

<b>Policy Name:</b>	<b>Debt Collection</b>
<b>Policy Number:</b>	<b>UCSDHP 750.4</b>
<b>Authoring Department:</b>	<b>Admissions/Revenue Cycle Administration</b>
<b>Last Revised Date:</b>	<b>May 26, 2026</b>

## **APPLICABILITY**

This policy is an institutional policy applicable to all parts of UC San Diego Health Sciences, which reports to the Vice-Chancellor of Health Sciences.

UC San Diego Health Sciences includes UC San Diego School of Medicine, Skaggs School of Pharmacy and Pharmaceutical Sciences, Public Health, and UC San Diego Health.

The scope of this policy applies to any team member involved with making business, financial, or purchasing decisions at UC San Diego Health Sciences.

## **PURPOSE**

It is the goal of this policy to provide clear and consistent guidelines for conducting billing and collection functions in a manner that promotes compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, and phone calls, UC San Diego Health will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires UC San Diego Health to make reasonable efforts to determine a patient's eligibility for financial assistance under UC San Diego Health's Financial Assistance Policy before engaging in collection actions to obtain payment.

## **POLICY**

After our patients have received services, it is the policy of UC San Diego Health to bill patients and applicable payers accurately and in a timely manner. During the billing and collections process, staff will provide quality customer service and timely follow-up, and all unpaid accounts will be handled in accordance with the IRS and Treasury's 501r final rule under the authority of the Affordable Care Act.

## **PROCEDURE**

### **Insurance Billing**

Patients are responsible for understanding their insurance and coverage prior to their services at UC San Diego Health. All required referral(s) or authorizations must be secured prior to services. If the patient has questions regarding their financial responsibility or coverage of services at UC San Diego Health, they can contact their insurance company in advance of services.

- A. **Billing of Third-Party Payers**  
For all insured patients, UC San Diego Health will bill applicable third-party payers (based on information provided by or verified by the patient) in a timely manner.
- B. **Claims Denied Due to UC San Diego Health Error**  
If a claim is denied (or is not processed) by a payer due to an error on our behalf, UC San Diego

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Health will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.

C. Claims Denied for Reasons Outside UC San Diego Health’s Control

If a claim is denied (or is not processed) by a payer due to factors outside of our organization’s control, staff will follow up with the payer and patient as appropriate to facilitate the resolution of the claim. If resolution does not occur after prudent follow-up efforts, UC San Diego Health may bill the patient or take other actions consistent with current regulations and industry standards.

**Patient Billing**

- A. All uninsured patients will be billed directly and timely and will receive a statement as part of UC San Diego Health’s normal billing process.
- B. For insured patients, after claims have been processed by third-party payers, UC San Diego Health will bill patients in a timely manner for their respective liability amounts as determined by their insurance benefits that were not collected at/or before the time of service.
- C. All patients may request an itemized statement for their accounts at any time.
- D. UC San Diego Health may approve payment plan arrangements for patients who indicate they may have difficulty paying their balance in a single installment.
- E. If a Guarantor disagrees with the account balance, the Guarantor may request the account balance be researched and verified prior to account assignment to a collection agency.

**Financial Assistance**

UC San Diego Health will notify individuals that financial assistance is available by doing the following:

- A. Patients will be provided written notice regarding UC San Diego Health’s Charity Care Policy and Uninsured Discount Policy at the time of service if the patient is conscious and able to receive written notice at that time. If the patient is not able to receive notice at the time of service, the notice shall be provided during the discharge process. If the patient is not admitted, a written notice shall be provided

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when the patient leaves the facility. If the patient leaves the facility without receiving the written notice, one will be mailed to the patient within 72 hours of providing services.

- B. Notice of the Charity Care Policy and Uninsured Discount Policy will be posted in conspicuous places throughout UC San Diego Health, including the Emergency Department, Admissions Offices, Outpatient settings including observation units, and the Customer Service Area, in languages as determined by UC San Diego Health’s geographical area.
- C. Paper copies of our Charity Care Policy, Financial Screening Form ([151-026](#)), and a plain language summary of the Charity Care Policy will be made available upon request and without charge to all UC San Diego Health patient registration areas, customer service and by mail at UC San Diego Health, 6200 Greenwich Dr., San Diego, Ca 92122.
- D. The Charity Care Policy, a plain language summary, and Financial Screening Form ([151-026](#)) will be conspicuously posted on the UC San Diego Health website to view, download and print free of charge.
- E. All written materials will be available in English and Spanish.
- F. Language interpretive services are provided whenever necessary to facilitate the patient’s understanding and participation in options for Financial Assistance.

**Collection and Reimbursement Practices**

- A. UC San Diego Health Director, Patient Customer Service or its contracted collection agencies will undertake reasonable efforts to collect the amount due from patients. These efforts will include assistance with application for possible government program coverage, evaluation for Charity Care, offers of no interest payment plans to include payments from health savings accounts, and offers of discounts for prompt payment.
- B. UC San Diego Health will pursue payment for debts owed for health care services in accordance with UC San Diego Health policies and procedures. Assignment to collection or bad debt applies to all guarantors and is authorized by UC San Diego Health Director, Patient Customer Service. UC San Diego Health will comply with relevant federal and state laws and regulations in the assignment of bad debt. UC San Diego Health complies with all applicable federal and state laws and may pursue reimbursement from third-party liability settlements or legally responsible parties.
- C. Eligibility for Placement with a Collection Agency

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Patient account balance may be eligible for placement with a collection agency when all of the following criteria are met:

1. Reasonable Collection Efforts

UC San Diego Health has made reasonable collection efforts prior to referral to a collection agency, which include, but are not limited to, the following:

A. Billing Statements

UC San Diego will issue up to four (4) guarantor statements following discharge from outpatient or inpatient care.

B. Final Notice

A final notice providing at least ten (10) days to respond will be included on the fourth guarantor statement, indicating that the account may be referred to a collection agency.

C. Additional Outreach

Reasonable efforts may also include telephone outreach or other communication attempts, as appropriate.

2. Authorization for Assignment

Assignment to a collection agency will be authorized by the Director, Patient Customer Service.

3. Financial Assistance Notification

All billing statements include a notice about the UC San Diego Health Financial Assistance/Charity Care Policy.

4. Returned Mail Accounts

Accounts with a "Return Mail" status are eligible for collection assignment after all good faith efforts have been documented and exhausted.

5. Financial Assistance Screening/Suspension of Collections

UC San Diego Health will suspend any and all collections actions if a completed Financial Assistance Application, including all required supporting documentation, is received. Information obtained from income tax returns, pay stubs, or monetary asset documentation

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collected for this discount payment or charity eligibility determinations cannot be used for collection activities.

6. Recall of Accounts

Accounts at a collection agency may be recalled and returned to UC San Diego Health at the discretion of UC San Diego Health and/or according to state or federal laws and regulations. UC San Diego Health may choose to work the accounts to resolution with the Guarantor or place the account as needed or place the account with another collection agency.

D. Extraordinary Collection Actions (ECAs)

UC San Diego Health does not currently engage in any extraordinary collection actions, (ECAs) as defined below.

E. UC San Diego Health is not required to reimburse patients if it has been five years or more since the patient’s last payment.

F. UC San Diego Health is not required to reimburse patients if the debt was sold before January 1, 2022, following applicable laws at the time.

**Compliance**

- A. All workforce members including employees, contracted staff, students, volunteers, credentialed medical staff, and individuals representing or engaging in the practice at UC San Diego Health are responsible for ensuring that individuals comply with this Policy;
- B. Violations of this Policy will be reported to the Department Manager and any other appropriate Leadership as determined by the Department Manager or in accordance with hospital policy. Violation will be investigated to determine the nature, extent, and potential risk to the organization. Workforce members who violate this policy will be subject to the appropriate disciplinary action up to and including termination.

**DEFINITIONS**

**Extraordinary Collection Action, (ECA)**

A list of collection activities, as defined by the IRS and Treasury, that healthcare organizations may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether the individual is eligible for financial assistance. These actions include:

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- A. Placing a lien on an individual's property
- B. Foreclosing on real property
- C. Attaching or seizing an individual's bank account or other personal property
- D. Commencing a civil action against an individual or writ of body attachment for civil contempt
  
- E. Causing an individual's arrest
  
- F. Garnishing wages
  
- G. Reporting adverse information to a credit agency
  
- H. Deferring or denying medically necessary care because of nonpayment of a bill for previously provided care under UC San Diego Health's Financial Assistance and Charity Care Policy
  
- I. Requiring payment before providing medically necessary care because of outstanding bills for previously provided care.

**Financial Assistance**

Assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for Medically Necessary services provided by UC San Diego Health and who meet the eligibility criteria for such assistance. Patients may apply at any time. Under this policy, Financial Assistance is Charity Care. UC San Diego Health's Financial Assistance Charity Care Policy can be obtained by contacting Financial Assistance Customer Service at 855-827-3633.

**Financial Assistance Policy, (FAP)**

A separate policy that describes UC San Diego Health's financial assistance program - including the criteria patients must meet in order to be eligible for financial assistance as well as the process by which individuals may apply for financial assistance.

**Guarantor**

The person with financial responsibility for the patient's health care services, usually the patient, parent, or legal guardian.

**Reasonable Efforts**

A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under UC San Diego Health's financial assistance policy. In general, reasonable

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efforts may include providing individuals with written and oral notifications about the FAP and Application processes.

## **FORMS**

None.

## **REFERENCES/RESOURCES/RELATED DOCUMENTS**

- A. Health & Safety Code § 127400, 127462
- B. Federal Patient Protection and Affordable Care Act
- C. 26 USC § 501 (r)

## **ATTACHMENTS**

None.

## **RELATED POLICIES**

UCSDHP [750.3](#), "Charity Care"

## **CONTACT(S)**

1. Director, Admissions - Medical Center
2. Executive Director, Revenue Cycle Administration

## **APPROVALS**

UC San Diego Health Executive Governing Body (EGB)

## **REVISION HISTORY**

**ORIGINAL:** August 22, 2017