

COLLEGE HOSPITAL

SUBJECT: NON-MEDICARE BAD DEBTS	DEPT: PATIENT ACCOUNTING POLICY: 941
SUBMITTED BY: APRIL CONTRERAS	PAGE: 1 OF 1
APPROVED BY: STEPHEN WITT, CEO	DATE: 04/1988 REV: 05/2025

POLICY:

To establish a uniform and consistent procedure in compliance with policies set forth by the Hospital Administration.

PURPOSE:

No accounts shall be adjusted for discounts or write-offs without written authorization from the Director of Patient Accounting and/or Chief Financial Officer.

PROCEDURE:

1. Discounts may be considered in advance of a patient's hospitalization or after discharge based on Financial Assistance: Charity Care and Discount Payment BO-2A.
2. Information obtained to determine financial assistance cannot be used for collection activities.
3. Persons willing to settle an account after payment arrangements have been made may be allowed to do so. However, each case is handled on an individual basis.
4. As outlined in policy PA-940, A minimum of two data/mailers/statements will be sent to the guarantor notifying them that the balance of the account due. The Business Office System will automatically document in the patient comments field the date the letter was sent. An exception to this step is the first data mailer is returned as a bad address or undeliverable. If the first data mailer is returned and the Business Office attempts to contact the patients are not successful then the account will be forwarded to Collections.
5. After reasonable and customary collect efforts have been made and the patient liability remains outstanding, the Direct and/or the Supervisor will review the accounts to determine if they are uncollectible. Accounts determined to be

COLLEGE HOSPITAL

SUBJECT: NON-MEDICARE BAD DEBTS	DEPT: PATIENT ACCOUNTING POLICY: 941
APPROVED BY:	PAGE: 2 OF 2

uncollectible are written off as bad debt and referred to a collection agency. The Director and/or Supervisor of Patient Accounting must review all such accounts prior to being written off and approved.

6. The Chief Financial Officer must review all patient files with a balance of \$2,000.00 or higher before being referred to the collection agency
7. Director of Patient Accounting and/or VP of Patient Financial Services/RCM will review all accounts before suit is filed against debtors.
 - a. As needed, accounts may also be reviewed by In-House Legal Counsel before suit is filed

* Note: Only difference between non-Medicare bad debt and Medicare bad debt is 120 day holding period.