


Policy & Procedure

 <p>API ALVARADO PARKWAY INSTITUTE BEHAVIORAL HEALTH SYSTEM</p>	<p>Manual: Business Office Policy No.: BO-800 Initial Approval Date: 07/06 Reviewed: Annually Revised: 01/09, 12/17, 12/19, 8/22, 1/24, 4/26</p>
<p>TITLE: PRIVATE PAY BILLING AND DEBT COLLECTION</p>	

- I. **POLICY.** Alvarado Parkway Institute Behavioral Health System (API) Billing Office is responsible for resolving outstanding accounts, including all or partial private pay balances. API will resolve these accounts through collection in full, interest-free reasonable payment arrangements, or referral to bad debt only after ensuring the patient has been notified of and screened for financial assistance.

- II. **PURPOSE.** To define the billing and follow-up process for private pay accounts regarding account billing practices, related notifications, collections, and credit reporting prohibitions in compliance with the Hospital Fair Pricing Act and consistent with applicable laws and regulations, including without limitation California Health and Safety Code Section 127400 et seq., 22 CCR section 96051 et seq., and regulations issued by the United States Department of the Treasury under section 501(r) of the Internal Revenue Code.

- III. **SCOPE.** This policy applies to API Business Office personnel and collection agencies contracted to carry out billings and/or collections on behalf of API.

- IV. **PROCEDURE: PRIVATE PAY/SELF-PAY ACCOUNTS**
 1. **Initial Billing and Itemization**
 - a. **Timeline:** Within 24 hours of establishing that a final bill is due from the patient, an itemized bill and patient pay letter shall be sent.
 - b. **Requests:** Patients may request a detailed itemized statement at any time, which staff will provide within ten (10) calendar days.
 - c. **Languages:** Written correspondence and notices must be provided in English or the language spoken by the patient, consistent with state and federal law.

 2. **Billing Timeline and Follow-Up**
 - a. **Statement Cycles:** Statements will be sent every 30 days.
 - b. **Phone Contact:** For balances of \$500.00 or above, a phone call will be attempted to the patient to discuss payment options or financial assistance.
 - c. **Collection Referral:** No account shall be referred to an outside collection agency until 180 days have passed since the initial billing date and the patient has been found to be ineligible for financial assistance or the patient has not responded to any attempts to bill or offer financial assistance.

- d. **Final Notice:** A “Goodbye Letter” or Final Notice must be mailed to the guarantor at least 10 days before the account is assigned to a bad debt collection agency. The patient notice shall include the following information:
 1. The date or dates of service of the bill that is being assigned to collections.
 2. The name of the entity the bill is being assigned to.
 3. A statement informing the patient how to obtain an itemized hospital bill from the hospital.
 4. The name and plan type of the health coverage for the patient on record with the hospital at the time of services or a statement that the hospital does not have that information.
 5. An application for the hospital's charity care and financial assistance.
 6. The date or dates the patient was 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.
3. **Financial Assistance Notification.** API shall provide written notice of its charity care and discount policies at the time of service, discharge, or when the patient leaves the facility in accordance with Business Office *BO-908 Financial Assistance Policy*. A copy of the notification shall be provided with billing statements.
4. **Prohibition of Credit Reporting.** In accordance with Civil Code Section 1785.27, API and any contracted collection agencies are strictly prohibited from furnishing any information related to medical debt to a consumer credit reporting agency or credit bureau. Any medical debt contract reported in violation of this section is void and unenforceable.
5. **Reasonable Payment Plans** API shall offer interest-free Reasonable Payment Plans to eligible patients.
 - a. **Definition:** Monthly payments shall not exceed 10% of a patient’s monthly family income, excluding deductions for Essential Living Expenses (rent/mortgage, food, utilities, medical/dental payments, etc.).
 - b. **Renegotiation:** Before declaring a payment plan inoperative due to a missed payment, API or the collection agency must attempt to renegotiate the terms if requested by the patient.
6. **Good Faith Estimates (GFE) and Dispute Resolution**
 - a. **Notification:** Uninsured and self-pay patients must be informed (verbally and in writing) of their right to a GFE before scheduling.
 - b. **Dispute Right:** If the final billed charges are \$400 or more above the GFE, the patient has the right to initiate the patient-provider dispute resolution process through the Federal IDR portal within 120 days of the bill.
7. **Collection Agency Oversight**
 - a. Agencies delegated with collections related tasks through written agreement with API shall adhere to API’s Financial Assistance Policy and the Hospital Fair Pricing Act.
 - b. Collection agency must provide all patients a copy of the Financial Assistance Notification and Notice of Rights.

- c. Agencies are prohibited from using Extraordinary Collection Actions (ECAs), including lawsuits, wage garnishments, or liens on primary residences for low-income patients.
- d. If a patient submits a financial assistance application, all collection activity must be paused until a determination is made. Information obtained to determine eligibility for discounted payment or charity care per Financial Assistance Policy shall not be used for collections activities. However, it is not prohibited to use information obtained by the API, collection agency, or assignee **independently** of the eligibility process for charity care or discounted payment

V. ATTACHMENTS

- A. Patient Notice of Rights

References

- Associated policy *BO-908 Financial Assistance Policy*

ATTACHMENT A

PATIENT NOTICE OF RIGHTS

A statement is enclosed for the charges of your services provided at API. Payment is due immediately upon receipt. This Notice is to inform you may be eligible to discounts if you meet certain financial qualification criteria. Below is a Summary of Your Rights and a summary of the Financial Assistance Policy.

Summary of Your Rights: State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, or making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at www.ftc.gov.

Nonprofit credit counseling services, as well as consumer assistance from local legal services offices, may be available in your area.

API has agreements with external collection agencies to collect payments from patients. Collection Agencies are required to comply with the hospital's policies. Collection Agencies are also required to recognize and adhere to any payments plans agreed upon by the hospital and the patient.

No Reporting to Consumer Credit Reporting Agency.

In accordance with Civil Code Section 1785.27, API and any contracted collection agencies are strictly prohibited from furnishing any information related to medical debt to a consumer credit reporting agency or credit bureau. Any medical debt contract reported in violation of this section is void and unenforceable.

Summary of Financial Assistance Policy:

Eligible patients who have household family income below 400% of the current Federal Poverty Level and meet certain income requirements may qualify for free care or partially discounted care and extended payment plan options from API.

HOW TO ASK FOR ASSISTANCE

A Business Office Representative is available to discuss API's Financial Assistance policy and provide you with an application. Patients may also call the Business Office at (619) 667-6187 during business hours Monday – Friday, 8:00am – 5:00pm or schedule an appointment for more information on financial assistance and/or assistance with the application process.

HOW CAN I ACCESS THE APPLICATION AND POLICY ONLINE

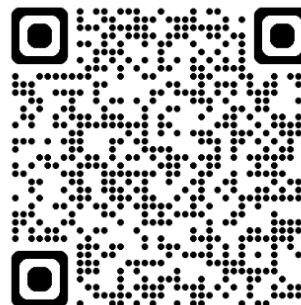
For API, it is important to support our patients with financial decisions concerning behavioral healthcare. The Client Information section of API's website has available resources and can be accessed at: <https://apibhs.com/client-forms> or by scanning the QR code

PRICE TRANSPARENCY

API has implemented a Price Transparency Shoppable Services list with standard charges for services provided at API. Visit the website to review the list of shoppable services.

FINANCIAL ASSISTANCE

You may also access API's Financial Assistance Policy and Application via the website.

**HOW DO I SUBMIT AN APPLICATION**

Completed applications should be delivered to:
Alvarado Parkway Institute
7050 Parkway Drive
La Mesa, CA 91942
Attn: Director of Patient Accounts
or fax to (619) 667-6054

After the application and financial information is received, the Business Office will inform you in writing of the determination of your eligibility. Patients may request a review of a denied application within 30 days of the notice by contacting the Business Office at (619) 667-6133.

ADDITIONAL FINANCIAL ASSISTANCE RESOURCES

If you do not have health insurance or coverage through a government program like Medi-Cal/Medicaid or Medicare, you may be eligible for government program assistance. Medi-Cal's presumptive eligibility program provides qualified individuals immediate access to temporary, no-cost Medi-Cal while applying for permanent Medi-Cal coverage or other health coverage. You may be eligible for health care coverage under Covered California, which is California's health benefit exchange under the Affordable Care Act. A Business Office Representative can provide you more information, application forms and assist you with the application process.

The Health Consumer Alliance ("HCA") is a resource available to patients to help patients understand the billing and payment process, as well as Covered California and Medi-Cal Presumptive Eligibility. HCA offers free assistance over-the-phone or in-person. For more information, visit the Health Consumer Alliance website at <https://healthconsumer.org>.

Hospital Bill Complaint Program: The Hospital Bill Complaint Program is a state program, which reviews hospital decisions about whether you qualify for help paying your hospital bill. If you believe you were wrongly denied financial assistance, you may file a complaint with the Hospital Bill Complaint Program. Go to HospitalBillComplaintProgram.hcai.ca.gov for more information and to file a complaint.