

El Centro Regional Medical Center

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Collaborating Departments:		Keywords:	
Approval Route: List all required approval			
MARCC	PSQC	Other:	
Clinical Service _____	MSQC	MEC	BOD

Note: If any of the sections of your final layout are not needed do not delete them, write "not applicable".

1.0 **Purpose:**

This policy applies to El Centro Regional Medical Center ("ECRMC") and any outside agencies working on ECRMC's behalf that have the responsibility to bill patients and applicable third-party payers accurately, timely, fairly and consistently in accordance with all contractual obligations, laws and regulations. ECRMC will not threaten or treat patients or payers with disrespect or with an aggressive tone or behavior. ECRMC collection practices shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.

2.0 **Scope:**

It is the goal of this policy to provide clear and consistent procedures for ECRMC staff, Collection Agencies, and other third-party vendors when conducting billing and collections functions in a manner that promotes compliance, patient satisfaction, and efficiency. This policy applies to ECRMC and any outside agencies working on its behalf.

3.0 **Policy**

3.1 **Billing Procedure:**

3.1.1 **Billing Third-Party Payers**

For all patients with health insurance, ECRMC will bill the third-party payer information as provided or verified by the patient on a timely basis. Patient cooperation and communication is essential to this process. ECRMC will work to obtain patient billing information in advance of hospital services whenever possible so that verification, prior authorization, or other approvals may be completed prior to the provision of services. When information cannot be obtained prior to the provision of services, ECRMC personnel will work with each patient to assure that all necessary billing information is received by ECRMC prior to the completion of services.

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If a third-party payer denies the claim due to ECRMC error, ECRMC will not bill the patient for any amount in excess of that for which the patient would have been liable had the third-party payer paid the claim. However, if the third-party payer denies the claim due to factors outside of ECRMC's control, hospital staff will follow up with the third-party payer and patient as appropriate to facilitate a resolution to the claim. If a resolution cannot be reached, after reasonable follow-up efforts, ECRMC may bill the patient or take other actions consistent with current industry standards.

3.1.2 Billing Insured Patients for Patient Responsibility

For all patients with health insurance, ECRMC will send the bill to the patient in a timely basis after it receives payment from the payer.

3.1.3 Billing Uninsured Patients

For uninsured patients, ECRMC shall promptly send the patient the patient's bill for items and services provided to the patient.

3.1.4 Third-Party Reimbursement

The patient is required to pay ECRMC the entire amount of any reimbursement sent directly to the patient or guarantor by a third-party payer for the hospital services received. If the 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 the injury, the patient or guarantor must reimburse ECRMC for the related health care services rendered up to the amount reasonably awarded for that purpose.

3.1.5 Requesting an Itemized Statement

All patients may request an itemized statement for their account at any time.

3.1.6 Accessing Financial Assistance Information and Application

ECRMC will provide a summary of its Financial Assistance Policy to all patients who are provided services at ECRMC. All billed patients will have the opportunity to contact ECRMC regarding financial assistance for their accounts. Financial assistance may include Full Charity Care, Discount Payment, or other applicable programs.

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Copies of the Financial Assistance Policy and the Financial Assistance Application are available free of charge by visiting or contacting:

- ECRMC Health Care Main Admitting Department
- Patient Financial Services Department at:

El Centro Regional Medical Center
Patient Financial Services Department
1271 Ross Avenue
El Centro, CA 92243

- Website at <https://www.ecrmc.org/for-patients/patient-financial-services/help-paying-your-bill/>

ECRMC and the collection agencies or other assignees not a subsidiary or affiliate of ECRMC (the "Collection Agencies") shall not pursue collections from a patient who is attempting to qualify for Financial Assistance under ECRMC's Financial Assistance Policy and is attempting in good faith to settle an outstanding bill by negotiating a Reasonable Payment Plan, as defined below, or by making regular partial payments of a reasonable amount.

If a patient submits a Financial Assistance Application at any time during the collection process, all collection activities will stop until the application is reviewed and either approved or denied. If denied, the patient will have the right to follow the appeal the determination. The exception to this process is when legal action has been initiated with and court ordered actions have been issued. In this situation, the Financial Assistance Application will be evaluated in parallel with the court issued action. If the Financial Assistance Application is approved, proper process will be followed to dismiss the legal action.

If ECRMC determines the patient qualifies for Full Charity Care or Discounted Payment, ECRMC will use the patient's income information (including information from tax returns and paystubs) only for determining eligibility and debt due. ECRMC will not use this information, or any other information obtained for the purpose of determining Discount Payment or Full Charity Care eligibility, for collection activities.

Eligibility for Full Charity Care or Discount Payment shall be determined at any time, and ECRMC shall not impose time limits for applying for Full Charity Care or Discount Payment, nor deny eligibility based on the timing of a patient's application.

If the patient has already paid more than the amount due after the Financial Assistance determination, ECRMC shall refund the amount actually paid to ECRMC in excess of the amount due

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including interest at the rate provided in the Code of Civil Procedure Section 685.010 from the date of ECRMC's receipt of the overpayment.

3.2 Extended Payment Plans:

ECRMC and its Collection Agencies shall offer uninsured patients and insured patients with high medical costs who are found eligible for Discount Payment the option to enter into an agreement to pay the amounts due over time.

3.2.1 Terms of Extended Payment Plans

The extended payment plan shall be negotiated between ECRMC Patient Financial Services and the patient and may take into consideration the patient's Family Income, Essential Living Expenses, and the availability of a health savings account. All extended payment plans shall be interest-free.

If ECRMC and the patient cannot agree on the extended payment plan, the hospital shall create a Reasonable Payment Plan, which is defined as a monthly payment that does not exceed 10% of the patient's Family Income for a month, excluding deductions for Essential Living Expenses.

3.2.2 Declaring an Extended Payment Plan Inoperative

ECRMC may declare an extended payment plan no longer operative after the patient fails to make all consecutive payments during a 90-day period. Before declaring the extended payment plan inoperative, ECRMC or its Collection Agencies 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 extended payment plan may become inoperative and provide an opportunity to renegotiate. ECRMC or the Collection Agency acting on ECRMC's behalf will attempt to renegotiate the extended payment plan if requested by the patient.

3.3 Collection Practices:

ECRMC and its Collection Agencies do not engage in Extraordinary Collection Actions ("ECAs") to collect outstanding patient balances, including furnishing information about any Medical Debt to any consumer credit reporting agency, wage garnishments or liens on any real property. ECRMC and its Collection Agencies shall not pursue collections from a patient who is attempting to qualify for financial assistance under ECRMC's Financial Assistance Policy and is attempting in good faith to settle an outstanding bill.

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3.3.1 Initiating Collections

After at least 180 days have passed since the initial billing statement was provided to the patient and either ECRMC has found the patient ineligible for financial assistance or the patient has not responded to any attempt to bill or offer financial assistance, ECRMC may place the patient's bill with a Collection Agency to pursue collections under the authority of the Chief Financial Officer ("CFO") or his/her designee. If the patient has a pending appeal for coverage of the claim(s) and has made a reasonable effort to communicate with ECRMC about the progress of the appeal, ECRMC will wait until a determination of that appeal is made to place the patient's unpaid bill with the Collection Agency.

3.3.2 Notice Prior to Assignment to Collections ("Assignment Notice")

Before sending an account to a Collection Agency to obtain payment, ECRMC shall send the patient a notice with the following information:

- The date(s) of service of the bill that is being assigned to collections;
- The name of the entity the bill is being assigned to;
- A statement informing the patient how to obtain an itemized hospital bill from ECRMC
- 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;
- An application for ECRMC's financial assistance;
- The date(s) the patient was originally sent a notice about applying for financial assistance, the date(s) the patient was sent a financial assistance application, and, if applicable, the date a decision on the application was made.

3.3.3 Notice Prior to Commencing Collection Activities ("Collection Notice")

Prior to commencing collection activities against a patient, ECRMC shall require its external Collection Agency to provide the patient with a clear and conspicuous written notice containing both of the following:

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- A plain language summary appearing substantially in the following form: “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, and 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.”
- A statement that nonprofit credit counseling services may be available in the area.

The Collection Notice shall also accompany any document indicating that the commencement of collection activities may occur.

3.4 Collection Agencies:

ECRMC will contract with an external collection agency to pursue further collections. Collection Agencies that collect unpaid patient bills on ECRMC’s behalf will be required to meet the same debt collection standards and comply with this ECRMC Billing and Collection Policy.

ECRMC shall utilize only external collection agencies that agree to comply, in a written agreement, with applicable state and federal laws, ECRMC policies, and ECRMC debt collection standards and practices, including ECRMC’s definition and application of a Reasonable Payment Plan, as defined in this Policy.

For patients eligible for Financial Assistance, ECRMC shall also require external collection agencies to agree in writing to the following:

- The Collection Agency may only attempt to collect the amount outstanding after application of the Financial Assistance Policy and any discounts.
- The Collection Agency will comply with applicable state and federal debt collection practices law, including but not limited to hospital collection practices set forth in California Health and Safety Code Section 127425(a)-(j);
- The Collection Agency will not use Extraordinary Collection Actions, a wage garnishment, a lien on patient’s real property, or notice or conduct a sale of real property, and will not report adverse information to a consumer credit reporting agency.

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Agreement to the above requirements does not preclude ECRMC or the external Collection Agency from pursuing reimbursement and any enforcement remedy or remedies from third-party liability settlements, tortfeasors, or other legally responsible parties.

ECRMC will evaluate the performance of each Collection Agency at least on an annual basis, including patient reactions and complaints regarding Collection Agencies. ECRMC will investigate and analyze complaints about the activities of Collection Agencies and promptly make and document any necessary corrections.

Additionally, ECRMC should obtain written statements from the Collection Agency not less than annually attesting that they are following ECRMC's policies and complying with all state and federal laws.

ECRMC shall maintain records relating to money owed to ECRMC by a patient for five years, including the following:

- A contract and significantly related records by which ECRMC assigns debt that the patient owes; and
- An annually updated list of debt collectors to whom ECRMC assigned patient debt.

3.5 Translation of Notices

ECRMC shall ensure that written correspondence to the patient required in this Policy are translated into English and Spanish and are made accessible by interpretation or alternative formats to ensure access for limited English proficient and disabled individuals.

4.0 Definitions

All terms not defined within this Billing and Collections Policy will be defined in accordance with California Health and Safety Code section 127400, et seq.

Collection Agency: a collection agency contracted by ECRMC, or other assignees not a subsidiary or affiliate of ECRMC that is attempting to collect unpaid bills for provided services.

Essential Living Expenses: 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.

Extraordinary Collection Action (ECA): ECAs include the following:

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- Selling an individual's debt to another party except as expressly prohibited by federal law.
- Deferring or denying, or requiring a payment before providing, Medically Necessary Care (excluding emergency medical care) because of an individual's nonpayment of one or more bills for previously provided care covered under ECRMC's Financial Assistance Policy.
- Certain actions that require a legal or judicial process as specified by federal law.

Family: Family is defined as:

- For persons 18 years of age and older, spouse, domestic partner, dependent children under 21 years of age, or any age if disabled, whether living at home or not, and
- For persons under 18 years of age or for a dependent child 18 to 20 years of age, parent, caretaker relatives, and other children under 21 years of age, or any age if disabled, of the parent or caretaker relative.

Family Income: The combined income of the patient seeking Financial Assistance and his/her/their Family as determined under this Policy. Income as used here shall include any sources used to calculate the adjusted gross income, as set forth on line 11 of Form 1040, U.S. Individual Income Tax Return.

Medical Debt: A debt owed by a consumer to EPHC for the provision of medical services, products, or devices. Medical debt includes, but is not limited to, medical bills that are not past due or that have been paid.

Reasonable Payment Plan: A monthly payment that does not exceed 10% of the patient's family income for a month, excluding deductions for Essential Living Expenses.

5.0 References:

Patient Protection and Affordable Care Act

IRS Notice 2014-2 issued on December 30, 2013

Healthcare Financial Management Association Patient Financial Communications Best Practices (2014)

Healthcare Financial Management Association Patient Friendly Billing Guidelines

California Health & Safety Code §§ 127400 *et seq.*

California Code of Regulations, Title 22, Division 7, Chapter 9.2

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California AB 102

California HB 2297

California SB 106

6.0 Attachment List**7.0 Summary of Revisions:**