

Stanford Health Care Tri-Valley Hospital Wide Policy	Last Approval Date: December 2023
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I. PURPOSE:

A. The purpose of this Debt Collection Policy is to comply with and provide information regarding the billing and collection of patient debt, pursuant to the California Health and Safety Code, the Federal Patient Protection and Affordable Care Act, and the policies and practices of Stanford Health Care Tri-Valley (Stanford Health Care Tri-Valley).

II. POLICY:

A. In the interest of promoting financial stability and conserving resources for patient care, this policy will provide a clear and consistent process for conducting billing and collection functions at Stanford Health Care Tri-Valley that ensures that debts owed by Guarantors for medical services provided by Stanford Health Care Tri-Valley are collected in a manner that promotes patient satisfaction, efficiency, and compliance in accordance with legal and regulatory requirements.

III. DEFINITIONS:

A. Extraordinary Collection Action (ECA): Under Internal Revenue Code 501(r), an Extraordinary Collection Action is an action that a hospital may take against a Guarantor in order to obtain payment for a bill for healthcare services provided to the individual and that are covered by Stanford Health Care Tri-Valley’s Financial Assistance Charity Care Policy. More specifically, each of the following is an ECA:

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 Stanford Health Care Tri-Valley’s Financial Assistance Charity Care Policy
4. Requiring a payment before providing medically necessary care because of outstanding bills for previously provided care eligible for coverage under Stanford Health Care Tri-Valley’s Financial Assistance Charity Care 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 and
10. Garnishing an individual’s wages

B. Financial Assistance: Assistance provided to patients for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for Medically Necessary Services (as defined in Financial Assistance Charity Care Policy) provided by S Stanford Health Care Tri-Valley and who meet the eligibility criteria for such assistance, as set forth in the Financial Assistance Charity Care Policy.

C. Guarantor: For the purposes of this policy, the individual who is financially responsible for payment of an account balance. The guarantor may or may not be the patient.

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IV. PROVISIONS:

- A. Stanford Health Care Tri-Valley will pursue payment for debts owed for health care services provided by Stanford Health Care Tri-Valley, including designating unpaid amounts as bad debt and assigning such amounts to collection, according to Stanford Health Care Tri-Valley policy and procedures as summarized in this policy. Collections actions shall be undertaken at Stanford Health Care Tri-Valley’s discretion in accordance with this policy and shall be in compliance with relevant state and federal laws and regulations regarding the collection of bad debt.
- B. Stanford Health Care Tri-Valley does not currently engage in any ECAs as defined in Definition section.
- C. All patient account balances meeting one or more of the following criteria are eligible for placement with a collection agency:
 - 1. Stanford Health Care Tri-Valley has made diligent efforts to inform patients of their financial responsibilities and available financial assistance options and has attempted to collect payment using reasonable collection efforts using billing statements, written correspondence, and phone calls.
 - 2. Stanford Health Care Tri-Valley has made reasonable efforts to determine a patient’s eligibility for financial assistance under Stanford Health Care Tri-Valley’s Financial Assistance Charity Care Policy.
 - 3. Stanford Health Care Tri-Valley has made reasonable efforts to mail or send electronically at least four (4)
 - 4. Guarantor Statements after the date of discharge from outpatient or inpatient care, with a final 10-day notice appearing on the fourth Guarantor statement, indicating the account may be placed with a collection agency. All billing statements include a notice about the Stanford Health Care Tri-Valley Financial Assistance Charity Care Policy.
 - 5. Account with a “Return Mail” status is eligible for collection assignment after all good faith efforts to identify a correct address have been documented and exhausted.
- D. Prior to commencing collection activities against a patient, Stanford Health Care Tri-Valley or any collection agency shall provide the patient or Guarantor with the following written notice:
 - 1. 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. Nonprofit credit counseling services may be available in your area.

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- E. If a patient currently has accounts with unresolved bad debt balances, Stanford Health Care Tri-Valley reserves the right to send other open accounts with patient balances to collections earlier.
- F. Stanford Health Care Tri-Valley will suspend any and all collection actions if a completed Financial Assistance Application, including all required supporting documentation, is received.
- G. If Stanford Health Care Tri-Valley determines that a patient qualifies for assistance under the Financial Assistance Charity Care Policy, and the Guarantor has paid Stanford Health Care Tri-Valley more than the amount that should be due from a qualified patient, Stanford Health Care Tri-Valley shall refund the amount paid to Stanford Health Care Tri-Valley in excess of the amount due including interest at the rate provided in the Code of Civil Procedure Section 685.010 from the date of Stanford Health Care Tri-Valley’s receipt of the overpayment. Notwithstanding the foregoing, if the amount overpaid by the Guarantor is \$5.00 or less, Stanford Health Care Tri-Valley shall not refund the overpayment or pay interest, but shall provide the qualifying patient a hospital credit in the amount overpaid for 60 days from the date the amount was due.
- H. As stated in Stanford Health Care Tri-Valley’s Financial Assistance Charity Care Policy, a patient may qualify for an extended interest free payment plan for any patient out-of-pocket fees. The payment plan shall consider the patient's income and the amount owed. The extended payment plan may be declared no longer operative after a patient's or Guarantor’s failure to make all consecutive payments due during a 90-day period. Before declaring the hospital extended payment plan no longer operative, Stanford Health Care Tri-Valley or its collection agency shall make a reasonable attempt to contact the patient or Guarantor 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 extended payment plan being declared inoperative, Stanford Health Care Tri-Valley or the collection agency shall attempt to renegotiate the terms of the defaulted extended payment plan, if requested by the patient or Guarantor. For purposes of this section H, the notice and telephone call to the patient or Guarantor may be made to their last known telephone number and address.
- I. If a Guarantor disagrees with the account balance or is requesting for financial assistance, the Guarantor may request the account balance be researched and verified prior to account assignment to a collection agency by contacting our Customer Service Billing department or sending a billing message through their MyHealth account.
- J. Accounts at a collection agency may be recalled and returned to Stanford Health Care Tri-Valley at the discretion of Stanford Health Care Tri-Valley and/or according to state or federal laws and regulations. Stanford Health Care Tri-Valley may choose to work the accounts to resolution with the Guarantor or a third party as needed, or place the accounts with another collection agency.
- K. Documentation of income or assets obtained from a patient or Guarantor during the process of determining their eligibility for Financial Assistance shall not be used for collections activities; provided, however, that this does not prohibit the use of information obtained by Stanford Health Care Tri-Valley or any of its agents or collection agencies independently of the eligibility process for Financial Assistance.

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V. COMPLIANCE:

- A. All workforce members including employees, contracted staff, students, volunteers, credentialed medical staff, and individuals representing or engaging in the practice at Stanford Health Care Tri-Valley are responsible for ensuring that individuals comply with this policy.
- B. Violations of this policy will be reported to the Department Manager and any other appropriate Department as determined by the Department Manager or in accordance with Stanford Health Care Tri-Valley policy. Violations will be reported to the Compliance Department by the Department Manager and investigated to determine the nature, extent, and potential risk to Stanford Health Care Tri-Valley. Workforce members who violate this policy will be subject to the appropriate disciplinary action up to and including termination.

VI. RELATED DOCUMENTS / PROCEDURES:

- A. Financial Assistance Policy

VII. APPENDIX:

- A. Appendix: Contact Information

VIII. DOCUMENT INFORMATION:

- A. Legal References / Regulatory Requirements:
 - 1. California Health and Safety Code 127400-127462 as applicable.
 - 2. Federal Patient Protection and Affordable Care Act, Section 501(r) of the Internal Revenue Code and regulations thereunder.
- B. Policy Owner/Date History:
 - 1. 01/2020 Kristine Grajo, Director, Self-Pay Management Office
- C. Distribution and Training Requirements:
 - 2. This policy resides in the Hospital Wide Policies of Stanford Health Care Tri-Valley.
 - 3. New or revised documents will be distributed to all impacted employees and posted where accessible by all staff members.
- D. Review and Renewal Requirements:
 - 1. This policy will be reviewed and/or revised every three years or as required by change of law or practice.
- E. Review and Revision History:
 - 1. April 2020, Andrea M. Fish, Office of General Counsel, Kristine Grajo, Director Self-Pay Management Office
 - 2. December 2023, Office of the General Counsel
- F. Approvals:
 - 1. 04/2020 Andrea M. Fish, Office of General Counsel
 - 2. 04/2020 Kristine Grajo, Director Self-Pay Management
 - 3. 08/2020 Policy Steering Committee
 - 4. 12/2023 Sarah DiBoise, Office of the General Counsel

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Appendix A: Contact Information

Customer Service Billing Department at (800) 549-3720 or online at: www.stanfordhealthcare.org/financialassistance.