



The Bottom Line

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CSI Offers Zero Interest Patient Financing and Management Programs to California Hospitals Financial Services Firm Can Ease Hospitals Burden Created by California Law AB 774

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San Diego, California, January 16, 2007 - California hospitals need not suffer financial or administrative hardships under the states new law, Assembly Bill (AB) 774. In effect since January 1, the new law mandates fair pricing, discounted bills, interest-free extended payment loans and restrained collection practices to two primary groups of patients: (1) financially qualified uninsured patients and (2) financially qualified patients with medical costs that exceed 10% of family income.

Though many hospitals throughout the state have already implemented charity care and discount programs, several industry experts predict dire consequences of AB 774 for California hospitals. The offering of zero interest loans under extended payment terms will delay collections and curtail a hospitals cash flow, and more relaxed collection activities (including the elimination of wages garnishment and liens) will likely reduce total overall collections. Additionally, hospitals (or their vendors) must now implement potentially costly systems to manage and collect on these zero interest loans, reducing profits further.

In response to these hardships, hospitals should consider partnering with an experienced patient financing company that can meet AB 774's mandates in a cost effective manner, says Mitch Patridge, CEO of CSI Financial Services, one of the nations leaders in flexible patient financing. According to Patridge, specialized firms offer the expertise and capabilities to address various sections of the new law, eliminating the necessity for a hospital to hire additional people and implement costly administrative procedures.

For example, CSI has the infrastructure and resources in place to provide zero interest loans to patients and, importantly, to advance the hospital cash against future collections. This increases cash flow immediately and allows the facility to quickly comply with AB 774 without incurring the added cost of systems and additional staff to manage patient payment plans. CSI also has processes already in place to carry out compassionate collection practices and to meet the patient disclosure mandates and credit reporting guidelines of AB 774. For a complete discussion of these and other guidelines, refer to the text of AB 774 at http://info.sen.ca.gov/pub/05-06/bill/asm/ab_0751-0800/ab_774_bill_20060929_chaptered.pdf

Additionally, CSI can offer revolving lines of credit and flexible interest bearing loans to patients who aren't financially eligible under AB 774. Our overriding goal is to reduce stress on the patient and boost the hospitals financial health at the same time, Patridge says. There are many people who won't qualify for discounts or loans under AB 774 who still can't pay their bills. It's vital for a hospital to address the financial needs of all patients, at all levels, and to do so with respect and compassion.

About CSI Financial Services, LLC Based in San Diego, California, CSI Financial Services has more than 14 years of experience in providing automated patient financing solutions as well as management of self-pay accounts for more than 100 hospitals throughout the United States. The Company's financing methodologies are unique to the industry and allow healthcare providers to easily provide affordable financing to a diverse and underserved portion of their patient population. To date, CSI Financial Services has provided hospitals with more than \$170 million in advance payments for patient accounts and has extended loans to patients in all states. For more information about CSI Financial Services visit www.csifinancial.com.