Subject: **Providence Financial Assistance (Charity Care/Discount Payment) Policy – California**	**Policy Number:** PSJH RCM 002 CA	
Department: Revenue Cycle Management	☐ New ☒ Revised ☐ Reviewed	**Date:** 1/1/2025
Executive Sponsor: SVP Chief Revenue CycleOfficer	**Policy Owner:** AVP Financial Counseling	
Approved by: SVP Chief Revenue Cycle Officer	**Implementation Date:** 1/27/2025	

Providence is a Catholic not-for-profit healthcare organization that is dedicated to its Mission of serving everyone, especially those who are poor and vulnerable. Providence believes that getting medical care is a right every person should have. Providence makes sure that emergent and medically necessary healthcare services are available to anyone in the community, even if they can't afford to pay.

SCOPE:
This policy applies to all Providence hospitals ("Providence") in the state of California. It covers all emergency, urgent and other medically necessary services (with the exception of experimental, investigative, aesthetic, or cosmetic care, or care for patient or physician convenience) (as defined in the definition of "Eligible Services"). A list of Providence hospitals covered by this policy can be found in Exhibit A. When we use the word "hospital" or "facility" in this policy, it is referring to the scope of facilities described in Exhibit A.

This policy shall be interpreted in a manner consistent with Section 501(r) of the Internal Revenue Code of 1986, as amended, with the Hospital Fair Pricing Policies outlined in the California Health and Safety Code (Sections 127400-127446), and with Title 22 of the California Code of Regulations § 96051-96051.37. If this policy and the law ever conflict, the law will be followed.

PURPOSE:
The purpose of this policy is to ensure there is a consistent, fair, and non-discriminatory method for providing financial assistance (also referred to as "Charity Care" or "Discounted Payments" as applicable) to eligible individuals who cannot afford to pay, in full or part, for the Eligible Services provided by Providence hospitals.

This policy is intended to comply with all applicable laws. This is the official Financial Assistance (Charity Care/Discount Payment) Policy (FAP) and Emergency Medical Care Policy foreach Providence hospital in California.

RESPONSIBLE PERSONS:
Revenue Cycle Departments. In addition, all appropriate staff who perform functions relating to registration, admissions, financial counseling, and customer support will receive regular training

on this policy.

POLICY:
Providence will provide Eligible Services at no cost, or at a lower cost, to qualifying patients who either submit an application or are deemed to be eligible for financial assistance, consistent with the criteria set out in this policy. Patients must meet the eligibility requirements described in this policy to qualify. For purposes of this policy, the term “patient” will be used to refer to the patient as well as any person who is a guarantor or responsible party (i.e., an individual who is responsible for the payment of any facility charges on behalf of the patient which are not paid by a third party).

Providence hospital emergency departments will provide care for emergency medical conditions (within the meaning of the Emergency Medical Treatment and Labor Act) consistent with the emergency department’s available capabilities, regardless of whether an individual is eligible for financial assistance.

Providence will not discriminate based on age, race, color, creed, ethnicity, religion, national origin, marital status, sex, disability, veteran or military status, or any combination thereof, or any other basis prohibited by federal, state, or local law when making financial assistance determinations. Discrimination on the basis of sex includes, but is not limited to: sex characteristics, including intersex traits; pregnancy or related conditions; sexual orientation; gender identity; and sex stereotypes.

Providence hospital emergency departments will provide emergency medical screening examinations and stabilizing treatment or, where appropriate, will refer and transfer an individual to another hospital. Providence does not allow any actions, admission practices, or policies that would discourage individuals from seeking emergency medical care, such as permitting debt collection activities that interfere with the provision of emergency medical care.

List of Professionals Subject to Providence FAP: Each Providence hospital has a list of those physicians, medical groups, or other healthcare providers who are and who are not covered by this policy. Emergency room physicians who provide emergency medical services to patients at Providence California hospitals are required by California law to provide discounts to uninsured patients or patients with High Medical Costs who are at or below 400% of the FPL. Each Providence hospital will provide this list to any patient who requests a copy. The provider list can also be found online at the Providence website: https://www.providence.org/billing-support/help-paying-your-bill.

Financial Assistance Eligibility Requirements: Financial assistance is available to both uninsured and insured patients if they meet the requirements of this policy. Financial assistance granted consistent with this policy is intended to also comply with other laws regarding permissible benefits to patients. Providence will make an effort to see if there is any other insurance that could cover the costs of the Eligible Services prior to billing the patient. Patients will not be required to apply for medical assistance programs before being screened for financial assistance, however, Providence may require that a patient participate in a screening for Medi-Cal eligibility when otherwise screening that patient for financial assistance

eligibility. Patients without insurance will receive a discount. The types of bills that might be eligible for financial assistance adjustments include, but are not limited to: self-pay, charges for patients with out-of-network coverage, and coinsurance, deductible, and copayment amounts related to insured patients. Deductible and coinsurance amounts claimed as a bad debt will be excluded from the reporting of financial assistance.

Patients seeking financial assistance may complete the standard Providence Financial Assistance Application and eligibility will be based upon financial need at that time or at any time Providence is in receipt of information regarding a patient's income that may indicate financial need. Efforts will be made to inform patients of the availability of financial assistance by providing information during admission and discharge, on the patient's billing statement, in patient accessible billing areas (like registration counters), on Providence's website, by oral notification during payment discussions, as well as on signage in inpatient and outpatient areas, including areas where patients are admitted or registered and in the emergency department. Also, Providence will notify patients that there are organizations that can help the patient understand the billing and payment process, as well as information about presumptive eligibility for financial assistance, and Providence will include the internet address for these organizations on its routine admissions forms presented to patients. Providence will keep records of the information used to determine financial assistance eligibility. Providence will provide a paper copy of this policy to a patient upon request.

Providence will also approve certain patients for a charity adjustment to their account balance by means other than a full Financial Assistance Application if the patients meet the requirements detailed later in this policy (please see "Financial Assistance Without a Financial Assistance Application").

<u>Applying for Financial Assistance:</u> Patients may request and submit a Financial Assistance Application, which is free of charge and available at the Providence facility, or by the following means: advising patient financial services staff at or prior to the time of discharge that assistance is requested, by mail, or by visiting www.providence.org/financialhelp. A person's application for financial assistance will be processed to determine if they may meet the criteria for financial assistance as set forth in this policy.

Providence facilities have designated staff ready to help patients complete the Financial Assistance Application and see if the patient qualifies for financial assistance from Providence itself or from government-funded insurance programs. Help with language translation is also available to address any questions and to assist in the completion of the Financial Assistance Application.

A patient may provide a completed Financial Assistance Application, including all requested supporting documentation, at any time. Providence will suspend any collection activities pending an initial determination of eligibility for financial assistance, provided that the patient is cooperative with Providence's reasonable efforts to reach an initial determination.

A determination ofeligibility for financial assistance can be made according to the income qualifications as detailed on Exhibit B.

Individual Financial Situation: A patient's income and expenses will be used in assessing the patient's individual financial situation. Additionally, Providence will consider and collect information related to assets as required by the Centers for Medicare and Medicaid Services (CMS) for Medicare cost reporting, which applies to Medicare patients who do not also have Medicaid insurance. While Providence does collect asset information from such individuals, and other information that Providence's financial counselors believe is needed, not all such assets will figure into the final amount of the award. For instance, the calculation of the award will not consider: (A) the first $100,000 of a patient's monetary assets (including their family's assets, if applicable), and 50% of a patient's monetary assets over the first $100,000 (including their family's assets, if applicable); (B) any equity in a primary residence; (C) retirement or deferred compensation plans qualified under the Internal Revenue Code or nonqualified deferred compensation plans; (D) one motor vehicle and a second motor vehicle if it is necessary for employment or medical purposes; (E) any prepaid burial contract or burial plot; and (F) any life insurance policy with a face value of $10,000 or less. The value of any asset that has a penalty for early withdrawal shall be the value of the asset after the penalty has been paid. Information requests from Providence to the responsible party to verify assets will be limited to that which is reasonably necessary and readily available to determine the existence, availability, and value of a person's assets and will not be used to discourage application for Charity Care or Discounted Care. Duplicate forms of verification will not be requested. Documentation of income will be limited to recent pay stubs or income tax returns. Providence may accept other forms of documentation of income but will not require those other forms. Any income and asset information obtained by the hospital in evaluating a patient for Charity Care or Discounted Care will not be used for collection activities. For individuals who are not Medicare beneficiaries, or for individuals who have both Medicare and Medicaid insurance, no asset information will be requested or evaluated.

Income Qualifications: The patient's income, based on FPL, may be used to determine eligibility for financial assistance. Please see Exhibit B for details.

Eligibility Determinations: Patients will receive notification of FAP eligibility determination within 30 days of submission of the completed Financial Assistance Application and necessary documentation. The notification will specifically include an explanation of the basis for the determination. Once an application is received, collections efforts will be pended until a written determination of eligibility is sent to the patient. Providence will not make a determination of eligibility for assistance based upon informationwhich the hospital reasonably believes is incorrect or unreliable.

Dispute Resolution: Patients who have completed a Financial Assistance Application may appeal a determination of ineligibility for financial assistance by providing relevant additional documentation to Providence within 30 days of receipt of the notice of denial. The patient may need to provide relevant additional documentation in support of their appeal. Providence will suspend any collection activities pending review of the appeal. All appeals will be reviewed and if the review affirms the denial, written notification will be sent to the patient andState Department of Health, where required, and in accordance with the law. The final appeal process will conclude within 10 days of receipt of the denial by Providence. An appeal may be sent to Providence Regional Business Office, P.O. Box 31001-3422 Pasadena CA 91110-3422 United

States of America.

Financial Assistance Without a Financial Assistance Application: Providence may approve a patient for a charity adjustment to their account balance without a full Financial Assistance Application as outlined in the circumstances below:

- Presumptive Determinations: Such determinations will be made on a presumptive basis using an industry-recognized financial assessment tool that evaluates ability to pay based on publicly available financial or other records, including but not limited to approximate household income and household size according to the eligibility criteria set forth in Exhibit B. For patients that are presumptively determined to be eligible for write-offs based on this screening, eligible amounts will be written off as shown on Exhibit B. Patients who made payment prior to Providence determining the patient to be presumptively eligible for financial assistance may be required to submit a complete Financial Assistance Application in order to be evaluated for eligibility for refunds of amounts previously paid.

- Public Assistance Programs: Patients who are participating in state Medicaid programs are eligible for presumptive assistance. Patient account balances resulting from charges for Eligible Services that are non-reimbursable by Medicaid, Medi-Cal or other government-sponsored low-income assistance programs may be eligible for full charity write-off, including but not limited to non-reimbursable charges for Eligible Services related to the following:
    - Denied inpatient stays
    - Denied inpatient days of care
    - Non-covered services
    - Treatment Authorization Request (TAR) denials
    - Denials due to restricted coverage

For patients who participate in state funded FPL-qualified public assistance programs (e.g., CalFresh (known federally as the Supplemental Nutrition Assistance Program); CalWORKs (Temporary Assistance Program); Children's Health Insurance Program (CHIP); Women, Infants and Children Program (WIC); free lunch or breakfast programs; and low-income home energy assistance programs), Providence may consider such participation as proof of FPL or annual family income in order to determine eligibility for Presumptive Assistance pursuant to Exhibit B.

Catastrophic Medical Expenses: Providence will grant financial assistance at its discretion to grant additional assistance based on the patient's circumstances or in the event of a qualifying catastrophic medical expense if a patient's annual family income and total medical expenses at Providence facilities in the prior 12 months meet the requirements specified in Exhibit B. A complete Financial Assistance Application is required to be evaluated for eligibility for Catastrophic Medical Expenses.

Times of Emergency: Financial assistance may be available in times of a nationalor state emergency, independent of assistance for catastrophic expenses. Eligibility criteria and discount amounts will be set at Providence's discretion at the time of such emergency. A

complete Financial Assistance Application is required to be evaluated for eligibility for Financial Assistance during Times of Emergency.

Eligibility Requirements: Providence may deny a patient's Financial Assistance Application when the patient or other responsible party fails to meet the requirements outlined in this policy. Providence may, consistent with state law, impose eligibility requirements for financial assistance determinations without a Financial Assistance Application, including but not limited to requirements that patients respond to requests as necessary for their primary insurer to adjudicate a claim for reimbursement and that they provide information concerning any potential third party liability for the cost of services. If a patient does not qualify for financial assistance based on information considered without a complete Financial Assistance Application, the patient may still provide the required information pursuant to the Financial Assistance Application and be considered under the financial assistance eligibility and application process set forth in this policy.

Limitation on Charges for all Patients Eligible for Financial Assistance: No patient who qualifies forany of the above-noted categories of financial assistance will be charged more than the Amounts Generally Billed (AGB) percentage of gross charges for Eligible Services, as defined below.

Reasonable Payment Plan: All patients can request a payment plan, regardless of financial assistance determination or application. The payment plan will include monthly payments (without interest or late fees) that are not more than 10% of a patient's or their family's monthly income, minus the patient's usual living costs as listed on the patient's Financial Assistance Application. Providence may take into consideration the availability of a patient's health savings account when implementing a payment plan.

Billing and Collections: If there are any amounts left to pay after application of eligible financial assistance, the amounts may be referred to collections, except that Providence will not refer amounts for Eligible Services provided to Medicaid patients to collections. Before referring an unpaid charge for collections to a collection agency, Providence will conduct a pre-collections screening to determine if the patient qualifies for presumptive assistance as described in this policy. Providence will provide, or require any third-party collection agencies to provide, the written notice required under Cal. Health & Safety Code § 127430 about the patient's rights under the Fair Debt Collection Practices Act prior to collection activities. Collection efforts on unpaid balances will cease pending final determination of financial assistance eligibility. In the event an individual has not yet submitted a Financial Assistance Application, Providence will screen such individuals for eligibility for presumptive determinations in a timeframe consistent with applicable state law and Providence billing and collection practices. Financial assistance based on presumptive determinations will be provided as set forth in Exhibit B. If an individual would like an earlier determination of eligibility for financial assistance, they may submit a Financial Assistance Application at any time. Providence will not take, or allow collection agencies to take, any Extraordinary Collection Actions, as defined below. For information on Providence billing and collections practices for amounts owed by patients, please see Providence's policy, which is available free of charge at each Providence hospital's registration desk, or at:

www.providence.org/billing-support/understand-bill.

Patient Refunds: If a patient pays for Eligible Services and is later found eligible for financial assistance based on financial assistance application, any payments made for those Eligible Services during the FAP-Eligible Time Period which exceed the payment obligation will be refunded, in accordance with state and federal regulations. For clarity, Providence will not automatically refund amounts previously paid based on a presumptive eligibility determination.

Annual Review: This policy will be reviewed annually by designated Revenue Cycle leadership.

EXCEPTIONS:
See Scope above.

DEFINITIONS:
The following definitions and requirements apply to this policy:

1. Federal Poverty Level (FPL): FPL means the poverty guidelines updated periodically in the Federal Registerby the United States Department of Health and Human Services.

2. Amounts Generally Billed (AGB): The amounts generally billed for emergency and other medically necessarycare to patients who have health insurance is referred to in this policy as AGB. Providence Southern California and Providence Northern California determine the applicable AGB percentage for each Providence facility by multiplying the facility's gross charges for the Eligible Services by a fixed percentagethat is based on claims allowed under Medicare or Medi-Cal, whichever is greater. Information sheets detailing the AGB percentages used by each Providence facility, and how they are calculated, can be obtained by visiting the following website: www.providence.org/obp or by calling 1-866-747-2455 to request a copy.

3. Eligible Services: Eligible Services means the emergency or medically necessary services provided by a Providence facility that are eligible for financial assistance. Medically necessary services, for purposes of this policy, include services to prevent, diagnose, or treat an illness, injury, condition, or disease, or the symptoms of an illness, injury, condition, or disease, and that meet accepted standards of medicine. Services that are aesthetic, cosmetic, experimental, investigative, or part of a clinical research program, or services that are for patient or physician convenience, are not considered medically necessary services.

4. Extraordinary Collection Action (ECA): ECAs are defined as those actions that require a legal or judicial process,involve selling a debt to another party, or involve reporting adverse information to credit agencies or bureaus. The actions that require legal or judicial process for this purpose include a lien; foreclosure on real property; attachment or seizure of a bank account or other personal property; commencement of a civil action against an individual;

actions that cause an individual's arrest; actions that cause an individual to be subject to body attachment; and wage garnishment.

5. FAP-Eligible Time Period: The FAP-Eligible Time Period for (i) hospital services is the 240-day period of time; and (ii) clinic services is the 90-day period, in each case that a patient has to submit a Financial Assistance Application to Providence. The timing begins on the date the first post-discharge billing statement is provided to the patient. A billing statement is considered "post-discharge" if it is provided to a patient after the patient received care, whether inpatient or outpatient, and the individual has left the facility. A separate FAP-Eligible Time Period starts with each episode of care, and the 240-day period for hospital services or 90-day period for clinic services, as applicable, will be measured from the first post-discharge bill for the most recent episode of care. That said, Providence has the discretion to accept and process Financial Assistance Applications from patients at any time.

6. High Medical Costs: High medical costs are those as defined by the Hospital Fair Pricing Policies (Cal. Health & Safety Code § 127400(g)), as being: (1) annual out-of-pocket costs incurred by the individual at the Providence hospital that exceed the lesser of 10% of the patient's current family income or family income in the prior 12 months, (2) annual out-of-pocket expenses that exceed 10% of the patient's family income, if the patient provides documentation of the patient's medical expenses paid by the patient or the patient's family inthe prior 12 months, or (3) a lower level determined by the Providence hospital in accordance with this policy. For purposes of this definition, "out-of-pocket costs" means any expenses for medical care that are not reimbursed by insurance or a health coverage program, such as Medicare copays or Medi-Cal cost sharing.

7. Charity Care: Means free care, as defined in Cal. Health and Safety Code § 127400.5(a).

8. Discounted Payment or Discount Payment: Means any charge for care that is reduced but not free, as defined in Cal. Health and Safety Code § 127400.5(b).

REFERENCES:

Internal Revenue Code Section 501(r); 26 C.F.R. 1.501(r)(1) – 1.501(r)(7)
California Health and Safety Code Sections 127400 -127446
22 California Code of Regulations § 96051-96051.37
Emergency Medical Treatment and Labor Act (EMTALA), 42 U.S.C. 1395dd
42 C.F.R. 482.55 and 413.89
American Hospital Associations Charity Guidelines
California Hospital Association Charity Guidelines
California Alliance on Catholic Healthcare Charitable Services Guidelines
Providence Commitment to the Uninsured Guidelines
Provider Reimbursement Manual, Part I, Chapter 3, Section 312

Exhibit A – Covered Facilities List

For clarity, this policy also applies to all covered facility inpatient and outpatient departments and clinics. In addition, this policy applies to the employees of covered facilities, as well as any not-for-profit or non-profit entity majority owned or controlled by Providence and bearing the Providence name and their respective employees.

Providence Hospitals in Southern California	
Providence Saint Joseph Medical Center	Providence Holy Cross Medical Center
Providence Little Company of Mary Medical Center San Pedro	Providence Saint John's Health Center
Providence Cedars-Sinai Tarzana Medical Center	Providence Little Company of Mary Medical Center Torrance
Providence St. Joseph Hospital Orange	Providence St. Jude Medical Center
Providence St. Mary Medical Center	Providence Mission Hospital Laguna Beach
Providence Mission Hospital Mission Viejo	

Providence Hospitals in Northern California	
Providence St. Joseph Hospital	Providence Redwood Memorial Hospital
Providence Santa Rosa Memorial Hospital	Providence Queen of the Valley Medical Center

NorCal Health Connect Hospitals	
Petaluma Valley Hospital	Healdsburg Hospital

Exhibit B - Income Qualifications for Providence Hospitals in Southern California

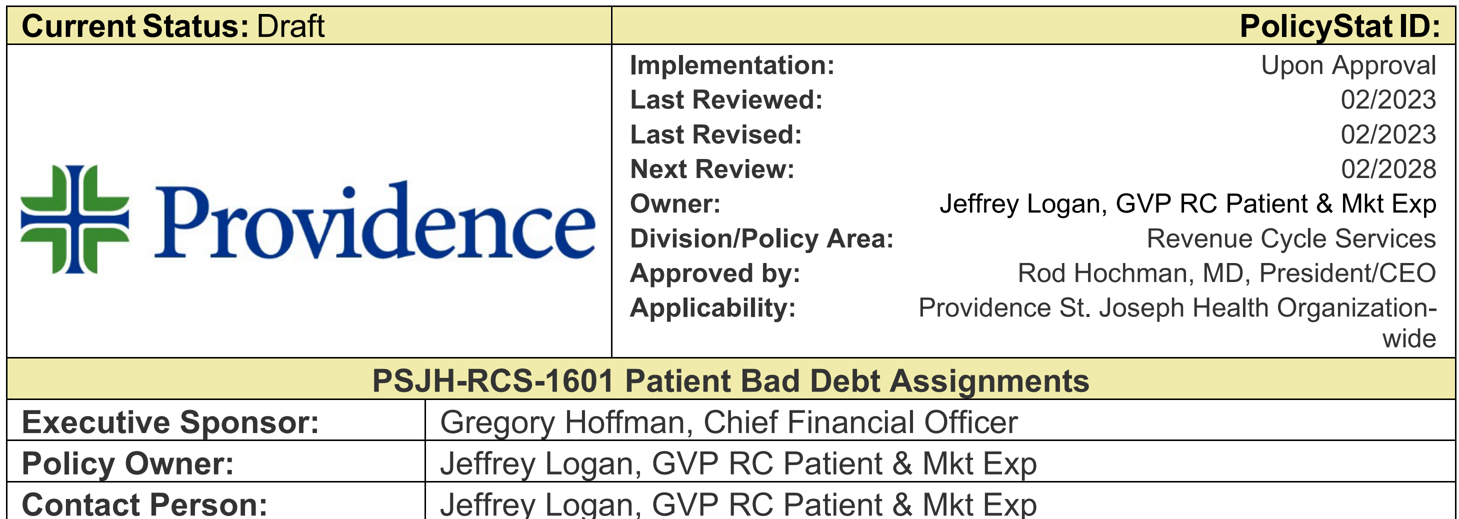
If...	Then ...
Annual family income, adjusted for family size, is at or below 300% of the current FPL guidelines,	The patient is determined to be financially indigent and qualifies for Charity Care 100% write-off on patient responsibility amounts for Eligible Services.
Annual family income, adjusted for family size, is between 301% and400% of the current FPL guidelines,	The patient is eligible for a Discounted Payment of 83% off original charges on patient responsibility amounts for Eligible Services, and in no event will be charged in excess of AGB.
Annual family income, adjusted for family size, is at or below 400% the FPL AND the patient has incurred totalmedical expenses at Providence hospitals in the prior 12 months in excess of 20% of their annual family income, adjusted for family size, for Eligible Services,	The patient is eligible for a one-time approval for Catastrophic Medical Expenses Charity Care 100% write-off on patient responsibilityamounts for Eligible Services owed as of the date the Financial Assistance Application was submitted.
If a patient has not submitted a complete Financial Assistance Application as outlined in this policy but analysis by an industry-recognized financial assessment tool estimates an approximate household income, adjusted for family size, is at or below 300% of the current FPL guidelines,	The patient is presumptively eligible for Charity Care 100% write-off on patient responsibility amounts for Eligible Services.

Income Qualifications for Providence Hospitals in Northern California and NorCal Health Connect Hospitals in Northern California

If...	Then ...
Annual family income, adjusted for family size, is at or below 300% of thecurrent FPL guidelines,	The patient is determined to be financially indigent and qualifies for Charity Care 100% write-off on patient responsibility amounts for Eligible Services
Annual family income, adjusted for family size, is between 301% and400% of the current FPL guidelines,	The patient is eligible for a Discounted Payment of 87% off original charges onpatient responsibility amounts for Eligible Services, and in no event will be charged in excess of AGB.

Providence

Annual family income, adjusted for family size, is at or below 400% the FPL AND the patient has incurred totalmedical expenses at Providence hospitals in the prior 12 months in excess of 20% of their annual family income, adjusted for family size, for Eligible Services,	The patient is eligible for a one-time approval for Catastrophic Medical Expenses Charity Care 100% write-off on patient responsibilityamounts for Eligible Services owed as of the date the Financial Assistance Application was submitted.
If a patient has not submitted a complete Financial Assistance Application as outlined in this policy but analysis by an industry-recognized financial assessment tool estimates an approximate household income, adjusted for family size, is at or below 300% of the current FPL guidelines,	The patient is presumptively eligible for Charity Care 100% write-off on patient responsibility amounts for Eligible Services.



Current Status: Draft	**PolicyStat ID:**
	Implementation: Upon Approval **Last Reviewed:** 02/2023 **Last Revised:** 02/2023 **Next Review:** 02/2028 **Owner:** Jeffrey Logan, GVP RC Patient & Mkt Exp **Division/Policy Area:** Revenue Cycle Services **Approved by:** Rod Hochman, MD, President/CEO **Applicability:** Providence St. Joseph Health Organization-wide

PSJH-RCS-1601 Patient Bad Debt Assignments	
Executive Sponsor:	Gregory Hoffman, Chief Financial Officer
Policy Owner:	Jeffrey Logan, GVP RC Patient & Mkt Exp
Contact Person:	Jeffrey Logan, GVP RC Patient & Mkt Exp

Scope:

This policy applies to patient liabilities where internal collection efforts have not resulted in full payment according to the established timeframe and processes. This policy applies to Providence St. Joseph Health and its Affiliates[i] that provide healthcare services and their employees (collectively known as "PSJH"). This policy does not apply to Providence Health Plan (PHP)[ii] or U.S. Family Health Plan (USFHP).

☒ Yes ☐ No Is this policy applicable to Providence Global Center (PGC) caregivers?

This is a management level policy reviewed and recommended by the Policy Advisory Committee (PAC) to consider for approval by senior leadership which includes vetting by Executive Council with final approval by the President, Chief Executive Officer, or appropriate delegate.

Purpose:

Providence St Joseph Health (PSJH) is a not-for-profit healthcare organization guided by a commitment to its Mission of serving all, especially those who are poor and vulnerable, by its Core Values of compassion, dignity, justice, excellence, and integrity, and by the belief that health is a human right.

The purpose of this policy is:

A. To ensure compliance by PSJH and any contracted entities for bad debt collections with regulatory requirements including Medicaid and Medicare state and federal regulations as well as Internal Revenue Code 501(r).

B. To assure PSJH makes reasonable efforts to make the patient aware of financial assistance before assigning an account to bad debt.

C. To assure PSJH makes efforts to screen the patient for financial assistance eligibility prior to assigning an account to bad debt.

Definitions:

For the purposes of this policy the following definitions and requirements apply:

A. **FAP (Financial Assistance Policy)** is PSJH's Charity Care/Financial Assistance Policy, as supplemented and clarified by state and regional Financial Assistance (Charity Care) Policies, providing free or discounted services for eligible patients in accordance with relevant regulatory requirements.
B. **Extraordinary Collection Action (ECA)** are defined as those actions requiring a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus. The ECAs that require legal or judicial process for this purpose include a lien; foreclosure on real property; attachment or seizure of a bank account or other personal property; commencement of a civil action against an individual; actions that cause an individual's arrest; actions that cause an individual to be subject to body attachment; and wage garnishment.
C. **Plain Language Summary** is a written statement to communicate that PSJH offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such a statement under the FAP.
D. **Escalated patient complaint** is a scenario in which a patient is dissatisfied with the resolution and/or handling of their account(s) and requests to have someone at a higher level of authority resolve the complaint.

Policy:

To ensure the best possible experience relating to collection efforts for patient liabilities, PSJH has developed this policy to facilitate consistent and quality approaches for bad debt assignments. This policy shall be interpreted in a manner consistent with Internal Revenue Code 501(r), as amended. In the event of a conflict between the provisions of such laws and this policy, such laws shall control.

Requirements:

1. PSJH will not sell debt to a third party.
2. An account will not be assigned to a bad debt collection agency during the presumptive eligibility determination process or while the patient's financial status or application for insurance or financial assistance is under review or in process, or during the pendency of an appeal from a determination of financial assistance sponsorship status. If a patient applies for financial assistance after being referred to collections, collection efforts on unpaid balances will cease pending final determination of financial assistance eligibility. Prior to placement of an account with a bad debt collection agency, PSJH will make efforts to inform patients, collect patient liabilities, and screen for charity eligibility in accordance with regulatory requirements and the PSJH FAP. This may include:
    a. Providing billing statements with a conspicuous written notice to inform patients about the availability of financial assistance, as well as a direct phone number and website address where applications, policies, plain language summaries, and

translation services may be obtained including a statement that nonprofit counseling services may be available in the area.

b. Assuring availability of a plain language summary of the PSJH (FAP) with at least one (1) post-discharge communication as part of the intake or discharge process.

c. Screening the account for financial assistance in accordance with the PSJH FAP.

d. Assuring bad debt collection agencies to which accounts may be assigned are compliant with Medicaid and Medicare state and federal regulations as well as 501(r) requirements, including being licensed as a debt collector, as may be required under state law, and that the agencies will not engage in ECAs, including but not limited to commencement of legal actions against patients.

e. Assuring adequate encryption of Protected Health Information (PHI) for any patient information provided to a bad debt collection agency to which accounts may be assigned.

f. Prior to assigning an account to a bad debt collections agency, sending a patient notice of certain information related to such bad debt (e.g., date(s) of service and amounts of the bill). For patients in California, such notice must include a summary of the patient's rights related to the collection activities and the name of the bad debt collection agency.

3. Requirements for bad debt collection agencies to which PSJH accounts are assigned:

   a. Accounts will stay with the primary bad debt vendor until the account is deemed uncollectible or up to three hundred and sixty-five (365) days from placement, whichever comes first. Accounts deemed uncollectible will be returned on a monthly basis, not to exceed 365 days. Accounts over 365 days, which are on an active payment plan, may remain with the agency until resolution. PSJH may choose at any time and for any reason to recall accounts and may resolve such accounts internally or place returned accounts with a secondary or tertiary bad debt placement agency.

   b. The collection agency must follow all appropriate regulations including the Fair Debt Collection Practices Act, (FDCPA)[1], the Telephone Consumer Protection Act (TCPA) 501(r) and any other applicable state or federal regulations. Specifically regarding state and federal regulations, the agency:

      i. Must also ensure that no ECA's are taken.
      ii. Must suspend collection efforts if notified by PSJH that the patient submitted a FAP application after the assignment, and thereafter follow PSJH instructions regarding the account.
      iii. Must report any patient escalated complaints received on PSJH account to PSJH.
      iv. Must not re-assign the account to another agency without PSJH's express approval.

   c. Where the bad debt collection agency identifies that the patient has filed bankruptcy, the agency must notify PSJH.

   d. The collection agency will not sell bad debt.

   e. The collection agency will not: (a) use or threaten to use force or violence to cause physical harm to the patient or the patient's family or property; (b) threaten arrest or

criminal prosecution; (c) threaten to seize, attach, or sell a patient's property if doing so requires a court order; (d) use profane, obscene, or abusive language in communications with the patient's employer concerning the nature or existence of the debt; or (f) conceal the true purpose of the collections-related communication.

4. The collection agency must agree to return, and PSJH will accept, any account in which the balance has been determined to be incorrect due to the availability of a third-party payer, or the patient is eligible for Charity Care or Discounted Payment. In the event that a patient has paid on an account and is subsequently found to have met financial assistance criteria, PSJH will refund appropriate amounts to the patient or responsible party in accordance with any applicable state law.

5. Neither PSJH nor any collection agency will:

    a. Charge interest on the patient's medical debt.

    b. Attempt to collect a medical debt from a patient's child or other family member who is not financially responsible for the debt, if prohibited by state law.

References:

Internal Revenue Code Section 501(r); 26 C.F.R. 1.501(r) (1) – 1.501(r) (7)
42 C.F.R. 482.55
47 U.S.C. §227 (TCPA)
PROV-FIN-519 Discounts for Health Services
PROV-FIN-520 Medicare Bad Debts
PSJH-MISS-100 Charity Care-Financial Assistance
State and Regional Financial Assistance (Charity Care) Policies

Attachments:

None

Applicability:

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[i] For purposes of this policy, "Affiliates" is defined as any not-for-profit or non-profit entity that is wholly owned or controlled by Providence St. Joseph Health (PSJH), Providence Health & Services, St. Joseph Health System, Western HealthConnect, Kadlec, Covenant Health Network, Grace Health System, Providence Global Center*, NorCal HealthConnect, or is a not-for-profit or non-profit entity majority owned or controlled by PSJH or its Affiliates and bears the Providence, Swedish Health Services, St. Joseph Health, Covenant Health, Grace Health System, Kadlec, or Pacific Medical Centers names (includes Medical Groups, Home and Community Care, etc.).
*Policies and/or procedures may vary for our international affiliates due to regulatory differences.

[ii] For purposes of this policy, "Health Plan" is defined as Providence Health Plan, Providence Plan Partners, Providence Health Assurance, Ayin Health Solutions, Inc, and Performance Health Technologies, Ltd.