



TITLE: Patient Financial Services: Billing and Collection Policy for Banner Lassen Medical Center Financial Qualified Patient Accounts			
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Population (Define): All Employees			
Replaces: 12910			
Approved by: Senior Management Team			

TITLE: Patient Financial Services: Billing and Collections Policy for Banner Lassen Medical Center Financially Qualified Patient Accounts

I. Purpose/Expected Outcome:

- A. 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.
- B. 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 Basic Financial Assistance Program and the Enhanced Financial Assistance Program prior to commencement of extraordinary collection actions to collect the account.
- C. 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.

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 Programs. 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. Completion Deadline means the date after which BH may initiate or resume an Extraordinary Collection Action against an individual who has submitted an incomplete application for assistance under the Financial Assistance Programs if that individual has not provided the missing information and/or documentation necessary to complete the application. The Completion Deadline must be



specified in a written notice and must be no earlier than the later of (1) 30 days after BH provides the individual with this notice; or (2) the last day of the Application Period.

- D. Expected Government Payment means the total payment BLMC would reasonably expect to receive under Medicare fee-for-service for the Covered Services provided to a Financially Qualified Patient if the patient were eligible for Medicare, including any amount that would be paid by a Medicare beneficiary in the form of co-payments, co-insurance or deductibles; or, if Medicare does not have an established payment for such Covered Services, the total payment BLMC would reasonably expect to receive from Medi-Cal.
- E. Extended Payment Plan means, as applicable: (1) a payment plan pursuant to which a participant in either the Basic or Enhanced 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 either the Basic or Enhanced 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.
- F. 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.
- G. FAP-Eligible Individual means a Responsible Individual eligible for financial assistance under the Financial Assistance Programs without regard to whether the individual has applied for assistance.
- H. Financial Assistance Programs (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 two financial assistance programs available to uninsured patients: (1) the Basic Financial Assistance Program, and (2) the Enhanced Financial Assistance Program.
- I. 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.
- J. PFS means Patient Financial Services, the operating unit of BH responsible for billing and collecting Self-Pay Accounts
- K. Plain Language Summary means a written statement that notifies an individual that BLMC offers financial assistance under the Basic Financial Assistance Program and the Enhanced Financial

Assistance Program (collectively, the “Financial Assistance Programs”) for inpatient and outpatient hospital services and contains the information required to be included in such statement under the Financial Assistance Programs.

- L. 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.
- M. 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 Basic Financial Assistance Program or the Enhanced Financial Assistance Program, as applicable.
- N. Single Patient Account means one consolidated statement for Self-Pay Accounts from BH hospitals, physicians, clinics and home health services.

III. Policy:

- A. 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 Basic Financial Assistance Program or the Enhanced 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.
- B. 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.
- C. All Responsible Individuals who have Self-Pay Accounts and who qualify for financial assistance under the Basic Financial Assistance Program or the Enhanced 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.
- D. 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 BLMC-Specific 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.



- E. 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 BLMC-Specific 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.

- F. 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.
- G. 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.
- H. 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.

- I. 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 (including because the patient was not uninsured), 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 Person, 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.
- J. 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.
- K. Any Responsible Individual, or representative thereof, who contacts PFS for information concerning any possible financial assistance, shall be provided with information concerning the Basic Financial Assistance Program and the Enhanced Financial Assistance Program under the FAP.



- L. 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 shall be required before lawsuits may be filed, and prior approval of PFS shall be required before collection agencies may use any means of collection that involves physical detention or arrest of any Responsible Person.
- M. Patients who are able, but unwilling, to pay for BLMC services are considered uncollectible bad debts and will be referred to outside agencies for collection. Patients who qualify for either the Basic Financial Assistance Program or the Enhanced 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.
- N. 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 Spanish.
- O. 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. Financial Assistance Programs for Financially Qualified Patients of Banner Lassen Medical Center (#14956)
- B. Financial Assistance Programs for Uninsured Hospital Patients (#14343)
- C. Installment Payment Arrangements (#3091)
- D. Physician Practices/Clinics: Financial Assistance Program for Uninsured Patients – Physician Billing/Home Health (#11675)

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
BANNER LASSEN MEDICAL CENTER**

Banner Lassen Medical Center (BLMC) offers a Basic and an Enhanced Financial Assistance Program to uninsured patients and insured patients with high medical costs. An uninsured patient is someone who does not have any health coverage at all, whether through insurance or any government program, and who does not have any right to be reimbursed by anyone else for their healthcare expenses. An insured patient with high medical costs is someone whose family income is less than 350% of the Federal Poverty Level and whose annual out-of-pocket medical costs (either at BLMC alone, or together with all other medical expenses paid in the prior 12 months) exceed 10% of the family's income.

If you are an uninsured patient or a patient with high medical costs, you will qualify for the Basic Program if you have an annual family income of less than 350% of the Federal Poverty Level. If you qualify for the Basic Program, you will be charged the amount that BLMC would receive from Medicare for your services (together with co-pays and deductibles) if you had been covered by Medicare, or the balance you owe under your insurance coverage (if any), whichever is less.

If you are an uninsured patient, you will qualify for the Enhanced Program (1) if you have an annual household income equal to or less than 200% of the Federal Poverty Level and lack other assets to pay BLMC's full charges and, (2) if requested to do so by the hospital, you apply for Medi-Cal, fully cooperate in the application and determination process, and are denied Medi-Cal coverage. If you qualify for the Enhanced Program, emergency services will be provided to you free of charge. You will be charged for other medically necessary services at the same amount as BLMC would have received from Medicare (together with co-pays and deductibles).

You will never be required to make advance payment or other payment arrangements in order to receive emergency services. In most other situations, you will be required to make a substantial advance deposit or other payment arrangements, or agree to or accept an extended payment plan for payment over time of your account. If BLMC and you cannot agree upon an extended payment plan, then BLMC will offer you a monthly payment plan with payments that are not more than 10% of your family's monthly income, excluding deductions for essential living expenses, including rent, house payments 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.

A free copy of the BLMC financial assistance policy, the billing policy, and the application forms are available on the Banner website at www.Bannerhealth.com, and select the "Facility" tab for BLMC. Copies are available at BLMC in the Admitting area located near the main entrance of BLMC (located at **1800 Spring Ridge Drive, Susanville, CA 96130** and follow the signs to "Admitting" or "Registration"). Copies of this information are also available by mail by contacting Banner Patient Financial Services at 480-684-7409.

The Banner Patient Financial Services staff is available to answer questions and provide information about the Basic and Enhanced Programs, the application process and nonprofit organizations and government agencies that can assist with these applications.

Spanish 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 530-252-2251.