Status Pending PolicyStat ID 17041406

Sleepy Eye Medical Center	Origination 12/2004	Owner	Jen Farasyn: Business Office Manager
	Approved N/A		
	Expiration 2 years after approval	Policy Area	Business Office

Collections and Write Off

Policy:

Sleepy Eye Medical Center (SEMC) is a facility dedicated to the treatment of patients requiring inpatient admissions, outpatient services, and clinic visits. In keeping with the mission of SEMC, patients will be treated with respect and confidentiality in all issues dealing with collections. The Business Office will make sure that every reasonable effort will be made to collect an account after services are provided.

Purpose:

To provide information and guidance to staff concerning collections and write offs of accounts.

Background:

Statements are generated weekly (at a minimum) and mailed to patients once every four weeks (holidays may delay this) informing patients of their account balance. In the event of non payment, SEMC will offer MnSure appointment/Financial Assistance application and send out collection notices in an attempt to collect on the account. If these efforts fail, the account will be referred to a Collection Agency. The minimum balance that we can submit to collections will be determined by each Collection Agency.

Procedure:

Collections

1. A Final Notice is sent out when the following criteria is met:
   - Three statements have been sent
   - Account has been in current financial class for 105 days
   - Has been 30 days since last payment
2. If SEMC has not received a payment or entered into a contract within 15 days of the final collection

notice, the account will be transferred to a Collection Agency.

- Prior to transferring an account to an agency, Financial Assistance screening must be attempted and documented on the Affidavit of Expert Review form. This form is required for dates of service 11/1/2023 and after. A minimum of one phone call should be attempted by the Financial Counselor to obtain a payment, or initiate a payment arrangement/contract. A note will be entered into the Meditech Patient Accounting system to document the collection efforts.
- There may be exceptions as to when an account is transferred to a Collection Agency. If SEMC has mail returned, or if an account has several unpaid admissions/tickets, a notice may be deleted and Collection Agency may be initiated prior to 120 days.
- Accounts that qualify will also be added to the State of Minnesota Revenue Recapture program. (For further information on this, please refer to the Policy for Revenue Recapture.)

Account Write Off or Adjustment

1. After review of the account, it may be determined that a write off or adjustment should be applied. A write off should be requested when a valid debt has been determined to be uncollectible. This could be determined by the following criteria:
    - The account is for a patient who is protected by the Federal Bankruptcy Code Provisions where it is believed that the debt will be discharged. Proper bankruptcy papers or signed verification of the valid bankruptcy must be received.
    - The account is for a deceased patient. At least one inquiry should be made regarding proceeds in probate prior to write off.
    - Copays for public assistance recipients that are not collected (Charity Care).
    - Patients who qualify for Financial Assistance (Charity Care).
    - Accounts deemed by the Collection Agency to be "uncollectible" or "all efforts exhausted".
    - Account has reached the statute of limitations at the Collection Agency.
    - Timely Filing for insurance claims.
2. An adjustment may also be made to an account. This could be determined by the following criteria:
    - Patients who qualify for a discount after applying for Financial Assistance (Charity Care).
    - Small balance adjustments.
    - Uninsured Discounts (as required by the Minnesota Attorney General and St of MN Financial Screening requirement).
    - SEMC employee discount.
    - At the discretion of the Administrator/CEO or Business Office Manager.

When an adjustment or write off is needed on an account, the information should be assigned to the Financial Counselor using the Task feature in Meditech. An appropriate description should be chosen by staff, and this notation will appear in the patient's account when looking in the account notes. If a charge needs to be reversed, a comment should be entered in the specific transaction. The Accounting Manager has access to look up any account adjustments on the Financial Status Desktop (FSD) in Meditech.

All Revision Dates

11/2024, 10/2024, 03/2019, 03/2019, 02/2018, 07/2016, 05/2014, 05/2012

Attachments

AFFIDAVIT OF EXPERT REVIEW.docx

Approval Signatures

Step Description	Approver	Date
	Todd Consbruck: Administrator	Pending
	Jen Farasyn: Business Office Manager	11/2024