
Department: Patient Accounting
Title: **Outside Collection Process**
Policy#
Supersedes: NA

Revision Date:
Effective Date:
12/01/2016

Purpose:

To ensure patient accounts are collected in a timely and efficient manner.

Policy:

All efforts will be made to resolve patient accounts to ensure hospital's continued financial viability.

Procedure:

Patient receives a series of statements for 120 days after any and all third-party payers have contributed to the account.

After the account has been delinquent for 120 days in house without resolution, it will be transferred to Bad Debt status in CPSI.

Employees of Irwin County Hospital are not exempt from this policy.

Patients who have been set up on a monthly payment plan will be considered delinquent on their account if a payment has been missed for two consecutive months. (Ex: Last payment in August, no September or October payment)

If a debtor meets the following criteria suit may be filed:

- Employed full time for at least a year.
- Salary is more than minimum wage.
- No response to financial assistance offer or doesn't qualify and refuses to set up a payment plan.
- Cumulative Debt must be a total of \$100 minimum.

Accounts will be forwarded to the outside collection agency in two separate files, one for Medicare accounts and one for all other financial accounts. This is to ensure that we can track Medicare Bad Debt for year-end cost reporting.

Collection Agency will deem any accounts, whether Medicare, self-pay or third party payor as non-collectable based on the Collection Agencies polices for non-collectable accounts. On a monthly basis Collection Agency will provide a report to Hospital of all accounts deemed non-collectable. Upon receipt of report accounts will be moved to a bad debt status.



Centers for Medicare & Medicaid Services, HHS: Criteria for Allowable Bad Debt set forth in the Code of Federal Register 42(CFR)§413.89(e) and Section 310.2 Presumption of Noncollectibility and 310.0 Reasonable Collection Effort of the Provider Reimbursement Manual(PRM), Chapter III, Bad Debts, Charity, and Courtesy Allowances.