Name of Policy: <u>Bad Debt Write Off</u>		
Policy Number: 3364-142-18		UT HEALTH
Approving Officer: Chief Financial Officer		
Responsible Agent: Director, Patient Financial Services		Initial Effective date: August 1, 2017 Effective date: December 2, 2024
Scope:		
New policy proposal	X Minor/tech	nical revision of existing policy
Major revision of existing policy	Reaffirmat	ion of existing policy

Policy statement

The Patient Financial Services Office will comply with the following guidelines when recommending and/or adjusting accounts off to Bad Debt. Maintaining compliance with the guidelines will be the responsibility of Patient Financial Services Office personnel referring the account.

Purpose of policy

To establish consistent guidelines with respect to the collection of services rendered by The University of Toledo Medical Center.

Procedure

The following conditions must be met in order to recommend and/or adjust an account off to Bad Debt:

I. Collection Agency Bad Debt

- a. All insurance liability or third-party liability must be exhausted or reasonably worked prior to write-off. The time frame for writing off an account that has remaining insurance liability is per contract language, generally 75-120 days from first statement to the beneficiary.
- b. If the account is a self-pay account or the balance remaining is self-pay after insurance has paid, then the patient will receive a minimum of two statements or contacts from the Patient Financial Services Office or its agent, prior to write-off to bad debt.
- c. The patient must receive two contacts from The University of Toledo Medical Center Patient Financial Services Office or its agent regarding their bill. This can be in the form of statements, letters or phone calls.
- d. Per Ohio Revised Code 131.02, outstanding balances owed to the State of Ohio will be referred to the State of Ohio Attorney General's Office, Division of Collection Enforcement. These accounts are adjusted by electronic transmission from our host system to the collection agency.
- e. Accounts worked by our internal follow-up/collectors may be referred at the collector's discretion. The designated Patient Financial Services office personnel will place these in bad debt.

- f. The Director of Patient Financial Services or Director of Revenue Cycle must approve accounts with a balance over \$50,000.00 for write-off if the account was a direct referral from the follow-up/collectors and did not move through the normal patient collection process.
- g. accounts are adjusted by electronic transmission from our host system to the collection agency.

II. Collection Agency Bad Debt Cease Collections

- a. University of Toledo Medical Center will run a report of all accounts ready for closure to cease collections by the State of Ohio Attorney General Office which meet the following criteria.
 - Account placed with the State of Ohio Attorney General Office greater than 3 years.
 - No Payment has been received on account in the last 365 days.
 - All Accounts, regardless of payer will be treated and closed in the same manner.
- b. The report will be processed by the Cash adjustment team to post an adjustment transaction to the University of Toledo Medical Center bad debt account to bring the account to a zero-balance utilizing a specific adjustment code.
- c. A new report will be created identifying the accounts that were brought to zero in the University of Toledo Medical Center system with the specific adjustment code. This report will be submitted to the State of Ohio Attorney General office which will allow the Attorney General's office to bring their system to a zero-balance to ensure all collection activity for the account ceases.
- d. The State of Ohio Attorney General Office will then produce and send a note file to the University of Toledo Medical Center which will be posted to the University of Toledo Medical Center with a specific transaction code which will indicate that the account has been closed and all collection activity ceased.

Approved by:		Policies Superseded by This Policy:
/s/ Troy Holmes Chief Financial Officer	12/2/2024 Date	Initial effective date: August 1, 2017 Review/Revision Date: April 1, 2021 Review/Revision Date: August 16, 2024 Review/Revision Date: December 2, 2024
		Next Review Date: December 2, 2027