

United Hospital District, Inc.

Credit and Collections Policy

Policy Statement

United Hospital District Inc. (UHD) will render medical care to all persons in need, regardless of their ability to pay.

United Hospital District Inc. is committed to provide quality healthcare services to our entire service area while maintaining sound business and financial policies and procedure. UHD will diligently pursue the payment of all accounts, in full, for the services rendered. Proper and standard business practices will be applied to parties who are delinquent in paying their accounts.

All charges are due and payable 30 days after the services are rendered for self pay patients and 30 days after the third party payers have paid unless other arrangements have been made. UHD will file all third party payers' claims for the patient as long as current and accurate information is provided. UHD also participates in the Revenue Recapture program through the MN Department of Revenue. UHD is a certified Navigator for MNSure and will assist our patients with this.

Arrangements to pay for elective procedures should be made one to two weeks in advance of service, to assure third party coverage. Amounts billed to all patients for services rendered are based on the UHD, Inc. comprehensive chargemaster, which describes the various services and the rate for each. Amounts billed do not differ based on whether or not the patient has insurance. All discounts will be made from gross charges billed.

Procedures

All patients will be pre-registered when possible in order to obtain current insurance and demographic information. Every patient is asked to sign a consent form authorizing treatment and guaranteeing payment on their account. Payment arrangements may be set up prior to a scheduled admission, surgery or procedure. If the patient is uninsured, a patient representative will meet with them to assist them in applying for Medical Assistance or Charity Care prior to their schedule visit.

Patients with Third Party Insurance

Registration staff will verify all insurance benefits at the time of visit. If there is a co-pay due, payment is expected at the time of visit. All claims will be filed to the third party insurance by the billing department. Once payment is received by the insurance company, the balance that is considered self pay will be transferred to an outside agency (MARS) to pursue payment on behalf of UHD, Inc. MARS will encourage the patient to pay the balance in full within 30 days in order to qualify for a discount. If the self pay balance is between \$1.00 and \$1499.99, a 20% discount will be offered for payment in full.

If the self pay balance is \$1500 or higher, a 25% discount will be offered for payment in full. If monthly payment arrangements are made, discounts do not apply.

Charity Care will be offered to all patients for their self pay balance. An application will be given or sent to the patient and must be returned to the Business Office with supporting documentation within 2 weeks of receiving the application. Approval or denial will be communicated to the patient no later than 1 week after an application with all documentation has been received in the Business Office. Approval for Charity Care will be determined based on federal and state poverty level guidelines.

If the patient refuses to pay the self pay balance, the account will be turned over to a collection agency and/or processed for Revenue Recapture with the MN Department of Revenue.

UHD accepts most major credit cards, checks or cash. Payments can be handled in person, via the telephone, mail or by entering the information into our online payment portal through our website at www.uhd.org.

Uninsured Patients

Uninsured patients will automatically receive a 15% discount as a reduction to gross charges for services provided. Based on Federal and State income guidelines, uninsured patients will be offered assistance to apply for Medical Assistance through the MNSure website by a staff member if they qualify. All uninsured patients will also be offered Charity Care which will be determined based on State poverty level guidelines. Uninsured patients need to cooperate with UHD, Inc. Hospital staff in the process for applying for any Medicaid, MNSure or Charity Care coverage, including providing the necessary income documents required by the State of Minnesota.

Payment Plans

UHD will accept payments on self pay accounts if the account is paid in full within 18 months. If that is not an option, monthly payments must be 10% of the balance or a minimum of \$75 per month. MARS will monitor accounts to verify that payments are made on time. If there is a missed payment, MARS will attempt to contact the patient with a reminder. After failed attempts to contact and no payments are made for 3 months, the account will be turned over to a collection agency.

Employees of UHD and ATCW

Employees that have a self pay balance are able to have a monthly payment deducted from their paycheck and applied to their accounts. A form must be filled out and signed by payroll in order to participate.

Bad Debt

UHD will recognize each account turned over to a collection agency or judgment taken as bad debt. The accounts are transferred from active accounts receivable into bad debt and the reserve for bad debt will

be charged. Accounts can be recognized as bad debt and charged off when the account has aged 120 days from the time the charges were incurred, 3 payment promised have been broken, and reasonable efforts have failed to secure payment.

Refunds

Refunds created due to overpayments by the patient or guarantor will be made only after all accounts due are paid in full. Refund checks are processed twice a month.

Collection Process

Within 7 days after an insurance payment, the patient will start receiving monthly billings. Statements are then sent on a monthly cycle basis. If no payment is received 30 days after the statement went out, MARS will contact the patient by phone. If no payment is received for 90 days, the patient is contacted by letter to advise him or her of further collection action to be taken. Collection action includes, but not limited to, collection agencies, small claims courts, or legal action with an attorney. It is the responsibility of the business office staff to determine the most effective collection method. Each account is reviewed by a business office staff member before placing with a collection agency.

UHD, Inc. and MARS will make every effort to consistently implement and follow the financial assistance policies as described.

This credit and collection policy for UHD, Inc. is available on our website (www.uhd.org), posted at UHD, Inc. and made available to all new patients.