

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Court File No. C2-05-11486

In the matter of Swift County-Benson Hospital d/b/a
Swift County-Benson Health Services

AGREEMENT

WHEREAS, Swift County-Benson Hospital, d/b/a Swift County-Benson Health Services (“Swift County-Benson Hospital”), along with other Minnesota health systems, entered into an agreement with the Minnesota Attorney General’s Office (“AGO”) in 2005 relating to its patient billing and medical debt collection practices (the “Hospital Agreement”);

WHEREAS, Swift County-Benson Hospital and the AGO renewed the Hospital Agreement in 2007 and 2012 and now desire to renew the 2012 Hospital Agreement;

NOW, THEREFORE, Swift County-Benson Hospital and the AGO agree as follows:

The Hospital Agreement approved by the Ramsey County District Court on August 21, 2012, Court File No. C2-05-11486, a copy of which is attached hereto as Exhibit A, shall continue in effect until July 1, 2022.

Dated: 6-27-17

LORI SWANSON
Attorney General
State of Minnesota


BENJAMIN VELZEN
Assistant Attorney General

Dated: 6-21-2017

Swift County-Benson Hospital


KURT WALDBILLIG
Chief Executive Officer

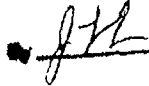
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Court Administrator

AUG 21 2012

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

 Deputy

SECOND JUDICIAL DISTRICT

Court File No. C2-05-11486

In the Matter of Swift County-Benson Hospital

AGREEMENT

WHEREAS, the Hospitals and Holding Companies named in this Agreement believe that a hospital bill should never get in the way of a Minnesotan receiving essential health services; and

WHEREAS, the Hospitals and Holding Companies named in this Agreement believe that financial aid policies should be clear, understandable, and communicated in a dignified manner and should be consistent with the mission and values of the hospital, taking into account each individual's ability to contribute to the cost of his or her care and the hospital's financial ability to provide the care; and

WHEREAS, the Hospitals and Holding Companies named in this Agreement believe that debt collection policies - by both hospital staff and external collection agencies - should reflect the mission and values of the hospital; and

WHEREAS, to convey this message to patients and the communities they serve, the Hospitals and Holding Companies named in this Agreement entered into an Agreement in 2005 and 2007 for purposes of memorializing their desire to reform practices relating to collection of medical debt and patient billing; and

WHEREAS, the Holding Companies and Hospitals set forth in this Agreement wish to continue these policies and practices; and

EXHIBIT A

NOW, THEREFORE, the Holding Companies and Hospitals named in this Agreement stipulate and agree to the entry of the following Agreement:

DEFINITIONS

A. The term "Charity Care" means the provision of free or discounted care to a patient pursuant to financial assistance policies approved by the Hospital Board of Directors.

B. The term "Holding Company" means the following parent organizations which are signatories to this Agreement: **Swift County-Benson Hospital** and includes any free standing physician clinics operated by those Holding Companies or their subsidiaries during the term of this Agreement, as well as all hospitals operated by those Holding Companies. Unless otherwise indicated, for purposes of this Agreement, the term "Hospital" is synonymous with the term "Holding Company" and shall include all of the signatories to this Agreement.

C. The term "Hospital Board of Directors" shall mean the Board of Directors of the particular Holding Company.

LITIGATION PRACTICES

1. The Hospital shall not give any debt collection agency or attorney any blanket authorization to take legal action against its patients for the collection of medical debt. The Hospital shall not file any lawsuit against any particular patient to collect medical debt until a Hospital employee with the appropriate level of authority authorizes the litigation after verifying that:

- a. There is a reasonable basis to believe that the patient owes the debt;
- b. All known third-party payors have been properly billed by the Hospital, such that any remaining debt is the financial responsibility of the patient and

provided that the Hospital shall not bill a patient for any amount that an insurance company is obligated to pay;

- c. Where the patient has indicated inability to pay the full amount of the debt in one payment, the Hospital has offered the patient a reasonable payment plan, provided that the Hospital may require the patient to provide reasonable verification of the inability to pay the full amount of the debt in one payment;
- d. The patient has been given a reasonable opportunity to submit an application for Charity Care, if the facts and circumstances suggest that the patient may be eligible for Charity Care, including, for example, if the patient is uninsured or is on MinnesotaCare, Medical Assistance, or other relief based on need; and
- e. In the case of a default judgment proceeding, verifying: that there is not a reasonable basis to believe: (i) that the patient may already consider that he or she has adequately answered the complaint by calling or writing to the Hospital, its debt collection agency, or its attorney; (ii) that the patient is sick, disabled, infirm or so elderly so as to potentially render the patient unable to answer the complaint; or (iii) the patient may not have received service of the complaint.

2. The Hospital shall set forth in the policy developed pursuant to Paragraph 36(b) of this Agreement the level of employee (i.e. supervisor, manager, Chief Financial Officer, etc.) who is authorized to make the determinations required in the prior paragraph, which level may vary based upon the amount of the debt.

3. On at least an annual basis, the Hospital's Chief Executive Officer shall review and determine whether or not to issue to or renew any contract with any third party debt collection attorney. In determining whether to issue or renew any such contract, the Hospital shall consider whether the debt collection attorney has acted in a manner consistent with this Agreement and with the Hospital's mission and policies and applicable laws.

4. The Hospital shall enter into a written contract directly with any attorney or law firm utilized by it to collect debt from its patients and shall not subcontract or delegate the selection of any third party debt collection attorney or law firm to its debt collection agency. Any contract between the Hospital and the debt collection attorney or law firm shall require the attorney or law firm to act in accordance with the terms of this Agreement, applicable laws, and the policies described in paragraph 36.

5. The Hospital shall not pay any debt collection attorney or law firm any performance bonus, contingency bonus, or other similar payment which is calculated on the basis of the amount or percentage of debt collected from two or more patients. This paragraph shall not prohibit the Hospital from paying an attorney a percentage of the debt collected from a particular patient, provided that the Hospital shall establish adequate contractual controls to ensure that the attorney acts in a manner consistent with this Agreement and the Hospital's mission.

6. The Hospital's General Counsel's Office or, if none exists, a Hospital employee with suitable experience and authority shall oversee the conduct of any third party attorney retained by the Hospital to collect medical debt from its patients and shall oversee all debt collection litigation.

7. The Hospital shall require that its third party debt collection attorneys take the following actions with respect to the collection of medical debt from patients:

- a. File any lawsuits brought against the Hospital's patients for the collection of medical debt with the applicable court no later than seven (7) days after the lawsuit has been served upon the patient;
- b. Sign and date all pleadings, including but not limited to all summonses and complaints and garnishment summonses and related documents;
- c. Ensure that all affidavits of service which purport to document the service of any pleading or legal papers state the following
 - (i) If the pleading is served by mail, the affidavit of service shall state the address to which it was mailed; and
 - (ii) If the pleading is served personally, the affidavit of service shall state the name of the person to whom the pleading was delivered. Generalized statements, such as that the pleading was delivered to "a person of suitable age," shall not suffice for purposes of this paragraph.
- d. Serve along with any summons and complaint the form attached as Exhibit A, or such other form approved in advance by the Attorney General's Office.
- e. List in the case caption of all pleadings the county where the lawsuit is or will be venued; and
- f. The Hospital shall instruct its attorneys not to petition any court to have any debtor arrested, or any arrest warrant or body attachment issued, or to cause such an action, as a result of the debtor's failure to appear in court, to

complete paperwork, or to otherwise respond to any request or action by the Hospital in connection with its efforts to collect medical debt from the patient.

8. If the Hospital has knowledge of the identity of an attorney representing a patient in connection with the Hospital's debt collection efforts, it shall notify its third party debt collection attorney, law firm, and agency of the identity of any attorney who represents the patient. Neither the Hospital, nor any debt collection agency or attorney retained by it, shall directly contact any patient known to be represented by attorney with regard to the collection of that debt without the permission of the patient's attorney.

GARNISHMENTS

9. The Hospital shall not give any debt collection agency or attorney any blanket authorization to pursue the garnishment of patients' wages or bank accounts. The Hospital shall not authorize its debt collection agencies or attorneys to proceed with the garnishment of a particular patient's bank account or wages until a Hospital employee with the appropriate level of authority authorizes the garnishment for that particular patient after verifying that:

- a. The Hospital has no reasonable basis to believe that the patient's wages or funds at a financial institution are likely to be exempt from garnishment. Such information may include, but is not limited to, such factors as whether the patient is on Social Security, Medical Assistance, or other relief based on need;
- b. There is a reasonable basis to believe that the patient owes the debt;
- c. All known third-party payors have been properly billed by the Hospital, such that any remaining debt is the financial responsibility of the patient and

provided that the Hospital shall not bill a patient for any amount that an insurance company is obligated to pay;

- d. Where the patient has indicated an inability to pay the full amount of the debt in one payment, the Hospital has offered the patient a reasonable payment plan, provided that the Hospital may require the patient to provide reasonable verification of the inability to pay the full amount of the debt in one payment; and
- e. The patient has been given a reasonable opportunity to submit an application for Charity Care, if the facts and circumstances suggest that the patient may be eligible for Charity Care, including, for example, if the patient is uninsured or is on MinnesotaCare, Medical Assistance, or other relief based on need.

10. The Hospital shall set forth in the policy developed pursuant to Paragraph 36 of this Agreement the level of employee (i.e. supervisor, manager, Chief Financial Officer, etc.) who is authorized to make the determinations required in the prior paragraph, which level may vary based upon the amount of the debt.

11. The Hospital shall not garnish the wages or bank account of any patient unless it has first obtained a judgment against the patient in court for the amount of the debt.

12. The Hospital shall include with the initial notice it sends to any patient of a garnishment the form attached as Exhibit B, or such other form approved, in advance, by the Attorney General's Office.

13. If a patient submits a written claim that the patient's account or wages are exempt from garnishment, the Hospital's third party debt collection attorney shall not object to the claim of exemption without receiving the specific, case-by-case approval of the Hospital's General

counsel's Office or, if none exists, a Hospital employee with suitable experience and authority. In deciding whether to grant such approval in a particular case, the General Counsel's Office or Hospital employee shall review all information submitted by the patient in support of the patient's claim of exemption.

COLLECTION AGENCIES

14. On at least an annual basis, the Hospital's Chief Executive Officer shall review and determine whether or not to issue to or renew any contract with any third party debt collection agency. In determining whether to issue or renew any such contract, the Hospital shall consider whether the debt collection agency has acted in a manner consistent with this Agreement and with the Hospital's mission and policies and applicable laws.

15. The Hospital shall enter into a written contract with any collection agency utilized by it to collect debt from its patients. The contract shall require the collection agency to act in accordance with the terms of this Agreement, applicable laws, and the policies described in paragraph 36.

16. The Hospital shall not refer any patient's account to a third party debt collection agency unless the Hospital has confirmed that:

- a. There is a reasonable basis to believe that the patient owes the debt;
- b. All known third-party payors have been properly billed by the Hospital, such that any remaining debt is the financial responsibility of the patient and provided that the Hospital shall not bill a patient for any amount that an insurance company is obligated to pay;
- c. Where the patient has indicated an inability to pay the full amount of the debt in one payment, the Hospital has offered the patient a reasonable payment

plan, provided that the Hospital may require the patient to provide reasonable verification of the inability to pay the full amount of the debt in one payment; and

- d. The patient has been given a reasonable opportunity to submit an application for Charity Care, if the facts and circumstances suggest that the patient may be eligible for Charity Care, including, for example, if the patient is uninsured or is on MinnesotaCare, Medical Assistance, or other relief based on need.

17. The Hospital shall set forth in the policy developed pursuant to Paragraph 36 of this Agreement the process for satisfying the criteria required in the prior paragraph and the person(s) accountable for compliance with this agreement.

18. The Hospital shall not refer any medical debt to a third party debt collection agency or attorney if the patient has made payments on that debt in accordance with the terms of a payment plan previously agreed to by the Hospital.

19. If a patient has submitted an application for Charity Care after an account has been referred for collection activity, the Hospital shall suspend all collection activity until the patient's Charity Care application has been processed by the Hospital and the Hospital has notified the patient of its decision.

20. The Hospital shall not pay any debt collection agency any performance bonus, contingency bonus, or other similar payment which is calculated on the basis of the amount or percentage of debt collected from two or more patients. This paragraph shall not prohibit the Hospital from paying a collection agency a percentage of the debt collected from a particular patient, provided that the Hospital shall establish adequate contractual controls to ensure that the collection agency acts in a manner consistent with this Agreement and the Hospital's mission.

21. The Hospital shall require any third party debt collection agency and attorney utilized by it to keep a log of all oral and written complaints received by any patient concerning the conduct of the agency. For purposes of this paragraph, a "complaint" is any communication from a patient or patient's representative in which they express concerns about the conduct of the debt collection agency. The Hospital shall obtain a complete copy of the log at least six (6) times per year. The Hospital's contract with the debt collection agency shall state that failure by the agency to log and provide all patient complaints in the manner required by this paragraph may result in termination of the Hospital's contract with the agency.

22. The Hospital shall require any third party debt collection agency and attorney utilized by it to keep a record of the date, time, and purpose of all communications to or from its patients.

23. If a patient asks any third party debt collection agency or attorney for the contact information for the Hospital, the Hospital shall instruct the agency or attorney to provide the patient with the phone number and address described in Paragraph 28. The Hospital shall not refuse to supply information to or speak with any of its patients on the basis that the account has been placed with a third party debt collection agency or attorney for collections.

24. The Hospital shall train its outside debt collection agencies and attorneys about the Hospital's Charity Care policy and how a patient may obtain more information about the Hospital's Charity Care policy or submit an application for Charity Care. The Hospital shall require its debt collection agencies and attorneys to refer patients who may be eligible for Charity Care to the Hospital.

25. The Hospital shall include the following language on all collection notices sent to patients by it or its third party debt collection agencies or attorneys, and on all cover letters serving all lawsuits and garnishment papers:

If you feel that your concerns have not been addressed, please contact _____ 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 at 651-296-3353 or 1-800-657-3787.

The Hospital shall print this language with the prominence required for notices under the federal Fair Debt Collection Practices Act.

26. Neither the Hospital nor its debt collection agencies or attorneys shall report any patient to a credit reporting agency as a result of that patient's failure to pay a medical bill.

CENTRAL BILLING OFFICE

27. The Hospital shall develop and implement policies and procedures to ensure the timely and accurate submission of claims to third party payors. If the Hospital timely received from a patient information about the patient's third party payor but does not timely submit a claim to the third party payor, the Hospital shall not bill the patient for any amount in excess of that for which the patient would have been responsible had the third party payor paid the claim. The Hospital shall not refer any bill to a third party collection agency or attorney for collection activity while a claim for payment of the bill is pending with a third party payor with which the Hospital has a contract. The Hospital may refer a bill to a third party collection agency or attorney following an initial denial of the claim by the third party payor. The Hospital shall not refer any bill to a third party collection agency or attorney for collection activity when a claim is denied by a third party payor due to the Hospital's error, and such error results in the patient becoming liable for the debt when they would not otherwise be liable. The parties recognize that, in order for the Hospital to properly bill a patient's insurance company, the Hospital may

need the patient's cooperation and that the Hospital may not be able to properly bill the patient's insurance company without the patient's cooperation. In the event that the Hospital believes that a private third party payor has improperly delayed or denied payment of a claim, the Hospital may file a complaint with the Minnesota Attorney General's Office, which may provide assistance to the Hospital or its patient in attempting to get the claim paid.

28. The Hospital shall develop 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 write. The phone number and address shall be listed on all patient bills and collection notices sent by the Hospital. The Hospital shall return telephone calls made by patients to this number as promptly as possible, but in no event later than one business day after the call is received. The Hospital shall respond to correspondence sent to this address by patients within ten (10) days.

29. If a patient advises the Hospital, its debt collection agency, or any attorney utilized by the Hospital that: a) the patient does not owe all or part of a bill, b) a third party payor should pay the bill, or c) the patient needs documentation concerning the bill, the Hospital, the collection agency, and its attorney must cease further collection efforts until the Hospital or the agency provides the patient with documentation establishing that, as applicable, the patient owes the debt or that the applicable third party payor has already paid all amounts for which it is obligated. The Hospital or the collection agency shall provide such documentation in writing within ten (10) days and shall not pursue further collection activity for a period of thirty (30) days after providing proof that the debt is owed, so as to give the patient further opportunity to pay the bill or to challenge the documentation supplied by the Hospital. If the Hospital provides the required documentation and the patient does not respond within thirty (30) days, the Hospital

may resume collection activity. This section should not be construed as preventing the Hospital from addressing patient billing inquiries orally when appropriate.

30. The Hospital shall develop a system to record and log all patient complaints received by its billing offices, including at the locations identified in paragraph 28, regarding the collection of medical debt by the Hospital or its third party debt collection attorneys or agencies. The Hospital may maintain such records at more than one location.

BILLING TO THE UNINSURED

31. If the Hospital demands that an uninsured patient pay a medical bill, upon request by the uninsured patient, the Hospital shall provide to that patient a detailed, itemized bill.

32. The term "most favored insurer" means the nongovernmental third party payor that provided the most revenue to the provider during the previous calendar year. The Hospital shall not charge a patient whose annual household income is less than \$125,000 for any uninsured treatment in an amount greater than the amount which the provider would be reimbursed for that service or treatment from its most favored insurer. The total charge for uninsured treatment shall not be more than the provider would be reimbursed directly from its most favored insurer and from that insurer's policyholder under any applicable and allowable copayments, deductibles, or coinsurance. The Hospital shall apply the same percentage discount to its charge description master for uninsured treatment that it would apply to charges incurred by a policyholder of its most favored insurer. Beginning on the date of this Agreement, each year the Hospital and the Attorney General may agree in advance, by a confidential letter agreement, on the percentage discount from the charge description master that the Hospital provides to its most favored insurer and which the Hospital shall provide for uninsured treatment under this paragraph. The Hospital shall provide to the Attorney General, pursuant to paragraph

41, any information requested by the Attorney General for purposes of calculating this discount. The Hospital shall utilize the same initial charge description master prices for uninsured treatment that it utilizes for treatment provided to a policyholder of its most favored insurer.

The term "uninsured treatment" means any treatment or services which are not covered by a plan, contract, or policy which provides coverage to the patient through or is issued to the patient by: (1) a "health plan company," as that term is defined in Minn. Stat. § 62Q.01, subd. 4; (2) a self-funded employee benefit plan; (3) any governmental program, including but not limited to MinnesotaCare, the Minnesota Comprehensive Health Association, Medicare, Medicaid, or TriCare; (4) any other type of health insurance, health maintenance, or health plan coverage; (5) any other type of insurance coverage, including but not limited to no-fault automobile coverage, workers' compensation coverage, or liability coverage. In the event that the Hospital inadvertently sends a bill to a patient in excess of that which is allowed by this paragraph 32 because the Hospital is not aware that the treatment or service constitutes uninsured treatment, and the Hospital thereafter learns that the treatment or service constitutes uninsured treatment, the Hospital shall promptly adjust its charges so as not to exceed the amount allowable under this paragraph 32, and the Hospital shall promptly notify the patient of the new amount of the bill.

This paragraph shall only apply to charges by or incurred at a facility defined in Minn. Stat. § 144.50, subd. 2 (2010) or Minn. Stat. § 144.55, subd. 2 (2010), including those of a provider who is employed by the Hospital when providing services to a patient at a facility defined in Minn. Stat. § 144.50, subd. 2 (2010) and Minn. Stat. § 144.55, subd. 2 (2010). This paragraph shall only apply to medically necessary health care treatment and not to cosmetic procedures without any medical necessity.

33. In recognition that some patients express their financial concerns directly to their treatment providers (i.e. doctors, nurses, etc.), the Hospital shall train its staff responsible for admissions, billing, and providing direct patient treatment, about the existence of the Hospital's Charity Care policy and how a patient may obtain more information about the Hospital's Charity Care policy or submit an application for Charity Care.

MISCELLANEOUS PROVISIONS

34. In the event that the Hospital concludes that any requirement of this Agreement is no longer feasible, that the public may be better served by a modification of this Agreement, or that it has evidence that the terms of this Agreement have caused those who can afford health insurance coverage to voluntarily choose to go without it, the Hospital may request that the Attorney General consent to a modification of the terms of this Agreement. The Attorney General shall make a good faith evaluation of the then-existing circumstances and, after collecting information the Attorney General deems necessary, make a decision within thirty (30) days as to whether to consent to a modification of this Agreement.

35. *The Hospital and its agents shall not state or imply, directly or indirectly, that the State of Minnesota or the Attorney General's Office has approved of, condones, or agrees with any lawsuit, garnishment, or other attempt by the Hospital to collect debt from a patient.*

36. The Hospital's Board of Directors shall adopt the following policies, which shall not be inconsistent with this Agreement:

- a. A zero tolerance policy for abusive, harassing, oppressive, false, deceptive, or misleading language or collections conduct by its debt collection attorney and agency, and their agents and employees, and Hospital employees responsible for collecting medical debt from patients;

- b. A debt collection litigation policy, which shall include a policy permitting the garnishment of patient wages or accounts only after entry of a judgment;
- c. A policy establishing the procedures to be utilized by the Hospital's third party debt collection agencies;
- d. A policy establishing the procedures to be utilized by the Hospital's employees who participate in the collection of medical debt; and
- e. A Charity Care policy which takes into consideration the financial ability of the patient to pay a medical bill.

37. The Hospital's Board of Directors shall review, at least one time per year, the Hospital's practices in the following areas:

- a. The filing of debt collection litigation against Hospital patients, including the garnishment of patient wages or accounts subsequent to entry of a default judgment;
- b. The debt collection activity of its third party debt collection agencies;
- c. The debt collection activities of its internal debt collectors;
- d. The Hospital's compliance with this Agreement and the policies described in Paragraph 36;
- e. The results of the reviews required by the Chief Executive Officer in Paragraphs 3 and 14 of this Agreement;
- f. The results of the reviews required by Paragraph 38 of this Agreement; and
- g. The Hospital's Charity Care practices.

38. The Hospital shall annually review the practices of its third party debt collection agency and debt collection attorney, and its internal medical debt collection practices, at least

one (1) time per year. The purpose is to review compliance with this Agreement and the Hospital's policies.

39. This Agreement is not intended to assert, nor shall it be construed as, or deemed to be, an admission or concession or evidence of any liability or wrongdoing whatsoever on the part of Hospital.

40. This Agreement shall remain in effect for five years after the entry of this Agreement by the Court.

41. The Hospital shall cooperate with, respond to inquires of, and provide information to the Attorney General in a timely manner as necessary for the enforcement of this Agreement.

42. The Court shall retain jurisdiction to enforce the provisions of this Agreement.

43. The Hospital shall comply with all applicable state and federal laws relating to billing and debt collection.

Dated: 7/30/12

Swift County-Benson Hospital




By: Frank Lawatsch
Its: CEO

Dated: 8/3/12

STATE OF MINNESOTA
Office of Attorney general

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ATTORNEYS FOR STATE OF MINNESOTA

Based upon the above Stipulation, IT IS SO ORDERED:

Dated: 8-20-12

BY THE COURT:


Judge of District Court

[HOSPITAL NAME] Lawsuit Information Sheet

You are receiving this information sheet because you have been served with a Summons and Complaint (lawsuit) by [HOSPITAL NAME] (“_____”). [HOSPITAL NAME] cannot give you legal advice. Therefore, this document only provides basic information, and you should immediately discuss this matter with an attorney.

- **Start of the Lawsuit.** To start a lawsuit against you, [HOSPITAL NAME] has served a Summons and Complaint on you either: (a) by delivering it to you personally or leaving it at your home; or (b) by mail, if you agree in writing to accept “service” of the Summons and Complaint by mail and sign a form that so indicates. The Summons informs you that you must provide a *formal, written legal “answer”* to the complaint within 20 days after you receive the legal documents. The Complaint explains why [HOSPITAL NAME] is suing you and asks a court to make you pay money.

The Summons and Complaint may not include a court file number. They are, however, the legal documents that begin the lawsuit. It is very important that you do not ignore the documents, or you will be in “default.” No court hearing is required for a default judgment to be entered against you if you do not respond to the Complaint.

- **Answering a Complaint.** The “Answer” is the formal legal name for your response to the Complaint. The Answer must meet certain requirements of the Minnesota Rules of Civil Procedure. *Contacting [HOSPITAL NAME] or its attorney by telephone or written correspondence is not “answering” the Complaint.* While [HOSPITAL NAME] encourages you to call if you have questions regarding the bill that was sent to collections, doing so is not a formal “Answer.” Some court clerks have form “Answers” which may be of assistance to you. You must serve a copy of your Answer on [HOSPITAL NAME]’s attorney by mail, fax, or hand delivery and complete an Affidavit of Service that explains who was served, how, and on what date. The Affidavit of Service form must be signed in front of a notary public or a court clerk. If you want a judge to hear the dispute, you should file the original Answer and Affidavit of Service with the court in the county in which you are being sued after you have served your Answer on [HOSPITAL NAME]. You will be required to pay a court filing fee. (If you meet certain financial guidelines, however, you may not be required to pay the court filing fee. You may obtain more information regarding a waiver of the fee by contacting the clerk of court.)

- **Failure to Answer.** If you do not “answer” the Complaint, [HOSPITAL NAME] may get a “default” judgment entered against you requiring you to pay money. By getting a default judgment, [HOSPITAL NAME] may be able to initiate a separate garnishment action against you.

[HOSPITAL NAME] Garnishment Information Sheet

You are receiving this information sheet because [HOSPITAL NAME] (“_____”) has started a process to get money from you by sending a “garnishment summons” to a “garnishee”-- typically your bank or employer. These proceedings are called “garnishment” proceedings. [HOSPITAL NAME] cannot provide you with legal advice. Therefore, this document only provides basic information. You should immediately discuss this matter with an attorney.

- **Taking Money From Your Wages.** If [HOSPITAL NAME] is trying to take money from your wages, you should receive notice *before* your wages are garnished or taken. Generally, [HOSPITAL NAME] cannot garnish more than 25% of your net wages, or any of your net wages if they are less than \$206 per week. If you have received public assistance based on need, [HOSPITAL NAME] cannot take any of your wages for 6 months after you received the assistance, if you submit the proper paperwork on time. To claim that wages cannot be taken (i.e., are “exempt”), you must promptly return to [HOSPITAL NAME]’s attorney the “Debtor’s Exemption Claim Notice” that came with the “Garnishment Exemption Notice and Notice of Intent to Garnish Earnings.” *Calling [HOSPITAL NAME] is not sufficient.* If [HOSPITAL NAME]’s attorney does not receive this exemption notice within 10 days, [Hospital Name] can seek to get money from your employer. **If [HOSPITAL NAME] does not agree that your wages are exempt, it can still seek to get money from your employer, and you will have to ask the court to decide that your wages cannot be taken.**

- **Taking Money From Your Bank Accounts.** If [HOSPITAL NAME] is trying to take money from your bank account, the bank will “freeze” enough money in your account to pay off your debt to [HOSPITAL NAME]. *You will not receive notice of the bank garnishment until after your funds are already frozen. You will not have access to your funds while they are frozen. Your checks may “bounce,” and you may incur overdraft charges during this time.* You may want to contact your bank immediately.

If you deposit qualified public assistance checks (or wages if you are on or have received public assistance within the last 6 months) in a bank account, [HOSPITAL NAME] cannot garnish your account for 60 days, if you timely fill out the proper paperwork. To claim that funds in your bank account cannot be taken (i.e., are “exempt”), you must sign and return within 14 days to the bank (and [HOSPITAL NAME]’s attorney) the “Exemption Notice” (the form your bank sent to you when it received a Garnishment Summons from [HOSPITAL NAME]). *Calling [HOSPITAL NAME] is not sufficient.* You may want to include copies of documents (i.e. benefit letters, bank statements, etc.) to show why your funds are exempt. **If you don’t claim an exemption within 14 days from the date the bank mailed the exemption notice to you, the bank may turn over your frozen funds to [HOSPITAL NAME].** If you do claim an exemption on time, the bank will “unfreeze” your funds and release them to you in 7 days unless [HOSPITAL NAME] “objects” to your “exemption claim.” If [HOSPITAL NAME] “objects,” it must send you a written objection to your exemption claim, along with a form entitled “A Request for Hearing and Notice of Hearing.” **If [HOSPITAL NAME] sends you this form, you must fill out and file with the court the “Request for Hearing” form within 10 days of receiving the objection, or the bank can release your money to [HOSPITAL NAME].**