

PATIENTS' HOSPITAL OF REDDING

POLICIES & PROCEDURES

SUBJECT:	SECTION:	SUB-SECTION:
BUSINESS OFFICE	BILLING	COLLECTION AGENCY

PURPOSE: To set guidelines for referral of accounts to a collection agency.

POLICY:

All accounts that have received a final collection notice, and have been found ineligible for financial assistance, or have not responded to attempts to bill or offer financial assistance for 180 days, will be considered for referral to the collection agency.

Any patient who has applied for Charity Care or Discount will not be subject to civil action for 180 days following initial billing (this time frame may be extended if an appeal is pending).

The Business Office Manager will review all accounts which have received a final collection notice. If payment has not been received within 10 days of the notice the Business Office manager will determine if the account will be assigned to the collection agency. Exceptions to this policy may be made by the owner or Administrator.

Collection agencies utilized by the facility will conduct all collection business in accordance with applicable State and Federal law. These laws include HIPAA, the Hospital Fair Billing Program, Fair Credit and Collection reporting guidelines. They are precluded from any form of hard collection considered inappropriate for the collection of health-related debt, including the prohibition of liens or sale of any real property owned by the patient. Information from income tax returns or paystubs collected for charity care or discount payment eligibility may not be used for collection activities. Adverse credit reporting is also prohibited.

A written agreement with these collection agencies should include language on collection practices allowed under state law in connection with medical bills and low-income or poverty level. Patients who qualify for Charity Care or Discounts will not be subject to collection activities as long as good faith effort is being made to meet any payment arrangements under such program, including regular partial payments. Every effort will be made to arrange a payment schedule for outstanding balance. The collection agency may use wage garnishment if ordered by a court based on evidence that the patient has the ability to pay.