

<b>TITLE: Accounts to be Held from Bad Debt</b>	<b>NUMBER: BUS-1001</b>	
<b>Responsible:</b> Patient Financial Services Dir.  Reviewed / No Changes: <b>Date</b> 5/21 Reviewed & Revised:	<b>Approvals</b> CIT MEC/JC BOT	<b>Date</b> 6/21 7/21 8/21

**POLICY STATEMENT:**

This policy establishes standard procedures for the Patient Accounts staff to hold accounts from being transferred as Bad Debt.

**PROCEDURE:**

Accounts should be held from Bad Debt if the following conditions apply:

- The account is held by management
- The account is in the process of being worked by a Representative for a valid patient complaint

The management and/or Patient Account Representative will:

- Put a note in the comment section of the account to indicate the account should be held from Bad Debt
- Make a print out of the account to be held and submit it to the Patient Accounts Manager to be processed

The Patient Accounts Manager will hold the account from bad debt and file the account print out in an indicated HOLD file each month unless otherwise notified.

<b>TITLE: Medicare Bad Debt</b>	<b>NUMBER: BUS-1014</b>
<b>Responsible:</b> Patient Financial Services Dir. Reviewed / No Changes: <u>Date</u> 5/21 Reviewed & Revised:	<u>Approvals</u> CIT 6/21 MEC/JC 7/21 BOT 8/21

**POLICY STATEMENT:**

To abide by federal reimbursement guidelines, the inclusion of bad debt under the Medicare program will be done at the time the account is deemed uncollectible by the county collection department. Only the patient's unmet deductible and coinsurance, subsequent to reasonable collection effort, qualifies as bad debt to the Medicare program.

**PROCEDURE:**

1. After Medicare pays for an inpatient or outpatient claim, the Patient Account Representative (PAR) shall:
  - a. Check the account for completeness.
    - i. If all charges have been considered, the claim is crossed over to the secondary insurance if applicable.
    - ii. After all secondary payers have adjudicated the claim, the claim is crossed over to Medi-Cal if applicable.
  - b. Enter a comment that the account has been billed.
  - c. Code the account as a private pay after crossing over to secondary payers, except Medi-Cal.
  
2. After 150 days the account is sent to the Early Out to have three statements sent to the patient. After the three statements have been sent the agency will send it back to Natividad for adjustment to the Medicare bad debt adjustment.
  
3. The Natividad PAR shall:
  - a. Log the account on the Medicare Bad Debt Log:
    - i. Patient Name
    - ii. Patient Account Number
    - iii. Date of Service
    - iv. Total Part A charges
    - v. Total Part B charges
    - vi. Co-insurance Amount

- vii. Deductible Amount
    - viii. Amount transferred to bad debt and date of transfer
    - ix. Amount returned from bad debt and date of return
  - b. Attach the Revenue Division report to the log.
  - c. Provide a copy of the log to General Accounting upon request for the cost report.
  
- 4. If a patient payment is reported by the Revenue Division after the account is reported back to Natividad, the PAR shall record the payment on the bad debt log.

<b>TITLE: Referring Private Pay Accounts to Early-Out Bad Debt</b>	<b>NUMBER: BUS-1020</b>	
<b>Responsible:</b> Patient Financial Services Dir. Reviewed / No Changes: <u>Date</u> 5/21 Reviewed & Revised: DRAFT	<b>Approvals</b> CIT MEC/JC BOT	<u>Date</u> 6/21 7/21 8/21

**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 transfer to the agencies bad debt program.

**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.