

Status **Active** PolicyStat ID **11345421**



Origination 3/29/2022
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Owner John Ordonez:
IDS Admin Dir
Patient
Accounting
Area BUSINESS
MANAGEMENT
Applicability Enterprise-wide,
excluding PHGSH
Policy # E.85300.602

Self Pay Payment Program - E.85300.602

APPLICATION:

PIH Health Whittier Hospital (PHWH), PIH Health Downey Hospital (PHDH), and PIH Health Physicians (PHP), excluding PIH Health Good Samaritan Hospital (PHGSH)

PURPOSE:

To offer discounted rates to all uninsured (AKA Self Pay) patients of PIH Health Hospital and if appropriate, to assist the uninsured in applying for Medi-Cal, Victim of Crimes, Uncompensated Care or other programs.

DEFINITIONS:

AB: Assembly Bill

ECA: Extraordinary Collection Activities IRS: Internal Revenue Service

FAP: Financial Assistance Policy

HPE: Hospital Presumptive Eligibility

SB: Senate Bill

POLICY:

It is the policy of PIH Health Hospital to automatically extend a discount to uninsured patients,

regardless of income, (and to those with very limited benefits) that is reflective of or less than the rates negotiated with a contracted Medicare Advantage plan and/or government-sponsored plan. The patient will be asked to pay the discounted rate. If the patient cannot pay his/her entire discounted obligation and the patient does not qualify for government or hospital programs, PIH Health Hospital will extend reasonable no-interest payment plan.

In compliance with Assembly Bill 774, PIH Health Hospital will publish its policy for uninsured patients by clearly and conspicuously posting notices in locations that are visible to the public, including, but not limited to, all of the following:

- (1) Emergency department;
- (2) Billing/cashier office;
- (3) Patient Registration;
- (4) Other outpatient settings.

Additionally, uninsured patients will be provided with the Letter to the Uninsured included on page 3 of this policy. In compliance with SB 1276, the letter will educate patients about availability of coverage through government programs, including the Exchange, be accompanied by a Medi-Cal application, and will provide a referral number to a local consumer assistance center housed at legal services offices.

AB 1503 requires Emergency Room physicians to limit expected payment from eligible patients that are uninsured or have high medical costs who are at or below 400% of the federal poverty level.

In compliance with Bad Debt Policy 85300.0098, accounts will not be approved for legal action until AFTER 180 days after the initial billing. In addition, in compliance with Internal Revenue Service rules, the hospital or its collection agency(s) will not exercise any Extraordinary Collection Activities (ECAs) including reporting to credit agencies, against an individual whose eligibility has not been determined before 180 days after the first post discharge billing statement. PIH Health will not garnish wages. It will however permit liens on homes or other real estate for the purpose of securing repayment at sale or refinancing when income exceeds 400% of FPL. Under certain circumstances when income does not exceed 400% FPL, PIH Health Hospital may file a lien on a primary residence for a hospital bill that will not be exercised during the life of the patient or his/her spouse, or during the period a child of the parent is a minor, and/or as otherwise outlined by state law.

PROCEDURE:

- A. Pre-register scheduled uninsured patients and explain the Self Pay Discount Program.
- B. Prior to or at registration/admission (or after an Emergency Department patient has been medically screened and stabilized) educate the uninsured patient about the Self Pay Discount Program and provide the letter to the uninsured. Allow the patient to apply for Hospital Presumptive Eligibility. If he/she declines or does not qualify:
 1. Estimate the patient's total charges based on the discount rates.
 2. Request the patient's estimated liability.
 3. Set up payment arrangements for any amount that cannot be collected at the time of

service or prior to discharge. Work with the patient to negotiate the terms of the payment plan. If the hospital and the patient cannot agree on the payment plan, use the formula described in subdivision (i) of Section 127400 to create a reasonable payment plan.

- a. Income does not include retirement or deferred compensation plans.
 - b. Reasonable payment plan" means monthly payments that are not more than 10 percent of a patient's family income for a month, excluding deductions for essential living expenses.
 - i. "Essential living expenses" means, for purposes of this subdivision, 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 child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses."
 - ii. For example, if income is \$3,000 per month and essential expenses are \$2000, PIH Health Hospital would need to agree to \$100 payments ($3000-2000=1000 \times .10=100$)
 - c. Payment plans can be considered inoperative after the patient's failure to pay consecutive payments during a 90-day period and after sending written notice and placing a call to the patient. The hospital will attempt to renegotiate the payment plan.
- C. Most Self Pay Discount adjustments will automatically be written off to transaction code 9700014. For those services that do not adjust automatically, Patient Accounting Staff will submit adjustment 9700014 for posting to the patient account.
- D. Statements will automatically reflect the discounted rates. In addition they will include information required under SB 1276 and under IRS rules.
- E. Any accounts referred to bad debt will reflect the discounted rate.
- F. Hospital collection agencies will not report adverse information to a consumer credit reporting agency or commence civil action against the patient for nonpayment at any time prior to 180 days after initial post discharge billing

REFERENCES:

External References:

Supersedes policy #000.00000.000; Sections amended, if any:

Attachments

[PIH Health Hospital Self Pay Payment Program](#)

Approval Signatures

Step Description	Approver	Date
CEO	Jim West: CEO	3/29/2022
BOD	Elizabeth Gaa: Governance Liaison	3/28/2022
Administration Deadline for BOD	Elizabeth Gaa: Governance Liaison	3/9/2022
VP of Rev.Cycle & Managed Care	Noel Coppinger: VP Rev Cycle & Managed Care	3/8/2022
Administrative Director, Patient Access	Rewa Cooper: Admin Director Patient Access, IDS	3/8/2022
Policy Owner	John Ordonez: IDS Admin Dir Patient Accounting	3/8/2022