

**Policy Title: Billing and Collections****#1229**

Department: Patient Financial Services	
Audience: General	Last Review/Revision Date:
Category: Patient Care	Classification: [RidgeviewClassification]
Applies to but is not limited to: Revenue & Network Management	
Location(s): All Locations	

**ACCREDITATION/REGULATORY STANDARDS:** [26 CFR § 1.501 \(r\) -6](#)**PURPOSE:**

The purpose of this Billing and Collections Policy is to describe Ridgeview's approach to obtaining payment for care provided to patients. In the event of nonpayment, Ridgeview is committed to making reasonable efforts to determine whether a patient is eligible for financial assistance before initiating collection actions. It is important for all patients to understand these policies and their insurance benefits. Patients may contact us at 952-442-8054 or 866-286-9840 with any questions or concerns.

**POLICY:**

Ridgeview participates in most insurance plans, including Medicare. If the patient is insured by a plan Ridgeview does business with but does not have an up-to-date insurance card, payment may be required until coverage can be verified. Knowing one's insurance benefits and network status is the patient's responsibility. Patients are encouraged to contact their insurance company with any questions they may have regarding their coverage.

If the patient is not insured by a plan Ridgeview does business with and chooses to use our services, payment is expected at the time of service. If the patient is not insured by any carrier, they are encouraged to apply for insurance coverage through [MNSure.org](#). If all insurance coverage options have been exhausted without success, the patient may qualify for Ridgeview's Community (Charity) Care program, see the **Financial Assistance Policy - #1225** for more information. Patients can obtain a Community (Charity) Care application by calling 952-442-8054 or 866-286-9840, downloading the application from [ridgeviewmedical.org](#), or in person at 500 S. Maple Street, Waconia, MN 55387.

- A. Co-payments and Deductibles:** All co-payments and deductibles should be paid at the time of service. This arrangement is part of the contract with the patient's insurance company.
- B. Non-covered Services:** Some – and perhaps all – of the services provided may be non-covered or not considered medically necessary by Medicare or other insurers. The patient may be responsible for these services in full. Patients may request a discount on non-covered services by utilizing the Community (Charity) Care program.
- C. Proof of Insurance:** Ridgeview must obtain a copy of the patient's photo ID and current valid insurance to provide proof of insurance and identity. If correct insurance information is not provided in a timely manner, the patient may be responsible for the balance of a claim. When insurance is unknown or not eligible, Ridgeview will screen the patient for eligibility following Minnesota Statute 144.587.
- D. Network Status:** The patient is responsible for determining if Ridgeview is in-network with their insurance company.
- E. Claims Submission:** Ridgeview will submit claims on the patient's behalf and assist in any way we reasonably can to help get claims paid. The patient's insurance company may need the patient to supply certain information directly. It is the patient's responsibility to comply with their request. The balance of the patient's claim is their responsibility whether or not the insurance company pays the claim. The patient's insurance benefit is a contract between the patient and their insurance company; Ridgeview does not participate in that relationship.

- F. Coverage Changes:** If the patient's insurance changes, Ridgeview should be notified before the patient's next visit so we can make the appropriate changes to help the patient receive maximum benefits.

**BILLING PROCEDURES:**

This policy sets forth Ridgeview's billing procedures and actions that Ridgeview may take when the patient's responsibility for medical care is not paid.

1. Ridgeview may request payment for any known patient responsibility for medical care (such as co-pays or deductibles) prior to or at the time care is provided (other than for Emergency Care). With respect to Emergency Care, Ridgeview shall request payment for any known patient responsibility for medical care after the care has been provided.
2. If a patient is uninsured or insurance is unknown at time of service, Ridgeview will receive an Eligibility Screen during the pre-registration, registration, or admission process, or at other points in the billing and collection process, per Minnesota Statute 144.587 subd.2.
3. If a patient has not paid Ridgeview at the time medical care is provided, Ridgeview will bill the patient for his or her responsibility after receipt of Third-Party Coverage payments.
4. If a patient qualifies for Financial Assistance, Ridgeview shall write off any balance after Third-Party Coverage that the patient is not obligated to pay according to the Financial Assistance Policy.
5. Guarantors may be eligible for a Payment in Full discount of 20% on any self-pay balance greater than \$200 when paying a balance in full after all applicable third parties have been billed, paid, and all applicable discounts have been applied.
6. If unable to pay in full, Ridgeview offers two interest-free payment plans options, an In-house payment plan and an extended payment plan through ClearBalance.

In-House Payment Plan: Payment plan to be paid off within 5 months. A minimum payment of \$25 per month.

Extended Payment Plan: Payment plans offered through third-party vendor, ClearBalance. ClearBalance offers extended payment plans for up to 36 months.

7. Ridgeview will bill patients for any outstanding balances using its normal billing process which includes a minimum of four (4) contacts which include a combination of letters, phone calls (manual and/or automated), and monthly statements over a span of at least 120 days before being referred to an external collection agency. Ridgeview shall include information regarding how to obtain a copy of the plain language summary of Ridgeview's Financial Assistance Policy and the Community (Charity) Care Application with each contact.

**COLLECTION PROCEDURES:**

1. During the first 120 days after the patient's first billing statement for care is issued, Ridgeview shall not refer the account to a collection agency or engage in any extraordinary collection actions (ECAs).
2. Ridgeview shall observe all patient notification procedures set forth in the Financial Assistance Policy.
3. If no positive patient response is received after 120 days from the first billing statement, Ridgeview shall characterize the unpaid balance as bad debt. Ridgeview may continue its own bad debt collection efforts or refer the bad debt account to a collection agency for additional collection efforts in accordance with this policy.
4. Notwithstanding bad debt classification or referral to a collection agency, a patient may apply for Financial Assistance using the process outlined in Ridgeview's Financial Assistance Policy. Collection activity will cease while the Financial Aid application is being reviewed.

5. Ridgeview shall not refer any patient's accounts to a collection agency or debt litigation attorney/law firm until it has been confirmed that:
  - There is a reasonable basis that the patient owes the debt and there is not a dispute of charges on file.
  - All known third-party payers have been properly billed and any remaining balance is the financial responsibility of the patient. The patient will not be billed for any amount that an insurance company is obligated to pay.
  - Patient has been offered a reasonable payment plan.
  - The patient has been given a reasonable opportunity to apply for Financial Assistance. When an application for Financial Assistance has been submitted per Financial Assistance Policy, collection activity will be suspended for thirty days allowing time for the application to be processed and the patient notified of its decision.
6. All collection procedures will comply with applicable state and federal laws and Ridgeview policies and procedures. Collection procedures will also comply with the Minnesota Attorney General Agreement. The Ridgeview Designee or Patient Financial Service Director has the authority to determine whether reasonable efforts have been made to determine whether a patient qualifies for Financial Assistance according to the Financial Assistance Policy.

For patients who are uninsured or whose insurance coverage status is not known, Ridgeview must not initiate one or more of the following actions until the patient is ineligible for Community (Charity) Care or denies an application for Community (Charity) Care:

- Offer to enroll or enrolling the patient in a payment plan.
  - Changing the terms of a patient's payment plan;
  - Offering the patient, a loan or line of credit, application materials for a loan or line of credit, or assistance with applying for a loan or line of credit, for the payment of medical debt
  - Referring a patient's debt for collections, including in-house collections, third-party collections, any other process for the collection of debt;
  - Denying health care services to the patient or any member of the patient's household because of outstanding medical debt, regardless of whether the services are deemed necessary or may be available from another provider; or
  - Accept a credit card payment of \$500 for the medical debt owed to the hospital.
7. After making reasonable efforts to determine if a patient qualifies for Financial Assistance, and if no positive patient response is received after 120 days from the first billing statement, Ridgeview may engage in one or more of the following extraordinary collection actions (ECAs), to the extent authorized by the Ridgeview Patient Financial Services Director or designee.
    - Refer to Collection Agency
    - Place a lien on an individual's property.
    - Attach or seize an individual's bank account or any other personal property.
    - Commence a civil action against an individual.
    - Garnish an individual's wages.
  8. Ridgeview shall enter into a written contract with any collection agency to which it refers bad debt. The contract will obligate the collection agency to observe the same procedures with respect to determining qualification for Financial Assistance that apply to Ridgeview under Ridgeview's Financial Assistance Policy. The contract shall prohibit the referral or sale of the bad debt to another party.
  9. A collection agency to which bad debt is referred for collection may not engage in any extraordinary collection actions without the prior written consent of Ridgeview.
  10. All collection agencies contracted with Ridgeview will abide by the collection activity restrictions and tactics as described in the Minnesota Attorney General Hospital Agreement. The collection agency shall report any complaints received to Ridgeview's Patient Financial Services Director monthly.

11. Ridgeview's Board of Directors maintains zero tolerance for abusive, harassing, oppressive, false, deceptive/misleading language, or deceptive/misleading collections conduct by the contracted debt collection agency, their agents, and hospital and clinic employees responsible for collecting medical debt from patients.
- All concerns brought forward from patients or guarantors regarding adverse collection activity will be documented.
  - An update regarding the number of incidents of violation of this organizational policy and any corrective actions taken shall be presented to the Board of Directors no less than on an annual basis.

**REFERENCES:**