

**THE WILLIAM W. BACKUS HOSPITAL**  
**Patient Business Services Policy**

Subject:	Bad Debt Write Offs
Date:	01/19/04
Revision Date:	April 1 2005
	May 17 2010

Policy: It is the policy of William W. Backus Hospital that uncollected self-pay accounts more than 120 days old will be written off and sent to a collection agency.
---

Procedure:

- I Self Pay Accounts Collection Process (Accounts that do not qualify for MBE outsource)
  - A Initial letter is sent 5 days after discharge.
  - B Statement #1 is sent 30 days later.
  - C Statement # 2 is sent 30 days later.
  - D Precollect Letter is sent 15 days later (by Medconn).
  - E Account will be written off to bad debt 45 days later.
  
- II Self Pay balances after insurance (Accounts that do not qualify for MBE outsource)
  - A Statement # 1 is sent 15 day after account goes to self pay.
  - B Statement # 2 is sent 30 days later.
  - C Statement # 3 is sent 21 days later.
  - D Precollect Letter is sent 21 days later.
  - E Account will be written off to bad debt 45 days later.
  
- III All final billed accounts with self-pay balances only will be outsourced to Medical Bureau of Economics (MBE). (*refer to Self Pay Collections policy*)
  - A Statement # 1 is sent at placement with MBE. (5 days after discharge)
  - B Statement # 2 is sent 30 days later.
  - C Statement # 3 is sent 30 days later.
  - D Final Statement sent 15 days later.
  - E Account closed and returned to WWBH for bad debt process 45 days later.
  
- III Weekly Bad Debt Transfer Process
  - A On Monday the bad debts file are created.
    - zBD PRE COLL (WWBH)
    - zBD XSP (WWBH)
    - zMBEBD (MBE Return)
    -

- B The preliminary report is reviewed for the following:
- 1 Accounts with payments made in the last 30 days. If time permits, the staff will attempt to contact the patient to attempt to set up an approved payment contract for the account.
    - a. If an approved payment contract is established, the account will be removed from the bad debt file.
  - 2 Accounts with balances of \$1000 or more. If time permits the staff will attempt to contact the patient to attempt to determine if they may qualify for free bed funds, charity care or a payment contract.
    - a. If the patient may qualify, and application is sent and the account is not sent to bad debt, pending a response within 14 days. If no response is received the account will be sent to bad debt in the next weekly processing cycle.
    - b. The account will be placed on "Bad Debt Hold". A note is placed on the account indicating the application for free bed and charity care.
    - c. A reminder will be set up to review the account in 14 days. If the application is received the hold will be removed and the account will be processed according to the free bed/charity care policy. If the patient does not qualify, the hold will be removed and the account will go to bad debt in the next weekly processing cycle. If the application is not received back in 14 days the hold will be removed and the account will go to bad debt in the next weekly processing cycle.
  - 3 Accounts with balances of \$1000 or more. If time permits the staff will attempt to process the accounts through Passport One/SSI to determine if Medicaid coverage has been established for the patient. If so, the account will be updated and Medicaid billed.
- C On Friday of the same week, MIS will be contacted to send the file to the collection agency. Files will be received by the collection agency by the close of business every Friday.

IV Processing the Weekly Bad Debt Write Off

- A The procedures used to process the Weekly Bad Debt write off are found:  
Under the Collections button,  
Bad Debt  
Automatic Bad Debt Transfer
- B The processes to use and their functions are:
- 1 Compile – this is run on Monday to create the file of accounts that may be written off to bad debt
  - 2 Print – once the file has compiled, this report is run to use to review the accounts as outlined above.
  - 3 Process -
  - 4 Transfer



Federal Poverty Guidelines  
Effective January 23, 2010

Size of Family	Poverty Guideline	250% FPG	275% FPG	300% FPG	325% FPG
		100% awarded	75% awarded	50% awarded	25% awarded
1	10,830	27,075	29,783	32,490	35,198
2	14,570	36,425	40,068	43,710	47,353
3	18,310	45,775	50,353	54,930	59,508
4	22,050	55,125	60,638	66,150	71,663
5	25,790	64,475	70,923	77,370	83,818
6	29,530	73,825	81,208	88,590	95,973
7	33,270	83,175	91,493	99,810	108,128
8	37,010	92,525	101,778	111,030	120,283

For families with more than 8 members, add 9,350. for each additional member.