ABSTRACT:

It is the goal of this policy to provide clear and consistent guidelines for conducting billing and collection functions in a manner that promotes compliance, patient satisfaction, and efficiency. Through the use of billing statements, written correspondence, and phone calls, UCSDH will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires UCSDH to make reasonable efforts to determine a patient’s eligibility for financial assistance under UCSDH’s Financial Assistance Policy before engaging in collection actions to obtain payment.

RELATED POLICIES:

UCSDH MCP 750.3, “Charity Care”

REGULATORY REFERENCE:

-- California Health and Safety Code 127400-127462 as applicable.
-- Federal Patient Protection and Affordable Care Act, Section 501r of the Internal Revenue Code and regulation thereunder

I. DEFINITIONS

A. Extraordinary Collection Action (ECA) – A list of collection activities, as defined by the IRS and Treasury, that healthcare organizations may only take against an individual to obtain payment for care after reasonable efforts have been made to determine whether the individual is eligible for financial assistance.

1. Placing a lien on an individual’s property;

2. Foreclosing on real property;
3. Attaching or seizing an individual’s bank account or other personal property;

4. Commencing a civil action against an individual or write of body attachment for civil contempt;

5. Causing and individual’s arrest;

6. Garnishing wages;

7. Reporting adverse information to a credit agency;

8. Deferring or denying medical necessary care because of nonpayment of a bill for previously provided care under UCSDH’s Financial Assistance and Charity Care Policy;

9. Requiring a payment before providing medically necessary care because of outstanding bills for previously provided care;

B. **Financial Assistance** – Assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for Medically Necessary services provided by UCSDH and who meet the eligibility criteria for such assistance. Patients may apply at any time during the application period of which is a minimum 240 days from the first post-discharge billing statement. Under this Policy, Financial Assistance is Charity Care. UCSDH’s Financial Assistance Charity Care Policy can be obtained by contacting Financial Assistance Customer Service at 619-543-3689.

C. **Financial Assistance Policy (FAP)** – A separate policy that describes UCSDH’s financial assistance program – including the criteria patients must meet in order to be eligible for financial assistance as well as the process by which individuals may apply for financial assistance.

D. **Guarantor** – The person with financial responsibility for the patient’s health care services, usually the patient, parent, or legal guardian.

E. **Reasonable Efforts** – A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under UCSDH’s financial assistance policy. In general, reasonable efforts may include providing individuals with written and oral notifications about the FAP and Application processes.

II. **POLICY**

A. After our patients have received services, it is the policy of UCSDH to bill patients and applicable payers accurately and in a timely manner. During the billing and collections process, staff will provide quality customer service and timely follow-up, and all unpaid accounts will be handled in accordance with the IRS and Treasury’s
III. PROCEDURES AND RESPONSIBILITIES

A. **Insurance Billing:**
   Please note that it is the patient’s responsibility to know their insurance benefits and coverage prior to their services at UCSDH. All required referral(s) or authorizations must be secured prior to services. If the patient has questions regarding their financial responsibility or coverage of services at UCSDH, they can contact their insurance company in advance of services.

   1. For all insured patients, UCSDH will bill applicable third-party payers (based on information provided by or verified by the patient) in a timely manner.
   2. If a claim is denied (or is not processed) by a payer due to an error on our behalf, UCSDH will not bill the patient for any amount in excess of what the patient would have owed had the payer paid the claim.
   3. If a claim is denied (or is not processed) by a payer due to factors outside of our organization’s control, staff will follow up with the payer and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, UCSDH may bill the patient or take other actions consistent with current regulation and industry standards.

B. **Patient Billing:**

   1. All uninsured patients will be billed directly and timely, and will receive a statement as part of UCSDH’s normal billing process.
   2. For insured patients, after claims have been processed by third-party payers, UCSDH will bill patients in a timely manner for their respective liability amounts as determined by their insurance benefits that were not collected at/or before the time of service.
   3. All patients may request an itemized statement for their accounts at any time.
   4. UCSDH may approve payment plan arrangements for patients who indicate they may have difficulty paying their balance in a single installment.
   5. If a Guarantor disagrees with the account balance, the Guarantor may request the account balance be researched and verified prior to account assignment to a collection agency.

C. **Financial Assistance:**

   1. UCSDH will notify individuals that financial assistance is available to eligible individuals by doing the following:
a. Signage in conspicuous registration areas (i.e. emergency department, customer service, main admission areas and ancillary service locations).

b. Paper copies of our Financial Assistance Policy, Financial Screening Form (151-026), and a plain language summary of the Financial Assistance Policy will be made available upon request and without charge to all UCSDH patient registration areas, customer service and by mail at UCSDH 6200 Greenwich Dr. San Diego, Ca 92122.

c. The Financial Assistance Policy, a plain language summary, and Financial Screening Form (151-026) will be conspicuously posted on UCSDH website to view, download and print free of charge.

d. Financial Assistance information will be included on all patient statements.

e. All written materials will be available in English and Spanish.

f. Language interpretive services are provided whenever necessary to facilitate the patient’s understanding and participation in options for Financial Assistance.

D. **Collection Practices:**

1. UCSDH or its contracted collection agencies will undertake reasonable efforts to collect amount due from patients. These efforts will include assistance with application for possible government program coverage, evaluation for Charity Care for the application period which is a minimum of 240 days from the first-post-discharge billing statement, offers of no interest payment plans, and offers of discounts for prompt payment.

2. UCSDH will pursue payment for debts owed for health care services provided by UCSDH according to UCSDH policy and procedures. The procedures for assignment to collection/bad debt will be applicable to all UCSDH Guarantors. UCSDH will comply with relevant federal and state laws and regulations in the assignment of bad debt. UCSDH is entitled to pursue reimbursement from third party liability settlements or other legally responsible parties.

3. All patient account balances that meet the following criteria are eligible for placement with a collection agency:

   a. UCSDH has made attempts to collect payment using reasonable collection efforts, such as statements or telephone calls. UCSDH will attempt to mail up to four (4) Guarantor statements after the date of discharge from outpatient or inpatient care, with a final 10 day notice appearing on the fourth Guarantor statement, indicating the account
may be placed with a collection agency. All billing statements include a notice about the UCSDH Financial Assistance/Charity Care Policy.

b. Account with a “Return Mail” status are eligible for collection assignment after all good faith efforts have been documented and exhausted.

c. If a patient currently has accounts with unresolved bad debt balances, UCSDH reserves the right to send other open accounts with balances due to collections earlier.

d. UCSDH will suspend any and all collection actions if a completed Financial Assistance Application, including all required supporting documentation is received.

4. Accounts at a collection agency may be recalled and returned to UCSDH at the discretion of UCSDH and/or according to state or federal laws and regulations. UCSDH may choose to work the accounts to resolution with the Guarantor or third party as needed, or place the account with another collection agency.

5. UCSDH does not currently engage in any extraordinary collection actions (ECAs) as defined above.

E. Compliance:

1. All workforce members including employees, contracted staff, students, volunteers, credential medical staff, and individuals representing or engaging in the practice at UCSDH are responsible for ensuring that individuals comply with this Policy;

2. Violations of this Policy will be reported to the Department Manager and any other appropriate Leadership as determined by the Department Manager or in accordance with hospital policy. Violation will be investigated to determine the nature, extent, and potential risk to the organization. Workforce members who violate this Policy will be subject to the appropriate disciplinary action up to and including termination.

IV. ATTACHMENTS

None

V. Forms

None
VI. RESOURCES

None

VII. APPROVALS

This policy and procedure was approved by the following committee(s):

Committee Name:       Date Approved:

UC San Diego Health Executive Governing Body   August 22, 2017