

<p>Business Office Policy & Procedure</p> <p>Title: Debt Collection</p>	<p>Implemented: 05/2010</p> <p>Revised: 05/01/2026</p> <p>Reviewed: 12/11/2018</p> <p>Responsibility: Financial Counselors</p> <hr/> <p>Reference: HSC 127425(b) California Civil Code § 1788</p>
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POLICY:

It is the Policy of Fairchild Medical Center to follow a standard debt collection process that is in compliance with federal Fair Debt Collection Practices Act and California Rosenthal Fair Debt Collection Practices protecting our patients.

Patient accounts are due within 30 days of initial billing, and in no case will an account be placed with an outside collection agency for further collection activity before 180 days from time of initial billing.

Fairchild Medical Center will at all times have at least one collection agency that is under a written contract with the hospital. Any collection agency under contract with the hospital must follow the same Federal and State laws as the hospital. Any collection agency contracted with the hospital must be licensed with the California Department of Financial Protection and Innovation (DEPI). The collection agency must agree to prohibit credit reporting and prohibit resale of debt. The Collection Agency is required to return accounts if the patient qualifies for charity care or discounted payments.

GUIDELINES:

1. When placing a phone call to a debtor, always identify yourself by your first name and explain that you are calling from Fairchild Medical Center. Calls are to be placed between the hours of 8am and 9pm only, according to the individual's time zone.

2. Do not discuss the debt with anyone other than the responsible party. However, a message may be left on an answering machine or voice mail if it is verified that you have reached the correct party. This can be determined if the machine message verifies the individual's name. If the answering machine or voice mail does not identify the patient clearly, leave only a message giving your name, phone number, and that you are calling from Fairchild Medical Center. Your message must not give any information other than that it is very important that they call "your name" at Fairchild Medical Center

and leave the number at which you can be reached. Do not leave any message regarding collection activity or any other type of threat.

3. If unable to contact patient, or leave a message, the patient's employer, may be contacted once, but only to verify employment. Do not discuss the debt with the employer.
4. Do not place collect phone calls to any individual.
5. If you have called the responsible party at their place of work and they request that you do not call them at work in the future, document this in the notes and do not contact them at work again.
6. Do not use threatening or intimidating language or make any kind of false statements. Do not use obscene or profane language.
7. If a payment is received on the account timely, the account will remain in current status. If no payment is received after 30 days that account will go into stage 2 with the message that payment has not been received. Accounts will remain in stage 2 for 30 days. Stage 3 will notify debtor that account is overdue and will remain in stage 3 for 30 days. Stage 4 will notify debtor that account is past due and an additional summary of patient rights under the Fair Debt Collection Practices will be included. Accounts will remain in stage 4 for 30 days. If no payment on account, or no payment arrangement has been made in 30 days, account will progress to stage 5 which is the "Ten Day Notice of Intent" to initiate collections action. The summary of patient rights under the Fair Debt Collection Practices Act will be included with this final bill. The summary of patient rights will read as follows:

State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats 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 am or after 9:00pm. 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 FTC by telephone at 877-FTC-HELP (382-4357) or online at www.ftc.gov. The FTC enforces the federal act.

- a. .After 150 days, and no attempt has been made by the responsible party to make payment on outstanding account balances or contact Fairchild Medical Center, the responsible party will be sent a "Good-Bye" letter specifying the date(s) of service billed, the name of the entity being assigned, directions on

how to obtain an itemized bill from the hospital, the name/plan type of the patient's health coverage or a statement that the hospital does not have that information, an application for the hospital's charity care or discounted payment program, and the date(s) that the application was sent to the patient regarding applying for financial assistance and/or the date the financial assistance application was sent to the responsible party. The responsible party will have an additional 30 days to respond to the letter before the account is considered for collection. No account will be sent to collection until being reviewed by the Business Office Manager, Chief Financial Officer, and Chief Executive Officer. The CEO has the ultimate authority to send accounts to collections per (Health and Safety Code Section 127425(b)). Accounts greater than \$2500 will be managed in the same manner with the exception that at least two attempts will be made to contact the responsible party. No account will be turned over to the collection service prior to 180 days after initial billing for anyone who lacks coverage or has high medical costs. Neither will an account be sent for collections if the responsible party is attempting to qualify for charity or discount payment plan and is attempting a good faith effort to settle by negotiating a payment plan or making regular partial payments of a reasonable amount.

NOTE: No information obtained from income tax returns, pay stubs, or the monetary asset documentation collected for applications for charity and/or discounted payment requests will not be used for collection purposes.

- b. The Financial Counselor has the latitude to offer up to a 10% discount on the outstanding balance if they feel payment can be obtained by offering the discount. Any discounts greater than 10% are to be discussed with the Business Office Manager prior to making agreement with the responsible party.
- c. The first preference with an outstanding private pay account is payment in full within 30 days. The second would be to reach an agreement with the responsible party in which regular, monthly, payments will be made. Regular monthly payments will allow all monthly finance charges on the account to be dropped.
- d. The Financial Counselor will determine the responsible party's ability to pay with the option of writing the account off to charity if it is determined that the responsible party, in fact, is unable to pay the account. Charity and/or discounted payment applications and documentation will be submitted to the Business Office Manager for approval. Once the charity and/or discounted payment application has been processed and approved, the Financial Counselor will attempt to arrange a payment plan with the responsible party. (See Charity Write-Off Procedure.)

- e. Once the charity and/or discounted payment has been granted and an extended payment plan has been reached, the hospital may declare the extended payment plan inoperative if the responsible party fails to make all consecutive payments due during a 90-day period. Prior to declaring an extended payment plan inoperative, the hospital will:
 - 1) Attempt to contact the responsible party by telephone,
 - 2) Give written notice via certified mail that the plan may become inoperative and,
 - 3) Inform the responsible party of the opportunity to renegotiate the payment plan and attempt to do so if requested by the responsible party. Until the plan is declared inoperative, no civil action may commence. The notice and phone call may be made to the last known phone number and address of the patient. (Health and Safety Code Section 127425(g).)