

## TITLE: CHARITY CARE

**APPLICATION:** This policy applies to both partial charity care (i.e., discounted care) and total charity care (i.e., free care).

### PURPOSE:

Consistent with Stanislaus Surgical Hospital's (the "Hospital") mission of providing the best quality care for our community of patients, this Charity Care Policy (the "Policy") describes Hospital's policies and procedures related to the provision of charity care to its patients who are unable to pay for all or a portion of their financial obligations to Hospital for care rendered. This Policy also describes Hospital's policies and procedures for entering into Extended Payment Plans with patients in order to satisfy patients' financial obligations to Hospital. No referred patient will be denied medically necessary surgical services based on a demonstrated inability to pay for those services.

### POLICY:

#### ***General***

#### ***Charity Care Services***

Non-emergent,<sup>1</sup> medically necessary surgical services, inpatient and outpatient, shall be available to all eligible patients under this Policy.

#### ***Specific Exclusions***

- Charity care will not be available to patients for services that are not medically necessary, including but not limited to: implants, cosmetic surgery, orthodontics and lens ocular implants.
- In addition, non-essential services and services that are not appropriate to a surgical specialty hospital setting may also be excluded from this Policy.

#### ***Definitions***

All italicized terms not defined herein shall have the meaning ascribed to them by the California Fair Pricing Policies Act, commencing with Section 127400 of the California Health and Safety Code.

#### ***Eligible Patients***

(1) *Uninsured patients* and/or (2) *patients with high medical costs whose family income is at or below 350% of the Federal Poverty Level* are eligible to apply for charity care under this Policy. The level of charity is based on a sliding scale (the "Charity Care Sliding Scale") set forth in **Appendix 2** of this Policy.

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<sup>1</sup> Emergency care is not provided at Hospital.

## Definitions

An *uninsured patient* means a patient who does not have third-party coverage from a health insurer, health care service plan, Medicare or Medicaid, and whose injury is not a compensable injury for purposes of workers' compensation, automobile insurance, or other insurance as determined by the Hospital. A patient also will be deemed to be uninsured for the purposes of this Policy to the extent that the patient has exhausted his or her insurance benefits.

A *patient with high medical costs* means a patient, whose family income does not exceed 350% of the *Federal Poverty Level*, and:

(1) Whose annual out of pocket costs incurred at the Hospital exceed 10% of the patient's family income in the prior 12 months; or

(2) Whose annual out of pocket expenses exceed 10% of the patient's family income (provided that the patient provides documentation of his or her medical expenses paid by the patient or his or her family in the prior 12 months).

*Federal Poverty Level* means the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. § 9902 (2). The current Federal Poverty Level is available on the [www.healthcare.gov](http://www.healthcare.gov) website.

*Family* means the following: (a) for patients 18 years of age and older, a spouse, domestic partner (as defined in Section 297 of the Family Code) and dependent children under 21 years of age, whether living at home or not; (b) for patients under 18 years of age, a parent, caretaker relative and other children under 21 years of age of the parent or caretaker relative.

*Family income* includes the following:

- Earnings
- Unemployment compensation
- Workers' compensation
- Social Security
- Supplemental Security Income
- Public assistance
- Veterans' payments
- Survivor benefits
- Pension or retirement income
- Interest and dividends
- Rents
- Royalties
- Income from estates, trusts, educational assistance
- Alimony
- Child support
- Assistance from outside the household and other miscellaneous sources

Non-cash benefits (such as food stamps and housing subsidies) are not counted. Family income is calculated before taxes and excludes capital gains or losses.

*Essential living expenses* means 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
- Any other extraordinary expenses.

## **Patient Financial Responsibility**

### ***Patients with private or public health insurance coverage***

For eligible patients with private or public health insurance applying for charity care, the Charity Care Sliding Scale set forth in **Appendix 2** of this Policy will be applied to a patient's account balance after insurance coverage is applied. No charity will be allowed for claims with insurance coverage where prohibited by specific contract language or payor regulations. This requires a review specific to each patient and their health insurance coverages.

### ***Uninsured (self-pay) Patients***

For eligible patients that are uninsured (i.e., self-pay patients), the Charity Care Sliding Scale set forth in **Appendix 2** of this Policy will be applied to the Medicare allowable amount to determine the financial responsibility of the patient.

## **Procedure:**

### ***General***

### ***Confidentiality:***

- 1) The need for full or partial charity care may be a sensitive and deeply personal issue for recipients.
- 2) Confidentiality of information and preservation of individual dignity shall be maintained for all who seek full or partial charitable services.
- 3) Orientation of staff who will implement this policy and procedure should be guided by these values.

- 4) No information obtained in the patient's Financial Statement for Financial Assistance may be released unless the patient gives expressed permission for such release.

***Patient Notification:***

- 1) All employees in the scheduling, admissions, and patient financial services departments will be fully versed in this Policy, have access to the Financial Statement for Financial Assistance application form, and be able to direct questions to the appropriate Hospital representatives.
- 2) Pursuant to Section 127410 of the CA Health and Safety Code, Hospital shall post written notices related to this Policy in several prominent locations within the Hospital, including, but not limited to the following, as applicable:
  - a. The billing office,
  - b. The admissions office, and
  - c. The patient waiting area.
- 3) Notices shall be published in English and Spanish.
- 4) Hospital shall provide patients, in a timely manner, a copy of this Policy upon request.

***Financial Statement for Financial Assistance (the "Application"):***

- 1) Hospital shall make all reasonable efforts to obtain from its patients (or their representatives) information about whether private or public health insurance may fully or partially cover the charges for care rendered.
- 2) If hospital bills a patient who has not provided proof of coverage by a third party at the time the care is provided or upon discharge, Hospital will provide a copy of the Notice of Charges and Financial Statement for Financial Assistance (the "Application") attached hereto as **Appendix 3**. The information contained within **Appendix 3** will also be provided to any patient upon request.
- 3) A patient requesting charity care must return a completed Application with supporting documentation to Hospital's Collections Department for review and a determination of patient eligibility.
- 4) All Applications shall be maintained on file in Hospital's Collections Department.
- 5) A completed Application should include information regarding the patient's health benefits which may fully or partially cover the Hospital's charges for the care rendered, including, but not limited to, any of the following:
  - a. Private health insurance, including coverage offered through the California Health Benefit Exchange
  - b. Medicare

- c. The Medi-Cal program, the Healthy Families Program, the California Children's Services program, or other state-funded programs designed to provide health coverage.

If the patient has applied, and been denied coverage, under the above, the denial should be included with the Application.

If a patient applies, or has a pending application, for another health coverage program at the same time that he or she applies for full or partial charity care, neither application shall preclude eligibility for the other program.

- 6) Patients who do not provide the requested information necessary for complete and accurate assessment of their financial situation in a timely manner may not be eligible for charity care.
- 7) Patients who have applied for and obtained charity care within the last 12 months shall be deemed ineligible for charity care.
- 8) Applications that do not meet all of the established criteria may be approved based upon extraordinary circumstances with the documented approval of a member of Hospital Administration.
- 9) Charity care eligibility will be determined by and reviewed by the Hospital's Collections Supervisor or other designated individual.
- 10) The Hospital Collections Supervisor will notify the patient of Hospital's determination in writing within 2 business days of receipt of the completed Application.
- 11) Hospital may provide partial charity (discounts) to patients who have demonstrated an inability to pay the entire amount owed to Hospital. The criteria used to determine the amount of partial charity will apply equally to all patients regardless of payor (to extent permitted by payor).
- 12) In the event a patient is found to be eligible for partial charity care (i.e., discounted care), Hospital shall permit the patient to pay his or her financial obligations to Hospital over time, without interest (an "Extended Payment Plan").
  - a. Hospital shall negotiate in good faith with a patient granted a discounted payment to determine the terms of an Extended Payment Plan, taking into consideration the patient's *family income* and *essential living expenses*.
  - b. In the event Hospital and the patient granted a discounted payment are unable to agree upon the terms of an Extended Payment Plan, Hospital shall permit the patient to render payments against the discounted payment obligation in the amount of 10 percent of the patient's *family income* for one month, excluding deductions for *essential living expenses*.

## ***Collection Activities***

### ***Standards for Debt Collection***

Pursuant to Section 127425 of the California Health and Safety Code, Hospital has adopted standards for patient debt collection, which are set forth in **Appendix 4** to this Policy.

There are 4 Appendixes that accompany this Policy and are incorporated herein:

- **Appendix 1** – Eligibility Procedures
- **Appendix 2** – Review Process
- **Appendix 3** – Notice and Application
- **Appendix 4** – Collection Activities

## Appendix 1 – Eligibility Procedures

As of January 1, 2015

*The non-discrimination policy of Hospital (AD 021) applies to eligibility for charity care and therefore no applicant will be discriminated against on the basis of race, color, national origin, etc. Please refer to policy AD 021 if you have questions.*

- 1) To be eligible to apply for charity care under this Policy, an Application must be submitted to the Collections Supervisor.
- 2) The Application must be complete and contain all the required supporting documentation listed in the cover letter.
- 3) Charity care applications can be declined if the applicant fails to work cooperatively with the Collections Supervisor to obtain the necessary information
- 4) Because Hospital does **not** provide emergency care and provides predominantly elective surgeries, the application ideally will be submitted before the scheduled surgery date (generally within 24 hours of the pre-admission call, which includes financial counseling).
- 5) The Application must be for medically necessary surgical services. Services that are not medically necessary (e.g., cosmetic procedures) will not be considered for charity care.
- 6) The Application must **not** be for deductibles, co-insurances or other amounts that specific insurance contracts or specific payor regulations require that the provider collect and which therefore cannot be discounted or waived.
- 7) The Application will be reviewed in detail by the Collections Supervisor, and the Collections Supervisor will adjudicate the Application to determine a patient's eligibility for full or partial charity care.
  - a. If a patient is dissatisfied with the determination of the Collections Supervisor as to a patient's eligibility for charity care under this Policy, the patient may seek review by Hospital's Business Office Manager.<sup>2</sup>
- 8) A patient's Application demonstrate compliance with the following two (2) "means" tests in order for the patient to be considered for partial or full charity care:
  - a. **Partial charity care.** For the purposes of determining a patient's eligibility for partial charity care (i.e., discounted care), Hospital shall consider a patient's *family income* and the patient's *essential living expenses*. To be eligible for partial charity care, the patient's *family income* must not exceed 350% of the *Federal Poverty Level*. Documentation of income will be limited to a patient's recent pay stubs or income tax returns.

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<sup>2</sup> Pursuant to Section 127405, "In the event of a dispute, a patient may seek review from the business manager, chief financial officer or other appropriate manager as designated in the charity care policy and discount payment policy."

- b. **Full charity care.** For the purposes of determining a patient's eligibility for total charity care, Hospital shall consider a patient's *family income* as well as his or her monetary assets in rendering a determination as to whether the patient is eligible for full charity care. An eligible patient's *family income* must not exceed 350% of the *Federal Poverty Level*. In considering a patient's monetary assets, Hospital **shall not** consider a patient's retirement or deferred compensation plans qualified under the Internal Revenue Code, or nonqualified deferred compensation plans. In addition, Hospital **shall not** consider the first ten thousand dollars (\$10,000) of a patient's monetary assets, and **shall not** consider 50 percent of a patient's monetary assets over the first ten thousand dollars (\$10,000) in determining a patient's eligibility for charity care. Hospital may require waivers or releases from the patient or the patient's family, authorizing the hospital to obtain account information from financial or commercial institutions or other entities that hold or maintain monetary assets.
- 9) The level of charity is to be determined using Charity Care Sliding Scale, set forth in **Appendix 2** of this Policy.

The above eligibility procedure is effective 1/1/2015 and has been approved for implementation by Hospital Administration.



## Appendix 2 – Review Process

As of January 1, 2015

- 1) A patient submits his or her Application with supporting documentation.
- 2) If the Application is submitted by a patient with insurance coverage, the applicable primary payor contract or pertinent regulatory language is reviewed.
- 3) If the payor contract or regulation language precludes discounting or write-offs of patient obligations, the Application for full or partial charity care will be declined.
- 4) The Application will be reviewed for completeness.
  - a. Missing items are requested from the patient.
  - b. If missing items (or an acceptable alternative) are not furnished, the patient's application for full or partial charity care will be declined.
- 5) As noted in **Appendix 1**, for an Application for either full or partial charity care, an income test is applied.
  - a. If the patient's total *family income* is above 350% of the *Federal Poverty Level*, the Application for full or partial charity care will be declined.
- 6) As noted in **Appendix 1**, for an Application for full charity care, an asset test is next applied.
  - a. If a patient's total monetary assets (excluding the patient's principal residence and vehicles) exceeds a ceiling (i.e., 6-months' income plus patient account balance), the Application for full charity care will be declined.
- 7) **Charity Care Sliding Scale.** The amount of charity will be determined using the following Charity Care Sliding Scale, to determine the level of charity and patient responsibility:

Federal Poverty Level	Charity Level	Patient Responsibility
301-350%	50%	50%
251-300%	60%	40%
201-250%	70%	30%
151-200%	80%	20%
101-150%	90%	10%
0-100%	100%	0%

- 8) Patient responsibility, calculated from the table above, is compared to Part 5, Line G of the Application and the greater of the two amounts is to be billed to the patient.
- 9) Full or partial charity care arrangements must be approved by a member of Hospital Administration.

- 10) The patient is notified regarding the level of charity approved and the discounted balance to be paid.
- 5) The patient account is appropriately noted and adjusted.
- 6) If a patient is granted partial charity care (i.e., discounted care), Hospital shall permit the patient the opportunity to enter into an Extended Payment Plan.
  - a. Hospital shall negotiate in good faith with a patient granted a discounted payment to determine the terms of an Extended Payment Plan, taking into consideration the patient's *family income* and *essential living expenses*.
  - b. In the event Hospital and the patient granted a discounted payment are unable to agree upon the terms of an Extended Payment Plan, Hospital shall permit the patient to render payments against the discounted payment obligation in the amount of 10 percent of a patient's *family income* for one month, excluding deductions for *essential living expenses*.

The above Review Process procedure is effective 1/1/2015 and has been approved for implementation by Hospital administration.

## **Appendix 3 – Notice and Application**

As of January 1, 2015

Date

Patient First Name Last Name  
 Address  
 City, State ZIP

**Re: Notice of Charges and Request for Information Related to Insurance Coverage; Information Regarding Stanislaus Surgical Hospital’s Charity Care**

Dear Patient:

You recently underwent a surgical procedure at Stanislaus Surgical Hospital. Enclosed please find a statement of our charges for the care you received.

To date, we have not received proof of private or public health insurance coverage for the health care services you received at our facility. If you have health insurance coverage (including coverage under Medicare, Healthy Families Program, Medi-Cal, or other coverage), please notify us immediately so that we may appropriately bill for the services rendered.

If you do not presently have private or public health insurance, you may be eligible for health insurance coverage through the following programs:

Program:	Application Information:
<ul style="list-style-type: none"> <li>• Medicare</li> <li>• CA Healthy Families Program</li> <li>• Medi-Cal</li> <li>• Covered California</li> <li>• CA Childrens’ Services Program</li> <li>• Other State or County funded health coverage</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.ssa.gov/medicare/apply.html">http://www.ssa.gov/medicare/apply.html</a></li> <li><a href="http://www.mrmib.ca.gov/mrmib/HFP.html">http://www.mrmib.ca.gov/mrmib/HFP.html</a>);</li> <li><a href="https://www.c4yourself.com/c4yourself/index.jsp">https://www.c4yourself.com/c4yourself/index.jsp</a>);</li> <li><a href="http://hbex.coveredca.com/">http://hbex.coveredca.com/</a></li> <li><a href="http://www.dhcs.ca.gov/services/ccs/Pages/apply.aspx">http://www.dhcs.ca.gov/services/ccs/Pages/apply.aspx</a></li> </ul>

We would be happy to provide you with the applications for any of these health insurance programs. For assistance applying for health insurance coverage, please contact Stanislaus County Community Services Agency at (877) 652-0734. Covered California also has an enrollment assistance program. For more information regarding Covered California’s enrollment assistance program, please visit <http://hbex.coveredca.com/enrollment-assistance-program/>.

Even if you have private or public health insurance (or if you do not have private or public health insurance), if you meet certain low to moderate income requirements, you also may be eligible for discounted or full charity care through Stanislaus Surgical Hospital’s Charity Care Policy. A copy of a Financial Statement for Financial Assistance, which is necessary to apply for discounted or full charity care from our hospital, is attached. Should you desire to apply for discounted or charity care, please complete the enclosed financial statement, and return it to Christine Ybarra, Collections Supervisor at the address below. For questions regarding our Charity Care Policy or the application process, please contact:

Christine Ybarra, Collections Supervisor  
Stanislaus Surgical Hospital  
1421 Oakdale Rd.  
Modesto, CA 95355  
(209) 232-2511 (phone)

Please note, a pending private or public health insurance application will not preclude your eligibility for our discounted or charity care under our Charity Care Policy.

Sincerely,

Christine Ybarra, Collections Supervisor

Enclosures



Fuel			
Electricity			
Telephone			
Cable TV			
Water and/or Sewer			
<b>Home Repair and Maintenance</b>			
<b>Education: (Tuition, Books, Fees, Etc.)</b>			
<b>Gifts: (Holidays, Birthdays, Charity, Church, etc.)</b>			
<b>Recreation</b>			
Eating Out			
Vacations & Trips			
Babysitters			
Activities			
Other			
<b>Vehicles</b>			
Payment 1: Year      Make      Model      Loan #			
Payment 1: Year      Make      Model      Loan #			
Gas & Oil			
Insurance			
License			
Maintenance & Repair			
<b>Other Transportation: <i>Bus, Taxi, Train, etc.</i></b>			
<b>Insurance</b>			
Health			
Dental			
Life			
Other			
<b>Taxes Payable: <i>Taxes you pay in for the month/year</i></b>			
Income			
Social Security			
Other			
<b>Union or Professional Dues</b>			
<b>Child Care</b>			
<b>Child Support/Alimony (Paid Out)</b>			
<b>Planned Cash Purchases</b>			
<b>Other</b>			
<b>A. TOTAL CASH EXPENSES</b>			
<b>B – OTHER DEBT PAYMENTS (e.g. Credit Cards, Consumer Debt)</b>			
<b>Other Vehicles and Equipment</b>			
Other: <i>Credit cards, Installment Loans, Personal debts, etc.</i>			
List			
<b>B. TOTAL OTHER DEBT PAYMENTS</b>			
<b>PART 2 TOTAL (A + B)</b>			

<b>PART 3 – FAMILY INCOME*</b>			
<b>* This portion must be completed for all applications for Charity Care (i.e., full and partial charity care)</b>			
Applicant Wages, Tips, Overtime, etc. Employer _____			
Co-Applicant Wages, Tips, Overtime, etc. Employer _____			
Business Income			
Other (Social Security, Retirement, Alimony, Child support, VA, Welfare, Other income, etc.) List:			
<b>PART 3 TOTAL</b>			
<b>PART 4 – ASSETS**</b>			
<b>* This portion must be completed for all applications for full Charity Care</b>			
i. Checking Account: Bank: Address Acct #:			Balance:
ii. Savings Account: Bank: Address Acct #:			Balance:
iii. Other Accounts: Bank: Address Acct #:			Balance:
iv. CDs Stocks, Bonds (exclude retirement plans) Acct #			Value:
v. Total Other Assets: (Real Estate, Machinery, etc.)			Value:
vi. Less: first \$10,000 in cash assets			(10,000)
vii. Subtotal			
viii. 50% (of Subtotal above)			
<b>PART 4 TOTAL: if negative, enter "0"</b>			
<b>PART 5 – SUMMARY</b>			
A. Total Income: Part 3 total			
B. Assets: Part 4 total			
C. Total Expense and Debt Payments: Part 2 total			
D. Balance (A + B – C)			
E. 50% of D (minimum patient responsibility)			
F. Medicare Allowable			
G. Lesser of E and F			

The information stated in this application is correct to the best of my knowledge. You are authorized to check my credit and employment history and to answer questions about your credit experience with me.

You are further authorized to disclose any information contained herein and other information obtained by you with regard to my credit and employment history to third parties, solely for the purpose of obtaining financing for payment of any indebtedness that I might owe you.

By signing this agreement I am promising to cooperate with the hospital staff and provide adequate information in a timely matter to get my bill resolved.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Co-Applicant

\_\_\_\_\_  
Date



## Appendix 4 – Collection Activities

As of January 1, 2015

### ***Collection Activities***

#### ***Standards for Debt Collection***

- 1) Pursuant to Section 127425 (a) of the CA Health and Safety Code, Hospital has adopted and implemented a written policy regarding Sending Accounts to an Outside Collection Agency (FI.036).
- 2) Hospital has contracted with Transworld Systems to provide accounts receivable support services.
- 3) Hospital shall obtain a written agreement from any agency that collects Hospital receivables on its behalf that such agency will adhere to Hospital's standards for debt collection as set forth in this Policy.
- 4) As part of its accounts receivable support services, Transworld Systems will send statements to patients outlining their charges for care rendered by Hospital over a 120-day period. Transworld Systems will also attempt to contact patients by telephone to discuss the amounts owed to Hospital.
- 5) If a patient fails to pay the amounts owed to Hospital or enter into an Extended Payment Plan pursuant to this Policy during the initial 120-day period, Transworld System will send the patient a "Final Notice," allowing the patient an additional 15 days to pay in full or to contact them to enter into an Extended Payment Plan.
- 6) Pursuant to Section 127430 of the CA Health and Safety code, the "Final Notice" will include the following language:

*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](http://www.ftc.gov). Non-profit credit counseling services may also be available in the area.*

- 7) If a patient fails to respond to the "Final Notice":
  - a. Transworld Systems will return the account to Hospital.

- b. Hospital's Patient Financial Services Manager will review the account and approve it for collections.
    - c. The account will be turned over to a collection agency.
- 8) For any patient that has applied for charity care pursuant to this Policy, information obtained through a patient's Application for charity care **shall not** be used for collections activities.
- 9) For uninsured patients and patients with high medical costs, Hospital (or any other owner of the debt, including a collection agency), shall not report adverse information to a consumer credit reporting agency or commence a civil action against a patient for nonpayment at any time prior to 150 days after the initial billing.
- 10) If a patient is attempting to qualify for charity care under this Policy (i.e., either full or partial charity care), and that patient is attempting in good faith to settle an outstanding invoice with Hospital by negotiating an Extended Payment Plan or making regular partial payments of a reasonable amount, Hospital will not send the account to any collection agency or other assignee, unless that entity has agreed to comply with the California Fair Pricing Policies Act and this Policy.
- 11) Any agency that collects Hospital receivables on behalf of Hospital will comply with any Extended Payment Plan into which Hospital enters.
- 12) In attempting to collect a patient's unpaid hospital bills:
  - a. In dealing with patients eligible for full or partial charity care under this Policy, Hospital, or its assignee that is an affiliate or subsidiary of Hospital, shall not use wage garnishments or liens on primary residences as a means of collecting unpaid hospital bills.
  - b. In dealing with patients eligible for full or partial charity care under this Policy, a collection agency or other assignee that is not a subsidiary or affiliate of Hospital, shall not use the following as a means of collecting unpaid hospital bills:
    - i. Wage garnishment, except by order of the court upon noticed motion, supported by a declaration filed by the movant identifying the basis for which it believes that the patient has the ability to make payments on the judgment under the wage garnishment;
    - ii. Notice or conduct a sale of the patient's primary residence (i.e., current homestead as defined in Section 704.710 of the Code of Civil Procedure) during the life of the patient or his or her spouse or during the period a child of the patient is a minor, or a child of the patient who has attained the age of majority is unable to take care of himself or herself and resides in the dwelling as his or her primary residence.
- 13) When a patient enters into an Extended Payment Plan with Hospital, such Extended Payment Plan may be declared no longer operative if the patient fails to make all consecutive payments due during a 90-day period, provided that:

- a. Before declaring the Hospital Extended Payment Plan no longer operative, the Hospital (or its assignee or collection agency) makes a reasonable attempt to contact the patient by telephone and give notice in writing that the Extended Payment Plan may become inoperative. The written notice must also offer the patient the opportunity to renegotiate the Extended Payment Plan. If the patient requests to renegotiate his or her Extended Payment Plan, Hospital (or its assignee or collection agency) must attempt to renegotiate the terms of the Extended Payment Plan pursuant to this Policy.
- b. Hospital (or its assignee or collection agency) shall not report adverse information to a consumer credit reporting agency or commence a civil action against the patient or responsible party for nonpayment prior to the time the Extended Payment Plan is declined to be no longer operative.
- c. The 90-day period may be extended if the patient has a pending appeal (as defined by Section 127426 of the California Fair Pricing Policies Act) for coverage of the services, until a final determination of that appeal is made, provided that the patient makes a reasonable effort to communicate with Hospital regarding the progress of any pending appeals.

The above Collection Activities procedure is effective 1/1/2015 and has been approved for implementation by Hospital Administration.