



# *Billing and Collection Policy*

Revised in accordance with 501(r) of the Internal Revenue Code, effective January 1, 2016.

## **Policy**

It is the policy of Mayo Clinic and Mayo Clinic affiliated hospitals and clinics ("Mayo Clinic") to pursue collection of patient balances from patients who have the ability to pay for services. Mayo Clinic will make reasonable efforts to identify patients who may be eligible for financial assistance. Collection procedures will be applied consistently and fairly for all patients regardless of insurance status. All collection procedures will comply with applicable laws and with Mayo Clinic's mission. For those patients unable to pay all or a portion of their bill, the applicable Financial Assistance Policy or Charity Care Policy will be followed.

Collection agencies and law firms may be enlisted 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.

## **Purpose**

This Policy establishes reasonable procedures regarding collection of patient accounts, including actions that may be taken by Mayo Clinic or contracted external collection agencies and law firms.

## **Scope**

This policy applies to Mayo Clinic and all legally affiliated hospitals and clinics.

## **Policy Statements**

### **Extraordinary Collection Actions**

Actions that Mayo Clinic may take, or authorize a collection agency or law firm to take, related to obtaining payment of a bill for medical care include the following:

1. Deferring, denying, or requiring a payment before providing medically necessary care because of an individual's non-payment of one or more bills for previously provided care;
2. Actions that require legal or judicial process including, but not limited to:
  - a. commencing a civil action or lawsuit against the patient or responsible individual;
  - b. garnishing an individual's wages after securing a court judgment;
  - c. attaching or seizing an individual's bank account, other personal property, or other judgment enforcement action permissible under state law after securing a judgment;
  - d. placing a lien on an individual's property after securing a judgment provided that placing a lien against an individual's personal injury recovery, settlement, compromise or judgment is not considered an extraordinary collection action (ECA).

Placing a patient's account with a collection agency is not an extraordinary collection action.

### **Mayo Clinic Affiliated Hospital Reasonable Efforts to Identify Patients Eligible for Financial Assistance**

Mayo Clinic will notify individuals that financial assistance is available to eligible individuals at least 30 days prior to pursuing ECAs to obtain payment for the care provided by the hospital by doing the following:

1. Provide written notice to the individual indicating that financial assistance is available to eligible individuals, indicating that Mayo Clinic intends to initiate or have a third party initiate to obtain payment for the care, and provides a deadline after which ECAs may be pursued and which is no later than 30 days after the date of this written notice;
2. Provide the individual a Plain Language Summary of the Financial Assistance Policy with this written notice; and
3. Make reasonable efforts to orally notify individuals about the Mayo hospital's financial assistance policy.

## **Notification Period**

ECAs for hospital services will not commence for a period of 120 days after the date of the first post-discharge billing statement for the applicable medically necessary or emergency medical care.

## **Financial Assistance Application Period**

The financial assistance application period begins on the date medical care is provided and ends 240 days after the first post-discharge billing statement or 30 days after the hospital or authorized third party provides written notice of ECAs the hospital plans to initiate, whichever is later. Mayo Clinic affiliated hospitals widely publicize the availability of financial assistance and make reasonable efforts to identify individuals who may be eligible. The eligibility criteria and application process is set forth in the applicable Financial Assistance Policy.

If a patient submits a complete hospital financial assistance application during the application period, Mayo will suspend ECAs and make an eligibility determination before resuming applicable ECA activity.

## **Identification of Reasonable Efforts Taken**

Prior to engaging in ECAs, Mayo Clinic's Revenue Cycle staff will identify whether reasonable efforts were made to determine whether an individual is eligible for financial assistance. The Mayo Clinic Revenue Compliance Officer will provide oversight for identification of reasonable efforts made.

## **Financial Expectations**

Consistent with this Policy and the Financial Assistance Policy, Mayo Clinic will clearly communicate with patients regarding financial expectations as early in the appointment and billing process as possible.

- Patients are responsible for understanding their insurance coverage and for providing needed documentation to aid in the insurance collection process.
- Patients may be required to pay a pre-service deposit or estimated co-pays and deductibles prior to services (except in the Emergency Department and other emergent situations) or amounts may be collected after services are provided, based on the current business practices of individual Mayo sites.
- Patients are generally responsible for paying self-pay balances, including any amounts not paid by insurance companies or applicable third party payers.
- If the patient has a previous bad debt or outstanding balance, Mayo Clinic may request amounts owed before future appointments are granted. If arrangements cannot be made for resolving the patient's outstanding balance, future non-emergency care may be limited or denied. Pre-service deposits may be required for non-emergency services.

## **Insurance Collections**

Mayo Clinic will maintain and comply with policies and procedures to ensure the timely and accurate submission of claims to all known primary health plans or insurance payers ("Payer") clearly identified by the patient. If Mayo Clinic timely receives from the patient complete and accurate information about the Payer but does not timely submit a claim to the Payer and the Payer denies the claim based on that untimely filing, the patient will be responsible for only the amount that the patient would be liable to pay had the Payer paid the claim. However, if Mayo Clinic determines that it either timely filed the claims or was provided inaccurate or incomplete information, then the patient will be held responsible. Liability insurance is not covered by these Insurance Collections provisions.

Mayo Clinic shall not refer any bill to a third-party collection agency or attorney for collection activity while a claim for payment of the services is pending with a contracted payer. Mayo Clinic may refer a bill to a third-party collection agency or attorney following an initial denial or untimely denial of the claim by a Payer. Mayo Clinic will not refer any bill to a third-party collection agency or attorney for collection activity when a claim is denied by a third-party payer due to Mayo Clinic's error and such error results in the patient becoming liable for the debt when they would not otherwise be liable. Mayo Clinic reserves the right to substantiate that an error has been made and if Mayo Clinic determines that it has not made an error, then the patient may be held liable. Patients must sign an authorization allowing Mayo Clinic to bill the patient's health plan, insurance company or any other third party payer, and must cooperate with Mayo Clinic in a reasonable manner by providing requested information to facilitate proper billing to a patient's health plan or insurance company.

Mayo Clinic makes every reasonable attempt to collect from all known Payers, with whom Mayo has a contract and non-contracted payers for services provided to assist patients in resolving their bills.

## **Self-Pay Balance Resolution**

Mayo will employ reasonable procedures in a fair and consistent manner to collect patient self-pay balances, maintaining confidentiality and patient dignity. Financial assistance will be offered those patients whose income and assets will not allow full payment of services within a reasonable time.

- Self-pay collection procedures and process flows are followed by Mayo Clinic and must fully comply with this Policy. Mayo Clinic and its affiliates have developed a streamlined process for patients to question or dispute bills, including a toll-free phone number patients may call and an address to which they may send written correspondence. The phone number and address shall be listed on all patient bills and collection notices sent by Mayo Clinic. Mayo Clinic will make reasonable attempts to return telephone calls made by patients to this number as promptly as possible, but in no event later than five business days after the call is received.
- Mayo Clinic will consider reasonable payment plans, such as dividing payments over two or three months.
- If a patient has additional services and additional self-pay balances are owed, Mayo will require increases to the patient's current payment plan, based on the patient's ability to pay.

## Collection Agency

- Third-party debt collection agencies may be enlisted only after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts for services 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 staff will uphold the confidentiality and individual dignity of each patient. All agencies will meet all HIPAA requirements for handling protected health information.
- When reviewing the account for referral to a collection agency, the responsible person will confirm that:
  - There is a reasonable basis to believe that the patient owes the debt.
  - All known Payers have been properly billed such that any remaining debt is the financial responsibility of the patient. Where the patient has indicated an inability to pay the full amount of the debt in one payment, consideration of a reasonable payment plan is required provided that Mayo Clinic may require the patient to provide reasonable verification of the inability to pay the full amount of the debt in one payment.
  - The patient has been given a reasonable opportunity to submit an application for Financial Assistance. Particular attention should be given when a patient is uninsured or is currently on Medical Assistance, or other relief based on need.
- If a patient submits a complete application for Financial Assistance after an account has been referred for collection activity, Mayo Clinic will suspend ECAs until the patient's application has been processed and notified the patient of Mayo Clinic's determination.

## Legal Action

Mayo Clinic may pursue legal action against patients who keep insurance payments or settlement proceeds related to the medical services, patients who refuse to pay a bill and do not appear to be eligible for financial assistance or have not cooperated in the process to make that determination. Legal follow-up and commencing a lawsuit is appropriate and permitted subject to the following:

- Authorization to take legal action against a patient for the collection of medical debt will be provided on a case by case basis.
- Legal action will not be filed against any particular patient to collect medical debt until Mayo Clinic determines that:
  - There is a reasonable basis to believe that the patient owes the debt;
  - All known Payers have been properly billed;
  - Where the patient has indicated an inability to pay the full amount of the debt in one payment, Mayo Clinic has offered the patient a reasonable payment plan. The patient has been given a reasonable opportunity to submit an application for Financial Assistance if the facts and circumstances suggest that the patient may be eligible for Financial Assistance including, that the patient is uninsured or is enrolled in Medical Assistance or eligible for other relief based on need.

## Enforcement

It is the policy of Mayo Clinic, through adoption of this Policy by the applicable governing boards and by the Board of Trustees of Mayo Clinic, that this Policy will be enforced for all collection staff, collection agencies and attorneys. Any abusive, harassing, or misleading language or conduct by its employees responsible for collecting medical debt from patients and from its debt collection agencies and attorneys and their respective agents and employees will be addressed through corrective action procedures.

## Equal Opportunity

When making decisions throughout the collection process, Mayo Clinic is committed to upholding the multiple federal and state laws that preclude discrimination on the basis of race, sex, age, religion, national origin, marital status, sexual orientation, disabilities, military service, or any other classification protected by federal, state or local laws.

## Confidentiality

Mayo Clinic staff will uphold the confidentiality and individual dignity of each patient. Mayo Clinic will meet all HIPAA requirements for handling personal health information.

## Related Documents

Financial Assistance Policy  
Plain Language Summary  
Financial Assistance Application