

FINANCIAL MANAGEMENT 2.0

Accounts Receivable -- 2.7

Collection and Write-off of Accounts Receivables -- 2.7.f

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Signature:

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POLICY

Any service for which a fee has been established and charged to an individual are subject to an individual collection effort.

APPLICABILITY

This policy applies to Local Health Department, Regional and Central Office personnel.

PURPOSE

To establish equitable and sound guidelines for the collection of fees for services rendered to all individual patients.

PROCEDURE

The following procedures must be used for maintenance of Accounts Receivable which arise from fees due from individual patients:

1. An attempt to collect will always be made at the time the service is rendered and a statement does not need to be mailed to the patient. This will serve as the first collection attempt.
2. If the balance of an account is below \$25, at least one (1) collection effort is required.

3. If the balance of an account is between \$25 and \$49.99, at least two (2) collection efforts are required.
4. Any account with a balance of \$50 or more requires three (3) collection efforts.
5. All individual accounts will be aged at least quarterly using either of these PTBMIS reports (a) TDH-HSA Bad Debt Write-Off Report or, (b) Patients with Write-Offs in Previous Report Period.
6. Private pay services greater than 15 months old and for which the required collection efforts have been made will be reviewed for write-off based on the criteria that (a) there has been no private pay payment or, (b) there has been no patient encounter activity, except for the issuance of birth certificates, for the entire patient's account during the preceding 15 months. This review will be done using PTBMIS to generate a list of services that meets either of these criteria.
7. At each health department site, any write-off of an account of five thousand dollars (\$5,000) or greater or accounts aggregating twenty-five thousand dollars (\$25,000) or more must have the prior written approval of the Commissioner of Finance and Administration and the Comptroller of the Treasury.
8. At least quarterly, those private pay services meeting these criteria will be written-off at the regional level. At least quarterly, a summary report will be sent from the Regional Office to the Fiscal Services Section of the Bureau of Health Services (FSS) indicating the name, amount, and a notification of TennCare/Medicare eligibility.

REFERENCE DOCUMENTS

1. [Rules of the Department of Health, Chapter 1200-17-2.](#)
2. [Rules of the Department of Finance and Administration, Division of Accounts, Chapter 0620-1-9](#)
3. [Finance and Administration - Policy 23](#)

OFFICE OF PRIMARY RESPONSIBILITY

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