



# Financial Assistance and Credit and Collections Policy

## **Policy Statement**

United Hospital District, Inc. (UHD) will render medical care to all persons in need, regardless of their inability to pay (uninsured or underinsured). A discounted/sliding fee schedule is available based on family size and income.

UHD 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 an application.

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 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 a Financial Assistance Plan prior to their scheduled 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. 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 \$1,499.99, a 20% discount will be offered for payment in full. If the self-pay balance is \$1,500.00 or higher, a 25% discount will be offered for payment in full. If monthly payment arrangements are made, discounts do not apply.

Financial Assistance Plan 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 two (2) weeks of receiving the application. Approval or denial will be communicated to the patient no later than one (1) week after an application with all documentation has been received in the Business Office. Approval for Financial Assistance Plan will be determined based on federal poverty guidelines.

If the patient refuses to pay the self-pay balance, the account will be turned over to a collection agency.

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](http://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 Poverty 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 Financial Assistance, which will be determined based on federal poverty guidelines. Uninsured patients are highly encouraged to cooperate with UHD, Inc. Hospital staff in the process for applying for any Medicaid, MNSure or Financial Assistance Plan coverage, including providing the necessary income documents required by the State of Minnesota.

## **How to Apply for Financial Assistance**

The patient, or any person involved in the care of the patient, can express financial concerns at any point during the patient's care. The patient or responsible party will then be encouraged to complete a financial assistance application.

UHD's Financial Assistance Policy, the Financial Assistance Application and a Plain Language Summary are available free of charge, in English (or in other languages that constitute the primary language of at least 5% or the 1,000-person threshold of the population in communities where UHD facilities are located).

Individuals may obtain these documents through the following means: hard copies will be provided in person; or mailed to the patient upon request. Hard copies can be accessed, downloaded and printed from our website at [www.uhd.org](http://www.uhd.org).

For assistance or questions, please call the UHD Business Office at 507-526-3273, Monday through Friday, 8:00 a.m. to 5:00 p.m.

## **Physicians Covered Under Policy**

All UHD employed Physicians and mid-levels are covered under the UHD Financial Assistance Policy.

The following providers, providing services at any UHD facility are not covered under the UHD Financial Assistance policy: Minneapolis Heart Institute/Abbott Northwestern, Sanford Radiologists.

## **Payment Plans**

UHD will accept payments on self-pay accounts if the account is paid in full within 8 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**

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, three payments promised have been broken, and reasonable efforts have failed to secure payment.

## **Refunds**

Refunds created due to over-payments 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 seven (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 was sent, 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 is 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 is available on our website [www.uhd.org](http://www.uhd.org), posted at UHD and made available to all new patients.

## **Notification of Program**

United Hospital District will notify patients of the Sliding Fee Discount Program by:

- Notification of the Sliding Fee Discount program will be offered to each patient upon admission.
- Notification of the Sliding Fee Discount program will be included with collection notices sent out by United Hospital District.
- An explanation of our Sliding Fee Discount Program and our application form are available on United Hospital District's website.
- United Hospital District places notification of the Sliding Fee Discount Program in the clinic waiting area.

## **Definitions**

### **Family**

Family is defined as: a group of two people or more (one whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including subfamily members) are considered as members of one family. United Hospital District will also accept non-related household members when calculating family size.

### **Income**

Income includes: gross wages, salaries; tips; income from business and self-employment; unemployment compensation; workers' compensation; Social Security; Supplemental Security Income; public assistance;

veterans' payments; survivor benefits; pension or retirement income; interest; dividends; royalties; income from rental properties, estates, and trusts; alimony; child support; assistance from outside the house; and other miscellaneous sources.

### **Underinsured Patients**

A patient with insurance whose out of pocket expenses from necessary medical care become a significant financial burden. This includes the cost of insurance premiums, co-payments, and deductibles.

### **Amount Generally Billed (AGB) Discount**

UHD calculates the Amount Generally Billed (AGB) discount by using the Method 1: Look-Back Method. UHD uses a historical discount percentage by calculating average contractual allowed amount adjustments applied to Emergent and other Medically Necessary care services using a combination of Medicare and Private Third-Party Insurers. Under this method, UHD divides the allowed amounts for a 12-month period by the total charges to determine the percentage of charge that constitute the AGB. This discount amount is the amount that any patient qualifying for the minimum level of assistance under the UHD Financial Assistance Policy will receive as a reduction of the amount owed. Rates are updated annually each year and therefore while overlapping years, two different rates may be used. For information on how this rate was calculated please contact UHD's Patient Financial Services at 507-526-3273. The amount remaining, after all deductions and discounts, including discounts under the FAP have been applied and less any amounts reimbursed by insurers, is considered the amount he or she is personally responsible for.