



Policy: Patient Account Management, Billing and Collections

Effective: 06/07/22

Identifier: S-FW-LD-5400

Acute Care: ENC GR LJ MER Ambulatory SHAS

PURPOSE: The purpose of this policy is to provide information with respect to the charging, billing and collection of patient debt pursuant to the California Health and Safety Code, the Federal Patient Protection, and Affordability Care Act, and the policies and practices of Scripps Hospitals, (Scripps Memorial Hospital La Jolla, Scripps Memorial Hospital Encinitas, Scripps Green Hospital, Scripps Mercy Hospital, San Diego and Chula Vista), and Scripps Medical Foundation.

I. POLICY

- A. After our patients have received services, it is the policy of Scripps Health to bill guarantors 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.

B. Insurance Billing

Please note that it is the patient's responsibility to know their insurance benefits and coverage prior to their services at Scripps Health. All required referrals or authorizations must be secured prior to services. If the patient has questions regarding their financial responsibility or coverage of services at Scripps Health they can contact their insurance company in advance of services.

1. For all insured patients, Scripps Health will bill applicable third party payers (based on information provided by or verified by the patient) in a timely manner. For insured patients after claims have been processed by insurance, Scripps Health will bill patients in a timely manner for their respective Hospital and Professional self-pay liability amounts as determined by their insurance benefits that were not collected at/or before the time of service.
 2. If a claim is denied (or is not processed) by a payer due to an error on our behalf, Scripps Health will not bill the patient for any amount in excess of what the patient would have owned had the payer paid the claim.
 3. 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 resolution of the claim. If resolution does not occur after reasonable efforts of follow-up, Scripps Health may bill the patient or take other actions consistent with current regulation and industry standards, i.e. Charity/Financial Assistance.
 - a. Scripps adheres to its contractual obligations with payers. Patients are responsible for pursuing available public or private health insurance payment options.
 - b. When there is insurance coverage, all attempts are made to fully collect from insurance before recognizing any patient liabilities.
- C. **Patient Billing:** Patients will be informed of their obligations and programs available to them through multiple methods, including:
1. When possible, and permitted by regulations, Scripps will advise patients of their expected out-of-pocket expenses prior to the delivery of services.

2. Patients will be presented with an Agreement for Services, outlining their general financial obligations and agreement to cooperate with the organization in the collection of the hospital and professional debt. Also included is information regarding the availability of financial assistance.
 3. Scripps programs offer patients a variety of options for meeting their financial obligations
 - a. Self Pay Discount program is offered to all uninsured patients or those wishing not to use their insurance, regardless of income. Refer: Patient Account, Self Pay Discount; S-FW-LD-5407.
 - b. Financial Assistance, Discount Payment, Charity to those eligible based on income. Refer to Patient Accounts, Financial Assistance, including Charitable Care, Discounted Payments (FAP); S-FW-LD-5406.
 - c. Extended payment plans that are interest free. Refer to Patient Account Management, Extended Payment Plan; S-FW-LD-5404
 4. Billing statements will include:
 - a. A prominent statement indicating the availability of financial assistance;
 - b. Dates of hospital and professional service(s);
 - c. If insurance carrier has been billed;
 - d. Website address where the FAP, FAP summary and financial assistance application can be found.
 - e. Scripps Health Customer Service contact information including an address and telephone number patients may call when they have questions about their bill or to obtain help with the financial assistance application process.
 5. Patient billing questions will be responded to promptly by telephone or written communication. Benefits of the Scripps Financial Assistance Program will be communicated to self-pay patients via their monthly billing statements.
 6. Financial assistance information is posted in key registration areas alerting patients to assistance resources.
 7. 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.
 8. All patients may request an itemized statement for their accounts at any time.
- D. Patient Liabilities Collection:**
1. All patients receive a series of 4 statements for a period of up to 135 days from the date the patient's obligation was determined.
 2. All accounts are held for a minimum of 180 days before being assigned to external agency for collection. Exceptions would be patients who expressly refuse to pay the obligation or cannot be located. Accounts being evaluated for financial assistance will not be turned over to a collection agency until the conclusion of the financial assistance evaluation and all reasonable efforts have been exhausted or the patient fails to cooperate in pursuing his or her request for assistance.
 3. Patients are informed that, should their account be assigned to a collection agency, all associated fees will be added to their account.

4. All collection efforts are suspended as long as the patient is making a good faith effort to apply for a federal or state program or the hospital's financial assistance program. Collection efforts will resume if the patient fails to comply with requests made in connection with these programs.
5. Scripps, or a collection agency, shall not engage in Extraordinary Collection Activities within 240 days of the first billing statement or after a patient has been determined eligible for financial assistance. Unless the patient has qualified for financial assistance, collection agencies may charge interest, and record abstract of judgments in conformity with all applicable laws.
6. All collection activity will be based upon written procedures followed by both Scripps collection staff and external collection agencies. Collections will be pursued in a consistent manner based upon those procedures and applicable law including the Federal Fair Debt and Collection Practices, State Rosenthal legislation, and state and federal financial assistance laws.
7. Extended payment plans without interest charges will be made available to patients that qualify for partial financial assistance. Payment terms will be negotiated between Scripps and the patient to allow the patient to pay the discounted amount over time. If the parties cannot agree, Scripps will implement a reasonable payment plan.
8. For international patient accounts, an external agency may be used to determine the patient's ability to pay and accounts may be referred to the agency upon discharge.
9. Accounts at a collection agency may be recalled and returned to Scripps Health at the discretion of Scripps Health and/or according to state or federal laws and regulations. Scripps Health may choose to work the accounts to resolution with the Guarantor or a third party as needed, or place the accounts with another collection agency.
10. Accounts with a "Returned Mail" status are eligible for collections assignment after reasonable efforts have been documented and exhausted. If the patient address is Homeless after reasonable efforts to locate the Guarantor this account will be written off to Charity.
 - a. Efforts to obtain patient contact information may include:
 - i. Skip tracing to locate new Guarantor address
 - ii. Contacting the Guarantor via email, MyScripps, and/or telephone.

II. ATTACHMENT

Patient Financial Services Glossary of Terms

III. REFERENCES

- A. 26 U.S.C. 501 (r)
- B. 26 C.F.R. § 1.501(r)
- C. CA Health & Safety Code § 127400, 27401, 127405, 127410, 127420y, 127425, 127435, 127440, 127444, 127436
- D. CA Civil Code sections 1788.14, 1788.52, 1788.58, 1788.185

IV. RELATED PRACTICE DOCUMENTS

- A. Patient Account Management, Extended Payment Plan; [S-FW-LD-5404](#)

- B. Patient Financial Assistance Policy, including Discounted Payments and Charity Care (FAP); [S-FW-LD-5406](#)

V. RELATED FORMS

- A. Financial Assistance Brochure; [100-8560-2004](#) (reviewed 6/19)
- B. Your Hospital Stay and Caring for You; [100-8720-206SW](#) , [100-8720-207SW](#) (Spanish)
- C. Agreement for Services at a Scripps Facility; [100-8560-710SW](#), [100-8560-711SW](#) (Spanish)

VI. SUPERSEDED

Patient Account Management, Billing and Collections; S-FW-LD-5400, 06/19

ATTACHMENT: Patient Financial Services Glossary of Terms

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Charity Care	That portion of care provided by a hospital to a patient for which a third party payer is not responsible and the patient is unable to pay, and for which the hospital has no expectation of payment.
Discounted Financial Assistance Amount	This amount represents the amount generally billed (AGB) as defined by Internal Revenue Service (IRS) requirements. Scripps uses the prospective method for determining AGB and estimates the amount it would be paid by Medicare, including amounts payable by a Medicare beneficiary. After a determination of eligibility, this amount represents the maximum a qualified patient will be required to pay.
Established Cash Price	Established Cash Price is the expected payment amount after applying a discount to its full charges for services. This amount is offered to patients who have no insurance and qualify under the hospital's discount payment policy but who have not been determined eligible for financial assistance. Patients determined eligible for financial assistance will not be required to pay more than the Discounted Financial Assistance Amount.
Extraordinary Collection Activities	Extraordinary collection activities are those that require legal or judicial process or involve selling an individual's debt to another party or reporting adverse information about the individual to consumer credit reporting agencies.
Family Income	Determined by recent pay stubs and tax returns.
Federal Poverty Level	The most recent poverty guidelines periodically adopted by the federal Department of Health and Human Services for determining financial eligibility for participation in various programs based upon family size as applicable to California.
Financially Qualified patient	Financially qualified patient" means a patient who is both of the following: (1) A patient who is a self-pay patient, as defined in subdivision (f), or a patient with high medical costs, as defined in subdivision (g). (2) A patient who has a family income that does not exceed 400 percent of the federal poverty level
Guarantor	The person with financial responsibility for the patients health care services, usually the patients parent or legal guardian.
Homelessness	A person is homeless if he/she lives: 1. In a place not meant for human habitation such as: streets, cars, abandoned buildings, parks; 2. In an emergency shelters; 3. In transitional or supportive housing (for people coming from street or shelter) and; 4. In any of the above places, but is in a hospital/institution short-term (30 days or less) Or if he/she is: 5. Evicted within a week from a private dwelling 6. Discharged within a week from an institution that does not provide housing as part of discharge planning 7. A victim of Domestic Violence who does not have a secure living environment 8. Or no subsequent residence has been identified and has no resources and support networks to obtain housing. Source: HUD gov offices

	http://www.dmh.co.la.ca.us/HaH/documents/COUNTYS_3_%20Homeless%20Eligibility_%20Doc_Guide.pdf#search=%22defining%20homelessness%22
Patients Family	For persons 18 years of age and older, spouse, domestic partner, as defined in Section 297 of the Family Code, and dependent children under 21 years of age, whether living at home or not. (2) For persons under 18 years of age, parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.
Patient High Medical Costs	A patient with high medical costs” means a person whose family income does not exceed 400 percent of the federal poverty level, as defined in subdivision (b). For these purposes, “high medical costs” means any of the following: (1) Annual out-of-pocket costs incurred by the individual at the hospital that exceed the lesser of 10 percent of the patient’s current family income or family income in the prior 12 months. (2) Annual out-of-pocket expenses that exceed 10 percent of the patient’s family income, if the patient provides documentation of the patient’s medical expenses paid by the patient or the patient’s family in the prior 12 months. (3) A lower level determined by the hospital in accordance with the hospital’s charity care policy.
Reasonable Efforts	A certain set of actions a healthcare organization must take to determine whether and individual is eligible for financial assistance under Scripps Health financial assistance policy (FAP). In general reasonable efforts may include providing individuals with written and oral notifications about the FAP and Application process or Scripps Health Policies
Reasonable Payment Plan	Means monthly payments that are not more than 10 percent of a patient’s family income for a month, excluding deductions for essential living expenses. “Essential living expenses” means, for purposes of this subdivision, expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.
Self-Pay Patient	A patient who meets the following criteria: <ul style="list-style-type: none"> • No third party insurance • No Medi-Cal • No compensable injury for purposes of Workers Compensation, automobile insurance, or other insurance as determined and documented by the hospital.
Total Charges	Total charges are the hospital’s full established rates for patient care services