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Document No.	1.018
Revised Date:	4/19/2021, 2/8/2022

**Marin General Hospital
Desktop Procedure
Collection Policy and Bad Debt Assignment for Patient Billing**

I. Policy :

Process for assigning accounts to bad debt.

II. Purpose:

To outline the procedure describing the collection process for patient billing and criteria for assignment to bad debt.

III. General Information

A. Collection Process:

1. Patients with a liability will receive a minimum of 4 statements (3 plus a 30 day final notice), plus at least one attempt to contact by phone.
2. MGH statements contain information regarding financial assistance and contact information for Patient Financial Services.
3. For returned mail contact with responsible party will be attempted by phone and skip tracing software will be utilized in order to get an updated address. If this is not successful the address will be updated to "MAIL RETURN" in the address section of the account and the account forwarded to the collection agency per the documentation below in #4.

B. Bad Debt Process:

Active patient accounts should be considered bad debt and assigned to the collection agency when they have been deemed uncollectible and reviewed by the Patient Financial Services staff. The Director of PFS will review and approve the weekly file.

Accounts with a patient liability, for which payment cannot be obtained after reasonable follow-up efforts have been exhausted, will be transferred to the collection agency (bad debt) when they are generally considered uncollectible and meet the following criteria:

1. No response from the patient in the previous 120 days despite at least four (4) contacts (by phone or mail) attempted with responsible party.
2. No payment has been received and no financing could be arranged to pay the account in full in the previous 120 days despite at least four (4) contacts (by phone or mail) with the responsible party.
3. Third party insurance carrier has denied, in writing, responsibility for any payment on the account and the collector has documented patient refusal for payment or financing.
4. Account has been flagged as a bad address and no return address is available.

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Placement of bad debt accounts to the collection agency should be made weekly.

The list of accounts scheduled to be referred to the collection agency will be reviewed and contact attempted by the PFS Self Pay Representative. These accounts can be removed from this process at the discretion of the Representative based on the research and patient contact. The collection agency will receive a PDF file of the final notice to patients referred to as the “Goodbye Letter”. This final notice will also contain an application for the hospital’s Financial Assistance program.

Accounts will be assigned no sooner than 121 days from final bill date with the exception of #4 above and in the case where a payment plan was set up and became inoperable (please see separate process for payment plans).

Reporting to the Credit Bureaus will be done no sooner than 181 days from the initial billing date.

Marin General Hospital wants to ensure that bad debt accounts are handled consistently and appropriately. The goal is to ensure that accounts with outstanding patient balances assigned to the bad debt collection agencies have been reviewed and approved by management.

C. Procedure

Paragon will assign accounts that have completed the Paragon statement path process to bad debt.

MarinHealth staff may also manually assign accounts to bad debt based on review of the account, determining that it qualifies based on the criteria listed above.

The accounts will be pending for final approval in the Paragon Bad Debt Write Off Process. The pending accounts will be reviewed weekly by the Self Pay Rep who will determine if the accounts are appropriate for bad debt assignment.

The bad debt write off process will be completed per the Paragon Bad Debt process (see separate process) and the accounts will be forwarded to the bad debt agency. The bad debt accounts will no longer show as part of the accounts receivable.

D. Cancellation of Account from Collection Agency

Accounts may be cancelled from the collection agency for the following reasons:

1. Payment made by patient prior to sending.
2. Bad Address – Patient has not received statement. After research with Diamond check address on statement.
3. Account sent to collections in error
4. Patient is approved for Financial Assistance