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| CREDIT AND COLLECTION POLICY | | | | NO. 324 | |
| POLICY:  To provide funds for continuing quality care, the facility must collect its accounts receivable while minimizing the expense arising from the collection effort.  PROCEDURE:  1. The facility will attempt to collect its receivables and, where appropriate, to recover its bad debts through legally available means. This will include telephone contacts, collection letters and promissory note agreements, which have been approved by the facility and legal counsel, attorneys, credit investigations, credit bureaus and collection agencies.  2. When necessary to insure collection, the Accounting Department will maintain reasonable contact with the patient or the account guarantor while the patient is in the facility.  COLLECTION AGENCIES  3. The Accounting Department in collaboration with the Administrator will be responsible for assigning approved bad debts to collection agencies, monitoring their progress and evaluating their performance. The Accounting Department will be responsible for the establishment of controls to protect the facility's interest in the recovery of bad debts by the collection agency.  BAD DEBTS  4. Before accounts can be considered for write-off to bad debt, a high degree of collection effort is required with the extent of the effort determined by the dollar size of the account and for special circumstances.  SPECIAL WRITE-OFFS  5. There are certain situations in which the facility's management desires to write-off an account, with no attempt at collection. Examples of special write-offs are:  a) Accidental injury to visitor on facility premises  b) Contention of service charge. | | | | | |
| Approved: | Effective Date: | Revision Date:  3/17 | Change No.: | | Page:    1 of 2 |

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| NEGOTIATED STATEMENTS  6. In cases where a patient contests charges which the facility finds that it cannot verify and support, the collector, with the approval of the collection supervisor, has the authority to write-off those contested charges.  SELF-PAY DEPOSIT  7. It is the intent of Winning Wheels to reduce the balance of outstanding accounts receivable to the lowest level, therefore minimizing collection costs and losses. Deposits are an effective and authorized tool for the management of accounts receivable. Where insurance or other third party may not fully cover services, a deposit from each patient or guarantor prior to admission may be required.  REFUNDS  8. Excess patient and private third party payments on an account must be applied to the following types of accounts for the same patient before a refund may be considered:  a) Active accounts  b) Accounts which have been previously written off as free service.  After the above applications have been made, the remaining excess payment will be refunded promptly to the patient.  ITEMIZED STATEMENTS  9. Itemized statements for both undisputed claims and disputed claims.  a) Undisputed Claims: The Accounting Department may release an itemized account statement only to the patient, guarantor, or legal counsel of the patient.  b) Disputed Claims: Before itemized statements are released on disputed claims, legal counsel for the patient must request them in writing.  CONTRACTUAL ALLOWANCES  10. Where a signed contract exists requiring the facility to absorb differences between the total amount of charges and the amount paid by the third party, the adjustment to the patient account will be done without need for written approval of management. Other discounts or contractual adjustment must be approved by Administration. | | | | | |
| Approved: | Effective Date: | Revision Date:  3/17 | Change No.: | | Page:    2 of 2 |