



## Collections Process/Write-Off to Bad Debt

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### 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, co-insurance, and co-payments due after courtesy insurance billing will receive collection efforts for at least 150 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 guarantor with the understanding that the ultimate responsibility for the balance remains with the guarantor. After a reasonable and diligent effort by hospital staff to collect payment in full, accounts older than 150 days with a balance equal to or less than \$24.99 will be written off unless they are co-payments as co-payment amounts may vary. All other accounts will be diligently worked to resolution internally or outsourced to a third-party for specialized follow-up and collection efforts.
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 from the date of first billing statement to a minimum of 150 days of age.

3. Accounts that age to a minimum of 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. Those guidelines are at minimum equivalent to the following:
  - All accounts are self-pay amounts (deductibles, co-insurance and co-payments or full balance in the case of self-pay patients)
  - All accounts regardless of primary coverage are actively worked and have no payment activity within the 150 days prior to consideration for bad debt write-off.
4. Tidelands Health will run reports periodically (likely weekly but at minimum monthly) to identify and transfer accounts to selected and approved partners. Accounts transferred to such partners will be categorized and identified by agent code so that individual and/or groups of accounts can be tracked, and reports can be generated.
5. Once accounts have reached an age of 150 to 365 days from date of final bill, the initial partner will transfer balances to a secondary placement partner.
6. Upon transfer to the secondary partner at the age of 150 to 365, the account may qualify for some extraordinary collection actions such as credit reporting or analysis for additional adjudication with not-for profit partners.
7. After reasonable collection efforts have been exhausted by the initial or secondary partner, accounts are deemed uncollectible. All collection efforts may cease, said accounts may be closed and/or adjusted to zero-balance for retiring and or transferring to a non-for-profit partner for resolution.