BILLING & COLLECTION POLICY

SOURCE: Financial Services

Policy Statement

After our patients have received services, it is the policy of Lakewood Health System to bill the patient and their applicable payors in a timely and accurate basis. Staff will provide quality customer service and timely follow-up, and all outstanding accounts will be handled in accordance with all state and federal regulations.

Please read the following information regarding Lakewood Health System's billing and collection procedures and payment expectations. Note that when we use the term "you," "your," or similar terms in this document, we are referring to the patient and/or the person who is responsible for paying for the patient's health care, as applicable. If you have any questions about this policy, please contact our patient financial services team.

Purpose Statement

It is the goal of this policy to provide clear and consistent guidelines for conducting billing and collections functions that promote compliance, patient satisfaction, and efficiency. Using billing statements, written correspondence, and phone calls, Lakewood Health System will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options and follow up with patients regarding outstanding accounts. Additionally, this policy requires Lakewood Health System to make reasonable efforts to determine a patient's eligibility for financial assistance under Lakewood Health System's financial assistance policy before engaging in extraordinary collection actions to obtain payment.

Definitions

The following terms are meant to be interpreted as follows within this policy:

- **Extraordinary Collection Actions (ECAs**): A list of collection activities, as defined by the IRS and Treasury, that healthcare organizations may only take against an individual to obtain payment for care **after** reasonable efforts have been made to determine whether the individual is eligible for financial assistance. These actions are further defined in Section II of this policy below and include actions such as reporting adverse information to credit bureaus/reporting agencies along with legal/judicial actions such as garnishing wages.
- **Financial Assistance Policy (FAP):** A separate policy that describes Lakewood Health System's financial assistance program, including the criteria patients must meet to be eligible for financial assistance as well as the process by which individuals may apply for financial assistance.
- **Reasonable Efforts:** A certain set of actions a healthcare organization must take to determine whether an individual is eligible for financial assistance under Lakewood Health System's financial assistance policy. In general, reasonable efforts may include making presumptive determinations of eligibility for full or partial assistance as well as providing individuals with written and oral notifications about the FAP and application process.

Procedure

I. **Billing Practices**

A. Insurance Billing

1. If you are covered by insurance an insurance plan that we accept, we will bill your insurance plan for the health care services we provide to you based on the insurance information that you provide to us. We accept many insurance plans, but we cannot guarantee that your insurance plan will cover our services. You are responsible for verifying the coverage of your insurance plan and complying with any coverage-related requirements. We will check your insurance eligibility and demographics.

If requested, you must present your insurance card and identification information at check-in. If you do not have insurance coverage, we will discuss payment options with you.

2. If your insurance plan requires a referral for you to receive our health care services, you must get the required referral before you are seen at our facility. Failure to get a required referral could reduce your insurance benefit or leave you responsible for the total charges.
3. Billing Error Review. If you believe that your bill is not accurate, that a third party should pay the bill, or if you have other concerns about your bill, please contact our business office to discuss the matter. If you notify us of a billing error, or we otherwise determine that there is a billing error, we will review the bill and correct any billing errors found. While the review is being conducted, we will not bill you for the health treatment or services that are the subject of the review for potential billing errors. We may resume billing you for the health treatment and services that were reviewed for potential billing errors only after (a) the review is complete, (b) any billing errors are corrected, and (c) a notice of completed review (as detailed below) is transmitted to you. If, after completing the review and correcting any billing errors, we determine you overpaid us under the bill, we will refund the amount overpaid under the bill within 30 days after completing the review.
4. Required Error Review Notices. Within 30 days of our determining or receiving notice that your bill may contain one or more billing errors, we will notify you (1) of the potential billing error; (2) that we will review the bill and correct any billing errors found; and (3) that while the review is being conducted, we will not bill you for any health treatment or service subject to review for potential billing errors. Within 30 days after we complete this review, we will (1) notify you that the review is complete, (2) explain in detail (a) how any identified billing errors were corrected, or (b) if applicable, why we did not modify the bill as requested, and (3) include applicable coding guidelines, references to health records, and other relevant information.
5. Lakewood Health System will provide an estimate for all uninsured patients, select specialties, and on demand for any patient who requests one. For procedures considered cosmetic or elective that are not covered by insurance, patients are required to pay the full amount of the procedure in advance or establish a pre-approved payment arrangement with patient financial services.

B. Patient Billing

1. You are responsible for any amounts not paid by insurance. This includes co-payments, deductibles, non-covered services, and any other amounts not covered by insurance. Co-payments are due at the time of your visit.
2. We send billing statements to the patient or responsible person monthly following the initial correspondence we receive from your insurance company. After your insurance company has paid or identified its portion of the bill, the remaining balance is your responsibility and should be paid within thirty-days (30) of the statement date. If you are unable to pay the amount due by the due date, please contact our business office to set up an acceptable payment plan.
3. If you are having difficulty paying your balance, we encourage you to contact patient financial services about your account. Patient financial services will help you with questions and concerns, and work with you on a payment plan and other reasonable options to help you pay your balance.

II. Collection Practices

A. In compliance with relevant state and federal laws, Lakewood Health System may enlist collection agencies and law firms after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts where patients are uncooperative in making payments, have not

made appropriate payments, or have been unwilling to provide reasonable financial and other data to support their request for charity care. Collection agency and law firm staff will uphold the confidentiality and individual dignity of each patient. All agencies and law firms will comply with all applicable laws including HIPAA requirements for handling protected health information.

B. If you have not paid the balance due within 120 days of the applicable statement date and have not made acceptable payment arrangements with our business office, or have not complied with agreed upon payment arrangements, we may refer your account to a collection agency or law firm. Your medical debt will not be reported by us to a consumer reporting agency or credit bureau. Unresolved account balances may also be turned over to the Minnesota Department of Revenue for Revenue Recapture of your state income tax refund.
C. We review accounts periodically to confirm the status of any debts, and to identify uncollectible and satisfied debts. We will end collection activities once a debt is identified as satisfied or uncollectable, in accordance with our arrangement with the applicable collection agency or law firm. Our patient financial services will provide updates regarding the status of your account upon your request.
D. We will not deny medically necessary health treatment or services to you or any member of your family or household because of current or previous outstanding medical debt owed by you or any member of your family or household to us, regardless of whether the health treatment or service may be available from another health care provider. Lakewood Health system does not discriminate in the provision of services to an individual (i) because the individual is unable to pay; (ii) because payment for those services would be made under Medicare, Medicaid or the Children's Health Insurance Program (CHIP); or (iii) based upon the individual's race, color, sex, national origin, disability, religion, sexual orientation, age or gender identity.
E. As a condition of providing medically necessary health treatment or services when you or any member of your family or household has current or previous outstanding medical debt to us, we may require you to enroll in a payment plan for the outstanding medical debt owed to us. The payment plan will take into account any information you disclose to us regarding your ability to pay. If you are unable to make all or part of the agreed-upon installment payments under any such payment plan, you must communicate your situation to us and you must pay an amount you can afford. We may seek other legally permitted remedies in the event of your failure to abide by the payment plan terms.
F. When collecting medical debt, we will comply with all applicable requirements of law (which may include the Minnesota Debt Fairness Act, the federal Fair Debt Collection Practices Act, HIPAA, and Minnesota state privacy laws).

III. Reasonable Efforts and Extraordinary Collections Actions (ECAs)

A. Before engaging in ECAs to obtain payment for care, Lakewood Health System must make certain reasonable efforts to determine whether an individual is eligible for financial assistance under our financial assistance policy.
    1. ECAs may begin only when 120 days have passed since the first post-discharge statement was provided.
    2. However, at least 30 days before initiating ECAs to obtain payment, Lakewood Health System shall do the following:
        i. Provide the individual with written notice that indicates the availability of financial assistance, lists potential ECAs that may be taken to obtain payment for care, and gives a deadline after

which ECAs may be initiated (no sooner than 120 days after the first post-discharge billing statement and 30 days after the written notice).

ii. Provide a plain-language summary of the FAP along with the notice described above.

iii. Attempt to notify the individual orally about the FAP and how he or she may get assistance with the application process.

B. After making reasonable efforts to determine financial assistance eligibility as outlined above, Lakewood Health System, or its authorized collection agencies or law firms, may take any of the following ECAs to obtain payment for care:

1. Attaching or seizing an individual's bank account, other personal property, or other judgment enforcement action permissible under state law after securing a judgment.
2. Garnish wages after securing a court judgment.
3. Place a lien on property after securing a judgment.

C. Lakewood Health System's Patient Financial Services department is ultimately responsible for determining whether Lakewood Health System and its business partners have made reasonable efforts to determine whether an individual is eligible for financial assistance. This body also has final authority for deciding whether the organization may proceed with any of the ECAs outlined in this policy.

IV. Financial Assistance

A. All billed patients will have the opportunity to contact Lakewood Health System regarding financial assistance of their accounts, payment plan options, and other applicable programs.

1. Lakewood Health System's financial assistance policy can be found online at www.lakewoodhealthsystem.com.
2. Individuals with questions regarding Lakewood Health System's financial assistance policy may contact the Patient Financial Services office by phone at 218-894-8457 or in-person at 49725 County 83, Staples, MN 56479.

V. Customer Service

A. If you feel your concerns have not been addressed, please contact our Customer Experience team at 218-894-8778 first and allow us the opportunity to try and address your concerns. If you continue to have concerns that have not been addressed, you may contact the Minnesota Attorney General's office by telephone at 651-296-3353 or 1-800-657-3787, by email at hospital.billing@ag.state.mn.us or online at www.ag.state.mn.us/contact.

B. When you contact Lakewood Health System with a concern we will:

1. Enforce a zero-tolerance standard for abusive, harassing, offensive, deceptive, or misleading language or conduct by its employees.
2. 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 collections statements sent.
3. After receiving a communication from a patient (by phone or in writing), Lakewood Health System 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 correspondence within 10 days.
4. Maintain a log of patient complaints (oral or written) that will be available for audit.

This institution is an equal opportunity provider and employer.