I. PURPOSE

Establish guidance for charging, billing and collection of patient account receivables for acute care services.

II. POLICY

A. Patient Education: Patients will be informed of their obligations and programs available to them through multiple methods, including:

1. When possible, and permitted by regulations, Scripps will advise patients of their expected out-of-pocket expenses prior to the delivery of services.

2. Patients will be presented with an Agreement for Services, outlining their general financial obligations and agreement to cooperate with the organization in the collection of the hospital debt. Also included is information regarding the availability of financial assistance.

3. Billing statements will include:
   a. A prominent statement indicating the availability of financial assistance;
   b. Dates of hospital service;
   c. If a third party has been billed;
   d. Hospital contact information including an address and telephone number patients may call when they have questions about their bill or to obtain help with the financial assistance application process.

4. Patient billing questions will be responded to promptly by telephone or in writing, and self-pay patients will be informed of the Scripps Financial Assistance Policy in all oral communications regarding their bill.

5. Financial assistance information is posted in key registration areas alerting patients to assistance resources.
B. Third-Party Payers:
   1. Scripps adheres to its contractual obligations with payers. Patients are responsible for pursuing available public or private health insurance payment options.
   2. When there is third-party coverage, all attempts are made to fully collect from the third party before recognizing any patient liabilities.

C. Patient Liabilities Collection:
   1. For patients without third-party coverage, Scripps offers an uninsured discount to all patients regardless of income, and also provides financial assistance to those eligible based on income.
   2. In collecting patient liabilities, all patients receive a series of statements for a period of up to 135 days from the date the patient’s obligation was determined.
   3. All accounts are held for a minimum of 150 days before being assigned to agency for collection. Exceptions would be patients who expressly refuse to pay the obligation or cannot be located. Accounts being evaluated for financial assistance will not be turned over to a collection agency until the conclusion of the financial assistance evaluation or the patient fails to cooperate in pursuing his or her request for assistance.
   4. Patients are informed that, should their account be assigned to a collection agency, all associated fees will be added to their account.
   5. All collection efforts are suspended as long as the patient is making a good faith effort to apply for a federal or state program or the hospital’s financial assistance program. Collection efforts will resume if the patient fails to comply with requests made in connection with these programs.
   6. Scripps, or a collection agency, shall not engage in Extraordinary Collection Activities within 240 days of the first billing statement or after a patient has been determined eligible for financial assistance. Unless the patient has qualified for financial assistance, collection agencies may charge interest, and record abstract of judgments in conformity with all applicable laws.
   7. All collection activity will be based upon written procedures followed by both Scripps collection staff and external collection agencies. Collections will be pursued in a consistent manner based upon those procedures and applicable law including the Fair Debt and Collection Practices legislation and state and federal financial assistance laws.
   8. Extended payment plans without interest charges will be made available to patients that qualify for partial financial assistance. Payment terms will be negotiated between Scripps and the patient to allow the patient to pay the discounted amount over time. If the parties cannot agree, Scripps will implement a reasonable payment plan.
   9. For international patient accounts, an external agency may be used to determine the patient’s ability to pay and accounts may be referred to the agency upon discharge.
III. ATTACHMENTS
   A. Patient Financial Services Glossary of Terms

IV. REFERENCES
   A. 26 U.S.C. 501 (r)
   B. 26 C.F.R. § 1.501(r)
   C. CA Health & Safety Code § 127405, et seq.
Charity Care
That portion of care provided by a hospital to a patient for which a third party payer is not responsible and the patient is unable to pay, and for which the hospital has no expectation of payment.

Discounted Financial Assistance Amount
This amount represents the amount generally billed (AGB) as defined by Internal Revenue Service (IRS) requirements. Scripps uses the prospective method for determining AGB and estimates the amount it would be paid by Medicare, including amounts payable by a Medicare beneficiary. After a determination of eligibility, this amount represents the maximum a qualified patient will be required to pay.

Established Cash Price
Established Cash Price is the expected payment amount after applying a discount to its full charges for services. This amount is offered to patients who have no insurance and qualify under the hospital’s discount payment policy but who have not been determined eligible for financial assistance. Patients determined eligible for financial assistance will not be required to pay more than the Discounted Financial Assistance Amount.

Extraordinary Collection Activities
Extraordinary collection activities are those that require legal or judicial process or involve selling an individual’s debt to another party or reporting adverse information about the individual to consumer credit reporting agencies.

Federal Poverty Level
The most recent poverty guidelines periodically adopted by the federal Department of Health and Human Services for determining financial eligibility for participation in various programs based upon family size as applicable to California.
Homelessness  
A person is homeless if he/she lives:  
1. In a place not meant for human habitation such as: streets, cars, abandoned buildings, parks;  
2. In an emergency shelters;  
3. In transitional or supportive housing (for people coming from street or shelter) and;  
4. In any of the above places, but is in a hospital/institution short-term (30 days or less)  
Or if he/she is:  
5. Evicted within a week from a private dwelling  
6. Discharged within a week from an institution that does not provide housing as part of discharge planning  
7. A victim of Domestic Violence who does not have a secure living environment  
8. Or no subsequent residence has been identified and has no resources and support networks to obtain housing.  
Source: HUD gov offices 
http://www.dmh.co.la.ca.us/HaH/documents/COUNTYS_3_%20Homelessness_%20Eligibility_%20Doc_Guide.pdf#search=%22defining%20homelessness%22

Self-Pay Patient  
A patient who meets the following criteria:  
- No third party insurance  
- No Medi-Cal  
- No compensable injury for purposes of Workers Compensation, automobile insurance, or other insurance as determined and documented by the hospital.

Total Charges  
Total charges are the hospital’s full established rates for patient care services