



ORGANIZATION-WIDE POLICY

Debt Collection Agencies/Attorney Practices

Section:	Finance and Billing	Policy Owner:	Patient Financial Services Director
Department:	Patient Financial Services	Original Date:	12/2005

RESPONSIBILITY: Patient Financial Services including PFS Generalist and Collection Staff, CFO, Chief Compliance Officer, CEO

PURPOSE:

To establish a procedure for engaging in an agreement with a Collection Agency or Collection Attorney.

POLICY:

Rainy Lake Medical Center (RLMC) will maintain a written contract with a collection agency or attorney utilized by it to collect debt from its patients that will require the collection agency or attorney to act in accordance with the terms of the Attorney General's Agreement, applicable laws, and policies.

RLMC will not refer a patient's account to a third party debt collection agency or collection attorney unless RLMC has confirmed:

1. There is reasonable basis to believe the patient owes the debt.
2. All known third-party payers have been properly billed by RLMC, such that any remaining debt is the financial responsibility of the patient and provided RLMC will not bill the patient for any amount the insurance company is obligated to pay.
3. Where the patient has indicated an inability to pay the full amount of the debt in one payment, RLMC has offered the patient a reasonable payment plan (refer to Uninsured Collection Practices Policy). RLMC may require the patient to provide reasonable verification of the inability to pay the full amount of debt in one payment.
4. The patient has been given reasonable opportunity to submit an application for Rainy Lake Medical Center's financial assistance program, if the fact and circumstances suggest the patient may be eligible for financial assistance, including, for example, if the patient is uninsured or is on Minnesota Care, Medical Assistance, or other relief based on need.

The Medical Center's appropriate level of employee (refer to PFS Departmental Patient Account Adjustment Policy) will make the determinations required in this policy.

Rainy Lake Medical Center (RLMC) will not condone abusive, harassing, oppressive, false, deceptive, or misleading language or collections conducted by its debt collection attorneys and agencies, or their agents and employees.

DEFINITIONS: N/A

PROCEDURE:

Debt collection contracts will be reviewed as per the Organization-Wide Policy-Contract Management. To assist with the determination of whether to renew a debt collection contract, the Patient Financial Services Director will complete an evaluation of the service provided using a Contract Evaluation form. This form will be filed in the service provider's contract file.

RLMC will contract directly with any collection agency or attorney utilized by it to collect debt from its patients and will not subcontract or delegate the selection of any third party debt collection attorney or law firm to its debt collection agency for litigation purposes.

RLMC will not refer medical debt to a third party debt collection agency or attorney if the patient has made payments on that debt in accordance with the terms of a payment plan previously agreed to by RLMC.

If a patient submits an application for Rainy Lake Medical Center's financial assistance program after an account has been referred for collection activity, RLMC will suspend all collection activity until the patient's financial assistance application has been processed and RLMC has notified the patient of its decision.

RLMC will not pay a debt collection agency or collection attorney any performance bonus, contingency bonus, or other similar payment calculated on the basis of the amount or percentage of debt collected from two or more patients. RLMC may pay an agency or attorney a percentage of the debt collected from a particular patient, provided RLMC has established adequate contractual controls to ensure the agency or attorney will act in a manner consistent with the Attorney General's Agreement and the mission of RLMC.

RLMC will include the following language on collection notices sent to patients by it or its third party debt collection agencies or collection attorneys, and on cover letters serving lawsuits and garnishment papers:

"You have the option to address any concerns with the Minnesota Attorney General's Office, which can be reached at 651-296-3353 or 1-800-657-3787".

RLMC will print this language with prominence.

Neither RLMC nor its debt collection agencies or attorneys will report a patient to a credit reporting agency as a result of the patient's failure to pay a medical bill unless the requirements for referral outlined in the Minnesota Attorney General's Agreement are followed.

REFERENCES:

Attorney General Agreement
Minnesota Hospital Association
Payment Options Policy-Departmental
Financial Assistance Program Policy – Organization-Wide
Uninsured Collection Practices Policy – Organization-Wide
Patient Account Adjustment Policy – Departmental

CONTRIBUTING/REVIEWING DEPARTMENTS/INDIVIDUALS:

Chief Compliance Officer
Chief Financial Officer
Patient Financial Services Director

Board of Trustee Reviewed & Approved: 09/26/2023

Contract Evaluation

Contractor: _____

Evaluation Period: _____

	Yes	No
1. Logged all oral and written complaints received by patient regarding agency/attorney conduct.		
2. Hospital received log at a minimum of 6 times annually.		
3. Recorded date, time, and purpose of all communications to/from patients. Included conversations to patient regarding collect efforts.		
4. Communicated Hospital's toll-free number and address to patients when requested assistance.		
5. Received training regarding Rainy Lake Medical Center's Financial Assistance Program and documented training		
6. Minnesota Attorney General's phone numbers are listed on all Collection notices		
7. Written confirmation of newly placement accounts received monthly		
8. Written confirmation of No Further Effort listing monthly		
9. Written confirmation of all payments received and check monthly		
10. Written confirmation of legal proceedings		
11. Written confirmation of any accounts returned at request of Hospital.		

Additional Comments:

Evaluator: _____

Date: _____

Contractor: _____

Date: _____