

POLICY:

It is the policy of Adams County Regional Medical Center (ACRMC) to consider active patient accounts as bad debts when they are deemed uncollectible by our policies and procedures for collections.

INTERDEPARTMENTAL TEAM MEMBERS:

Patient Financial Services
Admissions
Medical Records
Team Members

PROCEDURE:

An account is considered uncollectible when it meets the following criteria:

- a. No response from the third party carrier or patient in the previous 150 days despite at least four statements with either the responsible party or the third party carrier.
- b. No payment has been received and no payment plan could be arranged to pay the account in full in the previous 150 days despite at least four statements with the responsible party.
- c. Third party carrier has denied (in writing) responsibility for any payment on the account and no contact has been made from the patient.

In all cases, if the account has aged 150 days without full payment or payment arrangements, the account shall be considered bad debt. At this time the account is written off to a bad debt financial class. The account balance will show in red although it is removed from the A/R.

Procedure for bad debt is as follows:

1. After reviewing the aging report, Adams County Regional Medical Center determines the account to be uncollectible. ACRMC flags the account for bad debt.
2. The bad debt account is written off to a bad debt financial class.
3. After the day end has processed, the IT department is notified to transmit the requested accounts to the collection agency via a secure website.
4. The collection agency then processes the accounts that are sent.
5. Collection agency will attempt to set up payment arrangements. If all attempts are unsuccessful the collection agency will determine propensity to pay and recommend accounts for small claims court. If propensity to pay is great, ACRMC will authorize request for suit filing. The patient will be responsible for the court costs. ACRMC will not pursue claims less than \$400.00.
6. If, after 150 days, there is no activity on the bad debt account and the propensity to pay is low, the collection agency will then close and return the account as uncollectible.
7. The collection agency will send ACRMC a close/uncollectible report with the appropriate information needed.
8. At this time, all collection efforts are ceased with the collection agency.

PROCEDURE FOR DECEASED PATIENT'S

1. Upon notification of patient being deceased, ACRMC will proceed with proof of estate. A letter will be sent to the probate department of the county courthouse requesting status of an estate filing.
2. If no estate is filed, ACRMC will cease collection efforts and deem the account(s) uncollectible.
3. If an estate is filed, ACRMC will use the following guidelines:
 - If total patient balance is \$0-\$4,999.99, ACRMC will **not** proceed with filing a claim with the estate. The accounts will immediately be closed and deemed uncollectible.
 - If total patient balance is >\$5,000.00, ACRMC will file a claim with the estate in an attempt to collect funds due.
4. At the time any funds are received from the estate, any remaining balance will be deemed uncollectible and written off the patient's account.

RESOURCES:

Physicians Offices
Employers
Insurance Carriers
Patient/responsible party
Medicare Manual
Medicaid Manual
1500 Manual
UB 92 Manual

SUPPLIES:

Electronic billing system
Insurance matrix
Fax machine
Telephone