

## System

Fairview Health Services

## Policy

# Patient Financial Services Billing & Collection Policy

### Purpose:

This policy describes Fairview Health Services and HealthEast (collectively, "Fairview") patient billing process and collection actions which may be taken in the event of nonpayment for medical care provided by Fairview such as extraordinary collection actions. The guiding principles behind this policy are to treat all patients and responsible guarantors (hereafter to be referred to as "patient(s)") equally with dignity and respect, to ensure appropriate billing and collection procedures are uniformly followed, and to ensure that reasonable efforts are made to determine whether the patient is eligible for assistance under Fairview's Financial Assistance Policy (hereafter to be referred to as "FAP").

### Policy Statement:

After our patients have received services, it is the policy of Fairview to bill patients and their applicable payers on a timely and accurate basis. During this billing and collection process, Fairview staff will be committed to providing quality customer service and timely follow up on all outstanding accounts. Fairview staff will also maintain alertness for factors which may indicate a patient is a candidate for financial assistance under the FAP and assist patients with that process.

### Definitions:

**ECAs** – Extraordinary Collection Actions: Include the following collection activities:

- Selling a patient's debt to another party in most circumstances.
- Reporting adverse credit information regarding a patient to a credit agency.
- Deferring or denying current medically necessary care due to an unpaid prior account or requiring payment of an unpaid prior account prior to rendering current medically necessary care.
- Actions that require a legal or judicial process; including property liens, wage garnishments, bank account garnishments or holds, commencing a civil action, and other specified legal actions.

### Medical Necessity

Medically necessary care is the care that, in the opinion of the Fairview credentialed treating physician/clinician and according to standard of care, is reasonably needed:

- To prevent the onset or worsening of an illness, condition, or disability;
- To establish a diagnosis;
- To provide palliative, curative or restorative treatment for physical, behavioral and/or mental health conditions; and/or
- To assist the individual to achieve or maintain functional capacity in performing daily activities, taking into account both the functional capacity of the individual and those functional capacities that are appropriate for individuals of the same age.
- Medically necessary services include inpatient and outpatient services as mandated under Title XIX of the Federal Social Security Act, and any inpatient or outpatient hospital service that is covered by and considered to be medically necessary under Title XVIII of the Federal Social Security Act. In addition, care provided in the hospital facility by a partnership or LLC in which the hospital owns a capital or profits interest is eligible for financial aid. Services must be performed in accordance with national standards of medical practice generally accepted at the time the services are rendered. Each service must be sufficient in amount, duration, and scope to reasonably achieve its purpose.
- Medically necessary services do not include services that are experimental interventions or cosmetic in nature.
- Other conditions supporting medical necessity of particular treatments include:
  - High quality scientific evidence that patients with this particular condition will benefit from the

- requested treatment;
- The type of benefit is clinically significant; and/or
- Less costly alternative treatments and routes of administration have been considered and rejected.

### **Experimental Interventions**

Experimental interventions are treatments and interventions not generally accepted as safe and effective by experts in the relevant field in diagnosing, preventing or treating the health condition under consideration. When determining that an intervention is experimental, relevant factors include but are not limited to:

- whether the intervention is only available as part of a clinical study;
- whether relevant articles in peer reviewed journals call for further study of the intervention for the health condition under consideration; or
- whether the intervention would be used in a different body area, in a significantly different way, and/or for a different health condition, then is generally accepted by other experts in the relevant field [within Fairview, the Twin Cities, Minnesota, the US, etc.].

### **Fiscally Unsustainable Burden**

A situation where there is a significant cost to a Fairview tax-exempt entity to provide the service and the incidence of potential patient need for the service is such that the entity could not provide the same service without adequate reimbursement to all similarly situated patients and remain fiscally responsible.

### **Family**

For the purposes of this policy, a family is:

- A married couple and any dependents, as defined by IRS guidelines.
- An individual with dependents as defined by IRS guidelines.
- An unmarried person with no dependents.

Poverty guidelines will be applied separately to each family within a household if the household includes more than one family unit.

### **Procedure:**

#### **I. Patient Billing:**

It is the goal of Fairview to bill all insurance claims accurately and on a timely basis. Although dependent on information and communication from patients and payers, Fairview will provide sufficient follow up service to ensure that patients receive accurate account and billing information and have the opportunity to make payment and/or apply for charity care. The billing process will be assisted by the following guidelines:

- A. For all insured patients, Fairview will bill all third-party payers (as provided by or verified by the patient) on a timely basis, with the following exception:
  - Out-of-country insurance - The patient is provided with a copy of the bill to submit to their insurance at patient's request. Fairview expects payment from the patient within 90 days. Fairview may, at its sole discretion, on a case-by-case basis choose to bill out of country insurance as a courtesy to the patient.
- B. In accordance with Fairview's current Attorney General Collection Standards Agreements, all uninsured patients with Minnesota or Wisconsin residency who receive medically necessary hospital-based services will receive an uninsured discount. The uninsured discount will be equal to the discount provided to our largest contracted non-government payer and any remaining balance will be billed to the patient in a timely manner as part of Fairview's normal billing process. All patients may request an itemized statement for their accounts at any time.
- C. If a claim is denied (or is not processed) by a payer due to a Fairview error, Fairview will not bill the patient for any amount in excess of that for which the patient would have been liable had the payer paid the claim.
- D. If a claim is denied (or is not processed) by a payer due to factors outside of Fairview's control, Fairview staff will follow up with the payer and patient as appropriate to facilitate the resolution of the claim. If resolution of the claim does not occur after reasonable follow-up efforts, Fairview may bill the patient or take other actions consistent with current Fairview best practice standards.
- E. All billed patients will have the opportunity to contact Fairview regarding financial assistance or discuss a payment arrangement for their accounts at any time in the billing process.

## II. Patient Collections and Agency Collections:

- A. At least 3 separate statements for collection of self-pay accounts shall be mailed or emailed to the last known address of each patient; provided, however, no additional statements need be sent after a patient submits a complete application for financial assistance under the FAP or has paid-in-full. At least 60 days shall have elapsed between the first and last of the required 3 mailings. It is the patient's obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, staff will determine if alternate methods for locating the patient are available. All single patient account statements of self-pay accounts will include but not limited to:
  1. An accurate summary of the services covered by the statement-initial statement only
  2. A written notice that notifies and informs the patients about the availability of financial assistance under the hospital FAP, including the telephone number of the department and direct website address where copies of documents may be obtained.
- B. If a patient disputes his/her account and/or requests documentation regarding the bill, Fairview will provide the requested documentation in writing within 7 days. If a 7 day response is not possible, an acknowledgment letter will be sent within 7 days and the account will remain on hold for 30 days before continuing further collection past the date the response was sent in accordance with Fairview's Complaint Grievance Policy. The foregoing response standards shall also apply to Fairview's collection agencies and collection attorneys.
- C. Patient care concerns will be handled via the patient grievance process for resolutions and response to the patient. Account(s) will be held as appropriate.
- D. Through the use of billing statements, letters and phone calls, Fairview will take diligent follow up actions to contact patients to resolve outstanding accounts, including maintaining alertness to potential patient eligibility for charity care. If accounts are not resolved during this process, the outstanding balances may be referred to a third-party agency or attorney for collection.

## III. Legal Collections and Extraordinary Collection Actions:

- A. Subject to compliance with the provisions of this policy, Fairview may place accounts with legal collections and take any and all legal actions, including ECAs, to obtain payment for medical services provided.
- B. Extraordinary Collection Actions may be commenced as follows:
  1. A minimum of 120 days will be provided from the patient's first post-service bill before ECAs will be taken and Fairview shall also provide a minimum of 240 days from that statement date for the patient to apply for charity care under the FAP.
  2. If a patient has applied for charity care under the FAP prior to the start of legal collections, Fairview shall make a determination of the patient's eligibility before ECAs are commenced. If the patient already has a previous charity care determination within the last six months, this prior determination will be used unless the patient's circumstances have materially changed to warrant new consideration.
  3. Prior to placing accounts with legal collection, Fairview will perform a charity care indicator screening to determine if any accounts should be withheld from legal collections. For accounts placed with legal collections, Fairview shall first provide a written notice to the patient that ECAs are intended. This notice shall include a plain language summary of the FAP and shall be provided at least 30 days prior to ECAs being commenced. During this 30-day window, Fairview shall also use reasonable efforts to verbally notify the patient that ECAs are intended and to notify the patient about Fairview's Financial Assistance Policy. An example of reasonable efforts for this verbal notice includes calling the patient and leaving a voicemail.
  4. After placement with legal collections, the collection attorneys shall be authorized to conduct ECAs such as filing judicial actions, carrying out wage and bank garnishments, and using other lawful means of collection; provided, however, that prior approval of Patient Financial Services shall be required before initial lawsuits may be initiated. Such activities shall occur under the requirements of Fairview's Attorney General Collection Standards Agreements as outlined in the contracts between the parties.
  5. If a patient submits a charity care application in good faith while ECAs are in progress, Fairview will use best efforts to hold ECAs while the application is processed, and final determination made.

## IV. Customer Service:

During the billing and collection process, Fairview and its agents will provide quality customer service by implementing the following guidelines:

- Fairview and its agents will enforce a zero-tolerance standard for abusive, harassing, offensive, deceptive or misleading language or conduct by its employees.

- Fairview and its agents will maintain a streamlined process for patient questions and/or disputes which includes a toll-free phone number patients may call and a prominent business office address to which they may write. This information will remain listed on all patient bills and collection statements sent by Fairview.
- After receiving a communication from a patient, Fairview and its agent's staff will return phone calls to patients as promptly as possible (but no more than one business day after the call was received) and will respond to written disputes within 7days per the complaint grievance process.
- Fairview and its agents will maintain a log of patient complaints and grievances (oral or written).

V. Policy Availability:

- Electronic copies of the Fairview Billing and Collection Policy, Fairview Financial Assistance Policy and our Charity Care Application form can be found on our website: [www.fairview.org/billing](http://www.fairview.org/billing).
- You can also contact one of our Central Business Offices to request copies of policies be mailed to you or discuss the Charity Care application and eligibility process.
  - Fairview Health Services at 612-672-6724 or toll-free at 1-888-702-4073
  - HealthEast Care System at 651-232-1100 or toll-free at 1-866-770-6411
  - Fairview Range Medical Center at 218-362-6624 or toll-free at 1-877-390-6624
- Paper copies of our policies and Charity Care application form can be obtained at one of our billing offices as well as each hospital location.
  - 400 Stinson Boulevard NE, Minneapolis, MN 55413
  - 750 E 34th Street, Hibbing, MN 55746
  - 1601 Golf Course Road, Grand Rapids, MN 55744

**Entity Adoption includes but is not limited to:**

Fairview Lakes Medical Center has adopted this policy.  
 Fairview Medical Group has adopted this policy.  
 Fairview Northland Medical Center has adopted this policy.  
 Fairview Range Medical Center has adopted this policy  
 Fairview Ridges Hospital has adopted this policy.  
 Fairview Southdale Hospital has adopted this policy.  
 University of Minnesota Medical Center, Fairview has adopted this policy.  
 Grand Itasca Clinic & Hospital has adopted this policy  
 HealthEast Bethesda Hospital has adopted this policy.  
 HealthEast St. John's Hospital has adopted this policy.  
 HealthEast St. Joseph's Hospital has adopted this policy.  
 HealthEast Woodwinds Hospital has adopted this policy.  
 HealthEast Clinics and other Tax exempt entities have adopted this policy.

**Policy Owner:**

System Director, Revenue Cycle

**Approved By:**

Fairview Board of Directors

**Date(s):**

**Date Effective:** 4/1/05

**Date Revised:** 4/03/12, 6/27/13, 3/5/14, 3/1/15, 2/1/16, 7/24/17, 6/20/19, 2/10/20

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