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Owner Sanjeev Kumar:  
CFO  
Area Finance

## Collection of Past Due Accounts

### I. Policy

Consistent with the mission of Dameron Hospital Association (the "Hospital") to operate and furnish care, treatment, hospitalization and other services, with or without compensation, it is the Hospital's policy to require all patients to contribute to the cost of their care, based upon their ability to pay.

### II. Purpose

To establish guidelines for collection of past due patient accounts.

### III. Responsible Departments

Under the supervision of the Director of Patient Accounting, the Patient Accounting and Credit and Collections Departments have the authority to advance a patient debt for collection. Collection activity will be conducted by the Hospital's Credit and Collections Department or designated collection agency that has agreed to comply with this Policy and the collections policies set forth in the Hospital's Charity Care and Discounted Payment Policy (No. 20-01-0034).

### IV. Procedure

In accordance with the Hospital's Charity Care and Discounted Payment Policy, patients will be made aware of the availability of Charity Care and Discounted Payment options on the Hospital's website, at all points of registration in the Hospital, as well as in connection with billing statements issued by the Hospital.

#### A. Self-Pay Patients

The Patient Accounting Department sends the responsible party a final bill at least 180 days

from the date the Hospital provides the first post-discharge billing statement, informing the responsible party of the Hospital's Charity Care and Discounted Payment Policy along with an application, a plain language summary of that policy and the patient's rights, as required under California Health and Safety Code section 127430(a), the phone number the responsible party can call for more information if interested in applying, the collections actions that may be pursued in the event of nonpayment, and the deadline for when those actions may be commenced (such deadline to be at least 30 days from the date of the final bill is sent). The Patient Accounting Department will also attempt to call or otherwise orally inform the responsible party of the Hospital's Charity Care and Discounted Payment Policy and how the responsible party may obtain assistance with the application process. The responsible party is requested to forward any insurance information or to make payment or submit an application under the Charity Care and Discounted Payment Policy within the stated deadline or the account may be referred to collections. Collections actions may include engaging a collection agency to assist with obtaining payment, reporting the patient's account to a consumer credit reporting agency, deferring, denying or requiring a payment before providing elective, non-Medically Necessary Services because of the patient's nonpayment of one or more bills for previously provided care, commencing a civil action against the patient for nonpayment, wage garnishment, bank garnishment and abstract liens on real property as well as business garnishment if responsible party is the business owner. However, for a patient that lacks coverage, the Hospital, any assignee of the Hospital, or other owner of the patient debt, including a collection agency, will not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 180 days after the initial billing. This period shall be extended if the patient has a pending appeal for coverage of the services until a final determination of the appeal is made.

If the responsible party requests financial assistance, the request is forwarded to the Credit and Collections Department and the patient is sent an application under the Charity Care and Discounted Payment Policy identifying the charity process and the documentation required for processing. The responsible party is given 30 days to complete and return the application and supporting documents. If the collections process has already begun, it shall be suspended during this time. If an incomplete application is received, the Hospital will provide written notice describing additional information needed and will provide the contact information, including the telephone number and office location, of a person who can provide information about the Hospital's Charity Care and Discounted Payment Policy and assistance with completing the application. Collections shall remain suspended until a determination of eligibility is made or the Hospital has determined, after a reasonable period of time, the patient has failed to respond to requests for additional information to complete the application. If a complete application is received, the Hospital will determine the patient's eligibility and will notify the patient in writing of the determination and the basis for the determination. If the patient is determined to be eligible for assistance under the Charity Care and Discounted Payment Policy, (1) if such assistance is in the form of a discount, the patient will receive a billing statement that indicates the amount owed, how that amount was determined, and states or describes how the patient can obtain information regarding the Amount Generally Billed ("AGB") for the care provided, and (2) the patient will be refunded any amounts paid over the amount for which the patient has been determined under the Charity Care and Discounted Payment Policy to be responsible. The Hospital shall further take all reasonably available measures to address any adverse information reported to credit reporting agencies. The

Hospital will accept applications under the Charity Care and Discounted Payment Policy until 240 days from the date the Hospital provides the first post-discharge billing statement.

Extended payment plans for the amount owed may be arranged for those unable to pay their account in full pursuant to the Hospital's Charity Care and Discounted Payment Policy. Requests for payment plans exceeding the Hospital's schedule may be referred to the Hospital's designee for handling. If the account is not paid or satisfactory payment arrangements made, the account is sent for pre-collection to the Credit and Collections Department or its designee, as described in the Charity Care and Discounted Payment Policy.

The Hospital may declare an extended payment plan (including a Reasonable Payment Plan) inoperative if the patient fails to make all consecutive payments during a 90-day period. Before declaring an extended payment plan inoperative, the Hospital, collection agency or assignee shall make a reasonable attempt to contact the patient by telephone, give written notice that the extended payment plan may become inoperative, and inform the patient that s/he may renegotiate the terms of the payment plan.

## **B. Insurance**

After insurance either pays their portion and appropriate contractual adjustment is taken or the claim is denied, the insurance biller sends the responsible party a final billing at least 180 days from the date the Hospital provides the first post-discharge billing statement, informing the responsible party of the Hospital's Charity Care and Discounted Payment Policy along with an application, a plain language summary of that policy and the patient's rights, as required under California Health and Safety Code section 127430(a), the phone number the responsible party can call for more information if interested in applying, the collections actions that may be pursued in the event of nonpayment, and the deadline for when those actions may be commenced (such deadline to be at least 30 days from the date of the final bill is sent). The Patient Accounting Department will also attempt to call or otherwise orally inform the responsible party of the Hospital's Charity Care and Discounted Payment Policy and how the responsible party may obtain assistance with the application process. The responsible party is requested to forward any insurance information or to make payment or submit an application under the Charity Care and Discounted Payment Policy within the stated deadline or the account may be referred to collections. Collections actions may include engaging a collection agency to assist with obtaining payment, reporting the patient's account to a consumer credit reporting agency, deferring, denying or requiring a payment before providing elective, non-Medically Necessary Services because of the patient's nonpayment of one or more bills for previously provided care, commencing a civil action against the patient for nonpayment, wage garnishment, bank garnishment and abstract liens on real property as well as business garnishment if responsible party is the business owner. However, for a patient that provides information that he or she may be a patient with high medical costs (as defined in California Health and Safety Code Section 127400(g)), the Hospital, any assignee of the Hospital, or other owner of the patient debt, including a collection agency, will not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 150 days after the initial billing. This period shall be extended if the patient has a pending appeal for coverage of the services until a final determination of the appeal is made.

If the responsible party requests financial assistance, the request is forwarded to the Credit and Collections Department and the responsible party is sent an application under the Charity Care and Discounted Payment Policy identifying the charity process and the documentation required for processing. The responsible party is given 30 days to complete and return the application and supporting documents. During this time, the collection process is suspended. If the collections process has already begun, it shall be suspended during this time. If an incomplete application is received, the Hospital will provide written notice describing additional information needed and will provide the contact information, including the telephone number and office location, of a person who can provide information about the Hospital's Charity Care and Discounted Payment Policy and assistance with completing the application. Collections shall remain suspended until a determination of eligibility is made or the Hospital has determined, after a reasonable period of time, the patient has failed to respond to requests for additional information to complete the application. If a complete application is received, the Hospital will determine the patient's eligibility and will notify the patient in writing of the determination and the basis for the determination. If the patient is determined to be eligible for assistance under the Charity Care and Discounted Payment Policy, (1) if such assistance is in the form of a discount, the patient will receive a billing statement that indicates the amount owed, how that amount was determined, and states or describes how the patient can obtain information regarding the Amount Generally Billed ("AGB") for the care provided, and (2) the patient will be refunded any amounts paid over the amount for which the patient has been determined under the Charity Care and Discounted Payment Policy to be responsible. The Hospital shall further take all reasonably available measures to address any adverse information reported to credit reporting agencies. The Hospital will accept applications under the Charity Care and Discounted Payment Policy until 240 days from the date the Hospital provides the first post-discharge billing statement.

Extended payment plans for the amount owed may be arranged for those unable to pay their account in full pursuant to the Hospital's Charity Care and Discounted Payment Policy. Requests for payment plans exceeding the Hospital's schedule may be referred to the Hospital's designee for handling. If the account is not paid or satisfactory payment arrangements made, the account is sent for collection to the Credit and Collections Department or its designee, as described in the Charity Care and Discounted Payment Policy.

The Hospital may declare an extended payment plan (including a Reasonable Payment Plan) inoperative if the patient fails to make all consecutive payments during a 90-day period. Before declaring an extended payment plan inoperative, the Hospital, collection agency or assignee shall make a reasonable attempt to contact the patient by telephone, give written notice that the extended payment plan may become inoperative, and inform the patient that s/he may renegotiate the terms of the payment plan.

## V. References

California Health & Safety Code §§ 127400  (Hospital Fair Pricing Policies)

Internal Revenue Code § 501(c) (3) (Tax-Exempt Organizations)

# VI. Cross References

Charity Care/Discounted Payment Policy 20-01-0034

## Approval Signatures

Step Description	Approver	Date
Finance Officer	Katie Delmore: Finance Officer	11/5/2024
Director Finance/Controller	Katie Delmore: Finance Officer	11/1/2024

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