



POLICY AND PROCEDURE

NUMBER: 853000-005	REVIEWED AND REVISED: 07/01/2016	EFFECTIVE DATE: 07/01/2016	SUPERSEDES NO./DATE: 11/01/2014
DISTRIBUTION: ACCOUNTING, CLINIC, PATIENT ACCOUNTING AND ADMINISTRATION			
SUBJECT: UNCOLLECTIBLE ACCOUNTS WRITTEN OFF TO BAD DEBTS		APPROVED BY:  DEPARTMENT DIRECTOR  ADMINISTRATION	

POLICY:

Columbia Basin Hospital has established these guidelines to be followed when writing off Accounts Receivable balances.

PROCEDURES:

1. Acceptable amounts that may be written off are:
 - a. Uncollectible accounts to collection agencies.
 - b. Bankruptcies.
 - c. Small balances, (usually under \$5.00) that are not administratively justifiable to continue pursuing collection effort. These are written off on the computer by running an automatic small balance write-off or printing a small balance list for review and write off.
 - d. Balances that are not collectible due to oversight, i.e., not billed timely to a third party payer.
 - e. Balances denied by Medicare or other Insurance that are not billable to patient, i.e. noncovered charges, or no ABN signed for noncovered services.
 - f. Presumption of Noncollectibility. If after reasonable and customary attempts to collect a bill, the debt remains more than 120 days from the date the first bill is mailed to the beneficiary, the debt may be deemed

- uncollectible for Medicare purposes. (per HIM 310.2 Medicare Provider Reimbursement Manual).
- g. Medicare deductibles and co-insurance will be forwarded to the Collection Agency the same as any other debt for further collection. Collection Agency will pursue collections of these debts.
 - h. Uncollectible balances due to closure of estate.
2. Amounts will be approved by the Director of Business Services, Controller and Governing Board.
- a. The Director of Business Services will prepare the Bad Debt write-off certification form and present the certification and Bad Debt reports to Administration for review and approval by the 20th of each month.
 - b. The authorized certification form and Bad Debt report will be forwarded for review and distribution to the Board of Commissioners.
 - c. Uncollectible accounts forwarded to collection agencies, bankruptcies, and Charity Program write-offs are listed and reviewed monthly by the Hospital District's Board of Commissioners.
3. The Hospital District's Board of Commissioners will be the authorizing entity before any lien is placed against a person's primary residence.
- a. Before the hospital's Collection Agency can file a lien against a person's primary residence, they will submit all pertinent documentation to the Board of Commissioners for review.
 - b. After review of the provided information, the Board of Commissioners will make the decision whether to grant permission to the Collection Agency or deny the request.
 - c. The Hospital's Collection Agency will not file any liens without written authorization signed by the Board of Commissioners.
4. A copy of the Collection Agency's Annual report will be given to the Board of Commissioners each year for their review.