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Debt Collection Process

PURPOSE:
This Policy is to ensure that Marshall Medical Center and its contracted debt collections agencies use a fair and reasonable methods, and comply with all applicable federal and state laws, in collections of Marshall Medical Center's consumer debt accounts.

POLICY:
In keeping with its goal of providing compassionate care, Marshall Medical Center strives to treat all patients fairly, with dignity, compassion and respect. Therefore, Marshall Medical Center will use its best efforts to ensure that its collections efforts related to the patient accounts are fair, reasonable and consistent. This policy sets forth the general standards of Marshall Medical Center's debt collection practices, and relationships with the collection agencies that act on its behalf.

SPECIFIC'S:
For specific policies and procedures related to Marshall Medical Center's internal process for communicating with patients that are outsourced with a collection agency please refer to Hospital Patient Billing Financial Counselors Policy and Procedures.

Term:
The following terms will be used in this policy.

- Collection Agency- means an outside, non- Medical Center agency engaging in any patient/guarantor collection activities, but does not include outsource vender which simply carry out Marshall Medical Center's normal billing functions.
- Statement of Financial Conditions- is a application that patients can obtain to help get a discount if they meet certain criteria based off of our policy, Policies\Charity Procedure-2014.doc
- Low Income Uninsured Patient- means a patient who is at or below 350 percent of the Federal Poverty Level (FPL)

A. General Requirements Prior to Collection Agency Action

1. **Consistency in Billing Statements**. At the time of billing, Marshall Medical Center will provide all patients the same information concerning services received and charges related to those services.

2. **Notice of Financial Assistance Availability**. In its bill to all patients, Marshall Medical Center will include a statement to the effect that is the patient meets certain income requirements the patient may be eligible for government-sponsored payor programs or financial assistance through the Marshall Medical Center. Bills will also include the department and telephone number to contact for more information about Marshall Medical Centers Statement of Financial Conditions program and the application process.

3. **Cash Discount Availability**. When a patient inquires about whether Marshall Medical Center offers a discount from its charges based n a patient's status as a cash-paying patient, Marshall Medical Center will describe the cash pay discount policy at the time of service or before patient is seen. When this conversation happens at the time of pre-registration or after the services was rendered then it will be documented in patients visit.

B. Relationship with Collection Agencies

1. **Compliance with Law, Medical Center Standards.** Collection agencies with which Marshall Medical Center contracts must at all times comply with the Federal Fair Debt Collection Practices Act, the California Rosenthal Fair Debt Collections Practices Act, and any other laws applicable to the collection of consumer debts. Collection agencies with which Marshall Medical Center contracts also must at all times treat Marshall Medical Center patients, their families and other contacts fairly, with dignity, compassion and respect. For copy of Marshall Medical Centers contract with our outside agencies contact Marshall Medical Centers Legal Department.

2. **Standards of Contracting with Collection Agencies.** Marshall Medical Center shall not engage any collection agency to collect patients' accounts unless: (i) the arrangement is set for in a written agreement signed by the collection agency and Marshall Medical Center's Chief Financial Officer; and (ii) the written agreement attaches this policy as an exhibit and requires the collection agency to comply with this policy.

3. **Assignment of Patient Accounts to Collections Agencies.**

    a. Marshall Medical Center shall not assign any patient account to a collection agency unless Marshall Medical Center (or a subcontractor acting on behalf of Marshall Medical Center) has first performed to the best of its ability a patient profile/screen and determined to Marshall Medical Center' satisfaction that the patient (i) does not qualify for alternative payor sources, (ii) is not agreeable to a payment plan or is no longer cooperating with a negotiated payment plan, (iii) does not qualify for Marshall Medical Canters Financial Assistance program (or has qualified and been given

financial assistance, in which case only the amount as adjusted to reflect the financial assistance available is forwarded for collections) and (iv) has sufficient assets available to pay the amount owing. For purpose of this policy, Marshall Medical Center has preformed the determinations listed above to the best of its ability where Marshall Medical Center has made a reasonable attempt to gather the necessary information from a patient and the patient either does not respond within a reasonable time or is uncooperative in providing the necessary information.

b. When Marshall Medical Center assigns an account to a collection agency, the amount that will be assigned for collection will be the amount remaining after any prior discount arrangements or waivers have been applied to the account balance.

c. For patients who have an application pending for either government-sponsored coverage or for Marshall Medical Center's own Financial Assistance program, Marshall Medical Center shall not knowingly send or assign such patient's bill to an outside collection agency prior to 180 days from the date of Marshall Medical Center's initial billing of that account.

d. For patients who have qualified for financial assistance or who have negotiated a payment plan and are reasonably cooperating with Marshall Medical Center in settling an outstanding bill, Marshall Medical Center will not knowingly send or assign such patient to an outside collection agency if Marshall Medical Center knows that doing so may negatively impact a patients credit.

e. If a debt collection agency determines that a patient account qualifies for an alternative source of payment, or determines that the patient does not have significant assets, the collection agency shall return the account to Marshall Medical Center with an explanation of the determination and the supporting data.

f. If a patient ask a debt collection agency whether Marshall Medical Center offers a discount from its charges based on the patients status as a cash-paying patient, the contracted collection agency can offer up to 30% with out consulting with Marshall Medical Center. Anything above and beyond 31% will need to be approved by Marshall Medical Centers Director of Hospital Patient Billing, who will have the authority to adjust the account in compliance with Marshall Medical Center's cash discount policy.

g. Prior to filing any legal action against a patient, the debt collection agency will (i) perform as analysis of the patient's assets and income to determine whether the patient has assets and income sufficient to justify filing the legal action (ii) present the analysis to Marshall

Medical Center Director of Hospital Patient Billing, in such format as Marshall Medical Center may request, and (iii) obtain the Director's approval for filing the legal action against the patient.

4. **Required Approvals of Specific Collection Practices.** When providing services on Marshall Medical Center's behalf, collections agencies may only take the following actions upon receipt of the approval noted below:

Action	Low-Income/Uninsured Patients	Other Patients
Negotiated Payment Plan	Financial Counselors/Early-Out DRSI	Financial Counselors/Early-Out DRSI
Adverse report to Credit Bureau	Assignment to the collection agency by the financial counselor is approval	Assignment to the collection agency by the financial counselor is approval
Filing A Lawsuit	Business Application Administrator	Business Application Administrator
Debtor Examination/Subpoena for information	Director	Director
Enforcing judgment through lien or record abstract	Never permitted	Director
Enforcing judgment through lien or record abstract on other property	CFO	Director
Enforcing judgment through wage garnishment/levy	CFO	Director
Enforcing judgment through bank account levy	Director	Director
Enforcing judgment through a keeper	CFO	Director

5. **No Assignment or Subcontracting.** Collection agencies engaged by Marshall Medical Center may not assign or subcontract the collection of any account without (i) the prior written consent of the Marshall Medical Center's Chief Financial Officer, Hospital Patient Billing, and (ii) the assignee's or subcontractor's written agreement to comply with this policy.

RECORDKEEPING:

Hospital Patient Billing shall maintain adequate notations and documentation in Marshall Medical Centers patient accounting system to document Marshall Medical Center's compliance with the requirements of this policy. Each collection agency is also required to maintain adequate documentation in its files to show that the collections agency has complied with the requirements of federal and state consumer debt collections laws and with all other requirements of this policy applicable to the collection agency.