

Guidelines for Helping Patients Pay for Hospital Care

AHA Pledge	CA Law – Status
<p style="text-align: center;"><i>Helping Patients Qualify for Coverage</i></p> <ol style="list-style-type: none"> 1. Hospitals should help uninsured patients identify potential sources of public and private coverage. 2. Hospitals should assist uninsured patients with submitting an application for coverage, or direct patients to other services and supports that can help them get enrolled. 	<p style="text-align: center;"><i>Helping Patients Qualify for Coverage</i></p> <ol style="list-style-type: none"> 1. This is required by state law, which mandates that hospitals provide uninsured patients an application for Medi-Cal, Covered California, or other state or county funded plan. 2. This is required by state law.
<p style="text-align: center;"><i>Helping Patients Qualify for Financial Assistance</i></p> <ol style="list-style-type: none"> 1. Hospitals should have a written financial assistance policy. 2. Hospitals’ financial assistance policy should describe when care may be free or discounted, and delineate eligibility criteria, the basis for determining a patient’s out-of-pocket responsibility, and the method for applying for financial assistance. 3. Hospitals should communicate this information to patients in a way that is easy to understand, culturally appropriate, and in the most prevalent languages used in their communities. 4. Hospitals should publicize their financial assistance policies broadly within the community served (e.g., post on the premises and on the website and/or distribute directly to patients) and share them with other organizations that assist people in need. 	<p style="text-align: center;"><i>Helping Patients Qualify for Financial Assistance</i></p> <ol style="list-style-type: none"> 1. This is required by state law. 2. This is required by state law. 3. State law requires hospitals to communicate this information in any non-English language spoken by 5% or more persons served by the hospital. State law does not address “easy to understand” or “culturally appropriate.” Federal law requires nonprofit hospitals to make this information “easy to understand,” but doesn’t address “culturally appropriate.” 4. State law requires hospitals to publicize their financial assistance policies broadly, including by posting on the premises and by distributing copies to uninsured patients. Federal law requires nonprofit hospitals to post their policies on their websites, and this will be required for all hospitals effective Jan. 1, 2022.

	<p>Neither state nor federal law directly requires hospitals to share their financial assistance policies with other organizations that assist people in need.</p>
<p><i>Providing Financial Assistance to Patients</i></p> <ol style="list-style-type: none"> 1. Hospitals should create and adhere to a reasonable and compassionate policy that governs the free care for patients with the most limited means as defined by income below 200% of the federal poverty limit (FPL) combined with a level of assets appropriate for the community. 2. Hospitals should create and adhere to a reasonable and compassionate policy that governs the payment obligations for other patients of limited means up to a certain percentage of income and assets, or percentage of the FPL, as appropriate for the community. 3. Hospitals should provide a reasonable discount when billing patients of limited means. 4. Hospitals should apply financial assistance policies consistently and fairly, without regard to race, ethnicity, gender, religion, etc. 	<p><i>Providing Financial Assistance to Patients</i></p> <ol style="list-style-type: none"> 1. This is required by state law. 2. This is required by state law. 3. This is required by state law. 4. Multiple state and federal laws prohibit hospitals from discriminating on the basis of race, ethnicity, gender, religion, and other protected classes.
<p><i>Communicating Effectively with Patients</i></p> <ol style="list-style-type: none"> 1. Hospitals should use a billing process that is clear, concise, accurate and patient friendly. 2. Hospitals should respond promptly to patients' questions about their bills and requests for financial assistance. 3. Hospitals should provide financial counseling to patients to assist them in paying their bill, and make the availability of this counseling widely known. 4. Hospitals should have a written debt collection policy. 5. Hospitals should ensure that every effort is made to work together with patients to determine whether the individual is eligible for financial assistance before 	<p><i>Communicating Effectively with Patients</i></p> <ol style="list-style-type: none"> 1. State and federal law require accurate billing. There is no explicit requirement that bills be "clear," "concise," or "patient friendly." Hospitals strive to meet this goal. 2. Not required by state or federal law. 3. Not required by state or federal law. 4. This is required by state law. 5. This is required by state law. 6. State law requires written collections policies that include the actions that may be taken in the event of nonpayment. Federal law that applies to nonprofit hospitals requires an advance notice of at least 30 days with

<p>undertaking significant collections actions, and those efforts can include working with other organizations or entities that can help make the determination.</p> <ol style="list-style-type: none"> 6. Hospitals' written collections policies should include the actions that may be taken in the event of nonpayment and require an advance notice of at least 30 days to patients identifying the specific action(s) it intends to take, when the action will be initiated, and the availability of financial assistance. 7. Hospitals should ensure that staff members who work closely with patients are educated about hospital billing, financial assistance, and collection policies and practices. 	<p>the content described in the AHA guidelines.</p> <ol style="list-style-type: none"> 7. Not required by state or federal law.
<p><i>Oversight of Third-party Debt Collection</i></p> <ol style="list-style-type: none"> 1. Hospitals should require any contracted third-party debt collection company to be compliant with the Fair Debt Collection Practices Act. 2. Hospitals should require any contracted third party debt collection company to meet key components of its collection policies as well as any legal requirements that would apply if the action were taken directly by the hospital. 3. Hospitals should require regular reports on debt collection efforts, including attestation of compliance with hospital policies and obligations. 	<p><i>Oversight of Third-party Debt Collection</i></p> <ol style="list-style-type: none"> 1. All third-party debt collections must comply with the Fair Debt Collection Practices Act. 2. This is required by state law. 3. Not required by state or federal law.
<p><i>Protecting Patients from Certain Debt Collection Practices</i></p> <ol style="list-style-type: none"> 1. Hospitals' billing and collection policy should forgo garnishment of wages, liens on a primary residence, applying interest to the debt, adverse credit reporting, or filing of a lawsuit unless the hospital has established that the individual is able but unwilling to pay. 2. Hospitals' billing and collection policy should establish the minimum amounts 	<p><i>Protecting Patients from Certain Debt Collection Practices</i></p> <ol style="list-style-type: none"> 1. <u>Garnishment</u>. Under state law, hospitals cannot garnish wages. A hospital's collection agency can garnish wages after obtaining a court order; the court must find that the patient has the ability to pay. <p><u>Lien on primary residence</u>. Under state law, hospitals cannot place liens. A collection agency can force a sale of a primary residence but only after the</p>

<p>owed that could lead to debt collection or filing of a lawsuit.</p> <p>3. Hospitals should make multiple attempts to reach and negotiate with patients before proceeding to court action.</p>	<p>patient has died leaving no minor child, and no disabled adult children living in the home.</p> <p><u>Interest.</u> No interest may be charged according to state law.</p> <p><u>Adverse credit reporting and/or filing of lawsuit.</u> State law allows this after 150 days after initial billing (180 days after 1-1-22).</p> <p>2. Not required by state or federal law. 3. Not required by state or federal law.</p>
<p><i>Approval of Financial Assistance and Debt Collection Policies</i></p> <p>1. The hospital governing body should approve and annually review financial assistance and collection policies, as well as routinely review the status of hospital debt collection efforts.</p> <p>2. The hospital leadership should continually review hospital policies and practices related to these guidelines to ensure they are best serving their patients and communities.</p>	<p><i>Approval of Financial Assistance and Debt Collection Policies</i></p> <p>1. Not required by state law. Federal law requires nonprofit hospitals to obtain the governing body's approval of financial assistance policies and billings/collections policies. This is not an annual requirement. There is no requirement under state or federal law for the governing body to review the status of debt collection efforts.</p> <p>2. Not required by state or federal law.</p>