

HealthBridge - Orange

BILLING AND COLLECTION POLICY

January 1, 2022

POLICY/PRINCIPLES

It is the policy of the VSC HBO, LLC (dba HealthBridge Orange, a pediatric specialty facility serving patients age 0 - 21 and hereinafter the "Facility") to ensure a socially just practice for providing medically necessary care at the Facility pursuant to its Financial Assistance Policy (or "FAP"). This Billing and Collection Policy is specifically designed to address the billing and collection practices for Patients who are in need of financial assistance and receive care at the Facility.

All billing and collection practices will reflect our commitment to and reverence for individual human dignity and the common good, our special concern for and solidarity with persons living in poverty and other vulnerable persons, and our commitment to distributive justice and stewardship. The Facility's employees and agents shall behave in a manner that reflects the policies and values of a Catholic-sponsored facility, including treating Patients and their families with dignity, respect and compassion.

This Billing and Collection Policy applies to all emergency and other medically necessary care provided by the Facility. This Billing and Collection Policy does not apply to payment arrangements for care that is not "medically necessary care" (as those terms are defined in the Facility's FAP).

DEFINITIONS

1. "501(r)" means Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder.
2. "Extraordinary Collections Actions" or "ECAs" means any of the following collection activities that are subject to restrictions under 501(r):
 - a. Selling a Patient's debt to another party, unless the purchaser is subjected to certain restrictions as described below.
 - b. Reporting adverse information about the Patient to consumer credit reporting agencies or credit bureaus.
 - c. Deferring or denying, or requiring a payment before providing, medically necessary care because of a Patient's nonpayment of one or more bills for previously provided care covered under the FAP.
 - d. Actions that require legal or judicial process, except for claims filed in a bankruptcy or personal injury proceeding. These actions include, but are not limited to,
 - i. placing a lien on the Patient's property,
 - ii. foreclosing on a Patient's property,
 - iii. placing a levy against or otherwise attaching or seizing a Patient's bank account or other personal property,

- iv. commencing a civil action against a Patient, and
- v. garnishing a Patient's wages.

An ECA does not include any of the following (even if the criteria for an ECA as set forth above are otherwise generally met):

- a. the sale of a Patient's debt if, prior to the sale, a legally binding written agreement exists with the purchaser of the debt pursuant to which
 - i. the purchaser is prohibited from engaging in any ECAs to obtain payment for the care;
 - ii. the purchaser is prohibited from charging interest on the debt in excess of the rate in effect under section 6621(a)(2) of the Internal Revenue Code at the time the debt is sold (or such other interest rate set by notice or other guidance published in the Internal Revenue Bulletin);
 - iii. the debt is returnable to or callable by the Facility upon a determination by the Facility or the purchaser that the Patient is eligible for Financial Assistance; and
 - iv. the purchaser is required to adhere to procedures specified in the agreement that ensure that the Patient does not pay, and has no obligation to pay, the purchaser and the Facility together more than he or she is personally responsible for paying pursuant to the FAP if the Patient is determined to be eligible for Financial Assistance and the debt is not returned to or recalled by the Facility;
 - b. any lien that the Facility is entitled to assert under California state law on the proceeds of a judgment, settlement, or compromise owed to a Patient as a result of personal injuries for which the Facility provided care; or
 - c. the filing of a claim in any bankruptcy proceeding.
3. "FAP" means the Facility's Financial Assistance Policy, which is a policy to provide Financial Assistance to eligible Patients in furtherance of the Facility's mission and in compliance with 501(r).
4. "FAP Application" means the application for Financial Assistance.
5. "Financial Assistance" means the assistance the Facility may provide to a Patient pursuant to the Facility's FAP.
6. "Facility" means VSC HBO, LLC, dba HealthBridge Orange, in Tustin, California.
7. "Patient" means an individual age 0 – 21, receiving care (or who has received care) from the Facility and any other person financially responsible for such care (including family members and guardians).

BILLING AND COLLECTION PRACTICES

The Facility maintains an orderly process for regularly issuing billing statements to Patients for services rendered and for communicating with Patients. In the event of nonpayment by a Patient for services provided by the Facility, the Facility may engage in actions to obtain payment, including, but not limited to, attempts to communicate by telephone, email, and in-person, and one or more ECAs, subject to the provisions and restrictions contained in this Billing and Collection Policy. The Revenue Cycle Department has final authority to determine that the Facility has made reasonable

efforts to determine financial assistance eligibility and that the Facility may engage in ECAs.

Pursuant to 501(r), this Billing and Collection Policy identifies the reasonable efforts the Facility must undertake to determine whether a Patient is eligible under its FAP for Financial Assistance before it engages in an extraordinary collection action, or ECA. Once a determination is made, the Facility may proceed with one or more ECAs, as described herein.

1. FAP Application Processing. Except as provided below, a Patient may submit a FAP Application at any time with respect to emergency and other medically necessary care received from the Facility. Determinations of eligibility for Financial Assistance will be processed based on the following general categories.
 - a. Complete FAP Applications. In the case of a Patient who submits a complete FAP Application, the Facility shall, in a timely manner, suspend any ECAs to obtain payment for the care, make an eligibility determination, and provide written notification, as provided below.
 - b. Presumptive Eligibility Determinations. If a Patient is presumptively determined to be eligible for less than the most generous assistance available under the FAP, the Facility will notify the Patient of the basis for the determination and give the Patient a reasonable period of time to apply for more generous assistance before initiating an ECA.
 - c. Notice and Process Where No Application Submitted. Unless a complete FAP Application is submitted or eligibility is determined under the presumptive eligibility criteria of the FAP, the Facility will refrain from initiating ECAs for at least 120 days from the date the first post-discharge billing statement for the care is sent to the Patient. In the case of multiple episodes of care, these notification provisions may be aggregated, in which case the timeframes would be based on the most recent episode of care included in the aggregation. Before initiating one (1) or more ECA(s) to obtain payment for care from a Patient who has not submitted a FAP Application, the Facility shall take the following actions:
 - i. Provide the Patient with a written notice that indicates Financial Assistance is available for eligible Patients, identifies the ECA(s) that are intended to be taken to obtain payment for the care, and states a deadline after which such ECA(s) may be initiated that is no earlier than 30 days after the date the written notice is provided;
 - ii. Provide the Patient with the plain language summary of the FAP; and
 - iii. Make a reasonable effort to orally notify the Patient about the FAP and the FAP Application process.
 - d. Incomplete FAP Applications. In the case of a Patient who submits an incomplete FAP Application, the Facility shall notify the Patient in writing about how to complete the FAP Application and give the Patient thirty (30) calendar days to do so. Any pending ECAs shall be suspended during this time, and the written notice shall (i) describe the additional information and/or documentation required under the FAP or the FAP Application that is needed to complete the application, and (ii) include appropriate contact information.

2. Restrictions on Deferring or Denying Care. In a situation where the Facility intends to defer or deny, or require a payment before providing, medically necessary care, as defined in the FAP, because of a Patient's nonpayment of one or more bills for previously provided care covered under the FAP, the Patient will be provided a FAP Application and a written notice indicating that Financial Assistance is available for eligible Patients.
3. Determination Notification.
 - a. Determinations. Once a completed FAP Application is received on a Patient's account, the Facility will evaluate the FAP Application to determine eligibility and notify the Patient in writing of the final determination within forty-five (45) calendar days. The notification will include a determination of the amount for which the Patient will be financially responsible to pay. If the application for the FAP is denied, a notice will be sent explaining the reason for the denial and instructions for appeal or reconsideration.
 - b. Refunds. The Facility will provide a refund for the amount a Patient has paid for care that exceeds the amount the Patient is determined to be personally responsible for paying under the FAP, unless such excess amount is less than \$5.00.
 - c. Reversal of ECA(s). To the extent a Patient is determined to be eligible for Financial Assistance under the FAP, the Facility will take all reasonably available measures to reverse any ECA taken against the Patient to obtain payment for the care. Such reasonably available measures generally include, but are not limited to, measures to vacate any judgment against the Patient, lift any levy or lien on the Patient's property, and remove from the Patient's credit report any adverse information that was reported to a consumer reporting agency or credit bureau.
4. Appeals. The Patient may appeal a denial of eligibility for Financial Assistance by providing additional information to the Facility within fourteen (14) calendar days of receipt of notification of denial. All appeals will be reviewed by the Facility for a final determination. If the final determination affirms the previous denial of Financial Assistance, written notification will be sent to Patient.
5. Collections. Upon conclusion of the above procedures, the Facility may proceed with ECAs against uninsured and underinsured Patients with delinquent accounts, as determined in the Facility's procedures for establishing, processing, and monitoring Patient bills and payment plans. Subject to the restrictions identified herein, the Facility may utilize a reputable external bad debt collection agency or other service provider for processing bad debt accounts, and such agencies or service providers shall comply with the provisions of 501(r) applicable to third parties.