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Owner	Renee Frey: Patient Financial Services Director
Policy Area	Patient Accounting

Debt Collection Policy

PURPOSE

1. To establish guidelines and standards that Hayward Sisters Hospital dba St. Rose Hospital will follow with respect to the collection of patient debt; including those patients who are eligible for Financial Assistance.
2. This policy is intended to comply with the California Health and Safety Code Section 127425(b) The Federal Patient Protection and Affordable Care Act and the practices of St. Rose Hospital.

POLICY

It is the policy of St. Rose Hospital to provide clear and consistent guidelines for performing billing and collections functions. All collections activities are in compliance with applicable laws and best practices as set forth in St. Rose Hospital policies.

PROCEDURE

Debt Collection Activities

- A. **Debt Assignment.** St. Rose Hospital will pursue payment for debts owed for health care services provided by St. Rose Hospital; including designating unpaid amounts as bad debt and assigning such amounts to collection, according to St. Rose Hospital policies and procedures as summarized in this policy.
- B. **Assignment to Collection.** No patient debt shall be advanced/assigned to collection until the Director of Patient Financial Services or designee has reviewed the account and approved the advancement of the account to collection.
 - a. If a patient is attempting to qualify for Financial Assistance and/or is attempting to settle an outstanding bill with St. Rose Hospital by negotiating a reasonable payment

plan or making regular payments of a reasonable amount, St. Rose Hospital shall not send the unpaid bill to collection or a collection agency.

- b. Patients can be offered an extended payment plan. Any extended payment plans shall be interest free.
- c. Before assigning any patient debt or bill to collections, St. Rose Hospital shall send the patient a notice with all of the following information:
 - 1. The date or dates of service of the bill that is being assigned to collection;
 - 2. The name of the entity that the bill is being assigned to;
 - 3. A statement informing the patient of how to obtain an itemized hospital bill from St. Rose Hospital;
 - 4. The name and health plan coverage type for the patient on record with St. Rose Hospital at the time of services or a statement that St. Rose Hospital does not have that information;
 - 5. An application for financial assistance, including charity care , offered by St. Rose Hospital
 - 6. The date or dates that the patient was originally sent a notice about applying for financial assistance, the date or dates that the patient was sent a financial assistance application and, if applicable, the date a decision on the application was made.
- C. **Use of Collection Agencies.** St. Rose Hospital shall obtain an agreement from each collection agency that it utilizes to collect patient debt consistent with the requirements of this policy, federal law, and state law.
- D. **Collection Methods.** St. Rose Hospital shall not initiate a legal or judicial process, sell a patient's debt to another party, or report adverse information about the patient to consumer credit reporting agencies or credit bureaus before St. Rose Hospital has made reasonable efforts to determine whether the patient is eligible for Financial Assistance. In no case shall St. Rose Hospital or any collection agency utilized by St. Rose Hospital, report adverse information to a consumer credit reporting agency or commence civil action against the patient for non-payment prior to 180 days after the initial billing or if the patient is an Uninsured Patient or the patient provides information that they may qualify for Financial Assistance. The 180 day period shall be extended if the patient has a pending appeal to their health plan for coverage of services and the patient makes a reasonable effort to keep St. Rose Hospital informed of the progress of any appeals.

Selling Patient Debt

- A. **Consideration for Sale.** No patient debt shall be considered for sale until the Director of Patient Financial Services or designee has reviewed the account and approved the consideration of the debt for sale. If a patient is attempting to qualify for Financial Assistance and/or is attempting to settle an outstanding bill with St. Rose Hospital by negotiating a reasonable payment plan or making regular payments of a reasonable amount, St. Rose Hospital shall not sell the patient debt.
- B. **Conditions to Sale.** St. Rose Hospital shall not sell patient debt to a debt buyer, as defined in

Section 1788.50 of the Civil Code, unless all of the following apply:

1. St. Rose Hospital has found the patient ineligible for financial assistance or the patient has not responded to any attempts to bill or offer financial assistance for 180 days;
2. The sales agreement with the debt buyer includes language under which the debt buyer agrees to return, and St. Rose Hospital agrees to accept, any account in which the balance has been determined to be incorrect due to the availability of a third-party payer, including a health plan or government health coverage program, or the patient is eligible for charity care or financial assistance;
3. The debt buyer agrees to not resell or otherwise transfer the patient debt, except to St. Rose Hospital or a tax-exempt organization described in Health & Safety Code § 127444, or if the debt buyer is sold or merged with another entity;
4. The debt buyer agrees not to charge interest or fees on the patient debt; and
5. The debt buyer is licensed as a debt collector by the Department of Financial Protection and Innovation.

C. **Actions Taken Before Sale.** Before selling any patient debt or bill to a debt buyer, St. Rose Hospital shall send the patient a notice with all of the following information:

1. The date or dates of service of the bill that is being sold;
2. The name of the entity that the bill is being sold to;
3. A statement informing the patient how to obtain an itemized hospital bill from St. Rose Hospital;
4. The name and plan type of health coverage for the patient on record with St. Rose Hospital at the time of services or a statement that St. Rose Hospital does not have that information;
5. An application for St. Rose Hospital's charity care and financial assistance; and
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.

Approval Signatures

Step Description	Approver	Date
Legal/Compliance	Michael Sarrao: General Council [PM]	12/2023
Executive Committee	Matt Williams: Chief Financial Officer [PM]	12/2023

Leadership

Renee Frey: Patient Financial
Services Director

12/2023

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