

June 2005

*Advocate Health Care*

**Collection Agencies under contract for a term of two years beginning  
June 1, 2004**

Illinois Collection Service, Inc.  
Medical Recovery Specialists, Inc.  
Harris and Harris, Ltd.  
Col Debt Collection Systems, Inc.  
Pellettieri & Associates, P.C.

System Wide Contract - The terms of the contract, as well as the effective dates are identical for all 5 agencies.

PROFESSIONAL SERVICES AGREEMENT  
Patient Account Collection Services

THIS AGREEMENT is made this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, between Advocate Health and Hospitals Corporation, and Advocate North Side Health Network ("Advocate"), both Illinois not-for-profit corporations, and (Agency").

WHEREAS, Advocate is a network of health care providers ("Facilities"), located in the Chicago metropolitan area of Illinois;

WHEREAS, Advocate desires to retain the professional services of a collection agency for collection of hospital patient accounts; and

WHEREAS, Agency is duly certified and licensed as a collection agency in the State of Illinois and possesses the requisite trained and experienced personnel to provide collection services to Facilities.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter expressed, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. DUTIES OF AGENCY. Advocate hereby appoints Agency to provide collection services as described in Appendix A or as requested by the Facility patient account managers during the term of this Agreement. Agency agrees to conduct its business operations in full compliance with the Illinois Collection Agency Act (225 ILCS 425/1 et. seq.) and with the Fair Debt Collection Practices Act (Sub Chapter V of the Consumer Protection Act, 15USC 1601, et seq.) in which collection action is taken, as well as with all applicable federal and local laws, rules and regulations.

Agency agrees to comply with all applicable state and federal health care reimbursement program requirements. Agency further represents that it has received information about the Advocate Code of Business Conduct Program and Guidelines for Vendors as set forth in Appendix H and agrees to comply with all terms and provisions of the Program.

Agency agrees to maintain and update its collection, communication, and operating systems in accordance with current industry practices. Agency shall utilize current means of electronic commerce relating to account acceptance, reporting and payment processing activities.

2. DUTIES OF FACILITIES. Facilities shall perform such duties and responsibilities as described in Appendix B during the term of this Agreement.

3. CERTIFICATION/LICENSE. Agency and its agents shall at all times be duly certified and licensed under the Illinois Collection Agency Act and shall, at all times, be in strict compliance with all of

the provisions therein. Attorneys providing services hereunder shall be licensed to practice law in the State of Illinois.

4. BACKGROUND CHECKS/APPROVAL OF AGENTS. Agency shall, for all agents, including attorneys, conduct the following background checks on each agent on an annual basis, and prior to a new agent providing services under this Agreement, and shall report to Advocate's Patient Accounts Director all findings:

a. Criminal background checks in the state of Illinois, and for initial criminal background check only, in all states in which the agent worked and/or lived during the past five (5) years;

b. ARDC (Attorney Registration and Disciplinary Commission), if applicable, for any complaints. Agency shall notify Advocate of any complaints filed against an attorney providing services hereunder.

Advocate's Patient Accounts Director must approve the use of all agents and reserves the right to request that an agent of Agency not provide services under this Agreement. Agency will assure that the substitution of attorney process be completed within 30 days of Advocate request.

5. COMPENSATION. Facilities agree to pay Agency for the collection services described in this Agreement at the rate(s) described in Appendix C. Agency agrees not to co-mingle monies collected on Facilities' accounts with its own funds, or to use any part of Facilities' monies in the conduct of Agency's business.

6. RELATIONSHIP BETWEEN PARTIES. In the performance of the duties and responsibilities involving Agency under this Agreement, it is expressly understood and agreed between the parties that Agency shall at all times act and perform as an independent contractor, specializing in the provision of patient accounts collection services. Nothing in this Agreement shall be deemed to constitute the parties as joint ventures or partners or anything other than independent contractors.

7. NONEXCLUSIVITY. Both parties expressly agree that this Agreement does not grant any exclusive rights or impose any exclusive obligations on either party and either party may deal with competitors of each other.

8. ACCESS TO BOOKS AND RECORDS.

(a) Agency shall retain and make available upon request, for a period of four (4) years after furnishing services pursuant to this Agreement, the contract, reports, files, documents and records which are necessary to certify the nature and extent of the costs of such services if requested by the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives. If Agency carries out any of its duties under the Agreement through a subcontract with a related organization involving a value or cost of \$10,000 or more over a 12 month period, Agency will cause such subcontract to contain a clause to the effect that, until the expiration of six (6) years after the furnishing of any service pursuant to said subcontract, the related organization will

make available upon request of the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives, copies of said subcontract and any books, documents, records and other data of said related organization that are necessary to certify the nature and extent of such costs.

(b) Agency will maintain accurate records, satisfactory to Advocate. Agency's records and any Agency subcontractors' records shall be available for inspection by the Advocate staff at any time, and Agency hereby grants Advocate irrevocable permission for the employees authorized by Advocate, to enter Agency's premises for the purpose of reviewing such records and making extracts or copies thereof.

(c) Advocate staff may, at any time, contact debtors to verify performance by Agency.

9. CONFIDENTIALITY/COMPLIANCE. Agency agrees that they, their employees and agents will protect and keep confidential all patient account information, the policies, procedures and systems of Advocate and any other confidential information or data communicated to or acquired by Agency in connection with this Agreement.

Furthermore, Agency agrees that no information will be disclosed in violation of any federal, state or local law or regulation.

Pursuant to the terms of this Agreement, Agency will perform or on behalf of Advocate will perform a function or activity involving the use or disclosure of individually identifiable health information (hereinafter referred to as "protected health information" or "PHI"), and therefore Agency shall be known as a Business Associate of Advocate ("Business Associate"). Agency shall comply with the requirements regarding PHI as set forth in Appendix D.

10. INSURANCE.

(a) Agency shall, at its own expense, carry and maintain general liability and employee dishonesty insurance to cover claims which may arise from the operations described in this contract. These policies shall provide protection from the following hazards:

- Liabilities arising from operations
- Premises/liability
- Contractual liability covering the indemnity agreement in this contract
- Employee Dishonesty
- Business interruption losses

This policy will be annual in amounts not less than \$1,000,000.00 per occurrence and \$3,000,000.00 in the aggregate, with a company acceptable to Agency and Advocate. Fidelity insurance shall be obtained in the amount of \$500,000.00 per loss to secure the faithful performance by the Agency and its agents, servants and employees of their obligations under this agreement. Agency shall notify its insurance carrier to include Advocate among the parties that must be notified in advance of any cancellation of the insurance policies. Agency shall provide to Advocate certificates of insurance evidencing the above coverage and renewals thereof and will include Advocate as an additional insured.

Agency shall also provide Advocate with evidence that it has complied with the bond-posting provisions of the Illinois Collection Agency Act.

(b) Agency shall indemnify, defend, and hold harmless Advocate (including its Board of Directors, individually and collectively, and its officers, employees, and agents, individually and collectively) from all claims, liabilities, damages, costs, and expenses, including reasonable attorneys' fees, arising out of or in connection with any and all acts or omissions of Agency or its officers, personnel, and agents in the performance of this Agreement. This shall include, but not be limited to, any alleged or actual violations of the Fair Credit Reporting Act, Fair Debt Collection Practices Act or Illinois Consumer Fraud Act.

c) Advocate shall indemnify, defend, and hold harmless Agency (including its Board of Directors, individually and collectively, its officers, employees and agents individually and collectively, )from all claims, liabilities, damages, costs, and expenses, including reasonable attorneys' fees, arising out of or in connection with any and all acts or omissions of Advocate or its officers, employees, and agents in the performance of this Agreement.

11. TERM. The term of this Agreement shall be for a period of Twenty-Four Months (24) months commencing on **June 1, 2004 and expiring on May 31, 2006** except as otherwise provided in Section 11. This Agreement is not automatically renewable. Upon expiration, this Agreement shall be of no further force or effect whatsoever and each of the parties hereto shall be relieved and discharged from its obligations under this Agreement.

12. TERMINATION. Either party may terminate this Agreement at any time, with or without cause, upon not less than thirty (30) days written notice given to the other party.

(a) Upon receipt of Notice of Termination, all collection activities instituted on behalf of Facilities will be terminated forthwith.

(b) Within two (2) weeks of receipt of Notice of Termination, Agency will return all documentation to Facilities including, but not limited to files, account notes, copies of pleadings and payment arrangement details.

(c) Within two (2) weeks of receipt of Notice of Termination, Agency will provide a full and final account status report which will include the result of all collection activities and current account detail with patient name, account number, referral amount, payments, current balance, litigation status, court costs and next court date (if applicable). A cashiers or certified check for the full amount of the funds due and outstanding to Facilities, less any unpaid commissions due as a result of services rendered prior to the Notice of Termination, will be attached to said report. It is further understood that no fines, charges, penalties or other assessments will be incurred by Facilities as a result of termination under this section.

(d) Within seven (7) days of the contract termination date, Agency will, where applicable, provide Substitution of Attorney forms.



If to Agency: (Agency Name)  
(Address)  
(City, State, Zip)  
Attn.: (Name)

or such other address as either party may designate in writing.

18. NON-DISCRIMINATION. In providing services under this Agreement, Agency agrees not to discriminate on the basis of race, color, sex, age, religion, national origin, handicap or any other factor.

19. ENTIRE AGREEMENT. This Agreement contains the entire understanding of Advocate and Agency with respect to the subject matter hereof, and supersedes all negotiations, prior discussions, agreements or understandings, whether written or oral. This Agreement may not be modified orally, but only by written agreement signed by each of the parties as provided in Section 13 hereof.

20. ASSIGNMENT. This Agreement may not be assigned, delegated or transferred by either party hereto; provided, however, that Advocate may assign, delegate or transfer this Agreement or any rights or obligations hereunder to another corporation or entity, now or hereafter existing, which corporation or entity is related to or part of Advocate.

21. AUTHORITY. Signatories below represent and warrant that they are duly empowered to execute this Agreement.

22. REMEDIES. All costs and expenses, including reasonable attorneys' fees, incurred by Advocate in order to remedy any breach of this contract by the Agency will be borne by the Agency.

23. PREVAILING PARTY. In the event of the commencement of a suit to enforce any of the terms, covenants or conditions of this Agreement, the prevailing party in such litigation shall be entitled to recover reasonable attorneys' fees and court costs.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Advocate Health and Hospitals Corporation

By: \_\_\_\_\_  
(Title)

Date: \_\_\_\_\_

Advocate North Side Health Network

By: \_\_\_\_\_  
(Title)

Date: \_\_\_\_\_

(Agency)

By: \_\_\_\_\_  
(Title)

Date: \_\_\_\_\_

State of Illinois  
Certificate/  
License Number:

APPENDIX A

DUTIES AND RESPONSIBILITIES OF AGENCY

I. Performance

A. Agency will accept for collection such unpaid accounts as Facilities may refer for collection.



- B. Agency will accept and load Advocate accounts through electronic transfer. The method of transfer will be defined by Advocate Health Care. The transfer methods adhere to current technology and will not require manual intervention on the part of Advocate Health Care personnel. The format of the files being transferred will be a standard ASCII data file. Encryption/decryption tools will be utilized by both parties to ensure confidentiality of the records being transferred according to the Advocate Health Care E-commerce Security Policy.
- C. Agency will be responsible for receipt/pickup of referral data, copying and timely return of documents.
- D. Agency shall evaluate each patient whose account is referred to Agency where the patient expresses any difficulty or inability to pay their bill, for eligibility under Advocate's charity care policy pursuant as set forth in Appendix G or as otherwise directed by Advocate in writing.
- E. Agency shall promptly undertake, through proper and lawful means, the collection of accounts referred by Facilities. Agency agrees to utilize thorough collection procedures in order to achieve maximum recovery of debts, which will include telephone calls, correspondence, skip tracing procedures, and, as authorized, legal action.
- F. Legal action or settlement may be taken only when all other efforts fail, or mutually agreed to in writing by all parties. Agency shall have no authority to authorize suit on any account referred by Facility. Written approval must be obtained from facility prior to filing suit on any account. All suit authorizations must be submitted on the Advocate Suit Authorization Form as set forth in Appendix I. All suit authorizations must be signed by the Patient Account Director and/or Chief Financial Officer and the facility's President, and shall expire after 60 days if no suit has been filed. No suits shall be authorized for account balances less than one thousand dollars (\$1,000) or more than seven years after the date of service. Agency will submit a plan for collection to facility for all post judgment activity. Agency must obtain authorization from Facility for all post judgment activity in which any legal activity will be taken, i.e., wage garnishments, real estate liens, etc. Expired judgments may not be revived without written approval from Facility. Agency and its agents are prohibited from using body attachments or applying attorney liens. Agency is also prohibited from placing liens on any residential real estate that is the patient's primary residence and sole real estate asset. Agency shall not file a motion to discover assets, institute garnishment of wages or any other proceedings to garnish or encumber any personal property without prior approval of Facility. Agency will have no authority to companionate Advocate accounts with a Non-Advocate client's law suit.
- G. Agency shall promptly notify Advocate if it learns that a person owing a debt resides in a nursing home or there is a question regarding the person's mental or physical capacity affecting his/her ability to communicate regarding the debt.
- H. Companionation of Accounts may only be performed by Agency as set forth in the Account Companionation Guidelines attached hereto as Appendix F., or as otherwise provided in writing by Advocate.

- I. Agency agrees, upon request by Facility, to report accounts with balances of \$250.00 or greater, to a credit reporting agency 120 days after placement if no satisfactory payments or arrangements have been made.
- J. Agency shall have no authority to accept a settlement on any account referred by Facility. Written approval must be obtained from Facility prior to accepting settlement on any account. Written or e-mail may be an agreed form of authorization to accept settlement authorization.
- K. Agency waives any right to file and serve a Notice of Attorney Lien on any patient or guarantor and specifically agrees to make no unauthorized written or verbal communication with said parties.
- L. Agency will collect and remit to Facility all post-judgment interest due on accounts not paid in full at time judgment is collected.
- M. Agency will accept payments from patients in the form of cash, personal checks, and credit cards. If payment is made by credit card, Agency will process credit card payments and forward full amount of payment to Facilities. Agency shall pay from its own funds any banking or processing fees due on credit card payments.
- N. Agency shall not enter into any payment arrangement without prior written approval of Facility, if the outstanding account balance exceeds three thousand dollars (\$3,000) and the time frame to pay the account in full exceeds twelve (12) months. For accounts with an outstanding balance under three thousand dollars (\$3,000), Agency may enter into payment arrangements exceeding a twelve (12) month period provided that such arrangement provides that the account shall be reviewed not less than every twelve (12) months for possible re-negotiation of payment terms. Re-negotiation is appropriate when there is a change in employment and/or financial status.
- O. Facility has the right to require additional collection procedures in the event that it determines the efforts of the Agency were inadequate with respect to any one debt.
- P. In the event that no funds are received for a period of twelve (12) months from the date of the last activity by the Agency, Facilities may take such other action which it deems appropriate, without accounting to Agency for any fee, except in the case where legal action has been initiated, or reasonable expectation of payment is imminent.
- Q. Agency agrees to conduct collection activity on Medicare accounts as prescribed by Facilities and within the limits of Federal regulations governing such activity.
- R. Agency shall respond to Facility inquiries no later than 24 hours or the next business day after inquiry and in writing when appropriate.

- S. Agency will contact Facility for proper application of any overpayment received by Agency for a patient account within 30 days of receipt of overpayment.
- T. Agency will furnish to Advocate for its review and approval all correspondence which it intends to utilize with respect to the collection of debts owing to Facilities.
- U. Agency will submit to the Facility patient accounts manager all requests for patient treatment information or review of medical records.
- V. Agency shall employ associates, or otherwise have available, associates with multi-lingual capabilities in order to communicate with individuals verbally or in writing in their primary language.

## II. Time Payment Accounts

A. Time Payment accounts will be identified by Facilities and referred to Agency for monitoring/correspondence/pre-collection activity. Accounts should receive monthly reminders or coupons, and late and final notices. Accounts deemed delinquent should be submitted to the Facility for approval for collection agency placement.

## III. Audits

A.. Agency shall, upon request by Facility, conduct an audit of randomly selected Advocate patient accounts to review documentation of account collection activity from the referral date to the current date, and perform reconciliation to the Facilities' patient account information.

B. Agency shall maintain complete and accurate records satisfactory to Advocate. Agency's, and any subcontractor of Agency's records shall be available for inspection by Advocate at any time. Agency hereby grants to Advocate irrevocable permission, during normal business hours, with a minimum of 24 hours prior notice, for employees authorized by Facilities to enter Agency's premises for the purpose of reviewing such records and making extracts there from or copies thereof.

## IV. Closed Accounts

A. Agency agrees to suspend action temporarily or permanently on any account referred for collection upon written or verbal notification by Facilities. If the account is in the process of collection and a bona fide promise in writing to pay has been received, regular collection rates will apply.

B. Agency will return as Closed, all accounts deemed uncollectible, or as requested by Advocate. Remittances

C. Agency shall remit to Facilities the net amount of all collections by the tenth (10th) of each successive month accounting for all collections received directly by the Agency, its Attorney's or by the Facilities, through the last day of the previous month. If Agency uses an outside Attorney firm for legal collection activity, Agency shall attach a copy of the Attorney's remittance to the Agency. The payment activity on the legal remittance should be included in the Agency's remittance to the Facility.

V. Facility Operations Improvement

A. At regular intervals, Agency shall provide to Facilities articles of interest, education programs, recommendations regarding systems and procedural enhancements to improve the knowledge of Facilities' staff and effectiveness of Facilities' collection operations.

VI. Reports

A. Agency shall provide Advocate Support Center Patient Accounting with a summary level activity report by the tenth (10th) of each month. The report shall summarize activity for each Facility and provide a grand total for all Advocate Facilities. Activity should be broken down by inpatient and outpatient referrals and include: referrals, cash collections, court costs, interest and fees paid. Activity should be listed for each month and be subtotaled at the end of each calendar year, by Facility and by Advocate Total.

B. Agency shall provide Facilities with activity reports by the tenth (10th) of each successive month unless otherwise specified below. The activity reports should be segregated by inpatient, outpatient, Medicare and time payment accounts.

1. Monthly acknowledgment report listing accounts referred the previous month, including patient name, account number, referral date, referral balance.
2. Monthly inventory of active accounts, which includes patient name, account number, referral date, referral amount, total payments, last payment date, last activity date, current status.
3. Monthly report of Closed accounts.
4. Monthly Remittance report listing accounts with payments the previous month, including patient name, account number, referral date, payment amount, interest payment, payment date, place of payment (Facility or Agency), source of payment (patient or insurance), court costs, and commission fee. The total "Direct to Facility" payments reported must be reconciled monthly with that reported to Agency by Facilities.
5. Monthly Closed report for accounts deemed uncollectible. A summary of collection activity and reason for closing will be provided by Agency for accounts with balances over \$5,000.

6. Monthly Litigation report.
7. Quarterly status report of all time payment accounts, including those which were established by the Facility or the Agency.

VII. Litigation

- A. If authorized as set forth above in I. J., all litigation instituted on behalf of Facilities will be handled by an attorney currently licensed to practice law in the relevant jurisdiction.
- B. Agency agrees to pursue all costs, fees, and expenses recoverable, including but not limited to, any post judgment interest fees allowed by the court.
- C. Facilities will be notified of the State or Federal court docket number, date of filing and next court date, for all cases. Quarterly litigation status reports will be provided.
- D. Agency will promptly file Satisfaction of Judgments and dismissals as warranted.

APPENDIX B

DUTIES AND RESPONSIBILITIES OF FACILITIES

I. Facility Duties

A. Facilities shall advise Agency in writing on a weekly basis by a mutually agreed upon method, of payments made directly to Facilities by debtors so that proper and timely credit can be made to the patient's account.

APPENDIX C

COMPENSATION

I. Compensation

A. Facilities will pay a commission fee to Agency of 18% of collections received from all sources including court awarded interest payments; provided, however that before the assignment to Agency, that the Facilities retain the right to request modification of this fee for individual large balance accounts or other accounts that Facility deems unusual. Any agreement to modification of the fee shall be in writing and executed by the authorized officials of Facility and Agency. Either the commission fee of 18% or the modified fee as described herein shall be the sole consideration paid to Agency. Facilities shall not be liable for any costs or expenses incurred by the Agency in the processing, collection or litigation of accounts. Agency will advance court costs on behalf of Facilities. Agency will deduct the court costs from each account collection before calculating the commission fee of 18% or the modified fee. Agency shall be reimbursed for all outstanding court costs expended on any matter cancelled by Facility.

B. Fees shall not be earned until collection is effected and only as to funds actually received.

C. Fees shall not be earned until collection is effected and only as to funds actually received.

D. Payments received on patient accounts within the first Five (5) days of the date the accounts are loaded into the Agency's system shall be considered paid prior to placement and no collection fee will be applied.

E. Accounts specified by the Facilities as Time Payment Accounts will be monitored at the rate of two dollars (\$2.00) per payment received.

F. Advocate Hospitals will pay the agencies a flat rate of \$10 for each account on the Charity Care Log with a final disposition. Final Disposition meaning the Charity Care Log reflects the following:

1. Date application was sent
2. Date Follow up letter was sent
3. Date application was forwarded to hospital
4. If the patient did not return the application, the word "NO" appears in the box titled "Fin. Doc. Rec".

G. Agency shall at no time expend sums in any form, for the benefit of any of the employees of Advocate. Any breach of this provision may result in immediate termination of this agreement and forfeiture of fifty percent (50%) of all commissions earned by the Agency during the past year. (In addition, Agency agrees to report to the chief executive officer of Advocate any attempt by an individual associated with Advocate to obtain any personal benefit from the placement of Advocate's collection business.)

APPENDIX D

HIPAA ATTACHMENT

**Confidentiality of Protected Health Information.** For the purposes of this provision, Agency shall be referred to as Advocate's Business Associate ("Business Associate"). Business Associate agrees to do the following.

- (a) Only use, disclose and maintain any individually identifiable health information, (hereinafter referred to as Protected Health Information ("PHI")) from Advocate or any other party as a result of this Agreement in the performance of Business Associate's obligations hereunder, to properly manage and administrate its business or in compliance with federal and state law, rules and regulations. The parties contemplate under this Agreement that Business Associate may use and disclose the protected information during or assisting in the performance one or more of the following activities or services.

One or more of the following must be checked.

1.   X   Actuarial, Accounting, Billing, Claim Processing or Administration, Financial, and/or Re-Pricing, services with disclosure to third parties to achieve payment, reimbursement, financing or other related results.
2.   X   Administration or Management ,Benefits Management, or other Consulting services with disclosure to Advocate approved third parties to achieve defined results.
3.      Accreditation, Data Aggregation, Data Analysis, Processing or Administration or Information System Service or Maintenance with disclosure to Advocate approved third parties to achieve certain defined results.
4.      Practice Management, Quality Assurance or Utilization Review with disclosure to Advocate approved third parties to achieve certain defined results.
5.   X   Legal Services with anticipated possible disclosure to courts and other tribunals or arbiters, other involved parties and their attorneys, experts, and witnesses.

(b) Request the minimum necessary protected health information for any uses or disclosures required by in subparagraph (a).

- (c) Use appropriate safeguards to prevent use or disclosure of such health information other than those specified hereunder.
- (d) Report to Advocate any use or disclosure of the health information not provided for hereunder.
- (e) Obtain permission to disclose any health information to a subcontractor.



- (f) Require and ensure that its agents including a subcontractor, to whom it provides health information received from, or created or received by, or on behalf of Advocate, maintain the confidentiality of such health information, report any disclosure or breach of confidentiality to Business Associate and agree to be bound by the same restrictions and conditions that apply to Business Associate with respect to the health information.
- (g) Make any received health information available if requested by the applicable patient, for amendment(s) and incorporate such amendment(s).
- (h) Make available, if requested by Advocate, health information in order to provide an accounting of all disclosures of patient information.
- (i) Make its internal practices, books, and records relating to the use and disclosure of protected health information available if requested by the Secretary of the Department of Human Services to evaluate compliance with the applicable laws, rules and regulations.
- (j) Business Associate will allow Advocate to control a response to a subpoena or any other discovery request or judicial or administrative order mandating that the Business Associate disclose PHI that Advocate has made available to Business Associate.
- (k) Recognize that Advocate owns the verbal, written and/or electronic form of the PHI for all patients related to this Agreement.
- (l) Maintain any PHI it receives from Advocate in compliance with Advocate's policies and procedures and all applicable federal and state laws, rules and regulations and allow Advocate access to the PHI it possesses as needed to provide patient care and to comply with all applicable federal and state laws, rules and regulations.
- (m) Upon the termination of this Agreement, return to Advocate any health information and its copies or destroy such information and copies. If for any reason, such health information cannot be returned or destroyed then all obligations of Business Associate regarding such information shall survive the termination of this Agreement indefinitely or until such information is returned to Advocate or destroyed.
- (n) Allow Advocate to immediately terminate this Agreement upon its written notification to Business Associate of the material breach of any term or condition of this provision.
- (o) Advocate expressly preserves the right to cure a breach by the Business Associate. Advocate shall have the right to terminate the Agreement and seek related remedies, however, even if it is able to cure the breach.
- (p) Any breach by Business Associate of any part or all of this provision would result in irreparable harm to Advocate and Advocate has the right to seek an injunction and other legal and equitable rights and remedies available under the law. Business Associate acknowledges and stipulates to the burden of proof Advocate would need to meet to obtain an injunction in the event of an authorized use or

disclosure of protected health information by the Business Associate so as to prevent further unauthorized use and disclosures.

APPENDIX E

CERTIFICATES OF INSURANCE

## APPENDIX F

### ACCOUNT COMPANIONATION GUIDELINES

#### Companionation

- A. Agency may companionate two or more accounts only if the accounts meet the following criteria:
1. The accounts are for the same person and this has been confirmed by at least two of the following criteria: (a) same first and last name; (b) same social security number; and (c) same mailing address.
  2. The account of a minor child may be companionated with the account of the child's parent or legal guardian provided the parent or legal guardian is the guarantor of the account and the information of the parent/legal guardian has been verified by at least two of the following three: (a) same first and last name; (b) same social security number; and (c) same mailing address.

NOTE: Agency may not companionate the accounts of two adults, even if they share a last name and address.



## Appendix G

### Charity Flow for Accounts Placed at A Collection Agency

**Purpose:** Consistent with our Mission, Values and Philosophy, Advocate Health Care is strongly committed to providing financial assistance to patients in need. Our Charity Care Policy allows Advocate to extend discounted services to an individual who is willing to pay for health care services, but whose financial status makes it impossible or impractical to pay fully for the services. The policy requires patient cooperation with the evaluation process, which includes a completed application and supporting documentation. Collection Agencies contracted with Advocate hospitals have extended their services, partnering with the hospitals in the identification and processing of Charity Care Accounts Placed at a Collection Agency.

#### **Account flow for patients requesting charity care consideration after the account has been transferred to an outside collection agency.**

1. **Identification and Patient Communication** - Agency staff will screen the patient for eligibility. If it is determined that the patient may meet the eligibility criteria, the agency will place the account on hold and send the Advocate Financial Assistance Application to the patient. Agencies have been supplied with both an English and Spanish version of the application and cover letter.
2. **Applications Not Returned** - If the patient has not returned the completed application to the agency within 28 days, a follow up letter will be sent by the agency to the patient. This letter is a modified version of Advocate letter 99-CC30-2. An attempt to reach the patient by telephone will occur at least once while the account is on hold. If the patient has not returned the completed application to the agency within 45 days from date sent, the agency will remove the hold and resume collection activity.
3. **Returned Applications** – Financial Assistance applications sent to the collection agency should be reviewed to ensure that the patient has supplied the required documentation. Applications with supporting documentation are considered complete.
  - a. If the application was sent to the agency incomplete, one follow up attempt (letter or telephone) should be made to the patient requesting they supply the required information.
  - b. Completed Financial Assistance Applications should be forwarded to the hospitals on a weekly basis.
4. **Charity Log** – The agency will be responsible for completing a site-specific log of all patients to whom they sent financial assistance applications. This log should be sent to each hospital designee on or before the 10<sup>th</sup> of each month.

a. Required Fields to be completed on charity Log:

- Patient Name
- Patient Account Number
- Account Balance
- Date Application Sent
- Date Follow up Letter Sent
- Date Application Forwarded to Hospital
- Final Documentation Rec = “NO” if application was not returned

Each account on the log with the above information will be considered complete. The agency will be paid a flat rate per each completed account.

5. **Evaluation of Application** – Financial Assistance applications are evaluated by the Patient Financial Services department and the Charity Care Committee at each site. While the account is being evaluated, the account should remain on hold at the agency. The hospitals will turn these applications around as soon as possible, with a time frame not to exceed 30 days.
6. **Notification to Patient and Agency** – The hospital will send an approval or denial letter to the patient with the Charity Care Committees’ decision. A copy of this letter will also be provided to the agency so that the account balance may be adjusted, returned to the hospital as closed, or collection activity continued. If applicable, the patient will be sent a revised statement reflecting the adjustment.

## **Appendix H**

### **Guidelines for Vendors**

#### **About Advocate Health Care**

##### **Advocate Health Care**

The mission of Advocate Health Care is to serve the health needs of individuals, families and communities through a wholistic philosophy rooted in our fundamental understanding of human beings as created in the image of God.

Advocate exists to serve. The core values of compassion, equality, excellence, partnership, and stewardship guide our actions as we work together to provide health services to others in our communities.

#### **Guidelines**

Advocate Health Care requires all vendors to adhere to Advocate's Code of Business Conduct as described in these Guidelines. Advocate Health Care strives to exercise the highest standards of conduct in dealing with vendors and expects its vendors to use these same high standards when conducting business with Advocate. Advocate Health Care reserves the right to revise its Code of Business Conduct and these Guidelines from time to time in its usual course of business.

1. **Observance of Laws/Regulations.** All contracts and dealings between Advocate Health Care and its vendors shall be conducted in a manner that avoids the violation of any applicable laws, rules, or regulations, and the appearance of impropriety.
2. **Roles of Supply Chain Management/Construction/Information Systems.** Selection of medical supply, equipment, drug, and food vendors is the principal responsibility of the Supply Chain Management Department. Construction vendors are selected by the Construction Department. Information systems and telecommunications vendors are selected by the Information Systems Department. Vendors will be selected by criteria that focus upon, but are not limited to, such factors

as financial responsibility, organizational integrity, quality of product and/or services, technical competence, customer satisfaction, and proximity of location to Advocate Health Care.

3. **Authorized Agreement/Contract Signers.** Supply vendors will not request that an Advocate associate, other than an authorized member of the Supply Chain Management, Construction, or Information Systems Departments, sign any agreement or contract. Any purchased service agreement should be signed by the appropriate system vice president or site chief executive. Agreements or contracts that are signed by an unauthorized agent will not be enforced.
4. **Licenses/Permits/Certificates.** Vendors are responsible for obtaining and maintaining any and all licenses, permits, and certificates as required by all applicable federal, state, and local laws, rules, and regulations.
5. **Gifts to Associates.** Vendors may not give anything of value to any Advocate Health Care associate, nor may any Advocate Health Care associate accept anything of value from vendors or potential vendors. Associates may receive gifts of a nominal value (less than \$100), but they may accept no more than two such gifts annually from all sources combined.
6. **Vendor Exhibits.** Vendors will not exhibit any supplies, equipment, or pharmaceuticals to Advocate or its staff in public areas without written approval by the Materials Management or Pharmacy departments of the applicable facilities. Pharmaceutical samples are to be dispensed to physicians only. Vendors who sponsor educational programs may exhibit in conjunction with those programs, with approval from and within parameters established by the office or group overseeing the program.
7. **Patient Care Activities.** Vendor representatives may not engage in patient care activities. They must follow all established site guidelines for contact with patients, physicians, and staff members in patient care relationships.
8. **Supplier Diversity Opportunities.** In line with Advocate Health Care's support of affirmative action and minority programs in vendor selection, all vendors will afford minority and women-owned businesses equal access to, and proactive consideration for, contracting opportunities.
9. **Pricing.** Advocate Health Care will pay a vendor only the negotiated and accurate price of a product or service. Vendors shall accurately price all products sold to Advocate Health Care.
10. **Invoice Discrepancies.** Vendors shall conduct regular business reviews with Advocate to assure timely resolution of invoice discrepancies. Advocate Health Care will not pay vendors any late charges unless explicitly and contractually defined, and will not accept invoices for payment beyond one year after goods or services have been received.
11. **Consequences of Inappropriate Dealings.** Vendors who do not comply with Advocate Health Care's Code of Business Conduct in their dealings with Advocate Health Care will jeopardize their opportunity to conduct business with Advocate.

12. **Use/Disclosure of Information.** Vendors will use or disclose all patient and/or business information received from or on behalf of Advocate in compliance with all applicable federal, state and local laws, rules, and regulations and the terms and conditions of all purchase and/or service contracts with Advocate Health Care.
13. **Hours of Operation.** Except for construction projects, vendors will observe the general hours of operation at each facility unless prior arrangements are made with the facility's Materials Management Department.
14. **Vendor Visits.** Upon each visit, vendors other than those involved in construction projects are required to check in through the Materials Management Department, Facilities Department, or Information Systems/Telecommunications Department at the applicable facility and wear the name badge given by Advocate to identify themselves while at the facility. After completing a visit, the vendor must return to the Materials Management Department to return the name badge and sign out.
15. **Charitable Gifts/Program Support.** The Advocate Charitable Foundation, Advocate medical education programs (or other educational programs), or Advocate sites may approach vendors with requests for charitable gifts or program support. Vendors may also initiate contact with the Advocate Charitable Foundation or educational programs for the purpose of offering charitable gifts or program support. While such support is welcome, a vendor's participation or non-participation in philanthropy or program support will not influence Advocate's purchasing or contracting decisions. Vendors who wish to offer charitable support for the first time are encouraged to contact the Advocate Charitable Foundation.
16. **Research Design and Approval.** It is the responsibility of vendors who sponsor funded research, including post-marketing (Phase IV) studies, to assure the essential integrity of research design. Sponsors should ensure that prospective investigators seek and obtain approval of all studies from the Advocate Institutional Review Board.
17. **Research Conflicts of Interest.** Vendors sponsoring research share with investigators a responsibility to anticipate potential conflicts of interest and act to avoid or minimize such conflicts.



**Appendix I**  
**Suit Authorization Request Form**  
*Advocate Health Care Hospitals*  
Site Name \_\_\_\_\_

**Initial Suit**

**Post Judgment Activity**

Firm/Agency Name & Address

Attorney Name: \_\_\_\_\_

Agency Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone # \_\_\_\_\_

Email Address: \_\_\_\_\_

Our Account Number(s) \_\_\_\_\_

Date Placed \_\_\_/\_\_\_/\_\_\_

Guarantor Name: \_\_\_\_\_

Acct Balance \$ \_\_\_\_\_

Patient Name: \_\_\_\_\_

Payments Made - Date & Amt

Current Address: \_\_\_\_\_

# of Phone Contacts: \_\_\_\_\_

# of Letters: \_\_\_\_\_

Guarantor Employer \_\_\_\_\_

Occupation \_\_\_\_\_

Verified: \_\_\_ Y/N

Spouse Employer \_\_\_\_\_

Occupation \_\_\_\_\_

Verified: \_\_\_ Y/N

Self-Employed \_\_\_\_\_

Occupation \_\_\_\_\_

Verified: \_\_\_ Y/N

Residence: \_\_\_ Owns Home - Monthly Payment \$ \_\_\_\_\_

\_\_\_ Rental/Apt - Monthly Payment \$ \_\_\_\_\_

\_\_\_ Other \_\_\_\_\_

Credit Report on File \_\_\_ Yes \_\_\_ No

Charity Screening Completed \_\_\_ Yes \_\_\_ No If no, reason: \_\_\_\_\_

Justification for Suit/Plan for Collection of Judgment: \_\_\_\_\_

Does the plan for collection include filing a lien? If yes, please describe

Agency/Attorney Requestor Name \_\_\_\_\_ Date \_\_\_\_\_

Hospital Approval Signature \_\_\_\_\_ Date \_\_\_\_\_

Attachments: \_\_\_ Payment History-Req. for Multiple Accts \_\_\_ Credit Bureau Rpt. \_\_\_ Affidavit