



Allina Health system-wide Policy: **Allina Health Collection Policy**

Origination Date: July 2007
Revised Date: June 2023

Scope:

This policy applies to the collection of debt from individual patients by the Allina Health business offices that work directly with patients in collecting debt for medical items or services.

Purpose:

To establish a policy governing the collection of medical debt from individual patients, in accordance with the guidelines set out in an agreement with the Minnesota Attorney General's Office and other state and federal laws governing hospitals or clinics.

Policy:

When collecting medical debt, Allina Health will treat its patients with honor, dignity, and courtesy; demonstrate compassion; and be good stewards of health care resources. This policy establishes standards for the fulfillment of Allina Health's values in the collection of medical debt. There is zero tolerance for abusive, harassing, oppressive, false, deceptive, or misleading language or collections conduct by Allina Health employees who collect medical debt from patients. This policy supersedes all existing policies regarding the collection of patient accounts receivable by all units of Allina Health.

Procedure:

1. **Patient Correspondence.**
All correspondence seeking collection of medical debt from patients will contain at least the following information:
 - i. a local or toll-free number patients may call to question or dispute bills;

- ii. an address to which patients may write to question or dispute bills;
- iii. reference to the availability of financial assistance will be made on all collection letters;
- iv. the following information, in the same size and font as other words in the body of the communication, regarding the Minnesota Attorney General's Office: "If you feel that your concerns have not been addressed, please contact our office first and allow us the opportunity to try to address your concerns. If you continue to have concerns that have not been addressed, you may contact the Minnesota Attorney General's Office by telephone at 651-296-3353 or 1-800-657-3787, by email at hospital.billing@ag.state.mn.us, or online at www.ag.state.mn.us/contact."

2. Communicating with Patients.

- a. During the pre-registration, registration, or admission process, Allina Health will:
 - i. identify all third-party payers that may be obligated to pay for services provided to a patient; and
 - ii. attempt to identify patients who may be eligible for charity care through Allina Partners Care Policy or Senior Partners Care Policy (referred to collectively in this policy as "Partners Care Policy").
- b. Patients who may be eligible for charity care through the Allina Partners Care Policy will be informed by Allina Health staff of the policy and how to apply for it.
- c. All Allina Health employees who have direct contact with patients will be educated on an annual basis of Allina Health's Allina Partners Care Policy. The education will include the existence of the various financial assistance programs available to Allina Health patients and how a patient may obtain more information and submit an application for financial assistance.
- d. Allina Health will communicate its Allina Partners Care Policy to its patients by posting signs in common areas, and distributing brochures regarding the policy in places where patients are registered or admitted.

3. Suspend for Responding to Patient Questions or Disputes.

Allina Health will exercise its best efforts to respond to all questions or disputes from patients regarding a medical bill as soon as possible and within the time frames set forth below.

- a. Telephone messages should be returned within one business day from the date of the message.
- b. All inquiries should be investigated and resolved within 30 days. If an inquiry cannot be fully resolved within 30 days, the patient should be notified by the 30th day of the status of the inquiry and be given a reasonable estimate of the time needed for resolution.
- a. Collection activities will be suspended if a patient advises collection staff that: a) the patient does not owe all or part of a bill; or b) a third-party payer should pay the bill; or c) the patient needs documentation concerning the bill. Collection activities may resume 30 days after information has been provided to the patient confirming that the debt is valid. All business units must have audit procedures in place to ensure that these requirements are being met. Audit results should be documented on a quarterly basis along with any corrective action that was needed.

4. **Communications with Patients.**

- a. Before referral to a collection agency.
 - i. During any initial contact with a patient regarding the collection of medical debt, if there is a question as to whether the person billed was the person who received the services, Allina Health staff will verify any demographic information necessary to confirm that the person billed actually owes the debt. Allina Health staff collecting the debt will also verify the accuracy of any information regarding third-party payers that may be obligated to pay for medical items or services received by the patient.
 - ii. During any initial or subsequent contact with a patient regarding the collection of medical debt, if the patient has indicated an inability to pay the full amount of the debt in one payment, Allina Health staff will discuss with the patient all of the following options:
 - (1) the patient may apply for charity care through Allina Health's Allina Partners Care Policy, which would include directing a patient to apply for Medicaid

- (2) the patient may self-service and set up a payment arrangement online as long as the minimum payment is \$20.00 per month. The payment duration can range from 6 months to 24 months, depending on the outstanding balance. Longer payment plans must be approved on a case-by-case basis by a supervisor, manager or director;
 - (3) the patient may finance the debt through Allina Health's MedCredit program, which extends credit to every patient with an income regardless of the patient's past credit history (assuming no previous MedCredit default).

 - iii. If the patient desires to apply for charity care, Allina Health staff will document the request and mail an application to the patient at the patient's last known address and suspend collection activity for 30 days. Collection activity may resume if, after 30 days, an application for charity care has not been received. If the patient has submitted an application for charity care, collection activity may resume after the application for charity care has been denied or if the application has not been returned with the requested information. The patient can also download an application from allinahealth.org or can apply for financial assistance through their Allina Health account.

 - iv. All patients seen at a hospital or hospital-based clinic will be offered a Plain Language Summary (PLS) document outlining financial assistance options during hospital registration. The PLS language will also be sent with all paper statements and each final notice.
- b. After referral to collection agency or law firm.
- i. If a patient contacts Allina Health staff regarding the collection of a medical debt after it has been referred to a collection agency or law firm, Allina Health staff will refer the caller to the licensed collection agency for further communication. If the patient provides staff with new information regarding the patient's liability for the debt, Allina Health staff will contact the collection agency

or law firm with the new information and suspend collection activity until the new information has been investigated. Allina Health staff will not attempt to negotiate a payment plan with a patient once the debt has been referred to a collection agency or law firm for collection.

- ii. If a patient contacts Allina Health staff regarding the conduct of a collection agency under contract with Allina Health, information regarding the patient's concerns will be noted on the patient's account and reported to management.
 - iii. If a patient contacts Allina Health staff regarding the conduct of a law firm under contract with Allina Health, information regarding the patient's concerns will be forwarded to the Allina Health Law Department.
- c. Reference to Minnesota Attorney General. At no time during the collection process will Allina Health collection staff state or imply, either directly or indirectly, that the State of Minnesota Attorney General's Office has approved of, condones, or agrees with any lawsuit, garnishment, or other attempt by Allina Health to collect debt from a patient/ guarantor.
- d. Attorney Representation of Patient/ Guarantor. If Allina Health collection staff has knowledge of the identity of an attorney representing a patient in connection with its debt collection efforts, staff will notify the licensed collection agency of the identity of any attorney who represents the patient/ guarantor. Allina Health collection staff will not directly contact any patient known to be represented by an attorney with regard to collection of that debt without permission of the patient/ guarantor's attorney once written permission has been received that allows Allina Health to converse with the patient's attorney.
- e. Itemized Bill. Allina Health will provide the patient with a detailed, itemized bill upon request.
- f. Uninsured/ Underinsured Discount. If a patient notifies Allina Health that they should have received the uninsured/ underinsured discount on a particular item or service, and Allina Health agrees that the patient is qualified for the discount in accordance with Finance Policy 401-08, the patient's bill will be adjusted promptly.

5. **Patient Complaints.**

Each business office will maintain a log of patient complaints received by the billing office regarding the collection of medical debt by the

business office or its collection agency or attorney. The log is to include, but need not be limited to, any concerns about a collector's conduct, a complaint is defined as any communication from a patient or patient's representative in which they express concerns about the conduct during debt collection of an Allina Health employee, a collection agency retained by Allina Health, or a law firm retained to collect medical debt for Allina Health. In addition, staff will also be required to log instances where the patient is complaining about price, quality of care, or the reasonableness of payment options. The log also is to include any instances in which patients indicate that they will be forwarding their concerns to Allina Health Senior Management, the Better Business Bureau, or the Attorney General. These complaints will be noted on the patient's account. A summary of the complaints will be prepared on an annual basis in conjunction with the annual review of collection activities performed by the CEO and Allina Health's Board of Directors.

6. Referral to a Collection Agency.

- a. Before any debt is sent to a licensed collection agency, an authorized Allina Health employee will verify that:
 - i. There is a reasonable basis to believe that the patient owes the debt;
 - ii. All third-party payers have been properly billed such that any remaining debt is the financial responsibility of the patient; and
 - iii. Where the patient has indicated an inability to pay the full amount of the debt in one payment, the patient has been advised of his or her options pursuant to Section 4(a)(3) of this policy and, if applicable, given a reasonable period of time to submit an application for Allina Health's Partners Care program.
- b. In lieu of a personal review of every account prior to referral to a licensed collection agency, a business office director may certify to compliance with the review required by Section 6(a) if the following procedures are in place:
 - i. all returned mail that had been sent to patients must be processed through an address verification program (such as Search America/Experian) and, if a new address is discovered for a particular patient, at least one piece of correspondence must be sent to the new address prior to referral to a collection agency;

- ii. all accounts must be processed through a software program (such as Healthia/EEVE) to attempt to identify any insurance coverage for a patient that had not been identified during the registration/admission process and, if a new insurance company is identified for the patient, the account will not be sent to a collection agency until after the identified insurance carrier has been billed and the claim has been settled; this batch review for insurance coverage is done at a minimum of monthly.
 - iii. whenever a patient calls or writes the business office about a particular account, the business office staff will document in the appropriate system any allegation by the caller/writer that they are not the person who actually received the services, and the account will not be forwarded to a collection agency unless a supervisor verifies that the correct person was billed;
 - iv. whenever a patient calls or writes the business office about a particular account, the business office staff will document in the appropriate system any allegation by the caller/writer that the appropriate insurance company had not been billed, and the account will not be forwarded to a collection agency unless a supervisor or lead verifies that all of the appropriate insurance companies were billed; and
 - v. whenever a patient has expressed an inability to pay and was mailed an application for charity care, the account will be held for 30 days pending receipt of the completed application. If a completed application is received, the account will also be held during processing and will not be forwarded to a collections agency during that time.
 - vi. every quarter Revenue Cycle Management will review a sampling of accounts (not less than 25) that have been sent to a collection agency to ensure that the criteria identified in paragraph 6(a) above has been satisfied, and the results of the sampling will be forwarded to the appropriate business office director on an annual basis.
- c. For debts between \$5,000 and \$25,000, the review required by Section 6(a) of this policy will be performed by a staff member and a supervisor or lead.
 - d. For all Revenue Cycle Management debts greater than \$25,000, the review required by Section 6(a) of this policy will be performed by a

staff member, followed by a review and sign off by a manager or director.

- e. Other Allina Health business units, e.g. Emergency Medical Services, Home and Community Services, may follow their own policies and procedures regarding dollar level thresholds for the review of accounts before referral to a collection agency, provided that the dollar thresholds for review are not greater than the criteria provided above.

7. **Return from Collection Agency**

- a. On a monthly basis the licensed collection agency will cancel and return accounts back to Allina Health that are deemed uncollectable and will cease all collection activity on the returned accounts. Accounts in the Excellian system will momentarily return to active A/R and then immediately be written off as uncollectible debt. Reimbursement will review the uncollectible debt write offs and determine if/how to incorporate those figures into the annual cost reporting process.
- b. Accounts will be returned as uncollectable in any of the following circumstances:
 - 1) Guarantor bankruptcy
 - 2) Guarantor deceased with no estate
 - 3) Guarantor Incarcerated – balances incurred prior to incarceration
 - 4) Accounts have aged more than 6 years based on the late of the date of service or last debtor activity on the account.
 - 5) Any other situation in which all collection activities have been exhausted and the debt is determined by the collection agency to be uncollectable.
- c. Accounts with active payment plans will be excluded.

8. **Contracts with Collection Agencies and Law Firms.**

- a. Allina Health business units involved in the collection of medical debt will enter into a written contract (or business memorandum) directly with any collection agency. A collection agency retained by Allina Health to collect medical debt is prohibited from sub-contracting with another collection agency without prior consent from Allina Health.

- b. Any law firms retained by Allina Health to collect medical debt from patients will be retained by the Allina Health Law Department.
 - c. Any collection agency or law firm retained by Allina Health to collect medical debt from patients will be required to abide by the terms of an Agreement signed by Allina Health with the Minnesota Attorney General's Office.
 - d. The Vice President of RCM is responsible for ensuring that any collection agencies and law firms retained by Allina Health to collect medical debt receive training on financial assistance policies available to Allina Health patients.
9. **Reviews.**
On an annual basis, each business unit will conduct a review of its compliance with this policy. The Vice President of RCM will also review any collection agency or law firm retained by Allina Health to collect medical debt for compliance with the Agreement signed by Allina Health with the Minnesota Attorney General's Office. The results of the reviews will be considered by the Allina Health Chief Executive Officer during the annual review of agreements with collection agencies and law firms engaged by Allina Health for the collection of medical debt.
10. **Miscellaneous.**
- a. Requests by a law firm to garnish a patient's wages or funds at a financial institution will be submitted to authorized Allina personnel for approval. Approval for this authorization will be granted by the RCM Revenue Cycle Operations Director. No garnishment is approved until an authorized Allina Health employee has verified that: (1) there is reason to believe that the patient's wages or funds at a financial institution are unlikely to be exempt from garnishment; (2) there is a reasonable basis to believe that the patient does owe the debt; (3) there is information that the patient is financially responsible for the debt and/or all known third-party payors have been billed; (4) the patient has not indicated an inability to pay and has been offered a reasonable payment plan or Charity Care application.
 - b. Allina Health will not hold a patient liable for a portion of the medical debt if the patient provided Allina Health, in a timely manner, adequate information to bill a third-party payer, and Allina Health failed to submit a bill for the third-party payer's portion of the medical debt in a timely manner.



- c. Allina Health business offices will not report any patient to a credit reporting agency as a result of that patient's failure to pay a medical debt.

References:

Uninsured Discount Program, Finance Policy 401-08

Allina Partners Care Policy, Finance Policy 401-02

Collection Agency Practices and Procedures, Finance Policy 401-10

Outside Counsel Policy for Collection Matters, Law Department Policy 100-05

Other Related Policies:

Customer Service/Collections Policy SP-1014 Assigning Accounts to Bad Debt

Termination of Care SYS-RCM-BPC-02-011