

San Joaquin General Hospital	Department Patient Financial Services	Page: 1
	Policy/Procedure No.	Effective Date: February 1, 2006
Title of Policy/Procedure		

Transferring an Account to Bad Debt (Revenue & Recovery Division)

PURPOSE: To provide the staff with guidelines to transfer an account from San Joaquin General Hospital accounts receivable to bad debt with assignment to the Revenue and Recovery Division (hereafter referred to as Revenue and Recovery) for the next steps in the collection process.

PROCEDURE:

Accounts with a Financial Class of Self Pay are automatically transferred to Revenue and Recovery by the Patient Accounting system after 6 statements and approximately 180 days. This process occurs weekly. Every option possible will be used to locate a funding source or establish payment arrangements from the patient/guarantor before manually transferring an account to Revenue and Recovery.

Accounts for patients who have expired are not sent to Revenue and Recovery unless the likelihood of collection or location of a funding source is minimal. The responsible party is liable for the account and their contact information should be verified.

1. **The staff may manually transfer an account receivable to Revenue and Recovery before the 6 statement or 180-day constraint using the following guidelines:**
 - a. If the account is within a few days of being transferred automatically to Revenue and Recovery, the staff may manually transfer the account.
 - b. If the responsible party has not been cooperative in providing the required information to the payor or the hospital, to process or collect on a claim, the account may be transferred to Revenue and Recovery by supervisory or management staff
 - c. A request is received from Revenue and Recovery for Total Amount Owing (TAO) could prompt sending the account(s) to Revenue and Recovery based on the payer and the patient responsibility.
2. **Accounts over \$19,999.00 require a supervisor's signature before they are transferred to Revenue and Recovery:**
 - **\$1 - \$19,999 –Staff have discretion to refer to Revenue & Recovery based on guidelines**
 - **\$20,000 - \$49,999 – Supervisor approval prior to sending to R&R**
 - **\$50,000 - \$299,999 – Manager approval prior to sending to R&R**
 - **\$300,000 + - Revenue Cycle Director approval.**
3. **In the event the Office of Revenue and Recovery requests an immediate transfer of an account:**

Revised:							
Reviewed							

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- a. Record the control information including control number on the Account Transmittal form in the transfer folder (on shared drive).
- b. Scan and email transmittal to Revenue & Recovery.
- c. In Cerner manually assign account to BD status. Cerner then auto applies the bad debt adjustment with alias code 2390.
- d. Memo each account.

Revised:						
Reviewed						