Title: Patient Financial Services - Billing and Collections for Banner Lassen Medical Center Financial Qualified Patient Accounts	
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Discrete Operating Unit/Facility: Banner Lassen Medical Center	

I. Purpose/Population:

A. **Purpose**:

1. To set forth the actions that Banner Health ("BH") will take in the event of non-payment of the portion of patient accounts for inpatient or outpatient hospital services provided at Banner Lassen Medical Center ("BLMC") that are the responsibility of the individual patients and not covered by insurance or other third-party payment source.
2. To ensure that reasonable efforts are made to determine whether the individual responsible for payment of all or a portion of a patient account is eligible for assistance under the Financial Assistance Program prior to commencement of Extraordinary Collection Actions to collect the account.

B. **Population**: All Employees

II. Definitions:

A. Application Period means the period during which BH must accept and process an application for financial assistance under the Financial Assistance Programs. The Application Period begins on the date the care is provided and ends on the 240th day after the BH provides the first billing statement.

B. Billing Deadline means the date after which BH may initiate an Extraordinary Collection Action against a Responsible Individual who has failed to submit an application for financial assistance under the Financial Assistance Program. The Billing Deadline must be specified in a written notice to the Responsible Individual provided at least 30 days prior to such deadline, but no earlier than the last day of the Notification Period.

C. Extended Payment Plan means, as applicable: (1) a payment plan pursuant to which a participant in the Financial Assistance Program agrees in writing to make regularly scheduled payments to BLMC with respect to the outstanding balances owed by the participant to BLMC; or (2) if a participant in the Financial Assistance Program does not agree to any schedule of payments with respect to the outstanding balances, a payment plan providing for monthly payments that are not more than 10% of a participant's family income for a month, excluding deductions for essential living expenses. Essential living expenses to be deducted from a family's monthly income mean rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses (including insurance, gas and repairs), installment payments, laundry and cleaning, and extraordinary expenses. All Extended Payment Plans shall be interest free.

D. Extraordinary Collection Action (ECA) means any action against an individual related to obtaining payment of a Self-Pay Account that requires a legal or judicial process or involves selling of a Self-Pay Account to another party or reporting adverse information about the Responsible Individual to consumer credit reporting agencies or credit bureaus. ECAs do not include an action to perfect the statutory lien on claims of liability or indemnity granted to health care providers or transfer of a Self-Pay Account to another party for purposes of collection without the use of any ECAs.

E. FAP-Eligible Individual means a Responsible Individual eligible for financial assistance under the Financial Assistance Program without regard to whether the individual has applied for assistance.

F. Financial Assistance Program (FAP) means Banner's "Financial Assistance Programs for Financially Qualified Patients of Banner Lassen Medical Center", which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy, and sets forth a financial assistance program available to uninsured patients.

G. Notification Period means the period during which BH must notify an individual about its FAP in order to have made reasonable efforts to determine whether the individual is FAP-Eligible. The Notification Period begins on the first date care is provided to the individual and ends on the 120th day after BH provides the individual with the first billing statement for the care.

H. PFS means Patient Financial Services, the operating unit of BH responsible for billing and collecting Self-Pay Accounts

I. Plain Language Summary means a written statement that notifies an individual that BLMC offers financial assistance under the Financial Assistance Program for inpatient and outpatient hospital services and contains the information required to be included in such statement under the Financial Assistance Program.

J. Responsible Individual means the patient and any other individual having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual.

K. Self-Pay Account means that portion of a patient account that is the individual responsibility of the patient or other Responsible Individual, net of the application of payments made by any available healthcare insurance or other third-party payer (including co-payments, co-insurance and deductibles), and net of any reduction or write-off made with respect to such patient account after application of the Financial Assistance Program.

L. Single Patient Account means one consolidated statement for Self-Pay Accounts from BH hospitals, physicians, clinics and home health services.

III. Policy:

A. This policy covers billing and collection for Self-Pay Accounts for both uninsured patients and patients with insurance, including co-payments, co-insurance and deductibles. This policy does not cover actions to be taken to enforce any statutory lien that may exist in favor of BLMC with respect to the proceeds of any third-party recovery to which the patient may be entitled.

B. Subject to compliance with the provisions of this policy, BH may take any and all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided. In addition, BLMC will not, in dealing with patients eligible under a FAP, use wage garnishments or liens on primary residences as a means of collecting any Self-Pay Account owed by such patient. BLMC will not send any Self-Pay Account to a collection agency if a patient is attempting to qualify for the Financial Assistance Program and is attempting in good faith to settle an outstanding Self-Pay Account by negotiating an Extended Payment Plan or is making regular partial payments of a reasonable amount to BLMC, unless the collection agency has agreed to refrain from any ECAs or take other action except in accordance with this policy and California Health and Safety Code Section 127425.

C. BH will not engage in ECAs, either directly or by any debt collection agency or other party to which the hospital has referred the patient's debt, before reasonable efforts are made to determine whether a Responsible Individual is eligible for assistance under the FAP. No information obtained from any Responsible Individual for the purpose of determining eligibility for a FAP may be used for collection activities, either by BH or any outside collection agency.

D. All Responsible Individuals who have Self-Pay Accounts and who qualify for financial assistance under the Financial Assistance Program will be given the opportunity to negotiate an Extended Payment Plan. If BLMC and the Responsible Individuals cannot agree on an Extended Payment Plan, then BLMC will create and present to the Responsible Individual an Extended Payment Plan.

E. Prior to discharge from BLMC, all patients who have not indicated that they have third-party payor coverage or who request a discounted price or charity care will be given: (1) the Plain Language Summary; (2) an application form for financial assistance under the FAP; an application for Medi-Cal, the Healthy Families Program, and any other potentially available state or county-funded health coverage program.

F. At least three separate Single Patient Account statements for collection of Self-Pay Accounts shall be mailed to the last known address of each Responsible Individual prior to the end of the Notification Period; provided, however, that no additional Single Patient Account statements need be sent after a Responsible Individual submits a complete application for financial assistance under the FAP. At least 60 days shall have elapsed between the first and last of the required three mailings. All Single Patient Account statements of Self-Pay Accounts will include:

1. An accurate summary of the hospital services and a detail listing of the physicians and home health services covered by the statement;
2. The charges for such services;
3. The amount required to be paid by the Responsible Individual (or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement);
4. The Plain Language Summary;
5. A request that the Responsible Individual inform BLMC if the patient has health insurance coverage, Medicare, Healthy Families Program, Medi-Cal or other coverage;
6. A statement that, if the patient does not have health insurance coverage, the patient may be eligible for Medicare, Healthy Families Program, Medi-Cal, coverage offered through the California Health Benefit Exchange, California Children's Services program, other state or county-funded health coverage, or under a FAP;

7. A statement indicating how the patient may obtain applications from BLMC for Medi-Cal, the Healthy Families Program, coverage offered through the California Health Benefit Exchange, and other potentially available state or county-funded health coverage;
8. The name and address of a local consumer assistance center house at a legal services office;
9. A statement that if the patient is Uninsured or has inadequate insurance, the patient may qualify for discounted payment or charity care under a FAP;
10. The name and telephone number of the office at BLMC from which the patient may obtain information about the BLMC discount payment and charity care policies, and how to apply for that assistance.

Detail itemizations for hospital charges will be provided upon request.

G. At least one of the Single Patient Account statements sent during the Notification Period will include written notice that informs the Responsible Parties about the ECAs that may be taken if the Responsible Individual does not apply for financial assistance under the FAP or pay the amount due by the Billing Deadline (i.e., the last day of the Notification Period). Such statement must be provided to the Responsible Individual at least 30 days before the deadline specified in the statement.

H. For Single Patient Accounts, the Responsible Individual's propensity to pay will be scored and based on the assessment of the Responsible Individual's likelihood to pay and dollar amount of the Self-Pay Account. Prior to initiation of any ECAs, an attempt will be made to contact Responsible Individuals with a higher propensity to pay by telephone at the last known telephone number, if any, at least once during the series of mailed statements if the Single Patient Account remains unpaid. During all conversations, the patient or Responsible Individual will be informed about the financial assistance that may be available under the FAP.

I. If a Responsible Individual has either agreed to or been provided an Extended Payment Plan, then no ECAs may be commenced, or any other action taken inconsistent with the obligations of the Responsible Individual under the Extended Payment Plan, so long as the Extended Payment Plan is operative. BLMC may declare an Extended Payment Plan to be no longer operative if: (1) the Responsible Individual has failed to make all consecutive payments due under the Extended Payment Plan during a 90-day period, and (2) BLMC or its designee (which may be a collection agency) has made a reasonable attempt to contact the Responsible Individual by telephone and has given notice in writing (in each case at the last known telephone number and address of the Responsible Individual) that the Extended Payment Plan may become inoperative and that the Responsible Individual has the opportunity to renegotiate the Extended Payment Plan. If the Responsible Individual so requests, BLMC (or its designee) shall attempt to renegotiate the Extended Payment Plan.

J. ECAs may be commenced as follows:

1. If all Responsible Individuals fail to apply for financial assistance under the FAP by the last day of the Notification Period, and the Responsible Parties have received the 30-day written notice described in Section III.F above, then BH may initiate ECAs.
2. If all Responsible Persons apply for financial assistance under the FAP, and PFS determines definitively that the Responsible Individuals are ineligible for any financial assistance under the FAP, BH may initiate ECAs

3. If any Responsible Individual submits an incomplete application for financial assistance under the FAP prior to the Application Deadline, then ECAs may not be initiated until after each of the following steps has been completed:

    a. PFS provides the Responsible Individual with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance, which notice will include a copy of the All-Hospital Plain Language Summary.
    b. PFS provides the Responsible Individual with at least 30 days' prior written notice of the ECAs that BH may initiate against the Responsible Individual if the FAP application is not completed or payment is not made; provided, however, that the deadline for completion or payment may not be set prior to the Application Deadline.
    c. If the Responsible Individual who has submitted the incomplete application completes the application for financial assistance, and PFS determines definitively that the Responsible Individual is ineligible for any financial assistance under the FAP, BH may initiate ECAs.
    d. If the Responsible Individual who has submitted the incomplete application fails to complete the application by the deadline set in the notice provided pursuant to Section III.H.3.b above, then ECAs may be initiated.
    e. If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Individual at any time prior to the Application Deadline, BH will suspend ECAs while such financial assistance application is pending.

4. If a Responsible Individual has agreed to, or been provided with an Extended Payment Plan, the Extended Payment Plan has been declared inoperative as provided above.

K. A letter indicating intent to transfer the Single Patient Account to a collection agency shall be mailed to the last known address of each Responsible Individual prior to transfer of a Self-Pay Account to a collection agency or the initiation of any ECA.

L. Any Responsible Individual, or representative thereof, who contacts PFS for information concerning any possible financial assistance, shall be provided with information concerning the Financial Assistance Program.

M. After the commencement of ECAs is permitted under Section III.I above, external collection agencies shall be authorized to report unpaid Self-Pay Accounts to credit agencies, and to file litigation, obtain judgment liens and execute upon such judgment liens using lawful means of collection; provided, however, that prior approval of PFS and Banner's Legal Department shall be required before lawsuits may be filed, and prior approval of PFS and Banner's Legal Department shall be required before collection agencies may use any means of collection that involves physical detention or arrest of any Responsible Individual.

N. Patients who are able, but unwilling, to pay for BLMC services are considered to have uncollectible bad debts and will be referred to outside agencies for collection. Patients who qualify for the Financial Assistance Program and who fail to pay the balance when due, after application of the appropriate discount, are considered uncollectible bad debts for the amount of such balance and will be referred to outside agencies for collection.

O. Copies of this policy are available free of charge to the public. Copies of the policy are available in BLMC's PFS Admitting Office and on the BH internet and may be requested by mail. The policy is published in English and multiple languages.

P. If BH refers or sells patient debts to another party during the Application Period, the written agreement with such party must obligate such party to:

1. Refrain from engaging in ECAs until the Billing Deadline;
2. Suspend any ECAs if the individual submits a FAP application during the Application Period;
3. If the Responsible Individual is determined to be FAP-eligible, ensure that the individual does not pay and is not obligated to pay more than required under the FAP, and to reverse any ECA previously taken;
4. Comply with the provisions of any Extended Payment Plan, and follow all steps provided herein before declaring an Extended Payment Plan to be inoperative;
5. Refrain from using a wage garnishment to collect a Self-Pay Account, except by order of the court upon noticed motion, supported by a declaration filed by the movant identifying the basis for which it believes that the Responsible Individual has the ability to make payments on the judgment under the wage garnishment;
6. Refrain from noticing or conducting a sale of the Responsible Individual's primary residence during the life of the Responsible Individual or his or her spouse, or during the period a child of the Responsible Individual is a minor, or a child of the Responsible Individual who has attained the age of majority is unable to take care of himself or herself and resides in the dwelling as his or her primary residence;
7. Comply with all provisions of the Hospital Fair Pricing Policies Law, California Health and Safety Code Section 127400-127446, applicable to collection agencies; and
8. Obtain similar provisions in a written agreement if such party refers or sells the debt to yet another party.

IV. Procedure/Interventions:

A. N/A

V. Procedural Documentation:

A. N/A

VI. Additional Information:

A. N/A

VII. References:

A. Patient Protection and Affordable Care Act, Sec. 9007
B. 26 CFR Part 1
C. Hospital Fair Pricing Policies Law, California Health and Safety Code Section 127400-127446

VIII. Other Related Policies/Procedures:

A. Banner Lassen Medical Center Financial Assistance Policy for Hospital Patients (#3658)

IX. Keywords and Keyword Phrases:

A. Charity Care
B. Financial Assistance Program
C. Patient Assistance Program
D. Collection
E. Billing

F. Self-Pay

X. Appendix:

A. Summary of Financial Assistance Programs at Banner Lassen Medical Center (Plain Language Summary)

APPENDIX A

SUMMARY OF FINANCIAL ASSISTANCE PROGRAMS AT ALL HOSPITALS OWNED AND OPERATED BY BANNER HEALTH (BH)

Banner Health offers Financial Assistance Programs to Uninsured, Underinsured and Medically Indigent patients. This policy only applies to Banner hospitals and not to other BH facilities such as ASCs, imaging or urgent care. An Uninsured Patient means a patient without benefit of health insurance or government programs that may be billed for Covered Services provided to them based on Federal Poverty Level (FPL) guidelines, not otherwise excluded from this policy. An Underinsured Patient means a patient with qualified insurance coverage with significant limitations or co-responsibility. A Medically Indigent Patient means a patient with family medical expenses for a given calendar year which exceed 50% of the household's total income.

If you are an Uninsured patient, you may qualify for a discounted rate if you do not meet the qualifications for the Financial Assistance Program based on Federal Poverty Level guidelines. Qualification for a discounted rate means you will be charged 1.25 x AGB (Amounts Generally Billed,) which is based upon the average of the amounts that would have been paid to the Hospital by private health insurers and Medicare (and co-pays and deductibles) for the medically necessary services you receive, if you had been insured.

If you are an Uninsured patient, you will qualify for BH Financial Assistance: (1) if you have an annual household income and household size that is equal to or less than 400% of the Federal Poverty Level and lack other assets to pay the Hospital's full charges and, (2) if requested to do so by the Hospital, you apply for Medicaid/Medi-Cal, fully cooperate in the application and determination process, or are unable to reasonably complete the application process, and are denied Medicaid/Medi-Cal coverage.

If you are an Underinsured patient, you may qualify for BH Financial Assistance for Underinsured/Balance After Insurance discount. You will need to apply for consideration and meet both Hospital bill balance requirements stated in the Financial Assistance Policy and Federal Poverty Level guidelines.

If you qualify for BH Financial Assistance, you will in no case be charged more than Amounts Generally Billed for emergency services or other medically necessary services. In addition, you will never be required to make advance payment or other payment arrangements to receive emergency services. However, to receive non-emergency services, you will be required in most situations to make a substantial advance deposit or other payment arrangements based upon an estimate of the Amounts Generally Billed.

A free copy of the hospital's financial assistance policy, the billing and collections policy, and the application forms are available on the Banner website at Bannerhealth.com. Copies are also available by mail by contacting Banner Patient Financial Services at (480) 684-7409 or, if outside Arizona (855) 244-7460.The Banner Patient Financial Services staff is available to answer questions and provide information about the Financial Assistance Programs, the application process and nonprofit organizations and government agencies that can assist with these applications. Spanish and other translations of this Summary, the Hospital's financial assistance and billing policies, and the applications forms are available on the Banner and Hospital websites and in the hospital's Admitting area. They may also be requested by contacting the Banner Patient Financial Services staff at (480) 684-7409 or, if outside Arizona (855) 244-7460.