

Billing and Collections Policy

The purpose of this Billing and Collections Policy is to describe the approach of Park Nicollet Health Services to obtaining payment for care provided to patients. In the event of nonpayment, Park Nicollet Health Services (hereinafter “Park Nicollet,” which includes Methodist Hospital, TRIA Orthopaedic Center and Park Nicollet Clinics) is committed to making reasonable efforts to determine whether a patient is eligible for financial assistance before initiating collection actions. Park Nicollet Patient Financial Services Department has the authority and responsibility for determining whether Park Nicollet has made reasonable efforts to determine whether an individual is eligible for financial assistance and whether Park Nicollet is authorized to engage in specific collection actions described in this Billing and Collections Policy.

ACTIONS PARK NICOLLET MAY TAKE TO OBTAIN PAYMENT

Park Nicollet may engage in collection activities for purposes of obtaining payment for care. Certain collection activities are more significant than others and require specific written notice to patients, as described in this Policy. However, Park Nicollet is not required to provide written notice to patients when engaging in less significant collection activities.

Park Nicollet **is not** required to provide notice to patients before engaging in the following collection activities:

- Sending patient billing statements that include due and past due dates
- Attempting to negotiate a settlement of the amount owed
- Referring a patient account to a third party debt collection agency or law firm
- Sending letters or making phone calls, either from Park Nicollet, Park Nicollet’s collection agencies, or other agents of Park Nicollet

Park Nicollet **is** required to provide notice to patients before engaging in the following specific collection actions (also called “Extraordinary Collection Actions” under federal law):

- Selling a patient’s debt to a collection agency or law firm
- Commencing a legal proceeding, by Park Nicollet or Park Nicollet’s agent, which may include
 - Small claims/conciliation court
 - Property liens
 - Seizing a bank account or other personal property
 - Garnishment of wages
- Denying, deferring, or requiring payment before providing future care (Park Nicollet will never deny emergency care due to nonpayment for previous care and Park Nicollet will comply with all requirements of the Emergency Medical Treatment and Labor Act [EMTALA])

Park Nicollet has zero tolerance for abusive, harassing, oppressive, false, deceptive or misleading language or conduct by its debt collection attorney and agencies, their agents or employees, and Park Nicollet employees responsible for collecting medical debt from patients.

Park Nicollet and its debt collection attorneys and agencies will not report delinquent patients to credit bureaus.

EFFORTS TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE

Applications and Notifications:

Park Nicollet will accept and process applications for financial assistance beginning on the date the care was provided to the patient and reserves the right to stop accepting applications **240 days** after the first post-discharge billing statement. Park Nicollet will take steps to notify patients about Park Nicollet's Financial Assistance Policy and will not engage in specific collection actions (also called "extraordinary collection actions") for at least **120 days** from the date of the patient's first post-discharge billing statement. If the patient's account involves multiple episodes of care, Park Nicollet will not engage in specific collection actions for at least **120 days** from the first post-discharge billing statement for the most recent episode of care.

At least **30 days** before Park Nicollet takes specific collection action for nonpayment, Park Nicollet will do the following:

- Provide a written notice (most often a letter mailed to the patient's last known address) informing the patient that:
 - Financial assistance is available for eligible individuals
 - Park Nicollet may take certain collection actions to obtain payment
 - Park Nicollet may begin certain collection actions 30 days after the date of the letter notice
- Enclose a plain language summary of Park Nicollet's Financial Assistance Policy with the notice letter
- Attempt to contact the patient by phone (or in person if possible) to verbally notify the patient of Park Nicollet's Financial Assistance Policy and how the patient may obtain assistance with the application process

If Park Nicollet decides to defer or deny care due to nonpayment for prior care, Park Nicollet will do the following:

- Provide the patient with a written notice that includes:
 - A Financial Assistance Policy application form
 - A statement that financial assistance is available for eligible individuals and a deadline after which Park Nicollet will no longer accept financial assistance applications for the patient's prior care
- Process, on an expedited basis, any application for financial assistance received by the patient before the deadline

Incomplete Applications:

If Park Nicollet receives an application for financial assistance that is incomplete or deficient, Park Nicollet will do the following:

- Suspend any current extraordinary collection actions
- Provide the patient with a letter notice describing the additional information or documentation that must be submitted before the application can be processed and how to contact Park Nicollet to do so
- If a patient completes an application for financial assistance within Park Nicollet's application period, Park Nicollet will promptly make a determination as set forth in the Complete Applications section below

Complete Applications:

If Park Nicollet receives a complete application for financial assistance during Park Nicollet's application period, Park Nicollet will do the following in a timely manner:

- Suspend any current extraordinary collection actions
- Make a determination of financial assistance eligibility and the basis for the determination
- If Park Nicollet determines that a patient is eligible for financial assistance, and the services were received at Methodist Hospital, Park Nicollet will do the following:
 - If the patient is eligible for discounted (and not free) care, Park Nicollet will provide the patient with a billing statement that indicates how the amount was determined and information regarding Park Nicollet's financial assistance calculations
 - Refund any amount the patient has paid for the care at Methodist Hospital that exceeds the amount for which the patient is determined to be personally responsible
 - Take all reasonably available measures to reverse any collection actions that may have been initiated against the patient

Presumptive Eligibility Determinations:

Park Nicollet may make presumptive eligibility determinations for financial assistance. This means that Park Nicollet may determine that a patient is eligible for financial assistance based on information Park Nicollet already has, without obtaining additional information directly from the patient. The presumptive determination may be based on information Park Nicollet has or subsequently receives. When Park Nicollet presumptively determines that a patient is eligible for financial assistance, but eligible for less than the most generous assistance, Park Nicollet will do the following:

- Notify the patient of the determination and inform the patient about how to apply for more generous financial assistance
- Give the patient a reasonable amount of time to apply for more generous assistance
- Process a completed application for more generous assistance as described above in this Billing and Collections Policy

THIRD PARTY DEBT COLLECTION AGENCIES

The collection process may result in referring the patient's account to a third party debt collection agency.

Park Nicollet will do the following to monitor relationships with all third party debt collection agencies:

- Maintain a written contract with any debt collection agency utilized to collect debt from patients. The contract will require the debt collection agency to act in accordance with the terms of the agreement, applicable laws, and this Policy.
- Not pay any debt collection agency any performance bonus, contingency bonus, or other similar payment which is calculated on the basis of the amount or percentage of debt collected from two or more patients. This does not prohibit Park Nicollet from paying a collection agency a percentage of the debt collected from the patient, provided that Park Nicollet has established adequate contractual controls to ensure that the collection agency acts in a manner consistent with applicable agreements and Park Nicollet's mission.
- Train the debt collection agencies regarding the Financial Assistance Policy and how patients may obtain more information or submit a financial assistance application.
- Monitor the debt collection agencies with periodic unannounced visits to the agency call centers and require the debt collection agencies to maintain complaint logs. Park Nicollet will complete an annual audit of the debt collection agencies compliance with applicable agreements and this Policy.

- Evaluate annually the debt collection agencies performance, based on total level of service, net recovery rates, customer feedback and compliance with expectations in this Policy. Park Nicollet's CEO will review and determine annually whether or not to issue or renew any contract with any debt collection agency.
- Utilize no more than three debt collection agencies.
- Use a Request for Proposal (RFP) process when considering a change in collection agencies. A recommendation for agency selection will include, at a minimum, input from Patient Financial Services managers, directors and the CFO.
- Have patient accounts reviewed by the appropriate authorized individual before referral to a debt collection agency.

DEBT COLLECTION LITIGATION

Park Nicollet will not give a debt collection agency or attorney any blanket authorization to take legal action against a patient for the collection of medical debt. No lawsuit will be filed against any particular patient to collect medical debt until reviewed by the appropriate authorized individual.

Debt collection agencies and attorneys will not directly contact a patient known to be represented by an attorney with regard to the collection of that debt without the permission of the patient.

Park Nicollet will do the following to monitor relationships with debt collection attorneys:

- Maintain a written contract with any attorney utilized to collect debt from patients. The contract will require the attorney to act in accordance with the terms of the agreement, applicable laws, and this Policy.
- Not pay any attorney any performance bonus, contingency bonus, or other similar payment which is calculated on the basis of the amount or percentage of debt collected from two or more patients. This does not prohibit Park Nicollet from paying an attorney a percentage of the debt collected from the patient, provided that Park Nicollet has established adequate contractual controls to ensure that the attorney acts in a manner consistent with applicable agreements and Park Nicollet's mission.
- Train the attorney regarding the Financial Assistance Policy and how patients may obtain more information or submit a financial assistance application.
- Audit annually the attorney for compliance with applicable agreements and this Policy.
- Evaluate annually attorney performance, based on total level of service, net recovery rates, customer feedback and compliance with expectations in this Policy. Park Nicollet's CEO will review and determine annually whether or not to issue or renew any contract with any attorney.
- Have patient accounts reviewed by the appropriate authorized individual before referral to an attorney.

GARNISHMENTS

Park Nicollet and its debt collection agencies and attorneys will not garnish the wages or bank account of any patient unless a judgment against the patient is obtained in court for the amount of the debt. Debt collection agencies and attorneys will not be given blanket authorization to pursue garnishments of a patient's bank account or wages. Garnishment of a patient's wages or bank account must be reviewed by the appropriate authorized individual before proceeding.