

SUBJECT: Payment Plans

SCOPE: This policy applies to all patients of Mary Rutan Hospital (“Hospital”), including all inpatients, outpatients and patients of ambulatory care outpatient clinics. This policy shall be implemented and followed by all Hospital employees and vendors that establish and/or manage extended payment plan arrangements for patient liabilities.

PURPOSE: To define the amounts of and eligibility criteria Hospital’s extended payment plans and patient financing options.

DEFINITIONS: As used in this policy, the following terms shall have the meanings set forth below.

Eligible Account: Any account with a Patient Liability (institutional guarantors and/or client bills are not eligible for payment plans) where the patient is not in a legal collections status or bankruptcy, and a balance over \$200.

Patient Liability: The portion of a bill for healthcare services for which a patient is responsible, for example a deductible, co- insurance, or co-pay.

POLICY:

- A. A patient who cannot afford to pay their Patient Liability balance in full may apply for an extended payment plan. Hospital offers plans at no interest for patient convenience.
- B. Maximum plan lengths are set universally by Hospital, and may be altered via alteration of this policy at any time, but will be reviewed no less than every 12 months. If alterations to this policy are made, they will be considered to be in effect moving forward from the policy date, and not applied retroactively to existing patient liabilities on an established plan.
- C. To be eligible for a plan, the patient may not have any accounts where Hospital is currently undertaking “Extraordinary Collection Actions”, as defined by Hospital’s Bad Debt/Collections Policy. Prior accounts where any Extraordinary Collection Actions have been resolved will not preclude a patient from establishing a payment plan.
- D. Patient liabilities placed on an extended payment plan may not have a duration over 60 months, and must have a minimum monthly payment amount of \$25. Any number of accounts may be combined to one payment plan. While the hospital prefers shorter repayment periods, and may ask a patient if a shorter

repayment period is feasible, the patient has the right to request a plan based on the maximum duration. Additional payments are governed under section F, below.

- E. The monthly minimum payment amount under a plan shall be calculated by dividing the original outstanding Patient Liability balance by the maximum repayment period, unless a shorter time period is agreed to by the patient. Patients must pay the calculated minimum monthly amount or may be moved into collections (see below for more information on non-payment).
- F. If a patient opts to make additional payments in excess of the required monthly minimum, any additional payment amount will be immediately applied to the principal Patient Liability balance, and routine monthly minimum payments will still be required until the Patient Liability balance is zero.
- G. If a patient cannot make the minimum payment, they may apply for HCAP assistance or Hospital Financial Assistance, within the guidelines of the relevant Hospital policies. After the application of other relevant Hospital policies, the Patient Liability balance will be recalculated and a payment plan will be determined pursuant to this policy based on the recalculated
- H. Once a payment plan is agreed upon, payments must begin in good faith within 30 days of agreement.
- I. If a patient fails to make any payment for two (2) consecutive months, or pays less than the minimum payment for three (3) consecutive months, the patient may be moved to collections unless the patient applies and is approved for payment suspension.
- J. If a patient does not qualify for Hospital Financial Assistance pursuant to applicable policies and cannot make their minimum payment, the patient may apply for a payment suspension. During a payment suspension, a patient is not obligated to make payment and no interest accrues, but no reduction is made to the principal balance. Payment suspension may last up to twelve (12) months, at the discretion of Hospital or its designated vendor, based upon income and asset information provided by the patient.
- K. To apply for a payment suspension, the patient must complete and sign a financial statement, provide a copy of the patients most recently filed tax return, and provide proof of income. Proof of income may be:
 - 1. Pay check stubs
 - 2. SSI statements or copy of check
 - 3. Disability declarations
 - 4. Bank deposit statements

5. Statements by employer (on letterhead)
 6. Signed statement from Bishop or dedicated person
 7. Any other means by which income is clearly defined
- L. Hospital will not approve the payment suspension if: (i) Hospital has reasonable cause to doubt the validity of the income or other financial information provided; (ii) the patient's expense to income ratio indicates a reasonable threshold for the patient to maintain monthly minimum payments under the payment plan; (iii) the patient has reasonable equity in asset holdings to maintain or secure monthly minimum payments under the payment plan; or (iv) if requested information is not provided in a timely manner.
- M. A patient may have multiple accounts in payment plans, each of which may have its own timeframe for repayment, based upon Patient Liability balance and the provisions of this policy. Should a patient wish to consolidate payment plans, they may do so provided that the repayment date for the consolidated plan is not later than that of the original payment plan.
- N. The patient's good faith effort is expected in providing the necessary paperwork and/or documentation necessary for Hospital to implement and effectuate this policy.