



TITLE: Referring Private Pay Accounts to Early-Out Bad Debt	NUMBER: BUS-1020
Responsible: Patient Financial Services Dir. Reviewed / No Changes: <u>Date</u> 05/21 Reviewed & Revised: 08/25	<u>Approvals</u> <u>Date</u> CIT MEC/JC BOT

POLICY STATEMENT:

Private pay accounts will be referred to the Early Out program fifteen days after the bill has dropped. The account will stay in the Early Out program for 180 days receiving at least 3 statements from the credit bureau. If payment in full has not been received in 180 days the account will be transferred to an external collection agency bad debt program to collect on the hospital's behalf. Under the authority of the Patient Financial Service Director, the external collection agency will adhere to hospital debt collection standards and practices. Information obtained from the discount or charity care eligibility determinations, such as pay stubs, tax returns or monetary assets documentation will not be used for collection activities.

PROCEDURE:

- I. Itemized bill sent to guarantor 1 day after the bill is released by the system.
- II. Statement will be sent to guarantor by the collection agency 30 days after initial statement indicating that balance is due within 10 days from the collection agencies.
- III. If insurance is found for the account, the account will be returned to Natividad for processing with the insurance company. After insurance processing, if patient amount is due, account will be reassigned with patient balance due.