Patient Financial Services Self-Pay Collections Policy

PURPOSE

City of Hope National Medical Center (COHNMC) and City of Hope Medical Foundation (COHMF) have a fiduciary responsibility to appropriately bill and collect for services provided. This policy along with the Financial Assistance Policy is intended to meet the requirements of applicable federal, state, and local laws to ensure appropriate billing and collection procedures are followed while treating patients and guarantors with respect and dignity. This policy outlines the collections procedures for medical services provided by COHNMC and COHMF and identifies when and under whose authority patient debt is advanced for collection, whether the collection activity is conducted by the hospital, an affiliate or subsidiary of the hospital, or by an external collection agency, or debt buyer.

COHNMC provides medical services to various patients. The COHNMC Patient Financial Services (PFS) department's collection staff is primarily responsible for monitoring patient friendly bills and obtaining payments for services provided. This policy will be administered in a manner consistent with COHNMC's Collections and Financial Assistance Policy. The information obtained by the hospital to make a determination as to whether a patient qualifies for charity care, or a discounted payment cannot be used for collection activities. This regulation does not prohibit the use of information obtained by the hospital, collection agency, or assignee independent of the eligibility process for charity care or discounted payment.

DEFINITIONS

Billed Charges: The undiscounted amount COHNMC/COHMF customarily bills for items and services.

Extraordinary Collection Actions: Wage garnishments; liens on primary residences to collect unpaid hospital bills; any action to obtain payment that requires legal or judicial process; reporting adverse information to a consumer credit reporting agency or credit bureau; foreclosure on real or personal property; or delay/denial of medically necessary care based on the existence of an outstanding balance for prior service(s).

Insured Patient: A patient who has a third-party coverage for a portion of their medical expenses.

Patient Responsibility: The amount an insured patient is responsible for paying out-of-pocket after the patient's third-party coverage has determined the amount of the patient's benefits.

Self-Pay Patient: A patient who has benefits under a group health plan, group or individual health insurance coverage offered by a health insurance issuer, or a health benefits plan, but does not seek to have a claim submitted to their plan, issuer, or carrier for an item or service or is not authorized by their plan, issuer or carrier to obtain services at COHNMC/COHMF.

Uninsured Patient: A patient who has no third-party source of payment for any portion of the services provided by COHMF/COHNMC, including commercial or other insurance, government sponsored health care program, or third party liability, and includes a patient whose benefits under all potential sources of payment have been exhausted prior to services being provided.

POLICY

COHNMC's billing policies will reflect the highest ethical standards. Staff will receive periodic training and education on all federal and state billing regulations, and have the necessary resources, tools, and systems to support such standards. Financial Assistance and Self-Pay Discounts are available pursuant to the policies in the Related Policies section.

It is the responsibility of the collection staff and contracted vendors to follow-up on unpaid patient accounts in a timely manner and prevent aging of Accounts Receivable. If account(s) remain unpaid after the initial 180 day in-house collection period, and after screening for financial assistance, accounts can be assigned to a Bad Debt Collection Vendor.

PROCEDURE

Patient Statements:

A Patient Friendly Bill will be generated and sent to the patient/guarantor for any patient balances reflected on the patient account. Paper statements will be sent via U.S. Mail to the last known address of the responsible party/guarantor. Patients that have elected to receive statements electronically will receive statements in the City of Hope MyChart patient portal. Statements will include balances for patient responsibility after insurance, for insured patients, and patient responsibility after any applicable discounts for uninsured and self-pay patients and insured patients.

Patient statements will include but not be limited to:

A. A summary of the hospital and professional services.
B. The billed charges for such services, and any insurance payments and/or contractual adjustments applied.
C. The patient responsibility after insurance or if uninsured, the patient responsibility after any applicable discounts.
D. Options to pay including assistance programs such as Financial Assistance including Customer Service telephone number and website address where copies of Financial Assistance documents may be obtained.

Billing Third-Party Payors:

COHNMC and COHMF shall make reasonable efforts to obtain information from patients about private or government program health insurance which may fully or partially cover the services provided. COHNMC and COHMF will bill all applicable third-party payors based on information provided by or verified by the patient or patient guarantor in a timely manner, and diligently pursue all amounts due from third-party payors.

Billing Patients:

PFS shall promptly bill insured patients for the patient responsibility amount(s) indicated on the explanation of benefits by the third-party payor, or self-pay balances after applicable discounts for uninsured patients.

If account(s) remain unpaid after the initial 180-day in-house collection period, and after screening for financial assistance, accounts can be assigned to a debt collection vendor.

Payment Plans:

A. Patients who receive a discount pursuant to this policy are also eligible for payment plans that allow payment of the discounted price over time, as follows:

    1. COH offers interest free payment plans to assist patients in settling hospital and professional bills.

    2. COH and the patient shall negotiate the terms of the payment plan. COH is committed to working with patients and will customize extended payment plans accordingly, taking into consideration the patient's family income and essential living expenses.

    3. If COH and the patient cannot agree on the payment plan, COH shall create a reasonable payment plan, where monthly payments are not more than 10% of the patient's monthly family income, excluding deductions for essential living expenses, in accordance with HSC § 127400 (i).

    4. If the patient establishes a payment plan and fails to make a payment under the payment plan arrangements for 90 days, the hospital will make a reasonable attempt to contact the patient before terminating the payment plan. This 90-day period shall be extended if the patient has a pending appeal for coverage of the services until a final determination of that appeal is made, if the patient makes a reasonable effort to communicate with the hospital about the progress of any appeals.

Collections Procedure:

Under the authority of the COH Patient Financial Services Executive Director or above, COH will use reasonable collection efforts to obtain payment from patients, including sending patient statements and making outbound phone calls. COH will not employ extraordinary collection action to attempt to collect from a patient. COH will not advance patient accounts to collection if patient is attempting to settle account by making regular partial payments, establishing a payment plan, or is attempting to qualify for eligibility under the hospital's Financial Assistance or Discount Policy.

Four statements will be sent to the patient/guarantor over the course of 120 days. If patient/guarantor does not make a payment on their account within 120 days, and has not 1) established a payment plan, 2) filed a dispute/grievance regarding their bill, or 3) applied for financial assistance, a written notice will be sent informing the patient/guarantor the account will be assigned to a bad debt vendor for collections in 60 days. The written notice will include:

A. Date(s) of service of the bill that is being assigned to collections or sold.
B. The name of the entity the bill is being assigned or sold to.
C. A statement informing the patient how to obtain an itemized hospital bill from the hospital.
D. The name and plan type of the health coverage for the patient on record with the hospital at the time of services or a statement that the hospital does not have that information.
E. An application for the hospital's charity care and financial assistance.
F. The date(s) 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 data a decision on the application was made.

COHNMC shall obtain a written agreement from any debt vendor that collects hospital receivables that it will adhere to the hospital's standards and scope of practices. This agreement shall require the affiliate, subsidiary, debt buyer, or external collection agency of the hospital that collects the debt to comply with the hospital's definition and application of a reasonable payment plan. COHNMC will not sell/assign patient debt to a bad debt vendor unless the following conditions apply:

- 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.
- The hospital includes contractual language in the sales agreement in which the debt buyer agrees 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 payor, including a health plan or government health coverage program or the patient is eligible for financial assistance.
- The debt vendor agrees to not resell or otherwise transfer the patient debt, except to the originating hospital or a tax-exempt organization, or if the debt buyer is sold or merged with another entity.
- The debt vendor agrees not to charge interest or fees on the patient debt.
- The debt vendor is licensed as a debt collector by the Department of Financial Protection and Innovation.
- The debt vendor will not perform extraordinary collection actions including reporting adverse information to credit agencies.

Prior to commencing collection activities against a patient, the hospital, any assignee of the hospital or other owner of the patient debt, including a collection agency, shall provide the patient with a clear and conspicuous written notice containing both of the following:

A. "State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threat of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at www.ftc.gov."
B. Nonprofit credit counseling services may be available in the area.

This notice shall also accompany any document indicating that the commencement of collection activities may occur.

If the hospital has been notified that the patient has filed a complaint with the Department of Health Care Access and Information, the hospital shall not send the unpaid bill to any collection agency, debt buyer, or other assignee unless that entity has agreed to comply with Health and Safety Code sections 127400 through 127446. This shall apply only to the bill(s) for which the patient has filed a complaint with the Department of Health Care Access and Information.

Related Policies

1. Financial Assistance Policy
2. Collections Policies (PFS Departmental)
3. Compliance Monitoring (PFS Departmental)
4. Medicare Bad Debt (PFS Departmental)
5. QA and Productivity Reporting (PFS Departmental)

6. Self-Pay Discount Policy