

CORPORATE POLICY

SUBJECT: Bad Debt

CATEGORY: Finance

ORIGINAL DATE: November 1, 2010

REVIEWED DATE: May 24, 2017

REVISION DATE: ~~May 7, 2021~~ March 28, 2024

I. POLICY:

The Bad Debt policy is to establish criteria for private pay patient/client accounts that are determined to be uncollectible and should be written off in the patient/client payment management system.

II. SCOPE:

The Lake County Health Department Finance Patient Accounts Office is responsible for reviewing those private pay patient/client accounts that have not been collected or for which payment arrangements have not been made after ~~one year from last date of service~~ 365 days from last date of service.

III. PROCEDURE:

A. The Patient Accounts Office will be responsible for identifying the patient/client accounts meeting the criteria established in this policy and writing them off in the patient/client payment management system according to the Patient Accounts Office bad debt write off procedure:

1. The Patient Accounts Office will review ~~every open~~ encounter balance for each member on the account to verify there are no unapplied account or encounter payments that can be transferred in to ~~prior~~ open balances to reduce the bad debt balance.
2. The Patient Accounts Office will verify that the last ~~encounter date and~~ payment date is over ~~one year old~~ one year old.
- ~~2. The balance is over three years old with no payment and the client is currently covered by insurance.~~

B. The Patient Accounts Office will run a private pay bad debt adjustment write off report monthly and distribute it for approval to the Patient Accounting Supervisor, Patient Accounts Manager, Finance and Billing Manager, and the Associate Director ~~or and~~ the Director of Finance.

IV. REFERENCES:

None

V. AUTHORS/REVIEWERS:

Finance and Business Office Management, Corporate Policy and Procedure Committee, Executive Team, Executive Committees of the Board of Health and Governing Council.

VI. APPROVALS:

Lake County Health Department and Community Health Center Executive Director

Signature: _____ Date: _____

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I. POLICY:

The Bad Debt policy is to establish criteria for private pay client accounts that are determined to be uncollectible and should be written off in the client payment management system.

II. SCOPE:

The Lake County Health Department Finance Patient Accounts Office is responsible for reviewing those private pay client accounts that have not been collected or for which payment arrangements have not been made after 365 days from last date of service.

III. PROCEDURE:

A. The Patient Accounts Office will be responsible for identifying the client accounts meeting the criteria established in this policy and writing them off in the client payment management system according to the Patient Accounts Office bad debt write off procedure:

1. The Patient Accounts Office will review encounter balance for each member on the account to verify there are no unapplied account or encounter payments that can be transferred into open balances to reduce the bad debt balance.
2. The Patient Accounts Office will verify that the last payment date is over one year old.

B. The Patient Accounts Office will run a private pay bad debt adjustment write off report monthly and distribute it for approval to the Patient Accounting Supervisor, Patient Accounts Manager, and the Associate Director or the Director of Finance.

IV. REFERENCES:

None

V. AUTHORS/REVIEWERS:

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