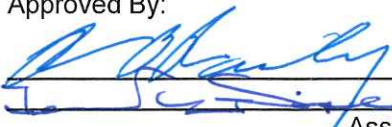


<b>Tidelands Health</b>		Subject: Collections Process/Write-Off to Bad Debt Hospital Affected: <u>GMH &amp; WCH</u> Department Affected: Patient Financial Services Issued by: Jim Terpstra, Associate VP of PFS	Index No: 50-10 Page 1 of 2
Policies and Procedures			
Effective	Supersedes	Approved By:	Title
09-1-16	10-1-11		Administration Chief Financial Officer Associate Vice President of PFS
			Date: <u>9.1.16</u> Date: <u>9/1/2016</u> Date: _____

**PURPOSE:** To establish methodology and timing whereby Tidelands Health will pass accounts for early out and Bad Debt outsourced collection efforts and retire accounts to zero-balance.

**POLICY:** Self pay primary accounts and accounts with self-pay balances consisting of deductibles and co-payments due after courtesy insurance billing will receive collection efforts for at least 180 days after the patient is informed of their outstanding balance.

**PROCEDURE:**

1. Tidelands Health will make a concerted effort to collect each account balance in full in a professional and timely manner. Third party payers on applicable accounts will be billed as a courtesy to the debtor with the understanding that the ultimate responsibility for the balance remains with the debtor. After a reasonable and diligent effort by hospital staff to collect payment in full, accounts with a balance of \$10.00 and less than \$1,500.00 after aging to not less than 140 days from the date of the first billing statement may be adjusted to a zero-balance and retired. Tidelands Health maintains the option to continue further collection activity on accounts with balances of \$1,500.00 or greater.
2. Patient's accounts may be sent statements in various cycles from internal hospital staff and early out agencies. The early out agency will maintain collection events until the accounts age to at least 150 days of age.
3. Accounts that age to at least 150 days from date of first billing statement are eligible for write-off and may be placed to bad debt status. Patient's accounts should meet all write-off guidelines before transferring to bad debt.
4. Tidelands Health will run reports weekly to identify and transfer accounts to Healthcare Claims Management (HCM). Accounts transferred to HCM will be categorized and identified by agent code so that individual and/or groups of accounts can be tracked and statistical reports can be produced.

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5. Once accounts have reached an age of 150 to 310 days from date of final bill, Healthcare Claims Management will transfer balances of \$1,500.00, or greater, to MedShield, an outside collection agency.
6. Upon transfer to the outside collection agency at age of 145 to 310 the account may qualify for some extraordinary collection actions such as credit reporting.
7. After reasonable collection efforts have been exhausted by HCM or MedShield, accounts are deemed uncollectible. All collection efforts may cease, said accounts may be closed and/or adjusted to zero-balance for retiring.