

 SAN ANTONIO REGIONAL HOSPITAL	Department: Patient Financial Services				
	Section:				
	Title: Billing and Collections Policy				
	Number: 8530.00115			Page 1 of 5	
	Hospitalwide	Interdepartmental	<input checked="" type="checkbox"/> Department	Patient Care	<input checked="" type="checkbox"/> Non- Patient Care
Policy History		Approval: _____			Dates
Effective 05/01/24 Revision Date(s): 08/25/2025 Review Date(s):		EMG: Finance Committee: 08/2025 Medical Executive Committee: Quality Management Committee:			

Purpose:

The Billing & Collection Policy (BCP) is intended to meet the requirements of applicable federal, state and local laws, including without limitation, Section 501(r) of the Internal Revenue Code and Safety Code (Sections 127400-127446).

The Policy is intended to outline the actions and “reasonable” patient billing efforts will agency. Patients with accounts balances that are their responsibility for payment will be billed to the patient or their guarantor per the provisions listed within this policy and the financial assistance policy.

It is the obligation of every patient/guarantor to provide a correct mailing address, telephone number and other required information for patient registration at any SARH service location. Such information shall be updated by the patient or guarantor in the event that they move or if there are other changes to the information previously provided. Failure by the patient/guarantor to provide accurate information that is reasonable and necessary for the hospital to make a determination regarding the patient/guarantor’s account, SARH may consider that failure in reasonable collection efforts.

Any unpaid balances owed by patients or guarantors after application of available discounts, if any, may be referred to collections. Collection efforts on unpaid balances will cease pending final determination of FAP eligibility. San Antonio Regional Hospital (SARH) does not perform, allow, or allow collection agencies to perform any extraordinary collection actions (ECAs) prior to either: (a) making a reasonable effort to determine if the patient qualifies for financial assistance; or (b) 120 days after the first patient statement is sent.

This policy is intended to establish fair and effective means of collections of patient accounts owed to the hospital. The policy applies to all patients who receive services at SARH.

General Information:

Financial Assistance: Financial Assistance is financial aid to a patient or responsible party for the billing amounts the patient is responsible for, regardless if the patient has insurance or otherwise. Financial assistance is primarily based upon the patient's economic need. Financial Assistance does not include discounts normally given to insurance policy holders, contract prices that are negotiated with insurance companies or other adjustments once the final bill has been created. When the patient is able to pay part of their bill, consideration will be given to writing off a portion of that account as partial financial assistance. Financial Assistance may also include assistance to patients who have incurred high medical costs as defined as yearly healthcare costs greater than 10% of household income.

Extraordinary Collection Action (ECA): ECAs are defined as those actions requiring a legal or judicial process, involve selling a debt to another party or reporting adverse information to credit agencies or bureaus. The actions that require legal or judicial process for this purpose include a lien; foreclosure on real property; attachment or seizure of a bank account or other personal property; commencement of a civil action against an individual; actions that cause an individual's arrest; actions that cause an individual to be subject to body attachment; and wage garnishment.

Procedures:

1. If the account is payable by the patient's/guarantor's insurer, the initial claim will be forwarded directly to the designated insurer. SARH Patient Financial Services Representative will work directly with the patient's insurer to obtain any or all amounts owed on the account. This will include calculation of contracted rates or other special arrangements that may apply. Once payment by the primary insurer has been determined by SARH, any secondary or tertiary payers will have claims filed by SARH on behalf of the patient/guarantor.
2. Any balances remaining after the insurance payment: i.e. deductibles, co-payments, co-insurance, non-covered charges will be billed to the patient usually within 10 days of the final insurance payment. All patient balances are due within 30 days from the date of the first bill.
3. Patients without insurance or coverage by any government-sponsored program will receive an initial patient billing statement usually within 10 days of the discharge date.
4. All charges that are billed directly to the patient who is uninsured or not covered by a government sponsored program will be billed at or discounted down from the hospital list price to the current SARH United Healthcare (UHC) PPO contract.

5. The initial patient billing statement will include a plain language version of the hospital assistance policy including information on how to apply for financial assistance.
6. The hospital will negotiate a payment arrangement in good faith to allow patients to pay any amounts over time.
7. Patients on a formal payment plan will receive a monthly statement of the current amount due until the payment plan is satisfied.
8. Patients on a formal payment plan and making monthly scheduled payments will not be assigned to collections unless the payment plan is delinquent.
9. Any previously agreed upon payment not received within the specified grace period will be considered in default and may be referred to our collection vendor.
10. Before assigning a debt to collections SARH will send notice containing: (1) Date of Service; (2) Name of Entity to whom debt is being sold/assigned; (3) instructions for how to obtain an itemized bill (4) the name and type of health coverage plan for the patient on records with the hospital at the time of services or a statement that the hospital does not have this information; (5) application for Financial Assistance (FA); and (6) the dates patient was originally sent notice about applying for FA.

Collection Agency Assignment of Delinquent Accounts:

1. Patient debt is advanced for collection under the authority of the San Antonio Regional Hospital Chief Financial Officer (CFO), who is responsible for overseeing debt collection activities in accordance with Health and Safety Code § 127425(b)..
2. SARH contracts with an external collection agency but retains full ownership of the account receivable and has the final say in any account resolution.
3. The contracted collection agency must follow the hospital's financial policy in all terms related to the application for assistance procedures and time frames, negotiating payment plans and the rules for engaging in ECA's.
4. SARH does not initiate or permit any Extraordinary Collection Actions (ECAs), including adverse credit reporting, unless the patient has been determined ineligible for financial assistance or has failed to respond to outreach efforts for at least 180 days following the initial billing statement
5. If a financial assistance application is made when an account is already assigned to a collection agency, the agency will put the account on hold during the duration of the application review/approval process.
6. If the hospital or agency is made aware of any verified Medi-cal coverage, the account will be recalled from the agency and the insurance is billed for the service. All insurance plans will be billed and/or resolved by the agency.
7. Any legal actions against a patient including license, lawsuits, etc., must be approved by the Director, Patient Financial Services or designee, and the proper

30-day notice in advance of such activities must be completed by the collection agency.

8. Upon request, or when contacting the patient the regarding legal action, SARH will provide a referral to a local consumer assistance for legal services, in accordance with state regulations.

Use of Financial Documentation:

The Hospital shall not use any income documentation—including but not limited to paystubs, income tax returns, or other financial records—obtained during the financial assistance or charity care eligibility determination process for any debt collection activities. This restriction applies to both internal collection efforts and any third-party collection agencies acting on behalf of the Hospital.

The Hospital affirms that such documentation is collected solely for the purpose of evaluating eligibility for financial assistance and shall not be repurposed for assessing collectability, initiating collection actions, or determining payment plans.

Extraordinary Collection Actions:

SARH does not currently engage in any extraordinary collection actions. (ECAs) as defined as:

1. Placing a lien on an individual's property.
2. Foreclosing on real property.
3. Attaching or seizing an individual's bank account or other personal property.
4. Commencing a civil action against an individual or writ of body attachment for civil contempt.
5. Causing an individual's arrest.
6. Garnish wages
7. Deferring or denying medical necessary care because of nonpayment of a bill.

Credit Balance on Patient's Account:

1. In the event that the patient/guarantor has made a payment for services and subsequently is determined to be eligible for free or discounted care, any payments made related to those services during the FAP-eligible time period which exceed the payment obligation will be refunded, in accordance with state regulations.

2. Non eligible FAP patient account credit balances are eligible for payment transfers. Payment transfers are used when an account has a credit balance caused by an overpayment which should be applied to another unsatisfied account balance.
3. Transferring patient payments between accounts is only appropriate when there is documented patient liability on the open account including bad debt. It is not appropriate to apply a self-pay payment on an insurance only balance.
4. The Patient Account Representative will thoroughly review the credit balance and other open account balances prior to transferring the money.

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