



LOMA LINDA UNIVERSITY MEDICAL CENTER

OPERATING POLICY

CATEGORY: FINANCE

CODE: C-55

SUBJECT: BILLING AND COLLECTIONS

EFFECTIVE: 12/2017

REPLACES: - - -

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PURPOSE:

This policy applies to Loma Linda University Medical Center, Loma Linda University East Campus Hospital, Loma Linda University Surgical Hospital and Loma Linda University Health Beaumont-Banning (hereinafter collectively “LLUMC”), together with its Financial Assistance Policy (FAP), is intended to meet the requirements of applicable federal, state, and local laws, including, without limitation, section 501(r) of the Internal Revenue Code (IRC) of 1986, as amended, and the regulations there under. This policy establishes the actions that may be taken in the event of nonpayment for medical care provided by LLUMC including but not limited to extraordinary collection actions (ECA). LLUMC will not deny emergency or other medically necessary care based on ability to pay. The guiding principles behind this policy are to treat all patients and individual(s) responsible equally with dignity and respect and to ensure appropriate billing and collection procedures are uniformly followed and to ensure that reasonable efforts are made to determine whether the individual(s) responsible for payment of all or a portion of a patient account is eligible for assistance under the FAP.

LLUMC is committed to assisting insured and uninsured patients meet their payment obligations and to applying consistent and compliant patient billing and collection practices to all patients eligible for assistance under the FAP.

A. BILLING AND FINANCIAL CONSIDERATION

1. LLUMC will not engage in ECAs, either directly or through its authorized vendors, before reasonable efforts are made to determine whether a patient is eligible for assistance under the LLUMC FAP.
2. It is the obligation of the patient or guarantor (referred to herein as “patient”) to provide a correct mailing address and correct telephone number at the time of service or upon moving. If an account does not have a valid address or telephone number, this may impact the determination of reasonable effort.
3. As a courtesy to patients with insurance, the initial claim will be filed with their insurance company. Secondary and or tertiary payors will have claims filed by LLUMC or its Authorized Vendors on behalf of the patient after resolution of the claim has been

completed with the primary insurance payor. Uninsured patients will be directly billed for their claim by LLUMC.

4. Once both primary and secondary claim resolution has occurred, all accounts whether insured or uninsured will complete the same collections process for the patient balance due LLUMC.
 - 4.1 LLUMC or its Authorized Vendors will not engage in ECAs until 150 days after the date of the first post-discharge billing statement for the care at issue and before reasonable efforts have been made to determine whether the patient is eligible for financial assistance under the FAP.
 - 4.2 LLUMC or its Authorized Vendors will provide the patient with four (4) billing statements via mail including notice indicating financial assistance is available and at least one (1) phone call attempt at which time LLUMC or its Authorized Vendors can notify the patient of the FAP.
 - 4.3 At least thirty (30) days prior to initiating any ECAs, LLUMC or its Authorized Vendors will:
 - a. Provide the patient with notification of the ECAs LLUMC intends to initiate to obtain payment for the care.
 - b. Provide the patient with a Plain Language Summary of the FAP.
 - c. Make an oral attempt to contact the patient via telephone at the last known telephone number.
 - 4.4 In the event of nonpayment and after reasonable efforts have been made to notify the patient about the financial assistance available, LLUMC or its Authorized Vendors may commence collections at 150 days after the date of the first post-discharge billing statement.
 - 4.5 In the event a completed Financial Assistance Application (FAA) is received during the application period, LLUMC will suspend ECAs while it makes a reasonable effort to determine whether a patient is eligible for financial assistance under the FAP. In the event an incomplete FAA is received during the application period, ECAs will be suspended for no more than thirty (30) days while LLUMC provides written notice to the patient that ECAs may be initiated or resumed if the FAA is not completed. Collection activity will resume in the following situations: (i) a partial adjustment occurs, (ii) the patient fails to cooperate with the financial assistance process, or (iii) the patient is not eligible for financial assistance.
 - 4.6 If a third party vendor or collection agency identifies a patient as meeting LLUMC's financial assistance eligibility criteria, the patient's account may be considered for financial assistance. ECAs will be suspended for no more than thirty

(30) days while LLUMC provides written notice to the patient that ECAs may be initiated or resume if the FAA is not completed. Collection activity will resume in the following situations: (i) a partial adjustment occurs, (ii) the patient fails to cooperate with the financial assistance process, or (iii) the patient is not eligible for financial assistance.

5. Patients may at any time during the collection cycle submit financial information for financial assistance consideration pursuant to the LLUMC FAP. All available avenues of assistance and available payments from third-party payors must be exhausted before such assistance is considered.
6. Patients are encouraged via the LLUMC website and correspondence to make payment arrangements pursuant to the LLUMC FAP when payment in full is not feasible.

B. MEASURES TO PUBLICIZE THE BILLING AND COLLECTIONS POLICY

1. Copies of the Billing and Collections Policy, the Financial Assistance Policy (FAP), the Plain Language Summary to the FAP, and the Financial Assistance Application (FAA) will be widely publicized and can be obtained in the following manner:

1.1 Online at the LLUMC website, <https://medical-center.lomalindahealth.org/financial-assistance#llumc>

1.2 By telephone at the LLUMC Customer Service at (909) 651-4177

1.3 By mail at the LLUMC Customer Service:

P.O. Box 700
Loma Linda, CA 92354

1.4 By posted signs and paper copies or brochures in the emergency departments, admitting areas and business offices of all LLUMC hospitals, in languages that are appropriate for the hospital's service area.

1.5 In person through Financial Counselor visits, as necessary, with patients at LLUMC hospitals, and discussions by designated staff, when appropriate.

1.6 In billing statements a phone number for inquiries about financial assistance will be included.

C. DEFINITIONS

Application Period:

The time period in which an individual may apply for financial assistance. The Application Period ends on the 240th day after LLUMC mails or electronically provides the individual with the first

billing statement for the care, but may be extended by LLUMC upon extraordinary circumstances.

Authorized Vendors:

Those vendors LLUMC may contract with to produce and send letters, notices, bills and/or other statements to patients regarding amounts owed by the patient and to contact the patient regarding payment of their unpaid bills.

Extraordinary Collection Action (ECA):

Actions taken by LLUMC against an individual related to obtaining payment of a bill for care covered under LLUMC's Financial Assistance Policy and may include the following: (a) selling an individual's debt to another party except as expressly provided by federal law; (b) reporting adverse information about the individual to consumer credit bureaus; and (c) certain actions that require a legal or judicial process as specified by federal law, including some liens, foreclosures on real estate, attachments/seizures, commencing a civil action, causing an individual to be subject to a writ of attachment, and garnishing an individual's wages. ECAs do not include any lien that a hospital is entitled to assert under state law on the proceeds of a judgment, settlement or compromise owed to an individual (or his or her representative) as a result of personal injuries for which a hospital provided care.

Financial Assistance Policy:

The policy established by LLUMC for the provision of financial assistance for eligible patients which are in need of financial assistance, specifically the LLUMC FAP.

Internal Revenue Code 501(r):

Includes regulations that apply to charitable hospitals.

Medically Necessary Care:

Healthcare services as defined by California Welfare & Institutions Code §14059.5. A service is medically necessary or a medical necessity when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain." Excluded from this definition are unique services where medically efficacious alternative therapies are available. Examples include: 1) Cosmetic and/or plastic surgery services; 2) Infertility services; 3) Vision correction; 4) Proton Therapy; 5) Robotic procedures; 6) Orthotics/Prosthetics; 7) Surrogate pregnancy; or 8) Other services that are primarily for patient comfort and/or patient convenience.

Plain Language Summary:

A summary of the financial assistance policy that is easy to read, easy to understand and easy to use.

Reference Policy

[Charity Care/Discount Payment \(C-22\)](#)

APPROVERS: Hospital Executive Leadership, LLUMC Board, LLUMC Chief Executive Officer, LLUMC Senior Vice President of Finance, Carolyn Marovitch