County of San Diego Health and Human Services Agency (HHSA) San Diego County Psychiatric Hospital Policies and Procedures SDCPH General Administration			
Subject:	**DEBT COLLECTION**	No:	**02-01-86**
Reference:	**Hospital Fair Pricing Act (Health and Safety Code - HSC § 127400 et seq.) and Title 22, California Code of Regulations § 96051 et. seq**		**Page 1 of 4**
FORM(S) REFERENCE:			
POLICY REFERENCE NUMBER: 02-01-85 Charity Care and Discount Payment			

PURPOSE:

Although San Diego County Psychiatric Hospital (SDCPH) does not bill patients for inpatient or outpatient services or collect debts from patients, this policy establishes a framework for billing and collections procedures for the San Diego County Psychiatric Hospital that complies with HSC § 127400 et seq. and Title 22, California Code of Regulations § 96051 et. seq should the hospital begin billing patients for services. This policy ensures compliance with legal standards in the event such practices were implemented.

POLICY:

It is the policy of SDCPH to maintain fair, respectful, and compliant practices in billing and collection. SDCPH does not bill or collect debts from patients; however, this policy outlines practices to guide procedures and ensure alignment with applicable laws, should the hospital start to bill patients.

DEFINITIONS:

A. Billing Company: a third-party billing company contracted by SDCPH to assist in billing and collecting the patient's responsibility amount.

B. Collection Agency: a collection agency contracted by SDCPH, a debt buyer, that is attempting to collect, including through Extraordinary Collection Actions, unpaid bills for provided services.

C. Essential Living Expenses: Expenses for any of the following: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or childcare, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.

D. Hypothetical Extraordinary Collection Action (ECA): ECAs include the following:

- Selling an individual's debt to another party except as expressly prohibited by state or federal law.
- Deferring or denying, or requiring a payment before providing, Medically Necessary Care (excluding emergency medical care) because of an individual's nonpayment of one or more bills for previously provided care covered under SDCPH's Financial Assistance Policy.
- Certain actions that require a legal or judicial process as specified by federal law, including attachments/seizures, commencing a civil action, or causing an individual to be subject to a writ of attachment.

E. Medically Necessary Care: A service is "medically necessary" or a "medical necessity" when it is reasonable and necessary (a) to protect life, to prevent significant illness or significant disability, (b) to alleviate severe pain, or (c) to prevent, diagnose or treat an illness, injury, condition or disease, or the symptoms of an illness, injury, condition or disease; and (d) meets accepted standards of medicine.

F. Reasonable Payment Plan: A monthly payment that does not exceed 10% of the patient's family income for a month, excluding deductions for essential living expenses.

PROCEDURE(S):

A. Billing Procedures if SDCPH begins to bill patients for services would be:

1. **Billing Third-Party Payers**: Claims to third-party payers would be filed accurately and promptly. Denials caused by SDCPH error would not financially burden patients beyond their expected responsibility.
2. **Billing Insured Patients for Responsibility**: Bills reflecting patient responsibilities as determined by Explanation of Benefits (EOB) would be issued.
3. **Billing Uninsured Patients**: Uninsured patients would receive itemized bills promptly, with access to financial assistance programs.
4. **Requesting an Itemized Statement**: Patients would have the right to request detailed statements.
5. **Accessing Financial Assistance Information**: Financial assistance options, including charity care or discounts, would be provided.

   SDCPH will provide a summary of its Financial Assistance Policy to all patients who receive services at SDCPH. Should SDCPH begin to bill patients, all billed patients will

have the opportunity to contact SDCPH regarding financial assistance for their accounts.

SDCPH's financial assistance policy is available by visiting:
SDCPH Emergency Psychiatric Unit (EPU)
3853 Rosecrans Street, San Diego, CA 92110
Phone: 619-692-8342
Website:
https://www.sandiegocounty.gov/content/sdc/hhsa/programs/bhs/SDCPH/hospital_fair_billing_program.html

B. **Extended Payment Plans:**

SDCPH provides free care for all patients. Although patients are not billed for services at SDCPH, should the hospital begin billing patients for services, the hospital would offer uninsured patients and insured patients with a patient responsibility portion the option to enter into an agreement to pay their patient responsibility portion and any other amounts due over time.

1. **Terms of Extended Payment Plans**: Plans would be interest-free and tailored to financial circumstances, with payments capped at 10% of family income, excluding essential living expenses.
2. **Declaring a Payment Plan Inoperative**: Plans would lapse after 90 days of non-payment, following reasonable attempts to renegotiate.

C. **Hypothetical Collection Practices:**

1. **Extraordinary Collection Actions (ECAs)**: Hypothetical ECAs might include legal actions, excluding liens on real property.
2. **Initiating ECAs**: ECAs would follow 180 days of non-payment and exhausted financial assistance options.
3. **Required Notices**: Patients would be notified in writing of service dates, billing details, and financial assistance availability.

D. **Collection Agencies**:

SDCPH provides free care for all patients and therefore will not advance patient debt to a collection agency. Should SDCPH begin to bill patients for services, collection activities

would be in compliance with relevant state and federal laws, and in accordance with the provisions outlined in this Debt Collection Policy.

SDCPH will not pursue collections from a patient who is attempting to qualify for financial assistance under SDCPH's financial assistance policy and is attempting in good faith to settle an outstanding bill.

If SDCPH did sell the patient's debt to a debt buyer, the agreement would:

- Include contractual language in the sales agreement in which the debt buyer agrees to return, and SDCPH agrees to accept, any account in which the balance has been determined to be incorrect due to a third-party payer or the patient is eligible for charity care or financial assistance.
- Require the debt buyer to agree to not resell or otherwise transfer the patient debt (except to the originating hospital or tax-exempt organization as described in Health & Safety Code § 127444, or if the debt buyer is sold or merged with another entity).
- Require the debt buyer to not charge interest or fees on the patient's debt.
- Require the debt buyer to be licensed as a debt collector by the Department of Financial Protection and Innovation.

SDCPH would evaluate the performance of each collection agency at least on an annual basis, including patient reactions and complaints regarding collection agencies. SDCPH will investigate and analyze complaints about the activities of collection agencies and promptly make and document any necessary corrections.

Additionally, SDCPH should obtain written statements from the collection agency not less than annually attesting that they are following SDCPH's policies and complying with all state and federal laws.

Collection agencies shall not resell debts or charge additional fees.