



Origination	4/2012	Owner	Rakenya McCree: Patient Business Svcs Director
Last Approved	02/2026	Area	Finance
Effective	02/2026	References	Ojai Hospital, Ventura Hospital
Last Revised	02/2026		
Next Review	02/2029		

Payment Hierarchy, HS-FIN312

I. PURPOSE:

To provide a standardized set of actions that, when engaged, seamlessly secure patient collections. This payment hierarchy sets up an equitable process by which a patient and/or responsible party can make a payment or acceptable payment arrangement for hospital services. This policy also allows for the patient's financial obligation to be completed before or upon admission for scheduled inpatient services, at the time service is rendered for outpatients, and prior to discharge for urgent and emergent admissions. The policy will also account for any requirements necessary for compliance with state and federal regulations (i.e. EMTALA).

II. POLICY:

It is the policy of Community Memorial Healthcare (CMH) to provide every patient from the community we serve with medically necessary health services regardless of their ability to pay. This policy sets standards for the collection of patient payments and establishes a payment hierarchy for payment methods for CHM. Nothing in this policy will prohibit CMH from

offering reduced or more favorable financial assistance to an uninsured or under insured patient based upon individual circumstances.

III. SCOPE:

The scope of the policy is to establish payment options and debt collection practices for the health system.

IV. PROCEDURE

Once a patient is discharged from our care and their account reaches self-pay status, the payment collection process begins. Patients with an outstanding balance will receive a monthly statement. This statement itemizes all charges, adjustments, and insurance payments applied to the account, along with available payment options.

CMH offers several ways for patients to pay their outstanding balance. Accepted forms of payment include cash, check, and credit card. Payments may be made in person at CMH-Ventura, CMH-Ojai, the CMH Business Office, or any CMH Health Center. Payments can also be made through Interactive Voice Response (IVR) or via MyChart.

For those patients who are in need of assistance with their medical bills CMH offers assistance with the following programs:

Federal Assistance

- A. Patient will be screened for any health care program operated or financed at least in part by the Federal Government. Upon qualification, patients will be asked to complete necessary application(s) and will then be referred to an enroller. The Patient Financial Advocate will evaluate the patient needs and determines potential eligibility for disability through Medicare.
- B. Patient Financial Advocate will make referrals to state and federal programs or assists with completing applications for such programs.
- C. Medicare Eligibility Vendor (Department of Health and Human Services) may request additional information to complete the patient's application.
- D. If all methods for Federal funds have been exhausted, the patient will be moved to screening for State and Local programs.

State And Local Assistance

- A. CMH will screen and evaluate all state and local funding programs. Upon qualification, the patient may be asked to complete necessary application(s) and be referred to the Financial Advocates to assist with the application processing function.
- B. Forms completed include:
 - a. Self-Pay Assessment Form
 - b. Patient Financial Assessment Document
- C. The patient will be screened and referred for the State of California Medi-Cal program, Workers Compensation, Victims of Violent Crime, Cobra, or any other funding source that may be applicable.
- D. If all methods for State and Local funds have been exhausted, the patient will be moved to screening for Privately funded programs.

Private And Philanthropic Assistance

- A. CMH will evaluate all philanthropic funds to leverage private donations as a funding source for those patients who qualify. Upon qualification, patients will be asked to complete necessary application(s).
- B. If all methods for Private funds have been exhausted, patient's financial situation will be reviewed for a possible Charity discount.

Cash

- A. For uninsured patients who do not qualify for federal, state, other government programs, who are unwilling to disclose their financial income, or are not an eligible subscriber or dependent under an insurance plan, a 40% discount will be offered for Outpatients and a per diem for Inpatients. Self-pay patients can also be quoted the Medicare DRG amount for Inpatient services, if at the time services are provided CMH knows which DRG will be assigned. If a DRG is not known at the time of service, the below will be an estimate of amount owed. Fee Schedule for Self-pay patients is the equivalent to Medicare rates, but where the fee schedule does not apply use the below schedule.

B. The following is the list of Per Diem pricing for Uninsured Inpatients:

Patient Type	Discount/Per Diem
Outpatient	40%
Med/Surg	\$1933
ICU/CCU	\$2706
DOU	\$2397
NICU	\$2656
Self-Pay OB (Vaginal)	\$1200 for day 1 and \$600 for each day thereafter
Self-Pay OB (C-Section)	\$3850 for 3 days and \$600 for each day thereafter
Laparoscopic Cholecystectomy	\$5008 for day 1 and then per diem for outpatient \$5954 per case
Lithotripsy	\$6370 per case
Decompressive Laminectomy DRG 500	\$5440 for 2 day stay
Anterior Cervical Fusion DRG 520	\$10,093 for 2 day stay
Bariatric Surgery	Lap Band \$9000 for 1 day \$900 per day Bariatric Y \$15000 for 3 days then \$900 per day
Open Heart	\$4907
Prosthetics/Implants	Payment should be 31.25% of Billed Charges

Payment Plans

- A. Hospital payment plans would be another option for all CMH patients, especially those with large balances relative to income and high-risk credit history.
- B. Hospital will offer monthly payment plans of equal distributions at zero percent interest to patients.
 - 1. Program requirements are as follows (payments exclude bad debt accounts)
 - 2. If payment commitments are breached, then the patient's debt will be sent to bad debt and considered such.

Balance	Payment Terms
Less than \$250	Upon Receipt of Bill
\$250-\$500	3 months
\$501-\$2000	9 months
\$2001-\$5000	9-12 months
Over \$5000	12-18 months

Assignment of Patient Accounts to Collections Agencies:

If a patient fails to make a payment or fails to comply with the terms of their payment plan or CMH 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, their account may qualify for bad debt collection. CMH may not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment before 180 days after initial billing.

If a patient has applied for financial assistance, CMH will only use the patient's income information for determining eligibility and debt due. CMH will not use this information for collection activities or provide income information to any collection

agency. Additionally, if a patient is attempting to qualify for eligibility under the hospital's financial assistance policy and is attempting in good faith to settle an outstanding bill with CMH by negotiating a reasonable payment plan, the hospital shall not send the unpaid bill to any collection agency, debt buyer, or other assignee.

CMH or other assignee that is an affiliate or subsidiary of the hospital shall not, in dealing with patients eligible under the hospital's charity care or discount payment policies, use wage garnishments or liens on any real property as a means of collecting unpaid hospital bills.

CMH standard collection practices are as follows:

- A. Patient is mailed five (5) Guarantor Statements after the date of discharge from outpatient or inpatient care, with a final notice appearing on the 5th Guarantor statement, indicating the account may be placed with a collection agency.
- B. Patients are called on a monthly basis to remind patients of their outstanding debt to the hospital.
- C. The fifth (5) and final statement is accompanied by a "Good-bye" letter advising the patient of their account being transferred to a collection agency for failure to pay. A timeline is stated as well as actions that need to take place to avoid their account being transferred to a collection agency.
 - a. CMH will send the "Good-bye" letter with all the following information:
 - i. The date or dates of service of the bill that is being assigned to collections or sold.
 - ii. The name of the entity the bill is being assigned to collections or sold.
 - iii. A statement informing the patient how to obtain an itemized hospital bill from the hospital.
 - iv. The name and plan type of the health coverage for the patient on record with CMH at the time of services or a statement that the hospital does not have that information.
 - v. An application for CMH's financial assistance program.
 - vi. 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.

D. Thirty (30) days following the fifth (5th) statement the account is prepped and transferred to the bad debt agency for collection. The patient debt is advanced for collection under the authority of the Patient Financial Services Supervisor.

Keyword Search:

Discounts

Attachments:

Good-bye Letter Example

Related Policies:

Financial Assistance/Charity Policy

References:

Replaced by:

This document is no longer current once it is printed.

Attachments

57506_CC SBO FINAL NOTICE LETTER.pdf

Approval Signatures

Step Description	Approver	Date
Board of Trustees	Tinette Hood: Assistant to the Vice President COO	02/2026
VP	James Corwin: Sr. Vice President	02/2026

Fin Svcs CFO

Finance Committee	Kamryn Morales: Executive Assistant	01/2026
Owner Review – Revise	Rakenya Mccree: Patient Business Svcs Director	01/2026