

CRAVEN COUNTY HEALTH DEPARTMENT POLICY

BAD DEBT WRITE-OFF POLICY

Craven County
Health Department



Purpose: Bad Debt policies are written to define and implement bad Debt write-off procedures for uncollectable debt

The Craven County Health Department bad debt write-off policy is based on Craven County Government write-off policy. The Administrative Officer is responsible for setting policy.

- ◆ Payment is due at the time services are rendered. Charge is based on family size and income. Patients who do not present proof of income are charged full charge until proof of income is documented, at which time the charge is adjusted. Exception: Family Planning patients are NOT required to bring proof of income. Declaration of income is accepted for Family Planning patients.
- ◆ At the time services are rendered, the patient will be informed of the cost of the service for that visit and of any additional outstanding balances due. Family Planning patients will not be denied services due to outstanding balances.
- ◆ Patients who are unable to pay in full at the time services are rendered will be counseled by a member of the Administrative team and asked to sign a payment plan agreement.
- ◆ Payments are applied to the oldest private pay charge first.
- ◆ Patient bills are sent monthly for all accounts less than 120 days old.
- ◆ Collection attempts include:
 - Advising the patient at the time services are rendered that the charge for that visit is due on that day
 - Counseling and signing a payment plan if the patient is unable to pay on the date of service
 - Three consecutive monthly statements reminding patient of balance due
 - Telephone follow-up on payment plans that are delinquent
- ◆ Accounts which are 90 days old are eligible for submission to the state Debt Setoff program for collection.
- ◆ An account will be considered uncollectable when:
 - There has been no activity in the account for more than 3 years and the debt does not meet the guidelines for submission to the state Debt Setoff program
 - There has been no activity in the account for more than 1 year and mail has been returned
- ◆ An itemized list of uncollectable outstanding patient balances will be prepared every six months for the Health Director's review.
- ◆ Those approved by the Health Director and the Board of Health will be written off.
- ◆ The Accounts Receivable system shall indicate the charge as having been written off.
- ◆ The patient should never be informed that a debt has been written off.
- ◆ A patient that returns to clinic after a bad debt has been written off shall have the bad debt reactivated and the billing process resumes.