



Carroll County Memorial Hospital

Section: Financial Services	Originating Dept: Business Office Owner: Director of Revenue Cycle	Effective Date: 01/01/2008 Reviewed: 01/23, 09/24 Revised: 04/26
Title: Bad Debt Policy		

PURPOSE:

To determine what patient accounts with CCMH will be written off to bad debt status.

POLICY:

All accounts deemed uncollectable using collection policy guidelines, will be written off to Bad Debt status by TruBridge upon approval from CCMH in a timely manner and submitted to collection agency for debt collection. No account will be classified as Bad Debt until the required statements and time frame has elapsed.

PROCEDURES:

- 1) The following criteria must be met for accounts to be eligible for bad debt:
 - A) If no insurance upon registration, the patient will be put in touch with our financial counselor to determine if they qualify for Medicaid. If they do not, they will be considered private pay.
 - B) Self-pay after any other payer, and no payment from the patient for a period of 120 days after 3rd party carrier has made payment.
- 2) The patient will receive 2 statements and 2 collection letters during a 120-day period. They also receive collection calls from TruBridge attempting to collect within this same time frame.
- 3) TruBridge will send a monthly file to CCMH for approval after all statements, collection letters and phone calls have been made if no success.
- 4) Upon approval, TruBridge will forward the Bad Debt file to the collection agency and TruBridge will write accounts off.
- 5) Accounts that have been previously agreed upon with low monthly payments will also be written off; however, will not be forwarded for outside collection activity.
- 6) Medicare Bad Debt:
 - a. In compliance with federal regulations, collection activity must be documented. All accounts that are self-pay after Medicare will be handled the same as all other self-pay accounts.
 - b. The Business Office will maintain a Medicare Bad Debt Log. Medicare accounts will be closed and returned from the collection agency after they have been worked as the other self-pay



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accounts and deemed uncollectible. Upon closure and return from the collection agency, the data will be entered into the log by the Business Office Staff.

- c. The bad debt must be related to covered service and relate to Medicare deductible and coinsurance amounts.
- d. The bad debt must not be related to physician services.
- e. The bad debt must not relate to services rendered to Medicare Choice or Medicare Advantage beneficiaries.
- f. The bad debt must not relate to services reimbursed under fee schedule.

POLICY APPROVAL:

