


**PALO VERDE HOSPITAL PATIENT ACCOUNTS DEPARTMENT -  
CUSTOMER SUPPORT**

	<b>Document No:</b> 707	Page 1 of 2
<b>Title:</b> DEBT COLLECTION POLICY	<b>Effective Date:</b> 05/01/2026	<input type="checkbox"/> Palo Verde - Hospital Based Clinics <input checked="" type="checkbox"/> Palo Verde Hospital  <input type="checkbox"/> <input checked="" type="checkbox"/> Departmental
<b>Approved By:</b>  Jennifer Cruikshank Chief Executive Officer Hospital Administration	<input checked="" type="checkbox"/> Policy <input checked="" type="checkbox"/> Procedure <input type="checkbox"/> Guideline	

**1. SCOPE**

- 1.1 It is the policy of Palo Verde Hospital to comply with California Health and Safety Code Section 127425, codified through Assembly Bill 1020 - Health Care Debt and Fair Billing. This policy sets forth when and under whose authority patient debts is advanced for collection. It also provides the standards and practices for the collection of debt for services rendered by Palo Verde Hospital. This policy effective date is May 01, 2026.
  
- 1.2 In the event Palo Verde contracts with an agency that collects debt on behalf of Palo Verde Hospital by and through Riverside County (County, shall enter into an agreement with that agency that requires that agency to (1) adhere to Palo Verde Hospital standards and scope of practices for debt collection under this policy, and (2) comply with Palo Verde's definition and application of a Reasonable Payment Plan.

**2. DEFINITIONS**

- 2.1 Detention Health: Health services provided to people who are incarcerated.

### 3. PROCEDURES

- 3.1 Prior to commencing collection activities against a patient, Palo Verde, or the owner of patient debt, as applicable shall provide the patient with a clear and conspicuous written notice containing both of the following:
- a. A plain language summary of the patient's right pursuant to Health and Safety Code Section 127400 et seq., the Rosenthal Fair Debt Collection Practices Act, and the federal Fair Debt Collection Practices Act. The summary shall include a statement that the Federal Trade Commission enforces the federal act.
  - b. The summary shall be sufficient if it appears in substantially the following form: "The State Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act" require that except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats or 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.
  - c. 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).
- 3.2 Palo Verde will make all attempts to collect payment from payor sources identified by the patient or hospital as parties responsible for financial adjudication of medical bills.
- 3.3 When all reasonable attempts have been made by the hospital to collect monies from the responsible parties, such accounts will be advanced to the collection agency for debt collection activities under the authority of the Revenue Cycle Executive Director or his/her assigned designee.

- 3.4 If the patient does not cooperate in resolving the outstanding balance, their accounts will be transferred to a collection agency under the following conditions.
- a. We have no record of any health insurance coverage for you.
  - b. We cannot find a valid address or contact information for you (skip tracing).
  - c. We are unable to contact and/or patient refuses to make acceptable payment arrangements.
  - d. If the account balance is over \$1,000: we will make at least 3 phone calls, send 4 billing statements, and send 1 final notice.
  - e. If the account balance is under \$1,000: we will make at least 2 phone calls, send 4 billing statements, and send 1 final notice.
  - f. We may send your account to a collection agency sooner if:
    - Your phone number is disconnected, and we have no other way to call you.
    - You specifically ask us to stop contacting you.
    - We cannot find a valid address or contact information for you (skip tracing)
    - We have no record of any health insurance coverage for you.
  - g. All collection attempts unsuccessful
  - h. Final Notice: Before any collection activity begins, you will receive a "Goodbye Letter." This is your final notice that your debt is being transferred.
- 3.5 Accounts will qualify for collection agency assignment when the following criteria is met.
- a. The account is Self-Pay
  - b. The account is Self-Pay with follow up level 5
  - c. The account is 150 days since the first statement date
  - d. The Self Pay bucket has a balance greater than zero

- e. The coverage list on the account does not contain Detention Health

3.6 As a condition of the collection agencies providing debt collection services to Palo Verde, collection agencies must comply with all applicable federal and state laws and this policy, including the following requirements:

- a. Collection Agency will contact the patient or any party financially responsible for the patient debts.
- b. Collection Agency will not report adverse information about a patient’s hospital debt to a consumer credit reporting agency.
- c. Collection Agency will not commence civil action against a patient for nonpayment before 180 days after initial billing.
- d. Collection Agency should not, in dealing with any patient under Palo Verde Hospital Charity Care or Financial Assistance program, use wage garnishment or liens on any real property owned by the patient as a means of collecting unpaid hospital bills.
- e. Information obtained from income tax returns or paystubs documentation collected for determination of the patient’s eligibility for Charity Care or participation in Financial Assistance program may not be used for collection activities.

**Document History:**

<b>Prior Release Dates:</b>		<b>Retire Date:</b> N/A	
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