

COLLECTION AGENCIES, BAD DEBTS AND SPECIAL ALLOWANCES

POLICY

There will be strict control (defined in a Collections Procedure Manual) regarding turning accounts over to collection agencies, writing off bad debts, and writing amounts off to special allowance accounts.

Approved: DeKalb Regional Healthcare System Board of Directors
August 7, 2000

IMPLEMENTATION

- A. At any time, when an account appears uncollectible or the patient/guarantor will not make proper arrangements (even though the guarantor has, or can obtain, the resources for prompt payment) it will immediately be turned over to a collection agency.
- B. The System may take legal action against persons whose checks are not made good ten (10) days after receiving notification from the System that their check has "bounced". The System may institute legal proceedings for collection of past due accounts if the amount owed exceeds \$200.00.
- C. The System will monitor accounts in the hands of a collection agency and the accounts may be recalled for second placement.
- D. Periodic reporting of the success of the System's collection efforts and of each outside collection agency is expected.
- E. An outpatient account will automatically be transferred to a bad debt status if there is a balance remaining 90 days after discharge. The Director of Patient Financial Services may extend the bad debt status where appropriate.
- F. An inpatient account will automatically be transferred to a bad debt status if there is a balance remaining 150 days after discharge. The Director of Patient Financial Services may extend the bad debt status where appropriate.
- G. Collection procedures for checks returned by banking institutions for insufficient fund will follow Georgia law.

DATES

Originally formulated: May 1977
Reviewed/Revised: April 2000
Medical Executive Committee reviewed June 26, 2000

Approved: Dekalb Medical Center Administrative Team June 19, 2000
DRHS Finance Committee August 3, 2000