Los Angeles Community Hospitals Campuses: ○ Los Angeles ○ Norwalk ○ Bellflower	Title: Bad Debt Accounts	Page 1 of 2
POLICY AND PROCEDURE	Scope: CBO	
	Issued by: Regional VP, Revenue Cycle	Date: 2005
Revised/Review: 09/2026	Approved by: Maurice Bender	Date: 09/2026

PURPOSE

To establish procedures for the proper handling of Bad Debt.

POLICY

It is the policy of Alta Los Angeles Community Hospitals at Los Angeles, Norwalk, and Bellflower to ensure compliance with the applicable bad debt requirements.

DEFINITIONS

1. **Bad debts** are amounts considered to be uncollectible from accounts receivable which were created or acquired in providing services.

2. **Accounts receivable** are designations for claims arising from the rendering of services and are collectible in money in the relatively near future.

3. **Charity care** means the providing of care, free of patient responsibility, to those patients who qualify under the Charity Care Criteria established by Foothill Regional Medical Center.

PROCEDURES

1. A statement is sent within 5 days, accompanied by a collection call to the patient/guarantor requesting full payment or payment arrangements if full payment is not possible.

2. Self pay accounts are to receive three data mailers within a 180-day span. Phone calls will be attempted by the self-paid collector with documented reasonable collection effort. Accounts unpaid after 180 days will be written off to bad debt and sent to an external collection agency.

3. Patient accounts may not be sent to a collection agency if the patient is attempting to qualify for charity or is attempting in good faith to settle the account by negotiating a payment plan or is making regular partial payments. The accounts may be assigned to a collection agency so long as the agency agrees to comply with this provision by merely managing the payment plan, negotiating the payment arrangement with the patient, or taking no action pending the outcome of the patient's application. Any extended payment plans negotiated with a qualified patient under a discounted fee arrangement must be provided without interest so long as the patient does not default on their payment arrangement.

4. Patient Accounts may be approved for bad debt write-off after all reasonable collection efforts have been exhausted and the account is determined to be uncollectible. Final approval by the Director or Vice President of revenue cycle shall be obtained in accordance with the organization's bad debt authorization.

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