
Office of Origin: Patient Financial Services & Medical Group Business Services

PURPOSE

The purpose of this policy is to comply with and provide information regarding the billing and collection of patient debt, pursuant to the California Health Safety Code and the Federal Patient Protection and Affordable Care Act.

REFERENCES

Federal Patient Protection and Affordable Care Act, Section 501(r) of the Internal Revenue Code

California Health and Safety Code 127400-127462 as applicable.

Code of Civil Procedure Section 685.01.

American Hospital Association's Patient Billing Guidelines

UCSF Medical Center Administrative Policies:

3.04.06 Self Pay Discount Policy

DEFINITIONS

Extraordinary Collection Action (ECA): Under Internal Revenue Code 501(r), an Extraordinary Collection Action is an action that a hospital may take against an individual to obtain payment for a bill for healthcare services provided to the individual and that are covered by UCSF Health's Patient Financial Assistance Policy. ECAs are defined as:

1. Selling an individual's debt to a third party
2. Reporting adverse information about the individual to a consumer credit reporting agency or credit bureau
3. Deferring or denying medically necessary care because of an individual's nonpayment of a bill for previously provided care eligible for coverage under UCSF Health's Patient Financial Assistance Policy.
4. Requiring a payment before providing medically necessary care because of outstanding bills for previously provided care eligible for coverage under UCSF Health's Patient Financial Assistance Policy.
5. Placing a lien on an individual's property
6. Foreclosing on an individual's real property
7. Attaching or seizing an individual's bank account or other personal property
8. Causing an individual's arrest
9. Commencing a civil action against an individual or obtaining a writ of attachment

10. Garnishing an individual's wages

Financial Assistance: The discounts available to patients who UCSF Medical Center determines are eligible to be a Full Charity Care Patient or a High Medical Cost Charity Care Patient.

Full Charity Care Patient: A patient who:

1. Is a Self-Pay Patient; and
2. Has Family Income at or below 400% of the Federal Poverty Level (FPL).

POLICY

- A. This policy will provide a clear and consistent process for conducting billing and collection activities at UCSF Health that ensures debts owed by individuals are collected in a manner that promotes patient financial stability and in compliance with legal and regulatory requirements.

PROCEDURES

- A. Patients who have not provided proof of coverage by a third-party at or before care is provided will receive with the statement of charges for services rendered at the hospital a request to provide the hospital with health insurance or third-party coverage information. An additional statement will be provided on the bill that informs the patient that if they do not have health insurance coverage, the patient may be eligible for Medi-Cal or Financial Assistance.
- B. Patients can request information about Financial Assistance verbally or in writing. Upon such request, the hospital will give the patient the requested information in person or mail the information to the patient/guarantor's address.
- C. UCSF Health uses financial information from a third-party to grant presumptive eligibility and satisfy the documentation requirements for patients or their guarantors to reach patients who have not applied for Financial Assistance.
- D. In compliance with 501(c)(3), UCSF Health makes reasonable attempts to determine a patient's eligibility for Financial Assistance before assigning an account to collections.
- E. Accounts referred to collection by UCSF Health must meet the following criteria before they would be eligible to be assigned to a collection agency:
1. UCSF Health sends each guarantor 5 statements. Statements detail visit charges, insurance transactions and amounts due by the patient or guarantor.
 2. UCSF refers patient accounts to an external collection agency, or other collection entity no earlier than one hundred eighty (180) days from the date of the initial billing statement provided to the patient or guarantor.
 3. UCSF Health sends reminders via MyChart, Text, email, and phone to inform the patient of their balance due.

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4. A final notice by way of a Goodbye Letter with the following information in compliance with California AB1020:
 - a. The name of the collection agency the debt will be assigned to.
 - b. The date the patient was notified of the availability of Financial Assistance.
 - c. The date a Financial Assistance application was received.
 - d. The date a determination was made on that application.
 - e. A copy of UCSF Health's Financial Assistance Application form.
 5. All billing statements include a notice about UCSF Health's Financial Assistance Program with a contact phone number.
 6. Prior to commencing collection activities against a patient, the hospital and any collection agency working on behalf of the hospital will provide a notice containing a statement that non-profit credit counseling may be available, as well as the following statement:

“State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 a.m. or after 9:00 p.m. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission by telephone at 1-877-FTC-HELP (382-4357) or online at www.ftc.gov.”
 7. Accounts with a “Return Mail” status are eligible for collection assignment after all good faith efforts have been documented and exhausted.
- F. UCSF Health will suspend all collection actions if a completed Financial Assistance Application, including all required supporting documentation, is received. If a patient is attempting to qualify for eligibility under the Financial Assistance policy and is attempting in good faith to settle the outstanding bill, UCSF Health shall not send the unpaid bill to any collection agency or other assignee.
- G. Patients can retroactively apply for Financial Assistance for unpaid patient liability for a period of up to one year.
- H. UCSF Health does not currently engage in any extraordinary collection actions defined in the Definition section.
- I. **Payment Plans**
- a. Patients can be offered an extended payment plan. Extended payment plans will be interest-free.

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- b. Standard payment plan length will be twelve (12) months or less, depending on the outstanding balance. Longer payment plans can be provided on an exception basis, with sufficient management approval. If hospital and patient are unable to agree on the terms of a payment plan, the default payment plan shall be a monthly payment of not more than ten percent (10%) of the patient's Family Income after excluding essential living expenses. "Essential living expenses" means 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 child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.
- c. A payment plan may be declared inoperative after the patient's failure to make all consecutive payments due during a ninety (90) day period. Before declaring a payment plan no longer operative, the hospital, collection agency, or assignee shall make a reasonable attempt to contact the patient by telephone and to give notice in writing that the extended payment plan may become inoperative, and of the opportunity to renegotiate the extended payment plan. Prior to the payment plan being declared inoperative, the hospital, collection agency, or assignee shall attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the patient. For the purposes of this section, the notice and telephone call to the patient may be made to the last known telephone number and address of the patient.
- J. In compliance with California AB1020 all UCSF Health's patients are given a notice of the availability of Financial Assistance with all required information.
- K. Signage regarding UCSF Health's Financial Assistance program is posted in all registration areas, customer service and ancillary service locations in compliance with 501(c)(3), and California AB1020.
- L. All policies and forms can be found on UCSF Health website:
<https://www.ucsfhealth.org/billing-and-insurance>

M. Use of Financial Information

Information or documentation obtained from a patient or the patient's representative for purposes of determining eligibility for financial assistance or discounted payment programs shall be used solely for that purpose and shall not be used in connection with the collection of patient debt, nor disclosed to any collection agency, debt buyer, or other entity engaged in debt collection activities.

N. Authority to Send Accounts to Collections

UCSF Health shall forward patient accounts to an external collection agency or other third-party debt recovery service only through the process approved by the Director of UCSF Health Patient Financial Services Department. All referrals must comply with the hospital's Financial Assistance Policy, applicable state and federal laws, and documented procedures for billing, notification, and collection.

RESPONSIBILITY

Questions about the implementation of this policy should be directed to the Assistant Director of the Self-Pay Billing Office/Patient Financial Services. Questions about Financial Assistance eligibility should be directed to the Self-Pay Billing Office.

HISTORY OF POLICY

Issued and Approved May 2024 by Patient Financial Services.

Reviewed and Approved May 2024 by Policy Steering Committee

APPENDIX

N/A

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