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**SUBJECT:** Debt Collection Litigation Policy

**SPONSOR:** Chief Financial Officer

**CATEGORY:** Rights and Responsibilities of the Individual

**DEPARTMENT IMPACTED:** Fiscal Services

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**PURPOSE:** To provide consistent guidelines for debt litigation.

**RESPONSIBILITY:** CFO, Director of Revenue Cycle and designated personnel are responsible for the creation, revision and enforcement of this policy.

**DEFINITIONS:**

Contract Requirements:

- a. The third party debt collection contract shall require the collection agency to act in accordance with the terms of the Attorney General Agreement.
- b. Third party debt collection agency will be familiar with the medical center's *Debt Litigation Policy*.

Litigation Measures:

- a. Medical center's debt collection agents/agencies shall notify and gain approval from the Director of Revenue Cycle when litigation proceedings may be necessary to collect unpaid patient debt.
- b. Medical Center or agencies/agents acting on their behalf shall register a complaint or Summons in District Court and act in accordance with the Attorney Generals Agreement.
- c. Lawsuit Information Sheet will be provided to the patient prior to litigation proceedings.
- d. Legal judgments provided by the court permitting patient wage or property garnishments shall be conducted in accordance with the Attorney Generals Agreement.
- e. Garnishment Information Sheet will be provided to the patient prior to garnishment proceedings.
- f. Medical center or agencies/agents acting on their behalf shall honor and follow all Minnesota Rules of Civil Procedure.

**POLICY STATEMENT:** It is our goal to provide affordable healthcare services to all patients regardless of the ability to pay and to maintain the financial integrity of the medical center. The medical center may as a last resort pursue debt litigation action in an attempt to collect unpaid patient debt.

**APPLICABLE LEGISLATION AND REGULATIONS:**

**RELATED REFERENCES, APPENDICES AND FORMS:**