

**ATTORNEY GENERAL SWANSON SAYS ACCRETIVE
WILL CEASE OPERATIONS IN THE STATE OF MINNESOTA UNDER SETTLEMENT OF FEDERAL
LAWSUIT**

Cannot Reenter Minnesota For Six Years Without Attorney General's Agreement

Minnesota Attorney General Lori Swanson today announced that Accretive Health, Inc., the Chicago debt collector that managed the revenue operations of several Minnesota hospitals, will cease operations in the State of Minnesota under a settlement of her federal lawsuit against the company.

Under the settlement, Accretive must stop all business operations in the State of Minnesota within the next 90 days and cannot reenter the State of Minnesota for a period of six years without the agreement of the Attorney General. (The settlement requires Accretive to cease all operations in Minnesota within the next 90 days, or by November 1, 2012. The company will then be subject to an outright ban on operating in Minnesota for two years, after which, for the next four years, it can only reenter the State if the Attorney General agrees to a Consent Order regarding its business practices in the State.)

“A hospital emergency room is a place of medical trauma and emotional suffering for patients and their families. It should be a solemn place, not a place for a financial shakedown of patients. It is good to close the door on this disturbing chapter in Minnesota health care,” said Attorney General Swanson.

The Attorney General's Office started to investigate Accretive for potential patient privacy violations last October, after an Accretive laptop containing data on over 23,000 patients of Fairview Health Services and North Memorial Health Care was stolen from the rental car of an Accretive employee. The investigation broadened after the Office learned that the company was engaged in debt collection from patients. The Attorney General first filed a lawsuit against Accretive in January, alleging that the company violated state and federal health privacy laws, and state debt collection laws. The lawsuit was later amended to include allegations that Accretive was responsible for aggressive collection practices in hospital emergency rooms by its employees and others acting under its management and supervision. The lawsuit alleged that Accretive imbedded its management into the staff of Minnesota hospitals and managed hospital employees engaged in collections and patient registration.

The Attorney General's Office obtained sworn affidavits from about 60 patients to support the lawsuit and heard from many others. Many of these patients say they were asked to pay money in the hospital emergency room before being treated, often while laying on a gurney, undressed, in pain, or hooked up to tubes or morphine. Most of the patients had insurance coverage. For example, the office obtained affidavits from:

- A mother who was taken from the side of her teenage daughter who tried to overdose on a bottle of pills, made to give a credit card in the middle of the night and pay \$500 before she could return to her daughter's bedside.
- A mother who had just given birth who was told that her newborn baby could not be discharged from the hospital unless she coughed up a credit card and paid \$800. As it turns out, the mother overpaid and had to fight for months to get the \$800 back.
- A pregnant mother who was asked to pay money in the emergency room in the midst of miscarrying her first baby.

Under the settlement, Accretive will pay about \$2.5 million to the State of Minnesota. The money will be part of a restitution fund used to compensate patients, with any funds remaining remitted to the state treasury. Accretive must also return to its client hospitals all data in its possession about Minnesota patients, and an independent auditor approved by the Attorney General must confirm that it has done so. Among other things, the lawsuit alleged that Accretive had lax privacy controls and accessed too much information about patients.

The Attorney General's Office does not have the authority to enforce a federal law called the Emergency Medical Treatment and Active Labor Act, or EMTALA. Under EMTALA, a hospital is supposed to examine a patient and, if an emergency exists, treat and stabilize the patient before asking for money. The Attorney General's Office has referred the patient affidavits to the U.S. Centers for Medicare and Medicaid Services, which enforces EMTALA. In addition, the Attorney General's Office has referred hospital employees and witnesses who have come forward from other states to appropriate regulators.

The settlement was filed with the United States District Court today and must be approved by the court.

The Attorney General recognized the efforts of the Minnesota Department of Commerce, which issued a cease and desist order against Accretive last January after the lawsuit was filed.

In Minnesota, Accretive did business at Fairview hospitals, North Memorial Hospital, and Maple Grove Hospital. If patients have questions, they may contact the Attorney General's Office as follows:

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