SUBJECT:	SECTION:
DEBT COLLECTION AND REFERRAL; PATIENT NOTIFICATION	Page 1 of 8

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PURPOSE:

Sierra View Medical Center (SVMC) is committed to meeting the health care needs of all patients in the community through ensuring the outstanding balance owned by patients for medical care delivered by SVMC are collected in a timely and consistent manner. The purpose of this policy is to provide a clear guidelines for conducting billing, collections, and recovery functions to comply with the Revenue Code Section 501® and applicable collection laws and regulations, including California Health and Safety Code section 127400 et seq. This included collection actions on delinquent patient accounts and actions SVMC may take to obtain payment including but not limited to any permissible collection actions.

DEFINITIONS:

1. Collection Agency is an entity engaged by Sierra View Medical Center to pursue or collect payment from patients.

2. Insured Patient refers to an individual whose hospital bill is fully or partially eligible for payment by a third-party payer.

3. Patient refers to the individual who receives services and/or is financially responsible for the care at Sierra View Medical Center.

4. Guarantor refers to the individual who legally promises to cover the financial obligation of the patient.

5. Extraordinary Collection Actions (ECA) are any collection activities, as defined by the IRS. Actions taken by Sierra View Medical Center against any individual related to obtaining payment for care only after reasonable efforts have been made to determine whether the individual is eligible for financial assistance. ECA include

a. Any action to obtain payment from a patient requires a legal or judicial process, including without limitation the filing of a lawsuit.

b. Wage garnishment.

c. Selling patient's debt to another party, including without limitation to a collection agency.

d. Deferring or denying, or requiring a payment before providing, medically necessary care because of an individual's non-payment of on or more bills for previously provided care covered under SVMC financial assistance.

6. Financial Assistance refers to Charity Care and Discounted Care as defined in Financial Assistance policy.

7. Good Faith Estimate refers to SVMC providing all self-pay and uninsured patients with a good faith estimate before services are provided. This can also be provided upon customers' request.

8. Goodbye Letter a required notice before assigning a patient debt to collection or selling to debt buyer, which must include

a. Date or dates of service of the bill.

b. Name of the entity the bill is being assigned or sold to.

c. Hoe to obtain an itemized hospital bill from the hospital.

d. Name/plan type of the patient's health coverage or a statement that the hospital does no have that information.

e. Application for the hospital's charity care and financial assistance.

f. Date or dates for the notice sent to patient about applying for financial assistance and/or the financial assistance application sent to patient (including the date for decision on application).

g. Tagline sheet with statement accessibility in 15 languages.

POLICY:

Sierra View Medical Center will make diligent efforts to inform guarantors of their financial responsibilities and available financial assistance options through billing statements and phone calls. During this billing and collection process, staff will provide quality customer service and timely follow-up, and all outstanding accounts will be handled in accordance with all applicable laws and regulations.

SVMC uses two collection agencies based on an alpha split. Assignment of accounts to the collection agencies is made with the approval of the Director of Revenue Cycle or Manager of Patient Accounting. Patient Accounting does not authorize any agency to use threatening tactics when trying to resolve patient accounts. Our goal is to assist the patient with a mutually beneficial arrangement for both the organization and the patient prior to assigning any account for collection.

Collection agencies will abide by all state and federal laws relating to the collection of accounts and will agree to abide by any policies adopted by SVMC and adhere to the hospital's standards and scope of practices. SVMC does not permit liens on residences nor, can there be wage garnishments without a court order for the collection of accounts assigned to any agency.

AFFECTED AREAS: *PATIENT FINANCIAL SERVICES, /CREDIT & COLLECTIONS PERSONNEL/CONTRACTED COLLECTION AGENCIES*

PROCEDURE:

Before an account is assigned to an outside agency for collection efforts, SVMC Patient Accounting staff will investigate to see if the following circumstances are met:
BILLING PRACTICES

Obtaining Coverage Information

SVMC makes reasonable efforts to obtain information from patients about whether private, third-party or public health insurance or sponsorship may fully or partially cover the services rendered by SVMC to the patient. It is patient's/guarantor's responsibility to know their insurance benefit and coverage and to provide the current and accurate insurance information to SVMC at the time of services or shortly after: well within the timely filing guidelines. Except for emergency care, all required referral(s) or authorizations must be secured prior to receiving services. If patient/guarantor has any questions regarding their financial responsibility or coverage services at SVMC, they can contact their insurance company in advance for service as appropriate.

Third-Party Insurance Billing

SVMC Shall diligently pursue all amounts due from third-party payers, including but not limited to contracted payers, non-contracted payers, indemnity payers, liability, auto insurances, government programs payers that may be financially responsible for a patient's care. This is all based on the information provided by patient's or their representatives.

SMVC will make reasonable efforts to assist patient in obtaining payment for third-party payers by verifying coverage to ensure coverage was active at the time care was provided when possible. If the patient receives third-party reimbursement for care provided by SVMC, patient

is responsible for paying SVMC the entire amount they received. If patient receives a legal settlement, judgment, or award under a liable third-party action that includes payment for health care services or medical care related to injury, the patient/guarantor must reimburse SVMC for their related healthcare services rendered up to the amount reasonably awarded for that purpose.

If a claim is denied (or not processed) by the payer due to an error by SVMC, SVMC will not bill the patient for any amount more than what the patient would have owned had the payer paid the claim. If a claim is denied or is not processed by a payer due to factors outside of SVMC control, SVMC will follow up as appropriate to facilitate resolution of the claim. If resolution does not occur after reasonable follow-up efforts, SVMC may bill the patient/guarantor or take other actions in line with industry standards.
SVMC will bill the patient according to the insurance explanation of benefits (EOB) and as directed by the third-party payer. Balance billing QMB and Medi-Cal patients for covered services is prohibited. Upon receiving proof of Qualified Medicare Beneficiary (QMB) or Medi-Cal eligibility (including but not limited to a copy of the Medi-Cal card, Social Security number, date of birth) SVMC must bill Medicare or Medi-Cal and not the patient during periods of active QMB or Medi-Cal eligibility.

Medi-Cal Insurance Billing

When SVMC receives active Medi-Cal coverage on the State Medi-Cal Eligibility System, SVMC will bill Medi-Cal. If the eligibility system indicates active coverage with other health coverage and sufficient information is not available to bill that other insurance, SVMC will contact the patient/guarantor to get the necessary information. If the patient indicates they do not have other insurance coverage or cannot access necessary information, SVMC will refer the patient/guarantor to their local Medi-Cal office or legal services for further assistance. The patient is responsible for communicating with SVMC once eligibility or other insurance information issue is resolved. SVMC will not refer accounts with active Medi-Cal coverage to collections. This section shall not prevent SVMC from billing a Medi-Cal patient/guarantor patient for non-covered services such as elective services or collecting the Medi-Cal Share of Cost after screening for eligibility for Financial Assistance.

Insured Patient Billing

If patient is insured and patient responsibility was not paid at the time of services, SVMC will bill patient the responsibility according to the insurance explanation of benefits (EOB) and as directed by the third-party payer.

No Surprise Billing

If patient is uninsured or does not have health insurance coverage, SVMC is responsible for providing a written notice to the patient/guarantor that they may be eligible for public or private insurance, and an application for Medi-Cal. In addition, SVMC will provide the patient with a Good Faith Estimate ("GFE") for health care items and services before those items or services are provided. When services are scheduled out at least 4 business days in advance, the financial counselors will provide the uninsured patient with a GFE and the copy of the GFE will be available at the time of service. If a patient receives a bill that is $400 more than the GFE received from that facility, they may dispute the bill.

Extended Payment Plan (EPP)

SVMC and its collection agencies shall offer uninsured and insured patients the option to enter into an agreement to pay their patient responsibility and any other amount due over time. SVMC and its collection agencies will negotiate with the guarantor and may take into consideration the patient's household income, essential living expenses, the availability of a health saving account and help from patient's family member(s). All EPP shall be interest-free, if SVMC and the patient cannot agree on the EPP the hospital shall create a reasonable payment plan which is defined as a monthly payment that does not exceed 10% of the patient's household income for a month, excluding deductions for essential living expenses.

An EPP may be declared as inoperative after the patient fails to make all consecutive payments during a 90-day period. Before declaring the EPP inoperative, SVMC or its collection agency will make a reasonable attempt to contact the patient by the last known telephone number and provide notice in writing with the last known address to notify the patient that the EPP may become inoperative and provide an opportunity to renegotiate. After an EPP is declared inoperative and over 180 days have passed since the initial billing of the patient SVMC or its collection agencies may commence Extraordinary Collection Actions.

FINANCIAL ASSISTANCE

Sierra View Medical Center notifies individuals that financial assistance is available to

eligible individuals by posting notices in a visible manner in locations where there is a high volume of inpatient or outpatient admitting or registration such as emergency department, admitting office, billing office and other hospital outpatient service settings to comply with federal and state regulations. Financial assistance information is on all patient statements with our financial counseling office telephone numbers. Financial assistance can be considered at any time during the billing and collection process.

COLLECTION PRACTICES

In compliance with relevant state and federal laws, SVMC and its collection agencies may engage in collection activities including Extraordinary Collection Actions to collect outstanding patient balances. The contracted collection agencies shall adhere to the terms of SVMC financial assistance policy, credit and collection policy, the health and Safety Code section 127400 et seq, 26 U.S.C. section 501 (r) and 'reasonable payment plan" Needs review - reasonable payment plan. SVMC and its collection agencies shall not pursue collection from a patient who is attempting to qualify for financial assistance and is attempting in good faith to settle an outstanding billing. SVMC shall not furnish information about any medical debt to any consumer credit reporting agency.

General collection activities by Sierra View Medical Center and the contracted Collection Agencies may include phone calls, statements and other reasonable efforts in conformance with all federal and state laws governing debit collection practices. The efforts include assistance with applications for possible private and government program coverage. All patients/guarantors will have the opportunity to contact SVMC regarding financial assistance, payment plan options and other applicable programs that may be available with respect to their accounts. Financial assistance is available free of charge. Individuals with questions regarding financial assistance may contact the financial counseling office by phone, email or in person.

After general collection activities have not produced regular payments of a reasonable amount and the patient/guarantor has not completed a financial assistance application or complied with documentation requests or is otherwise non-responsive to the application process, SVMC or any collection agency acting on its behalf shall make reasonable efforts to presumptively determine whether a patient is eligible for Financial Assistance based on prior eligibility for financial assistance or the use of third party data.

If SVMC is aware the patient has a pending appeal for coverage of the claim(s) and has made a reasonable effort to communicate with SVMC about the progress of the appeal,

SVMC will wait until a determination of the appeal is made to place the patient's unpaid bill with a collection agency. SVMC will not initiate or continue ECAs for a patient who is attempting to qualify for financial assistance and is attempting in good faith to settle an outstanding bill with SVMC. Accounts may be advanced for collection under the following circumstances:

a. All third-party payers have been billed, payment from a third-party payer is no longer pending; unless guarantor has not complied with payers request outside of SVMC control. SVMC is unaware of any pending insurance payment appeals and the remining debt is patient's financial obligation.
b. At least 180 days have passed since SVMC sent the initial bill to the guarantor.
c. Goodbye or final billing statement indicating the commencement of collection activities may occur if no action to resolve the accounts is attempted by guarantor, the letter is accompanied with a financial assistance application and the name of the collection agency who the account will be referred with a deadline of when to contact SVMC or collection agency to avoid ECA.

Initiating ECAs

In the situation where an account has been assigned to collection and the collection agencies has information showing the guarantor has an income greater than 400% of the federal poverty level and would not qualify for discounted care and has failed or refused to pay for the medical services, collection agencies may request approval from SVMC to pursue legal action.

Collection agencies must submit an individual written request to the facility for approval before taking any legal action. The request must include the details of the encounter. SVMC Patient Financial Services Manager and/or Director of Revenue Cycle will authorize each individual legal action in writing after verifying that SVMC and/or collection agencies working on their behalf have made sufficient reasonable efforts to determine whether the individual is eligible for financial assistance. A copy of the signed authorization for legal action will be maintained in the patient account file.

REFERENCE:

- No Surprise Act

- 26 Code of Federal Regulations 1.501(r)
- • California Health and Safety Code section 124700-127446
- • SVMC Financial Assistance Policy