

Payment Hierarchy, HS-FIN312

I. PURPOSE:

This policy provides a consistent and fair process for collecting payments from patients or the people responsible for their bills. It explains how they can pay for hospital services or set up an acceptable payment arrangement. For scheduled inpatient services, payment obligations should be addressed before or at admission. For outpatient services, they should be addressed when care is provided. For urgent or emergency admissions, they should be addressed before discharge, when permitted by law. CMH will follow all applicable state and federal requirements, including EMTALA.

II. POLICY:

Community Memorial Healthcare (CMH) provides medically necessary care to every patient in the community, regardless of the patient's ability to pay. This policy explains how CMH collects patient payments and the order in which payment options are considered. CMH may offer an uninsured or underinsured patient additional financial assistance or a larger discount based on the patient's individual circumstances.

III. SCOPE:

This policy applies across the health system and explains available payment options and debt collection practices.

IV. PROCEDURE

After a patient is discharged and the account becomes self-pay, CMH begins the payment collection process. A patient with an unpaid balance receives a monthly statement showing charges, adjustments, insurance payments, the remaining balance, and available payment options.

Patients may pay by cash, check, or credit card. Payments may be made in person at CMH-Ventura, CMH-Ojai, the CMH Business Office, or any CMH Health Center. Patients may also pay by Interactive Voice Response (IVR) or through MyChart.

Patients who need help paying their medical bills may be considered for the following programs:

Federal Assistance

- A. CMH will screen the patient for health care programs that are operated or partly funded by the federal government. If the patient may qualify, CMH will ask the patient to complete the required applications and refer the patient to an enrollment specialist. A Patient Financial Advocate will review the patient's needs and possible eligibility for Medicare disability benefits.
- B. Patient Financial Advocate will make referrals to state and federal programs or assist with completing applications for such programs.
- C. Medicare Eligibility Vendor (Department of Health and Human Services) may request additional information to complete the patient's application.
- D. If no federal funding is available, CMH will screen the patient for state and local programs.

State And Local Assistance

- A. CMH will screen the patient for available state and local funding programs. If the patient qualifies, CMH may ask the patient to complete the required applications and will refer the patient to a Financial Advocate for help with the application process.
- B. Required forms may include:
 - a. Self-Pay Assessment Form
 - b. Patient Financial Assessment Document
- C. CMH will screen and refer the patient, when appropriate, for programs such as California Medi-Cal, Workers' Compensation, Victims of Violent Crime, COBRA, or another available funding source.
- D. If no state or local funding is available, CMH will screen the patient for privately funded programs.

Private And Philanthropic Assistance

- A. CMH will review available charitable funds to determine whether private donations can help pay the patient's bill. If the patient may qualify, CMH will ask the patient to complete the required applications.

- B. If no private funding is available, CMH will review the patient's financial situation for a possible charity care discount.

Cash

- A. Uninsured patients may receive self-pay pricing if they do not qualify for federal, state, or other government programs; do not provide income information; or are not covered as a subscriber or dependent under an insurance plan. CMH offers a 40% outpatient discount and per-day inpatient rates. If CMH knows the applicable Medicare diagnosis-related group (DRG) when inpatient services are provided, the patient may receive the Medicare DRG amount. If the DRG is not yet known, CMH will provide an estimate. Self-pay rates generally follow Medicare rates. When the Medicare fee schedule does not apply, CMH uses the rates listed below.
- B. The following rates apply to uninsured patients:

Patient Type	Discount/Per Diem
Outpatient	40%
Med/Surg	\$1933
ICU/CCU	\$2706
DOU	\$2397
NICU	\$2656
Self-Pay OB (Vaginal)	\$1200 for day 1 and \$600 for each day thereafter
Self-Pay OB (C-Section)	\$3850 for 3 days and \$600 for each day thereafter
Laparoscopic Cholecystectomy	\$5008 for day 1 and then per diem for outpatient \$5954 per case
Lithotripsy	\$6370 per case
Decompressive Laminectomy DRG 500	\$5440 for 2 day stay

Anterior Cervical Fusion DRG 520	\$10,093 for 2 day stay
Bariatric Surgery	Lap Band \$9000 for 1 day \$900 per day Bariatric Y \$15000 for 3 days then \$900 per day
Open Heart	\$4907
Prosthetics/Implants	Payment should be 31.25% of Billed Charges

Payment Plans

- A. CMH payment plans are available to all patients and may be especially helpful when the balance is large compared with the patient's income or when the patient has a high-risk credit history.
- B. Hospital will offer monthly payment plans of equal distributions at zero percent interest to patients.
 1. Payment plan terms are listed below. These plans do not apply to accounts already classified as bad debt.
 2. If the patient does not keep the payment agreement, CMH may classify and send the account as bad debt.

Balance	Payment Terms
Less than \$250	Upon Receipt of Bill
\$250-\$500	3 months
\$501-\$2000	9 months
\$2001-\$5000	9-12 months
Over \$5000	12-18 months

Assignment of Patient Accounts to Collections Agencies:

CMH may classify an account as bad debt if the patient does not make a payment, does not follow the payment plan, is found ineligible for financial assistance, or does not respond to billing and financial assistance outreach for 180 days. CMH will

not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment until at least 180 days after the initial bill.

When a patient applies for financial assistance, CMH will use income information only to decide eligibility and the amount owed. CMH will not use or share that income information for collection purposes. CMH will not send an unpaid bill to a collection agency, debt buyer, or other assignee while the patient is making a good-faith effort to qualify for financial assistance and negotiate a reasonable payment plan.

CMH and any affiliated or subsidiary assignee will not use wage garnishment or liens on real property to collect unpaid hospital bills from patients who qualify under CMH's charity care or discount payment policies.

CMH standard collection practices are as follows:

- A. After discharge from inpatient or outpatient care, CMH sends the guarantor five statements. The fifth and final statement warns that the account may be sent to a collection agency.
- B. CMH calls patients each month to remind them about the unpaid hospital balance.
- C. The fifth and final statement includes a "Good-bye" letter. The letter explains when the account may be transferred to a collection agency and what the patient must do to prevent the transfer.
 - i. CMH will send the "Good-bye" letter with all the following information:
 - a. The date or dates of service of the bill that is being assigned to collections or sold.
 - b. The name of the entity the bill is being assigned to collections or sold.
 - c. The name of the entity is being assigned or sold to.
 - d. A statement informing the patient how to obtain an itemized hospital bill from the hospital.
 - e. The name and plan type of the health coverage for the patient on record with CMH at the time of services or a statement that the hospital does not have that information.
 - f. An application for CMH's financial assistance program.

- g. The date or dates the patient were originally sent a notice about applying for financial assistance, the date or dates the patient was sent a financial assistance application and, if applicable, the date a decision on the application was made.
- D. Thirty days after the fifth statement, CMH may prepare and transfer the account to a bad debt collection agency. The Patient Financial Services Supervisor must authorize the transfer.