

Mille Lacs Health System

Policies and Procedures

Billing and Collections

PATIENT ACCOUNTS

Review responsibility: Patient Accounts Manager

- I. **PURPOSE:** Mille Lacs Health System (MLHS) will comply with Internal Revenue Code Section 501(r)(4)(A)(iv) and the related regulations and requirements.
- II. **APPLICABLE REGULATORY STANDARDS:** Internal Revenue Code Section 501(r)(4)(A)(iv)
- III. **DEFINITIONS:**
 - A. **Emergency Medical Care** is defined by the Social Security Act as a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:
 - Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy
 - Serious impairment to bodily functions
 - Serious dysfunction of any bodily organ or part

Or, with respect to a pregnant woman who is having contractions:

 - That there is inadequate time to effect a safe transfer to another hospital before delivery
 - That the transfer pose a threat to the health or safety of the woman or the unborn child
 - B. **Extraordinary Collection Actions** include, but are not limited to:
 - Selling an individual's debt to another party
 - Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus
 - Deferring, denying, or requiring a payment before providing medically necessary care because of an individual's nonpayment of one or more bills for previously provided care that may be eligible for financial assistance
 - Actions that require a legal or judicial process, including liens, foreclosures, attachments, seizures, civil actions, arrests, writs of body attachment, and garnishment
 - C. **Medically Necessary Care:** All procedures offered at Mille Lacs Health System are considered medically necessary, except:
 - Massage
 - Sports physicals

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- Department of Transportation physicals
- Home Care
- Respite care

IV. POLICY:

The following actions, including extraordinary collection actions, may be taken by MLHS to encourage patients and other responsible parties to pay a liability owed to MLHS for the provision of emergency medical and other medically necessary care.

V. PROCEDURE:

COLLECTION PRACTICES TO ENCOURAGE PAYMENT

- MLHS sends a billing statement upon determining the remaining balance after any insurance. This is referred to as the “first post-discharge billing statement.”
- Approximately 30 days later, a second statement is sent.
- Approximately 15 days later, a friendly reminder letter is sent.
- Approximately 30 days later, a third billing statement is sent.
- Approximately 15 days later, a past-due letter is sent.
- Approximately 30 days later, a fourth billing statement is sent.
- Approximately 15 days later, a notice of intended action (“final notice” statement) is sent. The notice will contain the following information: “Mille Lacs Health System offers financial assistance to eligible individuals. MLHS will also include a copy of the MLHS’s Plain Language Summary. This notice will be sent 30 days prior to transferring the account to an outside collection agency.
- Before an account is sent to a collection agency, efforts are made to verbally contact the individual.
- Between 14 and 45 days later, the account is sent to a collection agency.
- While this account is with the collection agency, the collection agency attempts to contact the individual by phone.
- Within a week of receipt, the collection agency sends a letter encouraging payment and informing the individual of actions that may be taken.
- The collection agency may commence a legal action against the individual upon receiving express written consent from MLHS. MLHS allows garnishment of wages as the only allowable legal action taken against individuals by collection agency.

While this time frame is generally accurate, any step may fluctuate by a few days. However, in no event will MLHS or an authorized third party take any extraordinary collection actions within 120 days of sending the first post-discharge billing statement to the responsible party.

The use of all extraordinary collection actions, other than the actions listed here, is prohibited. This prohibition applies to MLHS and to all other parties acting on behalf of MLHS.

A single collection action may be taken to obtain payment for multiple medical care liabilities, however, in such situations, an extraordinary collection action will not be taken within 120 days of sending the

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first post-discharge billing statement for the most recent instance of medical care, including in the extraordinary collection action.

REASONABLE EFFORTS TO NOTIFY AN INDIVIDUAL ABOUT FINANCIAL ASSISTANCE

At least 30 days prior to taking any extraordinary collection action against an individual, MLHS will provide an individual with a written notice that includes the following information:

Mille Lacs Health System offers financial assistance to eligible individuals

- The health system offers financial assistance to eligible individuals.
- Identify the extraordinary collection actions that may be initiated against the individual to obtain payment for the care.
- Provide a deadline after which such extraordinary collection actions may be initiated.

The written notice will include a plain language summary of the Financial Assistance Policy.

The health system will also make reasonable efforts to orally notify the responsible party about the Financial Assistance Policy and how the individual may obtain assistance with the financial assistance application process.

Before engaging in any extraordinary collection action against an individual, the Patient Accounts Manager will determine that reasonable efforts have been made to notify the individual about financial assistance.

If an individual submits a financial assistance application, the health system will cease all collection efforts until a determination of financial assistance eligibility is made.

If the health system or another authorized party has already begun an extraordinary collection action against an individual when that individual submits a complete financial assistance application, the extraordinary collection action will be suspended. Suspending an action means that no further steps are taken on that extraordinary collection action and no new extraordinary collection actions are initiated. This suspension may be lifted when the health system determines the individual's eligibility for financial assistance and notifies the individual of that decision.

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If the health system or another authorized party has already begun an extraordinary collection action against an individual when that individual is determined to be eligible for financial assistance, all reasonably available measures will be taken to reverse the extraordinary collection action. Such steps include, but are not limited to; vacating a judgment against the individual, lifting a levy or lien on the individual's property, and removing from the individual's credit report any adverse information that was reported.

If an individual submits an incomplete financial assistance application, the health system will take the following steps to encourage them to complete the application.

- Suspend any extraordinary collection actions to obtain payment for the care.
- Provide a written notice to the responsible party that includes the additional information and/or documentation that must be submitted, and the physical location and phone number of the patient Accounts Manager, who can answer questions about the Financial Assistance Policy and/or provide assistance with the financial assistance application process.
- Allow a reasonable amount of time for the responsible party to submit a complete financial assistance application. Such period of time will be at least 30 days from the date the written notice is sent to the responsible party.

If the individual fails to provide the requested information within the stated time, the health system may renew the previously initiated extraordinary collection actions.

If an individual has made full or partial payment, and the individual is subsequently determined to qualify for financial assistance, any payments in excess of their newly calculated remaining liability will be refunded to the patient within 30 days of the financial assistance eligibility determination. If the refundable amount is less than \$4.00, it will not be refunded.

Third party debt collectors – Mille Lacs Health System will obtain signed Attorney General Contract and a Business Agreement, prior to transferring accounts. At the end of each month the third party debt collection company will email MLHS that month's Complaint Log.

SMALL BALANCE PATIENT REFUNDS

In the event of a refund of less than 4.00 a small balance adjustment will be made to the patient account. This will be documented in the patient's account.