	Billing and Collections
Policy & Procedure Number	24828
Policy Manual	Administrative
Type	Policy & Procedure
Document Owner	Silva, Natalie
Effective Date	05/23/2022
Next Review Date	05/23/2023
Application Scope (Applies to)	All Community Medical Centers (CMC) Entities
Approved By / Approved Date	Roger A Larsen, SVP Chief Financial Officer: 05/19/2022 11:02AM PST Craig Wagoner, EVP Chief Operations Officer: 05/23/2022 08:33AM PST Craig S. Castro, President and Chief Executive Officer: 05/23/2022 10:41AM PST Finance and Planning (A): 05/23/2022 04:45PM PST
Status / Rev #	Official (Rev 3)
Submitted by	Burnett, Brandon M

I. PURPOSE

To ensure Community Medical Centers (CMC) billing and collections activities are conducted in a manner that complies will all applicable laws.

II. DEFINITIONS

A. Extraordinary Collection Action(s) (ECA(s)): An Extraordinary Collection Action means any of the following:
   1. Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.
   2. Deferring or denying, or requiring a payment before providing medically necessary care because of an individual's nonpayment of one or more bills for previously provided care covered under CMC's Financial Assistance Policy.
   3. Actions that require a legal or judicial process, including but not limited to:
      1. Placing a lien on an individual's property;
      2. Foreclosing on an individual's real property;
      3. Attaching or seizing an individual's bank account or any other personal property;
      4. Commencing a civil action against an individual (except as noted in Section IV.M.1-7, herein);
      5. Causing an individual's arrest;
      6. Causing an individual to be subject to a writ of body attachment; and
      7. Garnishing an individual's wages.
   4. Selling an individual's debt to another party.

B. Patient: An individual who received services at CMC.

C. Community Medical Centers Licensed Hospital Facilities: Community Regional Medical Center, including its remote location of Fresno Heart & Surgical Hospital, and Clovis Community Medical Center.

D. Financial Assistance Policy: The Financial Assistance Policy is the CMC policy on Financial Assistance, which describes the types of Financial Assistance available as well as the process by which Patients must apply for Financial Assistance.

E. Financial Assistance: The term Financial Assistance refers to Full Charity Care, Partial Charity Care, High Medical Costs Charity Care, Bankruptcy Charity Care, and Uninsured Discounts, as defined herein and in the Financial Assistance Policy.

F. Primary Language of CMC's Service Area: A Primary Language of CMC's Service Area is a language used by the lesser of 1,000 people or 5% of the community served by CMC or the population likely to be affected or encountered by CMC. Community Medical Centers may determine the percentage or number of limited English proficiency individuals in the CMC's community or likely to be affected or encountered by CMC using any reasonable method.

G. Uninsured Patient: An Uninsured Patient is a Patient who has no third-party source of payment for any portion of their medical expenses, including without limitation, commercial or other insurance, government sponsored healthcare benefit programs or third-party liability. Patients whose benefits under insurance have been exhausted prior to the admission will also be considered uninsured for purposes of this policy.

H. Insured Patient: An Insured Patient is a Patient who has a third-party source of payment which has paid for a portion of their medical expenses.

I. Patient Responsibility Amount: The amount that an Insured Patient is responsible to pay out-of-pocket after the Patient's third-party coverage has determined the amount of the Patient's benefits.

J. Financially Qualified Patient: A Financially Qualified Patient, also known as a FAP-Eligible Patient in IRS rules and regulations, means a Patient who, according to CMC's Financial Assistance Policy, is a Patient for whom both of the following are true:
   1. The Patient is an Uninsured Patient or a Patient with High Medical Costs; and
   2. The Patient has a family income that does not exceed 400 % of the FPL.

K. High Medical Costs Charity Care: High Medical Costs Charity Care is a complete write-off of the Patient Responsibility Amount for Covered Services. This discount is available to Insured Patients who meet the following criteria:
   1. The Patient's family income is less than 400% of the FPL; and

2. The Patient's, or the Patient's family's, medical expenses for Covered Services (incurred at CMC or other providers in the past twelve (12) months) exceed the lesser of 10% of the Patient's family income or the Patient's family income in the last twelve (12) months ("High Medical Costs").

L. Collection Agency: A Collection Agency is any entity engaged by CMC to pursue or collect payment from Patients.
M. Billed Charges: Billed Charges are the undiscounted amounts that CMC customarily bills for items and services.
N. Reasonable Payment Plan: Monthly payments that are not more than 10 percent of a Patient's family income for a month, excluding deductions for essential living expenses. "Essential living expenses" means, for purposes of this subdivision, expenses for all of the following, as applicable to the Patient's individual circumstances: 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 other extraordinary expenses.
O. Plain Language Summary of the Financial Assistance Policy: A written statement that notifies a Patient that CMC offers financial assistance, and that provides the following additional information in language that is clear, concise and easy to understand, including but not limited to:
    1. A brief description of the eligibility requirements, which advises the Patient of the maximum gross monthly household income per family size to qualify for Financial Assistance, as well as the assistance offered;
    2. A brief summary of how to apply for assistance; and
    3. Contact information, including telephone number, website and physical location of the CMC department that can provide information about CMC's policy and assistance with the application process.
    4. The internet address for the Health Consumer Alliance (https://healthconsumer.org);
    5. An explanation that there are organizations that can help the Patient understand the billing and payment process;
    6. Information regarding Covered California and Medi-Cal presumptive eligibility; and
    7. The internet address for CMC's list of shoppable services, under 45 CFR § 180.60.
P. Notice of Rights: A clear and conspicuous notice drafted by CMC that includes all of the items required by California Health & Safety Code 127420(b)(1) -(5).
Q. Notice of Legal Rights: A clear and conspicuous notice drafted by CMC that includes all of the items required by California Health & Safety Code 127430.
R. Notice of Collections Activity: A notice required before assigning a bill to a Collection Agency that includes all of the items required by California Health & Safety Code 127425(e).

III. POLICY

A. Community Medical Centers will bill Patients and third-party payers accurately, timely, and in accordance with all applicable laws and regulations, including without limitation, California Health and Safety Code section 127400 et. seq. and regulations issued by the United States Department of Treasury under section 501(r) of the Internal Revenue Code.
B. This policy applies to all CMC facilities, and all Collection Agencies working on behalf of CMC, as applicable.
C. Unless otherwise specified, this policy does not apply to physicians or other medical providers, including emergency room physicians, anesthesiologists, radiologists, hospitalists, pathologists, etc., whose services are not included in CMC's bill. This policy does not create an obligation for CMC to pay for such physicians' or other medical providers' services. In California, an emergency physician who provides emergency medical services in a hospital is required to provide discounts to Uninsured Patients or Patients with high medical costs who are at or below 400% of the Federal Poverty Level ("FPL").
D. Financially Qualified Patients who are able to establish eligibility for Financial Assistance in accordance with this policy and the Financial Assistance Policy by providing insurance status and income information to CMC shall receive Financial Assistance. Financially Qualified Patients who do not apply for Financial Assistance but are uninsured may qualify for Full Charity Care based on demographic analysis performed by CMC.
E. Community Medical Centers and any Collection Agency acting on its behalf shall provide information to low-income Patients and Patients with High Medical Costs regarding the availability of Financial Assistance, consistent with CMC's Financial Assistance Policy.
F. Community Medical Centers and any Collection Agency acting on its behalf shall provide Patients with an application enabling them to apply for Financial Assistance if they indicate at any time they are financially unable to pay a bill for hospital services or their household income is less than 400% FPL.
G. Community Medical Centers and any Collection Agency acting on its behalf shall comply with all requirements of the Federal Fair Debt Collection Practices Act (FDCPA), 15 USC §§ 1692 et seq., and the Rosenthal Fair Debt Collection Practices Act, Civil Code §§ 1788 et seq.

IV. PROCEDURE

A. Obtaining Coverage Information
    1. Community Medical Centers shall make all reasonable efforts to obtain information from Patients about whether private or government sponsored insurance may fully or partially cover the services rendered by CMC to the Patient.
B. Billing Third Parties
    1. Community Medical Centers shall diligently pursue all amounts due from third-party payers, including but not limited to contracted and non-contracted payers, indemnity payers, liability and auto insurers, and government program payers that may be financially responsible for a Patient's care. Community Medical Centers will bill all applicable third-party payers

based on information provided by or verified by the Patient or their representative in a timely manner.
2. Community Medical Centers will make reasonable efforts to assist Patients in obtaining payment from third-party payers, including but not limited to verifying that coverage with a third-party payer was active at the time care was provided when possible, timely making Patients aware of problems obtaining payment and, where feasible, helping Patients understand how to resolve the problem.

C. Billing Insured Patients
1. Community Medical Centers shall promptly bill Insured Patients for the Patient Responsibility Amount as computed by the Explanation of Benefits ("EOB") and directed by the third-party payer.
    1. If CMC or any Collection Agency acting on its behalf obtains notification from Medi-Cal that the Patient is eligible for Medi-Cal for relevant dates of service, CMC and Collection Agency shall not seek to obtain payment for the cost of those covered health care services from the eligible Patient (other than applicable Share of Cost or copays), and CMC shall promptly instruct Collection Agency to cease collection efforts on the unpaid bill for covered services.
    2. Community Medical Centers shall not seek to obtain payment for the cost of covered services from Patients who are Qualified Medicare Beneficiaries (QMBs).

D. Billing Uninsured Patients.
1. Community Medical Centers shall promptly bill Uninsured Patients for items and services provided by CMC using CMC's Billed Charges. As part of this billing, CMC shall provide Uninsured Patients with a Notice of Rights, as defined in Section II.P. of this Policy.

E. Financial Assistance Information
1. Billing Statement Notice: All bills to Patients shall include a Notice of Rights, which also informs Patients of CMC's Financial Assistance Policy. The Notice of Rights will be conspicuously placed and of sufficient size to be clearly readable.
2. Widely Publicize: CMC and any Collection Agency acting on its behalf shall widely publicize the Financial Assistance Policy in a manner that is reasonably calculated to reach, notify and inform those Patients in our communities who are most likely to require Financial Assistance.
3. Community Medical Centers and any Collection Agency acting on its behalf will encourage Patients to complete the Application for Financial Assistance as soon as possible. Patients will be advised they may request assistance with completing the Application from CMC, or CMC will refer them to a local consumer assistance center housed at legal services offices.
4. If a Patient indicates at any time, through and including referral for Extraordinary Collection Action(s), that they are financially unable to pay a bill for hospital services or their household income is less than 400% of FPL, CMC and Collection Agency shall promptly give such Patient the opportunity to have their eligibility for Financial Assistance evaluated by CMC's Patient Financial Services Department.

F. Itemized Statement
1. All Patients may request an itemized statement for their account at any time at no charge to the Patient.

G. Disputes
1. Any Patient may dispute an item or charge on their bill. Patients may initiate a dispute in writing or over the phone with a Patient Financial Services representative. If a Patient requests documentation regarding the bill, staff members will use reasonable efforts to provide the requested documentation within ten (10) days. Community Medical Centers or Collection Agency will hold the account for at least thirty (30) days after the Patient initiates a dispute before engaging in further collection activities.
2. Community Medical Centers shall ensure that Patient questions and complaints about bills are researched and corrected where appropriate, with timely follow up with the Patient.

H. Collection Practices
1. General Collection Practices: Subject to this Policy and CMC's Financial Assistance Policy, CMC or any Collection Agency acting on its behalf may employ reasonable collection efforts to obtain payment from Patients, in a manner consistent with the Federal Fair Debt Collection Practices Act (FDCPA), 15 USC §§ 1692 et seq., and the Rosenthal Fair Debt Collection Practices Act, Civil Code §§ 1788 et seq., as applicable. General collection activities may include issuing Patient statements, past due statements, final statements, making phone calls and sending letters. At no less than 180 days after providing the Patient with a post-discharge billing statement accounts may be placed with third party billing agencies or collection agencies.
2. Languages: When CMC and Collection Agency has reason to know that a Patient's primary language is not English, all notices/communications provided the Patient and written correspondence to the Patient shall be in the language spoken by the Patient, provided it is one of the Primary Language(s) of CMC's Service Area.
3. Prohibition on Extraordinary Collection Action: Community Medical Centers and Collection Agencies shall not employ Extraordinary Collection Action to attempt to collect from a Patient except as described in Section IV.M., below.
4. No Collection During Financial Assistance Application Process: Community Medical Centers and Collection Agencies shall not pursue collection from a Patient who has submitted an application for Financial Assistance, and shall return any amount received from the Patient before or during the time the Patient's application is pending.
5. Prohibition on use of Information from Financial Assistance Application: Community Medical Centers and any Collection Agency acting on its behalf shall not use for collection activities any information concerning income or assets obtained from a Patient during the application process for Financial Assistance. Nothing in this section prohibits the use of information obtained by CMC or Collection Agency independently of the eligibility process for Financial Assistance.
6. Community Medical Centers and any Collection Agency acting on its behalf shall not use information that it has reason to believe is unreliable, incorrect or obtained from the Patient under duress or through the use of coercive practices in order

to obtain payment from Patients.

I. Payment Plans
   1. Terms of Payment Plans: All Patients who indicate an inability to pay a bill for hospital services in a single installment shall have the opportunity to negotiate the terms of a payment plan. All payment plans shall be interest-free.
   2. If a Financially Qualified Patient and CMC or any Collection Agency acting on its behalf are unable to agree on the terms of the payment plan, CMC or Collection Agency shall offer any Financially Qualified Patient a Reasonable Payment Plan, using the formula described in Section II.N. of this policy.
   3. Declaring Payment Plan Inoperative: An extended payment plan may be declared no longer operative after the Patient's failure to make timely all payments due during a 90-day period. Before declaring the extended payment plan no longer operative, CMC or Collection Agency shall make a reasonable attempt to contact the Patient by phone, and will give notice in writing that the extended payment plan may become inoperative and that the Patient has the opportunity to renegotiate the extended payment plan. Prior to the extended payment plan being declared inoperative, CMC or Collection Agency shall attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the Patient. For purposes of this section, the notice and phone call to the Patient may be made to the last known phone number and address of the Patient. After a payment plan is declared inoperative, CMC or Collection Agency may commence collection activities in a manner consistent with this policy.

J. Collection Agencies
   1. Community Medical Centers may refer Patient accounts to a Collection Agency subject to the following conditions:
      1. The Collection Agency must have a written agreement with CMC;
      2. Community Medical Center's written agreement with the Collection Agency must provide that the Collection Agency's performance of its functions shall adhere to the terms of CMC's Financial Assistance Policy, this Billing and Collections Policy, and all relevant statutes and regulations. Community Medical Center's written agreement with the Collection Agency must also provide that the Collection Agency will comply with CMC's definition and application of a Reasonable Payment Plan.
      3. The Collection Agency must agree that it will not engage in any Extraordinary Collection Actions to collect a Patient debt except as noted in Section IV.M. below;
      4. Community Medical Centers must maintain ownership of the debt and the debt may not be sold to the Collection Agency;
      5. The Collection Agency must have processes in place to: identify Patients who may qualify for Financial Assistance; communicate the availability and details of the Financial Assistance Policy to these Patients; and refer Patients who are seeking Financial Assistance back to CMC's Patient Financial Services Department. The Collection Agency shall not seek any payment from a Patient whose application for Financial Assistance is pending. Upon approval of a Patient's application for Financial Assistance, the Collection Agency shall return any amount received from the Patient before or during the time the Patient's application is pending. Collections may resume if a Patient's application for Financial Assistance is denied.

K. Presumptive Eligibility
   1. In the event that an Uninsured Patient does not return a completed Financial Assistance application, at no less than 150 days after providing the Patient with a post-discharge billing statement, CMC will screen the Patient for presumptive eligibility for Financial Assistance using demographic software. If the demographic software indicates the Patient likely qualifies for Full Charity Care, CMC will provide the Patient with a complete write-off of CMC's undiscounted charges for Covered Services. Such Patient bills shall not be advanced to collections.

L. Advancing Accounts for Collection: Accounts may be advanced for collections under the following circumstances:
   1. A bill may be advanced for collection if not paid within 180 days of the date the initial invoice is sent, at the discretion of the Director of Patient Financial Services, subject to the following conditions:
      1. All third-party payers must have been properly billed, payment from a third-party payer must no longer be pending, and the remaining debt must be the financial responsibility of the Patient. A Collection Agency shall not bill a Patient for any amount that a third-party payer is obligated to pay.
      2. The Patient is not attempting in good faith to settle an outstanding bill with CMC by negotiating a payment plan.
      3. The Patient is not making regular partial payments of a reasonable amount.
      4. A final determination has been made with respect to any pending appeal for coverage of the services, which includes any of the following: a grievance; an independent medical review; or a fair hearing.
   2. On the Patient's final billing statement and with any document indicating that the commencement of collection activities may occur, CMC or a Collection Agency acting on CMC's behalf, shall provide the Patient with a clear and conspicuous written Notice of Legal Rights, as defined in Section II.Q of this Policy, as well as a Plain Language Summary of CMC's Financial Assistance Policy.
   3. Community Medical Centers must have sent a Notice of Collections Activity, as defined in Section II.R of this Policy.
   4. A lack of payment, failure to apply for Financial Assistance programs and failure to contact CMC will be factors considered in advancing an account to collections.
   5. Third Party Liability: Nothing in this policy precludes CMC or its affiliates or outside collection agencies from pursuing third party liability.

M. Extraordinary Collection Actions
   1. Prior to engaging in any Extraordinary Collection Actions and after normal collection efforts have not produced regular payments of a reasonable amount and the Patient has not completed a Financial Assistance application, complied with requests for documentation, or is otherwise non-responsive to the application process, Patient Financial Services on behalf of CMC, shall make reasonable efforts to presumptively determine whether a Patient is eligible for Financial

Assistance based on prior eligibility for Financial Assistance or the use of demographic software of an external service provider.

2. A Collection Agency shall assess a Patient or guarantor's ability to pay by reviewing, at a minimum, a current credit report for the Patient, if available, and reliable sources of publicly available information for Patients with little or no credit history, or a third party electronic review of Patient information.
3. In those cases where the Collection Agency has indicated that the Patient or guarantor is not a Financially Qualified Patient, as defined in Section II.J. and is refusing to pay for the medical services received, the Collection Agency may be permitted to take action to collect the unpaid balance. This action may include reporting adverse information about a Patient to a consumer credit reporting agency or credit bureau; only thirty (30) days after account has been assigned to the collection agency. If the Collection Agency has determined that legal or judicial action is appropriate and criteria for Extraordinary Collection Actions have been met, the agency must forward a written request to the facility's Vice President of Revenue Cycle, or a Director or above in Patient Financial Services, for approval prior to taking any legal or judicial action. The request must include relevant particulars of the account, including a copy of the agency's documentation that led it to believe that the Patient or guarantor has the ability to pay for the services, and that it has otherwise complied with all applicable provisions of this policy and all applicable laws and regulations.
4. Before legal or judicial action is initiated, one additional phone call will be placed by Patient Financial Services to inform the Patient or guarantor of CMC's Financial Assistance program and their ability to apply to same. If Patient or guarantor asks to apply for assistance, an application will be sent and no ECAs will be initiated until the application is received and processed, or an additional 30 days have passed without an application being received.
5. The Vice President of Revenue Cycle or a Director or above in Patient Financial Services must approve each individual legal or judicial action in writing, after determining that CMC and/or Collection Agency has made reasonable efforts to determine the individual is a Financially Qualified Patient, and CMC must maintain a copy of the signed authorization for legal or judicial action. In no case will the Collection Agency be allowed to file a legal or judicial action as a last resort to motivate a Patient to pay when the Collection Agency has no information as to the Patient's or guarantor's ability to pay.
6. Limitations on Use of Extraordinary Collection Actions: In dealing with Financially Qualified Patients, CMC shall not use wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills. Any Collection Agency acting on CMC's behalf shall not use wage garnishments or liens on primary residences as a means of collecting the unpaid hospital bills of Financially Qualified Patients, except in the limited circumstances permitted under Health and Safety Code 127425(f)(2)(A)-(B).
7. If a Patient is approved for Financial Assistance under this policy or the Patient Responsibility Amount has been satisfied and/or paid, within thirty (30) days of such event, CMC and any Collection Agency acting on its behalf shall take all reasonably available measures to reverse any Extraordinary Collection Actions taken against the individual, including but not limited to vacating any judgment, lifting any levy or lien on the Patient's property, and removing any adverse information reported to any consumer reporting agency from the individual's credit report.

N. Miscellaneous

1. Submission to HCAI: CMC will submit this Billing and Collection Policy and the Financial Assistance Policy to the Department of Health Care Access and Information ("HCAI") (formerly the Office of Statewide Planning and Healthcare Development ("OSHPD")) biennially and each time this policy or the Financial Assistance Policy are updated. Policies can be located on the OSHPD website located here: https://syfphr.oshpd.ca.gov/.

V. REFERENCES

26 Code of Federal Regulations 1.501(r)

California Health and Safety Code sections 124700-127446

References

Reference Type	Title	Notes
Documents referenced by this document		
Referenced Documents	Financial Assistance Notice of Rights	
Documents which reference this document		
Referenced Documents	Financial Assistance	Billing and Collections

Document ID	24828	**Revision Number**	3
Policy Manual	Administrative	**Policy Manual Manager**	Silva, Natalie
Document Owner	Silva, Natalie	**Next Review Date**	05/23/2023
Document Status	Official		
Signed by	(05/19/2022 11:02AM PST) Roger A Larsen, SVP Chief Financial Officer (05/23/2022 08:33AM PST) Craig Wagoner, EVP Chief Operations Officer (05/23/2022 10:41AM PST) Craig S. Castro, President and Chief Executive Officer (05/23/2022 04:45PM PST) Finance and Planning (A)		
Effective	05/23/2022		
Original Effective Date	10/21/2016		
Revised	[10/21/2016 Rev. 0], [08/14/2017 Rev. 1], [04/05/2018 Rev. 2], [05/23/2022 Rev. 3]		
Reviewed	[07/14/2021 Rev. 2]		