

(insert facility name)  
**PUBLIC HEALTH AND PRIMARY CARE SERVICES  
DEBT MANAGEMENT POLICY**

Debt management follows a logical path or series of events, beginning from the time the service is provided to the point when it is determined that a debt is uncollectible and should be written off.

Following is a list of all possible steps that might be used to collect a debt.

- Payment for services provided are due on the day of service, however, an accounts receivable claim may be created and a statement issued that states how much is owed.
- If the debtor doesn't pay on the service date, a legally enforceable written agreement may be obtained from and signed by the debtor that specifies all of the terms of the installment arrangement and contains a provision accelerating the debt payment in the event the debtor defaults. The size and frequency of the installment payments should bear a reasonable relationship to the size of the debt and the debtor's ability to pay. If possible, the installment payments should be sufficient in size and frequency to liquidate the debt in no more than one year.
- If no payment is received after a series of three statements, which said statements, will be sent \_\_\_\_\_ (insert monthly/quarterly), a series of demand letters with increasingly strong language will be issued to the debtor.
- Debtor may be required to pay cash-on-demand (COD) for any future services until the delinquent debt is paid, and may be denied any future services that are not statutorily required, until he/she pays the delinquent debt. Family Planning clients may be restricted or denied services only if they are at or above 60% of the Federally established Family Planning Income Guideline. Emergency services can never be denied.
- Accounts that are 60 days past due and \$50 or greater may be submitted through a clearinghouse to the North Carolina Department of Revenue for collection. As authorized by North Carolina General Statutes, Chapter 105A, the \_\_\_\_\_ County Health Department will utilize the North Carolina Government Debt Set-Off Program as an avenue to enhance collections and reduce accounts receivable by applying the past due amount against any income tax refund the patient may be entitled. Specific policies and procedures of the Debt Set-Off Program to notify patients of the debt set-off and their right of appeal will be followed. Patients will be encouraged to resolve their past due amount before the debt set-off is submitted for collection.
- When it is determined that the debt is basically uncollectible and no activity has been reported during the preceding 18 months, \_\_\_\_\_ County Health Department will first request approval from the \_\_\_\_\_ for debt write off and then close out the debt, stopping all collection efforts. In the event the debtor contacts the department requesting services after a previous claim has been written off, all new activity will reactivate the former canceled debt.

### Bankruptcy

A legal notification must be received from the Bankruptcy Court. Once received, the patient's account will be flagged to indicate that bankruptcy has been filed and the patient is no longer obligated for his/her outstanding debt. No further attempts will be made to collect the outstanding account. The account may be written off as an uncollectible debt now or in the next cycle of bad debt write offs. However, if the patient presents and wishes to pay on the account, we will accept whatever amount they offer. If the patient returns for services, the patient will not be responsible for any debt prior to filing bankruptcy.

### Refunds

Necessary refunds will be processed for amounts exceeding \$ \_\_\_\_\_ unless otherwise requested by patient or third party payer.

### Special School Health Issues

According to regulations governing school health services, local health department may bill Medicaid for Medicaid-covered services even though they may also be provided to non-Medicaid eligible children for free. However, all other third parties liable for services will be billed as required by law.

When school staff are seen for a billable service in one of the school based health centers, their third party insurance source should be billed. Co-payments, co-insurance and deductibles not paid by the third party, will be billed to the school staff member just as other health department clinic services are billed.