

# BAPTIST HEALTHCARE SYSTEM

CATEGORY Compliance	EFFECTIVE DATE Nov. 1, 1999	REVISED
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## SYSTEM POLICY AND PROCEDURES

**SUBJECT:** Protocol for Collection / Bad Debt

**STANDARD(S) OF CONDUCT:** The business of BHS will be conducted according to all applicable laws.

**SCOPE:** This policy applies to employees of the Patient Accounting Departments of the Baptist Healthcare System whose jobs ensure that all collections / bad debts comply with Medicare regulations and laws pertaining to collection activity.

**AUTHORIZATION:** Directors of Patient Accounting at all Baptist Healthcare System facilities are responsible for the administration of the policy.

### PURPOSE

The purpose of this policy is to ensure that all collection / bad debt activity is in compliance with all Medicare regulations and laws.

### PROCEDURES

1. Managers keep up-to-date on Medicare regulations regarding collection/bad debt, the Fair Debt Collection Practices Act, and all other laws governing collection activity. (Note: Hospitals collecting their own debts are not subject to the FDCPA; however, the FDCPA should be used as a guide in clarifying what is reasonable collection activity).
2. Collection procedures are written as a guide to collectors and other Patient Accounting employees.
3. Managers monitor collection phone calls, account documentation, and personal contact with patients to ensure all interactions are handled in a professional and lawful manner.

4. Collectors put forth an effort to collect all deductibles, copays and any other non-covered charges from patients/guarantors, in addition to collecting covered charges from insurance companies.
5. Collectors refer accounts to managers when there is any question regarding a legal or risk management issue.
6. A final review of all accounts is performed prior to placement with a collection agency. This is to ensure that all accounts were billed and appropriate follow up was performed according to collection procedure. Medicare accounts are also reviewed at this point to ensure that they have aged 120 days from the first patient bill after insurance processing.
7. Collection agencies are required to maintain \$1 million Errors and Omissions Liability Insurance policies.
8. Any questionable activity by a collection agency is reported to a manager for investigation.

<b>MONITORING TOOLS</b>
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The attached Medicare Bad Debt Audit Account Log should be completed on a monthly basis.

Approved:

\_\_\_\_\_   
 BHS Compliance Officer

Date: \_\_\_\_\_

**MEDICARE BAD DEBT**

