

BVCHD Billing and Collections Policy

Purpose:

- To establish procedures for hospital billing and collection processes.

Policy:

BVCHD will bill patients and applicable third-party payers accurately, timely and consistent with applicable laws and regulations, including, without limitation California Health and Safety Code section 127400 et seq., and 22 California Code of Regulations section 95051 et seq.

Definitions:

1. Charity Care – means either: Free health services provided without expectation of payment to persons who meet BVCHD's criteria for financial assistance and are unable to pay for all or a portion of the services. Charity care does not include bad debt.
2. Collection Agency – *any entity engaged by a hospital to pursue or collect payment from patients.*
3. Discounted Payment – means any charge for care that is reduced but not free; that part of the hospital's charges that a financially qualified patient is expected to pay.
4. Extraordinary Collection Action – any of the following:
 - Any action to obtain payment from a patient that requires a legal or judicial process, including without limitation, the filing of a lawsuit
 - Reporting adverse information about a patient to a consumer credit reporting agency or credit bureau
 - Commence civil action against the patient for nonpayment before 180 days after the initial bill
 - Seizing a bank account
 - Causing an arrest in connection with collection of a debt
 - Use Wage garnishments (except by order of a court)
 - Use liens on a residence or any other personal or real property
 - Foreclosure on real or personal property
 - Delay or denial of medically necessary care based on the existence of an outstanding balance for prior service(s) or
 - Obtaining an order for examination

Extraordinary Collection Actions do not include the assertion of, or collection under, a lien asserted under Civil Code sections 3040 or 3045, or filing a claim in a bankruptcy proceeding.

BVCHD Billing and Collections Policy

5. Reasonable Payment Plan – means monthly payments that are not more than 10% of a patient’s family income for a month, excluding deductions for essential living expenses. “Essential Living Expenses” means: rent or house payment and maintenance, food and household expenses, utilities and telephone, clothing, medical and dental and auto expense, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.

Procedure:

1. Billing Third-Party Payers

- a. BVCHD will make reasonable efforts to obtain information from patients about whether private or public health insurance may fully or partially cover the services rendered by the hospital but will not require a patient to apply for any private or public health insurance or to be screened for financial assistance. (See “Financial Assistance Program” policy and procedure)
- b. BVCHD will diligently pursue all amounts due from third-party payers, including but not limited to, contracted and non-contracted payer, other insurance companies, liability and auto insurers and government program payers that may be financially responsible for a patient’s care. We will bill all third-party payers based on information provide by or verified by the patient or their representative in a timely manner.

2. Billing Patients

- a. Insured patients will be promptly billed for the patient responsibility amount as computed by the explanation of benefits and directed by the third-party payer.
- b. Uninsured patients who have not been approved under the FAP policy will be promptly billed the standard uninsured discount:

30% reduction in billed charges
- c. Patients provided the Notice of Rights and FAP
- d. Patients may request an itemized statement for their account at any time.
- e. Patients may dispute an item or charge on their bill in writing or over the phone with the Patient Financial Services Offices. A representative will provide the requested documentation within ten (10) calendar days and hold the account for at least thirty (30) calendar days after the patient initiates the dispute before engaging in further collection activities.
- f. At time of billing, patients will be provided the “Availability of BVCHD’s Financial Assistance Program” notice (“See: Financial Assistance Program” policy and procedure.)

BVCHD Billing and Collections Policy

- g. A billing statement will **not** be sent to a patient who is presumptively determined to be eligible prior to the issuance of the “Notice of Presumptive Eligibility.” (“See: Financial Assistance Program” policy and procedure.)

3. Collection Practices

- a. The BVCHD Director of Finance/CFO, or their designee, has the authority to pursue collections from patients.
- b. BVCHD will employ reasonable collection efforts to obtain payment from patients. General collection activities may include issuing patient statements and making phone calls; neither the hospital nor a collection agency will employ Extraordinary Collection Action to attempt to collect from a patient.
- c. Neither the hospital nor collection agency will pursue collection from a patient who has submitted an application for financial assistance (FAP application) or who is attempting to qualify in good faith to settle an outstanding bill by negotiating a reasonable payment plan, and will refund any amount received from the patient before or during the time the patient’s application is pending.
- d. Neither the hospital or collection agency will use information obtained from a patient during the FAP application process in collection activities. This does not prohibit the use of information obtained by the hospital or collection agency independently of the eligibility process for the FAP.
- e. BVCHD, or a collection agency, will offer uninsured patients or patients who qualify for our FAP the option to enter into a payment plan. (“See: Financial Assistance Program” policy and procedure)
- f. BVCHD will not assign debt to a collection agency unless all of the following apply:
 - i. The 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.
 - ii. The hospital includes contractual language in the agreement with the collection agency that they agree to return, and the 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 discounted payments.
 - iii. The collection agency agrees to not resell or otherwise transfer the patient debt, except to the origination hospital or tax-exempt organization described in Section 127444, or if the collection agency is sold or merged with another entity

BVCHD Billing and Collections Policy

- iv. The collection agency agrees not to charge interest or fees on the patient debt.
- v. The collection agency is licensed as a debt collector by the Department of Financial Protection and Innovation.
- vi. Before sending a patient account to a collection agency, BVCHD will send the patient a “Notice of Assignment to a Collection Agency.”
- vii. The Collection Agency must have a written agreement with the hospital and must provide that the collection agency’s performance of its functions will adhere to our mission and vision, and standards of conduct, the terms of our Financial Assistance Program, including with BVCHD’s definition and application of a reasonable payment plan (See: “Financial Assistance Program” policy and procedure”), this policy, and the Hospital Fair Pricing Act, Health and Safety Code section 127400 – 127446, and California Consumer Credit Reporting Agencies Act.
- viii. The collection agency agrees may only consider proof of income as defined in BVCHD’s “Financial Assistance Program” policy and procedure.
- ix. The collection agency must agree with it will not engage in any Extraordinary Collection Actions to collect a patient debt.
- x. The collection agency must have processes in place to identify patients who may qualify for financial assistance, communicate the availability and details of our “Financial Assistance Program” policy, and refer patients who are seeking financial assistance back to the hospital Patient Financial Services Offices at 909-878-8252, or [email address]. The collection agency will not seek any payment from a patient who has submitted an application for financial assistance and will return any amount received from the patient before or during the time the patient’s application is pending.
- xi. *All third-party payers must have been properly billed, payment from a third-party payer must no longer be pending, and the remaining debt must be the financial responsibility of the patient. A collection agency will not bill a patient for any amount that a third-party payer is obligated to pay.*
- xii. The collection agency must send every patient a copy of the Notice of Rights.
- xiii. At least one hundred-twenty (180) calendar days must have passed since the hospital sent the initial bill to the patient.
- xiv. The patient is not negotiating a payment plan or making regular partial payments of a reasonable amount.

BVCHD Billing and Collections Policy

4. Third-Party Liability

Nothing in this policy precludes the hospital or outside collection agencies from pursuing third-party liability or reimbursement or any remedies from third-party liability settlements of other legally responsible parties.

5. Retention of Collection Records

BVCHD will maintain all records related to money owed to the hospital by the patient or the patient's guarantor for five (5) years, including but not limited to, all of the following:

- a. Documents related to litigation filed by BVCHD
- b. Contracts and significant records by which the hospital assigns medical debt to a third party
- c. A list, updated at least annually, of every person, including the person's name and contract information, that meets at least one of the following criteria:
 - i. The person is a debt collector to whom the hospital assigned debit that patients owe the hospital
 - ii. The person is retained by the hospital to pursue litigation for debts owed by patients.

REFERENCES

26 Code of Federal Regulations 1.501(r)-1 through 1.501(r)-7

California Consumer Credit Reporting Agencies Act

California Health and Safety Code sections 124700 through 127446

22 California Code of Regulations sections 96051 through 96051.37