	Title / Description:	Bad Debt Write-Off	
	Filing Number:	BIZ.509.Bad.Debt.Writeoff	
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	Date of Last Revision:	03/2017	
	Approved by:	Business Office Manager	

PURPOSE:

The Purpose of this policy is to provide a standardization of bad debt write-offs for all patient balances.

SCOPE:

This policy is designed to adhere to CMS guidelines regarding bad debt write-off and hospital guidelines.

RESPONSIBILITY:

Compliance with this policy under the direct supervision of the Business Office Manager. The Business Office Manager reports to the Director of Reimbursement. The Director of Reimbursement reports to the CFO and the CFO reports to the CEO.

POLICY:


To make every reasonable effort to collect the self-pay portion of an account within 180 days from the determination of self-pay liability. All patient balances regardless of insurance carrier will be treated in the same manner for the purposes of bad debt write offs and further collection activity, excluding Medicaid.

PROCEDURES:

The immediate objectives of the hospital's Bad Debt Write-off Policies will be to:

1. An account will go through a billing cycle of approximately 90 days to include 2 statements and 1 letter, from the day the balance becomes patient liability. If no payment is received, the account will be advanced automatically by the computer and the last collection letter in the series will be a "Final Notice". The final notice states that unless payment is received fifteen (15) days, the account could be placed with professional collectors.
2. Weekly the Collections Coordinator or Financial Services Manager runs the bad debt write-off report, reviews accounts and determines whether to place with outside collection agency or keep in-house.
3. The accounts that are written off will be assigned to the Collection Agency
4. Bad debt accounts that are considered by the Collection Agency to be uncollectible are returned to Taylor Regional Hospital within 90 days; earlier if deemed uncollectible at point of return.
5. If the hospital receives returned mail and is unable to secure current information the account will then be turned over for collection. This can be done without the patient receiving 2 statements. The hospital considers the collection agency as an extension of



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their collection effort. Once the accounts are turned over, the collection agency follows their individual standard collection policy. The collection agency makes every effort to collect from each patient.

6. When notice is received that a patient has filed for Bankruptcy, a hold is placed on all accounts that pertain. Bankruptcies are followed up on periodically, for approval or denial. When a "Discharge of Debtor" is received from the courts unpaid balances are written off upon approval.
7. Account balances unpaid by patient that have expired, leaving no estate or assets will be written off upon approval following the FAP guidelines.