

**2500.6060 PREPAY PLANS.**

Subpart 1. **Description.** Any arrangement or agreement between a chiropractor and a patient for a course of future treatment for which funds in an amount of \$1,000 or more are collected in advance of these services shall be considered a prepay plan within the meaning of this part.

Subp. 2. **Escrow account.**

A. All funds received in connection with prepay plans shall be deposited into a designated escrow account insured by the FDIC, and shall not be commingled with a chiropractor's personal or business account.

(1) All instruments, including checks and deposit slips, shall bear the phrase "Escrow Account."

(2) The chiropractor shall maintain a clear accounting of all funds received, including the date and from whom the funds were received.

(3) The chiropractor shall maintain a clear accounting of all disbursements including the dates and to whom the disbursements were made, and to which patient the disbursements are to be applied or accounted for.

(4) No more than one account is required regardless of the number of prepay plans maintained by the chiropractor.

B. Funds may only be transferred out of the escrow account for the following reasons:

(1) After services, goods, or appliances have been provided to the patient, and only in the amounts specifically related to the services, goods, or appliances provided.

(2) To reimburse the patient any amounts owed following a notice by either the patient or the chiropractor to terminate the prepay plan. Any amounts shall be transferred according to the written agreement.

C. The chiropractor shall cause a reconciliation of the escrow account to be made no less than quarterly, and shall retain a copy of the reconciliations and all supporting documents for no less than seven years.

Subp. 3. **Written plans.** All prepay plans shall be in writing, signed by both the chiropractor and the patient, with a copy provided to the patient and a copy maintained in the patient's record, and shall include at least the following:

A. A list of all services, goods, and appliances which are covered by the plan.

B. A list of all fees related to the services described in item A.

C. A statement that an accounting may be requested by the patient at any time. This accounting shall:

(1) be provided to the patient within 14 days of a written or verbal request; and

(2) itemize all fees used to calculate any reimbursement.

D. An explanation of the reimbursement policies and formulae which are used in returning unused funds to the patient in the event of early termination by either the chiropractor or the patient.

E. An explanation of any policy modifying the plan in the event of a new injury, such as an auto injury or worker's compensation injury. This explanation shall be separately initialed by the patient.

F. A provision that the patient will be notified in writing when the patient's account reaches a zero balance.

G. A statement that the patient has the right to cancel the prepay plan without penalty within three business days of entering into the plan by submitting a written and signed cancellation notice, and upon the chiropractor's receipt of the cancellation notice, the chiropractor shall have seven days to fully refund any unused funds to the patient. This right of cancellation shall not be waived or otherwise surrendered.

**Subp. 4. Limitation on number of service treatment dates per plan.**

A. No prepay plan may be based upon a package which would exceed 50 visits per individual.

B. A plan may not be renewed until the visits in the previous plan for that individual have been exhausted.

**Subp. 5. Billing to third-party payors.** A chiropractor shall not bill a reimbursement entity or a patient for any amount exceeding what is actually earned and disbursed to the chiropractor.

**Statutory Authority:** *MS s 148.08*

**History:** *36 SR 158*

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