



GLENDORA HOSPITAL

A COLLEGE BEHAVIORAL HEALTH HOSPITAL

Manual: Business Office Owner: PFS Director	Bad Debt Policy for Discharge Uncollectible Patient Balance	Policy # GD/BO 800 Filled out by Coordinator
Origination Date: 01/2022 Last Revised: 05/08/2024 Last Reviewed: 05/11/2024 Submitted By: PFS Director	APPROVAL Chief Financial Office	Page 1-3

I. Policy

- a. Glendora Hospital is committed to providing high quality, affordable, healthcare services to all patients. This policy establishes guidelines for each campus to follow to ensure the appropriate processing of uncollectible patient balances.

II. Definitions

- a. **Bad Dept-** Bad debts are amounts considered to be uncollectible from accounts when it cannot obtain reimbursement for care provided. This happens when patients are unable to pay their bills, but do not apply for charity care, or are unwilling to pay their bills. Uncompensated care excludes other unfunded costs of care, such as underpayment from Medicare and Medi-Cal.
- b. **Deductible and Co-insurance Amounts-** Deductible and co-insurance amounts are amounts payable by patients for covered services, excluding medical and surgical expenses rendered by physicians and surgeons.
- c. **Guarantor-** The person legally responsible for the payment of the payment liability.
- d. **Non-collectable (Presumption of Non-collectability)-** If after reasonable and customary attempts to collect a bill, the debt remains unpaid after a minimum of 120 days from the date the first bill is mailed to the beneficiary with no likelihood of recovery at any time in the future, the debt may be deemed uncollectible.
- e. **Extraordinary Collections Activities-** Collection actions that require legal process such as liens, levies, foreclosures, garnishments, etc., sale of debt to another party and adverse credit reporting.



GLENDORA HOSPITAL

A COLLEGE BEHAVIORAL HEALTH HOSPITAL

Manual: Business Office Owner: PFS Director	Bad Debt Policy for Discharge Uncollectible Patient Balance	Policy # GD/BO 800 Filled out by Coordinator
Origination Date: 01/2022 Last Revised: 05/08/2024 Last Reviewed: 05/11/2024 Submitted By: PFS Director	APPROVAL Chief Financial Office	Page 2-3

III. PROCEDURE

a. Collection Process

1. Once a balance has been identified as a patient responsibility, the account will be adjusted to accurately reflect the amount due. This will be accomplished by moving amount due to the PATIENT RESPONSIBILITY FIELD.
2. 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 1st data mailer is returned and the Business Office attempts to contact the patient are not successful, then the account will be forwarded to Collections.
3. After reasonable and customary collections efforts have been made and the patient liability remains outstanding, the Business Office will process the account for referral to an outside Collection Agency. The facility will maintain their internal policy for processing patient accounts (i.e. signature authority, minimum balance) to be sent to outside Collection Agencies.
4. Once assigned, the Collection Agency will continue the collection efforts for the facility by using reasonable and customary collections efforts to receive payment for the patient liability.



GLENDORA HOSPITAL

A COLLEGE BEHAVIORAL HEALTH HOSPITAL

Manual: Business Office Owner: PFS Director	Bad Debt Policy for Discharge Uncollectible Patient Balance	Policy # GD/BO 800 Filled out by Coordinator
Origination Date: 01/2022 Last Revised: 05/08/2024 Last Reviewed: 05/11/2024 Submitted By: PFS Director	APPROVAL Chief Financial Office	Page 3-3

5. Patients will be informed of the Glendora Financial Assistance Policy at admission and in any written or oral communication regarding their bill. Glendora will not engage in any extraordinary collection actions before making reasonable efforts to determine if the individual is eligible under the Glendora Financial Assistance Policy.
6. The Collection Agency will provide reasonable and customary collections efforts on all assigned accounts. Once the Collection Agency deems that there is no likelihood of any recovery anytime in the future, the Collection Agency will cease collections efforts. On a monthly basis, the Collection Agency will send one report identifying those accounts where collection efforts have ceased.
7. Upon receipt of the returned accounts, the following should occur:
 - a. Accounts will remain in Bad Debt status.
 - b. The BD code or other account coding method indicating that collection efforts have ceased will be posted to the account with a zero payment to identify the account as being uncollectible and the post date will indicate when the account was returned.