

BILLING & COLLECTIONS POLICY

The purpose of this Billing & Collections Policy is to describe Olivia Hospital and Clinic's approach to obtaining payment for care provided to patients. In the event of nonpayment, the Hospital is committed to making reasonable efforts to determine whether a patient is eligible for financial assistance before initiating collection actions. The Hospital's Patient Financial Services Department has the authority and responsibility for determining whether the Hospital has made reasonable efforts to determine whether an individual is eligible for financial assistance and whether the Hospital is authorized to engage in specific collection actions described in this Billing & Collections Policy.

ACTIONS THE HOSPITAL MAY TAKE TO OBTAIN PAYMENT

The Hospital 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, the Hospital is not required to provide written notice to patients when engaging in less significant collection activities.

The Hospital **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 the Hospital, the Hospital's collection agency, or other agent of the Hospital.

The Hospital is required to provide notice to patients before engaging in the following collection activities (also called “extraordinary collection actions”):

- Selling a patient’s debt to a collection agency or law firm.
- Commencing a legal proceeding, by the Hospital or the Hospital’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 (the Hospital will never deny emergency care due to nonpayment for previous care and the Hospital will comply with all requirements of the Emergency Medical Treatment & Labor Act (EMTALA)).

EFFORTS TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE

Applications and Notifications:

The Hospital will accept and process applications for financial assistance beginning on the date the care was provided to the patient and ending **240 days** after the first post-discharge billing statement. The Hospital will take steps to notify patients about the Hospital’s Financial Assistance Policy and will not engage in the Extraordinary Collection Actions described above 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, the Hospital will not engage in 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 the Hospital takes certain collection action for nonpayment, the Hospital 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.
 - The Hospital may take certain collection actions (ECA's) to obtain payment.
 - The Hospital may begin certain collection actions (ECA's) 30 days after the date of the letter notice.
- Enclose a plain language summary of the Hospital'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 the Hospital's Financial Assistance Policy and how the patient may obtain assistance with the application process.

If the Hospital decides to defer or deny non-emergent care due to nonpayment for prior care, the Hospital 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 the Hospital 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 the Hospital receives an application for financial assistance that is incomplete or deficient, the Hospital will do the following:

- Suspend any current 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, the deadline for providing that information, and how to contact the Hospital to do so.
- If a patient completes an application for financial assistance within the Hospital's application period, the Hospital will promptly make a determination as set forth in the Complete Applications section below.

Complete Applications:

If the Hospital receives a complete application for financial assistance during the Hospital's application period, the Hospital 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 (See Financial Assistance Policy).
- If the Hospital determines that a patient is eligible for financial assistance, the Hospital will do the following:
 - If the patient is eligible for a partial discount (not 100% discount), the Hospital will provide the patient with a billing statement that indicates how the amount was determined and information regarding the Hospital's financial assistance calculations.
 - Refund any amount the patient has paid for the care 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 relative to the discounted balance.

Presumptive Eligibility Determinations:

The Hospital may make presumptive eligibility determinations for financial assistance. This means that the Hospital may determine that a patient is eligible for financial assistance based on information the Hospital already has, without obtaining additional information directly from the patient. If the Hospital presumptively determines that a patient is eligible for financial assistance, but eligible for less than the most generous assistance, the Hospital 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 & Collections Policy

Billing and Collections Procedures:

Billing Procedures:

Olivia Hospital and Clinic has policies and procedures in place to ensure the timely and accurate submission of claims to third party payers. The Hospital will not bill patients for amounts in excess of that for which the patient would have been responsible had the third-party payor paid the claim or any amount denied due to the Hospital's billing error. The hospital will not refer any bill to a third-party collection agency or attorney for collection while a claim for payment is pending with a third-party payer, with which the hospital has a contract.

Olivia Hospital and Clinic shall have a streamlined process for patients to question or dispute bills. The Hospital will do its utmost to return calls and answer inquiries regarding questions about bills from

patients within a timely manner. If a patient notifies the Hospital, its debt collection attorney, or agency that it does not owe a bill, all collection activity will be suspended until documentation is provided that the patient owes the debt or that the third-party payer has paid all amounts for which it is obligated.

Collection Procedures:

Patients will receive statements for balances due on their services except for Medical Assistance or if covered by contracts which provide complete coverage. Patient statements will contain notification of phone numbers to call for financial or other assistance if the patient is unable to make full payment due to financial hardship.

Collections activity will be governed by the size, insurance payer, and age of the account. Olivia Hospital and Clinic will use automated collection procedures, in-house collection services, telephone, collection letters, attorney services, and outside collection agencies' services to effect collection of its accounts receivables. Patients who are uninsured will receive a discount consistent with the hospital's agreement with the Minnesota Attorney General. All agencies working on behalf of Olivia Hospital and Clinic will be encouraged to elicit information from patients to determine ability to pay. Accounts for which the Hospital has an invalid mailing address for statements may be placed for collections upon receipt of a returned mail item.

Accounts determined to be economically uncollectible and requiring more intense effort will be referred to outside collection agencies or attorneys. Upon determination of indigence, those agencies will be expected to return the account and stop pursuit of the account.

Debt Collection Agencies:

Olivia Hospital and Clinic will, no less than annually, review any contract with and performance records of any engaged third-party debt collection agency to determine that the contract continues to require conduct that is consistent with Olivia Hospital and Clinic's mission, values and policies and whether the debt collection agency has acted in a manner consistent with those mission, values and policies.

- Written contracts will be used to document the arrangements with any agency employed to collect debt from its patients.

- Olivia Hospital and Clinic will not refer any account to a third-party debt collection agency unless it has confirmed that:
 1. There is reasonable basis to believe that the patient owes the debt.
 2. All known third-party payers have been properly billed, and the patient is responsible for the remaining debt.
 3. If the patient has indicated an inability to pay the full amount, the patient has been offered a reasonable payment plan. The hospital will not refer patients to debt collection agencies who are performing as specified in their payment plans.
 4. The patient has been given an opportunity to submit a Financial Assistance Application. If the patient has submitted an application for Financial Assistance, all collection activity will be suspended until the application has been processed.
- Olivia Hospital and Clinic will not tolerate abusive, harassing, oppressive, false, deceptive, or misleading language or collections conduct by its debt collection attorney and agency, and their agents and employee.
- Olivia Hospital and Clinic requires that its debt collection agencies and attorneys keep logs of oral and written complaints received by patients concerning conduct of the agency. In addition, the debt collection agencies and attorney are required to keep records of date, time, and purpose of all communications to or from its patients.
- Olivia Hospital and Clinic will inform and train its outside debt collection agencies and attorneys about its Financial Assistance policies and how patients may obtain more information, submit an application, and refer patients to the hospital for submission financial assistance applications.

Debt Collection Litigation:

The Hospital will not give any debt collection agency or attorney blanket authorization to take legal action against its patients for the collection of medical debt or blanket authorization to pursue the garnishment of any patient's wages or bank accounts.

The Hospital will not give any debt collection agency or attorney the authority to file any lawsuit against any patient to collect medical debt until a hospital employee with the appropriate level of authority authorizes the litigation after verifying that:

- There is reasonable basis to believe that patient owes the debt.
- All known third-party payers have been properly billed, and that the remaining debt is the financial responsibility of the patient.
- The patient has been offered a reasonable payment plan if the patient cannot afford to pay the entire bill all at once.
- The patient has been given the opportunity to submit a financial assistance application.
- The patient is not known to be hospitalized at this time and unable to respond to the litigation.
- There is no reason to believe that the patient's wages or funds are likely to be exempt from garnishment.

Olivia Hospital and Clinic will not give any debt collection agency or attorney blanket authorization to take legal action against its patient for the collection of medical debt or blanket authorization to pursue the garnishment of any patient's wages or bank accounts.

Olivia Hospital and Clinic will not tolerate abusive, harassing, oppressive, false, deceptive, or misleading language or collections conduct by its debt collection attorney and agency, and their agents and employees.