POLICY | PURPOSE STATEMENT:
The purpose of the policy is to define the level of authority required in approving write-offs for bad debt related to patient accounts. The Combest Center does not utilize a collection agency; therefore Medical Practice Income Plan policies (https://hscweb.ttuhs.edu/medicine/lubbock-mpip/policies-procedures.aspx) related to uncollectable/bad debt write-offs do not apply to Larry Combest Community Health and Wellness Center. This action will be handled by the Center.

SCOPE:
This policy and procedure application will be distributed to the TTUHSC SON Larry Combest Community Health & Wellness Center billing office.

DEFINITIONS:

Accounts Receivable: Monies owed on patient account

Bad Debt: A debt that cannot be recovered

FSC: Financial Status Class

PROCEDURE:
1. Accounts that meet certain aging criteria are deemed uncollectable and therefore meet the criteria of bad debt to the Center. Accounts that meet these criteria are written-off as a bad debt.
2. The system has an automated process to write off accounts after 180 days of no payment.
3. The patient’s record has an indicator listed showing a previous bad debt write off for reporting purposes.
4. Reports are reviewed monthly to ensure write offs are acceptable.
RESPONSIBILITIES | REVIEW | REVISIONS:
It is the responsibility of the Policy & Procedures Committee to review and initiate necessary revisions based on collaboration and input by Policy and Procedure committee and through Administrative management of this policy, including the review and revisions will be the responsibility of the department administrator.

RIGHT TO CHANGE POLICY:
TTUHSC SON Combest reserves the right to interpret, change, modify, amend or rescind this policy in whole or in part at any time to reflect changes in policy and/or law.