

1.1 **Board of Chiropractic Examiners**

1.2 **Proposed Permanent Rules Relating to Chiropractic Prepay Plans**

1.3 **2500.7000 PREPAY PLANS.**

1.4 Subpart 1. **Description.** Any arrangement between a chiropractor and a patient for
1.5 the purposes of entering into an agreement for a course of future treatment for which
1.6 funds in an amount of \$1,000 or more is collected in advance of these services shall be
1.7 considered a prepay plan within the meaning of this part. Prepay plans shall include a
1.8 written statement describing all fees for services, goods, appliances, supplements, or any
1.9 other benefit considered part of the plan.

1.10 Subp. 2. **Escrow account.**

1.11 A. Any funds received as part of a prepay plan shall be deposited into a separate
1.12 designated escrow account, and shall not be commingled with a chiropractor's personal
1.13 or business account.

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

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

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

1.21 (4) If the account is an interest-bearing account, the interest shall be
1.22 applied to the patient's balance. In the event of early termination, the patient shall be
1.23 provided with a pro rata share of the interest.

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

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

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

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

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

2.12 A. A list of all services which are covered and which are not covered by the plan.

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

2.14 C. A statement that an accounting can be requested by the patient at any time.

2.15 This accounting shall:

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

2.17 (2) be separately initialed by the patient; and

2.18 (3) itemize all fees used to calculate any reimbursement.

2.19 D. A clear explanation of the reimbursement policies and formulae which are
2.20 used in returning unused funds to the patient in the event of early termination by either the
2.21 chiropractor or the patient. This explanation should be separately initialed by the patient.
2.22 As part of this explanation, a representative example should be provided to the patient.

3.1 E. A clear explanation of any policy suspending the plan in the event of a new
3.2 injury, such as an auto injury or worker's compensation injury. This explanation shall be
3.3 separately initialed by the patient.

3.4 F. The plan shall include a provision for the patient to be notified in writing
3.5 when the patient's account reaches a zero balance. This document shall be signed by
3.6 both the patient and chiropractor, with a copy given to the patient and a copy maintained
3.7 in the patient's file.

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

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

3.10 B. A plan may not be renewed until the visits in the previous plan have been
3.11 exhausted.

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

3.15 **Subp. 6. Right of cancellation.**

3.16 A. A person entering into a prepay plan with a chiropractor shall have three
3.17 business days to cancel the prepay plan with no penalties assessed for cancellation. A
3.18 prepay plan shall have a clear explanation of the right to cancel, and shall be separately
3.19 initialed by the patient. A copy of the prepay plan agreement and explanation of the right
3.20 to cancel shall be maintained in the patient's record, and a copy provided to the patient.

3.21 (1) Notwithstanding a chiropractor's normal business hours, the phrase
3.22 "business days" means Monday through Friday, and shall not include Saturday or Sunday.

3.23 (2) Any cancellation shall be in writing and signed and dated or otherwise
3.24 acknowledged by the patient. Notice of cancellation is sufficient if it indicates by any form
3.25 of written expression the intention of the patient not to be bound by the contract.

- 4.1 B. Rights of cancellation shall not be waived or otherwise surrendered.
- 4.2 C. If a plan is paid for by a third-party payor such as a credit card or other
- 4.3 financing plan, charges shall not be assessed until after midnight of the third business day.
- 4.4 D. If a patient has personally paid for care under a prepay plan, and then
- 4.5 exercises the right to cancel during the cancellation period, the chiropractor shall fully
- 4.6 refund any unused portion to the patient within 48 hours of receiving the notice of
- 4.7 cancellation.