

## BILLING AND COLLECTIONS POLICY

### I. PURPOSE:

This policy applies to Keck Medicine of USC (KMC), which includes Keck Hospital of USC, Norris Cancer Hospital of USC and Verdugo Hills Hospital (VHH), together with its Financial Assistance Policy, is intended to meet the requirements of applicable federal, state, and local laws, including, without limitation, section 501(r) of the Internal Revenue Code 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 KMC including but not limited to extraordinary collection actions. KMC 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)'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 Financial Assistance Policy.

### II. DEFINITION:

Plain Language Summary means a written statement that notifies an Individual(s) that KMC offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such statement under the FAP.

Application Period means the period during which KMC must accept and process an application for financial assistance under the FAP. The Application Period begins on the date the care is provided and ends on the 240th day after KMC provides the first post discharge billing statement.

Billing Deadline means the date after which KMC may initiate an ECA against a Responsible Individual(s) who has failed to submit an application for financial assistance under the FAP. The Billing Deadline must be specified in a written notice to the Responsible Individual(s) provided at least 30 days prior to such deadline, but no earlier than 150 days.

Completion Deadline means the date after which KMC may initiate or resume an ECA against an Individual(s) who has submitted an incomplete FAP if that Individual(s) has not provided the missing information and/or documentation necessary to complete the application or denied application. The Completion Deadline must be specified in a written notice and must be no earlier than the latter of (1) 30 days after KMC provides the Individual(s) with this notice; or (2) the last day of the Application Period.

Extraordinary Collection Action (ECA) means any action against an Individual(s) responsible for a bill related to obtaining payment of a Self-Pay Account that requires a legal or judicial process or reporting adverse information about the Responsible Individual(s) to consumer credit reporting agencies/credit bureaus. ECAs do not include transferring of a Self-Pay Account to another party for purposes of collection without the use of any ECAs. KMC will not initiate ECA's until or after day 240 after the initial post discharge billing statement.

FAP-Eligible Individual(s) means a Responsible Individual(s) eligible for financial assistance under the FAP without regard to whether the Individual(s) has applied for assistance.

Financial Assistance Policy (FAP) means KMC Financial Assistance Program for Uninsured Patients Policy, which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy, and sets forth the financial assistance program.

PFS means Patient Financial Services, the operating unit of KMC responsible for billing and collecting Self-Pay Accounts.

Presumptive Financial Assistance Eligibility means KMC recognizes that a portion of the uninsured or underinsured patient population may not engage in the traditional financial assistance application process. If the required information is not provided by the patient, KMC utilizes an automated, predictive scoring tool to qualify patients for Charity Care. The PARO™ tool predicts the likelihood of a patient to qualify for Charity Care based on publicly available data sources. PARO provides estimates of the patient's likely socio-economic standing, as well as, the patient's household income and size.

Responsible Individual(s) means the patient and any other Individual(s) having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual(s).

Self-Pay Account means that portion of a patient account that is the Individual(s) responsibility of the patient or other Responsible Individual(s), net of the application of payments made by any available healthcare insurance or other third-party payer (including co-payments, co-insurance and deductibles), and net of any reduction or write off made with respect to such patient account after application of an Assistance Program, as applicable.

### III. POLICY

- A. Subject to compliance with the provisions of this policy, KMC may take any and all legal actions, including Extraordinary Collection Actions (ECA), to obtain payment for medical services provided.
- B. KMC will not engage in ECAs, either directly or by any debt collection agency or other party to which the hospital has referred the patient's debt, before reasonable efforts are made to determine whether a Responsible Individual(s) is eligible for assistance under the FAP. KMC will not initiate ECA's until or after day 240 after the initial post discharge billing statement.
- C. When reversing ECA's KMC will remove from bad debt and cancel from credit reporting.
- D. All patients will be offered a Plain Language Summary and an application form for financial assistance under the FAP as part of the discharge or intake process from a hospital.
- E. Patients who are determined to be Homeless or Presumptive Financial Assistance Eligible (see definitions) and not participating in another financial assistance program will be granted 100% financial assistance.
- F. One patient Statement and four notices for collection of Self-Pay Accounts shall be mailed or emailed to the last known address of each Responsible Individual(s); provided, however, that no additional statements need be sent after a Responsible Individual(s) submits a complete application for financial assistance under the FAP. At least 60 days shall have elapsed between the first and last of the required three mailings. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made. All Single Patient Account statements of Self-Pay Accounts will include but not limited to:
  - 1. An accurate summary of the hospital services covered by the statement;
  - 2. The charges for such services;
  - 3. The amount required to be paid by the Responsible Individual(s) (or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement); and
  - 4. A conspicuous written notice that notifies and informs the Responsible Individual(s) about the availability of Financial Assistance under the hospital FAP including the telephone number of the department and direct website address where copies of documents may be obtained.
- G. At least one of the statements mailed or emailed will include written notice that informs the Responsible Individual(s) about the ECAs that are intended to be taken if the Responsible Individual(s) does not apply for financial assistance under the FAP or pay the amount due by the Billing Deadline i.e., the last day of the Notification Period. Such statement must be provided to the Responsible Individual(s) at least 30 days before the deadline specified in the statement. A Plain Language Summary will accompany this statement. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made.

H. Responsible Individual(s) propensity to pay will be scored based on that assessment of the Responsible Individual(s) likelihood to pay and dollar amount of the Self-Pay account. Prior to initiation of any ECAs, an oral attempt will be made to contact Responsible Individual(s) with a higher propensity to pay by telephone at the last known telephone number, if any, at least once during the series of mailed or emailed statements if the account remains unpaid. During all conversations, the patient or Responsible Individual(s) will be informed about the financial assistance that may be available under the FAP.

I. ECAs may be commenced as follows:

1. If any Responsible Individual(s) fail to apply for financial assistance under the FAP by 240 days after the first post discharge statement, and the Responsible Parties have received the 30-day statement described in Section III. G above, then KMC may initiate ECAs.

2. If a Responsible Persons has applied for financial assistance under the FAP in the last six (6) months, and PFS determines definitively that the Responsible Individual(s) are ineligible for any financial assistance under the FAP (including because the patient was not uninsured), KMC may initiate ECAs.

3. If any Responsible Individual(s) submits an incomplete application for financial assistance under the FAP prior to the Application Deadline, then ECAs may not be initiated until after each of the following steps has been completed:

- i PFS provides the Responsible Individual(s) with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance, which notice will include a copy of the Plain Language Summary.
- ii PFS provides the Responsible Individual(s) with at least 30 days' prior written notice of the ECAs that KMC may initiate against the Responsible Individual(s) if the FAP application is not completed or payment is not made; provided, however, that the deadline for completion or payment may not be set prior to 120 days after the first post discharge statement.
- iii If the Responsible Individual(s) who has submitted the incomplete application completes the application for financial assistance, and PFS determines definitively that the Responsible Individual(s) is ineligible for any financial assistance under the FAP, KMC may initiate ECAs.
- iv If the Responsible Individual(s) who has submitted the incomplete application fails to complete the application by the Completion Deadline set in the notice provided pursuant to Section III.I.3.ii above, then ECAs may be initiated.
- v If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Individual(s), at any time prior to the Application Deadline, KMC will suspend ECAs while such financial assistance application is pending.

H. After the commencement of ECAs is permitted under Section III.I above, external collection agencies shall be authorized to report unpaid accounts to credit agencies, and to file litigation, garnishment, obtain judgment liens and execute upon such judgment liens using lawful means of collection; provided, however, that prior approval of PFS shall be required before initial lawsuits may be initiated. KMC and external collection agencies may also take any and all legal other actions including but not limited to telephone calls, emails, texts, mailing notices, and skip tracing to obtain payment for medical services provided.

#### IV. POLICY AVAILABILITY

Contact our Business Offices for information regarding eligibility or the programs that may be available to you, to request a copy of the FAP, FAP application form, or Collection Policy to be mailed to you, or if you need a copy of the FAP, FAP application form, or Collection Policy translated to other languages.

Keck Hospital of USC and Norris Cancer Hospital of USC call: (855)532-5729  
Verdugo Hills Hospital (VHH) call: (818)949-4055

Disputes and appeals may be directed to the Associate Administrator of Revenue Cycle in writing to the following address:

Keck Medical Center of USC  
Attention: Associate Administrator of Revenue Cycle  
2011 N Soto Street  
Los Angeles CA 90033

Full disclosure of the FAP, FAP application and this Billing and Collections policy may be found at <http://www.keckmedicine.org/financial-assistance-program/>

A paper copy of our FAP, FAP application form, or Billing and Collection Policy can be obtained at our facility located at the all patient accounting offices, admissions and registration areas. The following addresses apply:

Keck Hospital of USC:  
1500 San Pablo Street  
Los Angeles CA 90033

Norris Cancer Hospital of USC:  
1441 Eastlake Ave  
Los Angeles CA 90033

Verdugo Hills Hospital (VHH):  
1812 Verdugo Blvd  
Glendale CA 91208