient is conscious and able to receive written notice at that time. If the patient is not able to receive notice at the time of service, the notice shall be provided during the discharge process. If the patient is not admitted, a written notice shall be provided when the patient leaves the facility. If the patient leaves the facility without receiving the written notice, one will be mailed to the patient within 72 hours of providing services.
 2. Patients will be provided a written notice with their bill containing information regarding UC San Diego Health's Charity Care Policy, including information about eligibility and contact information for a UC San Diego Health employee or office from which the patient may obtain further information about these policies.
 3. Notice of the Charity Care Policy and Uninsured Discount Policy will be posted in conspicuous places throughout UC San Diego Health, including the Emergency Department, Admissions Offices, Outpatient settings including observation units, and the Customer Service Area, in languages as determined by UC San Diego Health's geographical area.
 - i. Paper copies of our Charity Care Policy, Financial Screening Form ([151-026](#)), and a plain language summary of the Charity Care Policy will be made available upon request and without charge to all UC San Diego Health patient registration areas, customer service and by mail at UC San Diego Health, 6200 Greenwich Dr., San Diego, Ca 92122.
 - ii. The Charity Care Policy, a plain language summary, and Financial Screening Form ([151-026](#)) will be conspicuously posted on the UC San Diego Health website to view, download and print free of charge.
 - iii. All written materials will be available in English and Spanish.
 - iv. Language interpretive services are provided whenever necessary to facilitate the patient's understanding and participation in options for Financial Assistance.

IV. Collection/Reimbursement Practices:

- A. UC San Diego Health or its contracted collection agencies will undertake reasonable efforts

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to collect the amount due from patients. These efforts will include assistance with application for possible government program coverage, evaluation for Charity Care, offers of no interest payment plans to include payments from health savings accounts, and offers of discounts for prompt payment.

- B. UC San Diego Health will pursue payment for debts owed for health care services provided by UC San Diego Health according to UC San Diego Health policy and procedures. The procedures for assignment to collection/bad debt will be applicable to all UC San Diego Health Guarantors. UC San Diego Health will comply with relevant federal and state laws and regulations in the assignment of bad debt. UC San Diego Health is entitled to pursue reimbursement from third-party liability settlements or other legally responsible parties. Guarantors or patients will be required to pay amounts sent directly to them by third-party payors, including legal settlements or awards.
- C. All patient account balances that meet the following criteria are eligible for placement with a collection agency:
 - 1. UC San Diego Health has made attempts to collect payment using reasonable collection efforts, such as statements or telephone calls. UC San Diego Health will attempt to mail up to four (4) Guarantor statements after the date of discharge from outpatient or inpatient care, with a final 10-day notice appearing on the fourth Guarantor statement, indicating the account may be placed with a collection agency. All billing statements include a notice about the UC San Diego Health Financial Assistance/Charity Care Policy.
 - 2. Accounts with a "Return Mail" status are eligible for collection assignment after all good faith efforts have been documented and exhausted.
 - 3. UC San Diego Health will suspend any and all collection actions if a completed Financial Assistance Application, including all required supporting documentation, is received.
- D. Accounts at a collection agency may be recalled and returned to UC San Diego Health at the discretion of UC San Diego Health and/or according to state or federal laws and regulations. UC San Diego Health may choose to work the accounts to resolution with the Guarantor or third party as needed or place the account with another collection agency.
- E. UC San Diego Health does not currently engage in any extraordinary collection actions, (ECAs) as defined above.

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- F. UC San Diego Health is not required to reimburse patients if it has been five years or more since the patient's last payment.
- G. UC San Diego Health is not required to reimburse patients if the debt was sold before January 1, 2022, following applicable laws at the time.

V. **Compliance:**

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- A. All workforce members including employees, contracted staff, students, volunteers, credentialed medical staff, and individuals representing or engaging in the practice at UC San Diego Health are responsible for ensuring that individuals comply with this Policy;
- B. Violations of this Policy will be reported to the Department Manager and any other appropriate Leadership as determined by the Department Manager or in accordance with hospital policy. Violation will be investigated to determine the nature, extent, and potential risk to the organization. Workforce members who violate this policy will be subject to the appropriate disciplinary action up to and including termination.

DEFINITIONS:

- I. **Extraordinary Collection Action, (ECA)** - A list of collection activities, as defined by the IRS and Treasury, that healthcare organizations may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether the individual is eligible for financial assistance.
 - A. Placing a lien on an individual's property;
 - B. Foreclosing on real property;
 - C. Attaching or seizing an individual's bank account or other personal property;
 - D. Commencing a civil action against an individual or writ of body attachment for civil contempt;
 - E. Causing an individual's arrest;
 - F. Garnishing wages;
 - G. Reporting adverse information to a credit agency;
 - H. Deferring or denying medical necessary care because of nonpayment of a bill for previously provided care under UC San Diego Health's Financial Assistance and Charity Care Policy;
- II. **Requiring** - A payment before providing medically necessary care because of outstanding bills for previously provided care;
- III. **Financial Assistance** - Assistance provided to patients for whom it would be a financial hardship

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to fully pay the expected out-of-pocket expenses for Medically Necessary services provided by UC San Diego Health and who meet the eligibility criteria for such assistance. Patients may apply at any time. Under this policy, Financial Assistance is Charity Care. UC San Diego Health's Financial Assistance Charity Care Policy can be obtained by contacting Financial Assistance Customer Service at 855-827-3633.

- IV. **Financial Assistance Policy, (FAP)** - A separate policy that describes UC San Diego Health's financial assistance program - including the criteria patients must meet in order to be eligible for financial assistance as well as the process by which individuals may apply for financial assistance.
- V. **Guarantor** - The person with financial responsibility for the patient's health care services, usually the patient, parent, or legal guardian.
- VI. **Reasonable Efforts** - A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under UC San Diego Health's financial assistance policy. In general, reasonable efforts may include providing individuals with written and oral notifications about the FAP and Application processes.

FORMS:

None.

REFERENCES/RESOURCES/RELATED DOCUMENTS:

Health & Safety Code § 127400, 127462

Federal Patient Protection and Affordable Care Act

26 USC § 501 (r)

ATTACHMENTS:

None.

RELATED POLICIES:

UCSDHP [750.3](#), "Charity Care"

CONTACT(S):

Director, Admissions - Medical Center

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Executive Director, Revenue Cycle Administration

APPROVALS:

UC San Diego Health Executive Governing Body (EGB)

REVISION HISTORY:

ORIGINAL: August 22, 2017