

## **POLICY: COLLECTIONS/ADJUSTMENTS**

The Collection/Adjustment Policy is intended to specify the procedures used by Eastern Idaho Public Health to accurately monitor, bill, adjust, and resolve encounters. This policy is not all inclusive and accounts with extenuating circumstances shall be resolved under the direction of the FACHS Director or if unavailable, the Agency Director.

### **Statements & Letters**

Statements are sent on a monthly basis to accounts with a balance over \$2.00. Statements begin on day 1 of the balance becoming guarantor responsibility. Each week on Wednesday statements are sent to clients who have not been billed for 28 days.

- 4 statements sent 28 days apart
- Statements continue as long as monthly payments are received

Letters are a two-step process consisting of a Priority Letter and a Final Notice. Letters are not sent to accounts with balances resulting from childhood immunizations.

- Priority Letter sent 28 days after the 4<sup>th</sup> statement with no payment
- Final statement sent 15 days after Priority Letter
- Final Notice sent 15 days after final statement
- Transferred to Collection Agency 15 days after Final Notice if no payments are received

Clients can prevent the collection process from proceeding by making a payment and setting up a payment plan. Failure to comply with an established payment plan will result in the account reverting back to its place within the collection process.

### **Collection Transfers**

Accounts are reviewed before being transferred to collections to ensure that only eligible accounts are transferred. Only accounts that meet the following criteria are transferred to the collection agency.

- Client over 18 at time of service (except for all routine childhood immunizations)
- Unpaid foreign travel immunizations regardless of client's age
- No "Misty" (no-contact) status
- Balances \$10.00 and above

## Adjustments

Adjustments are used to remove, reduce, or correct account balances to reflect correct billing and collection processes.

- Small Balance Adjustments (SMBADJ) are processed monthly for any balance under \$10.00 that has aged to more than 120 days.
- Insurance Adjustments (INSADJ) are applied according to insurance or network contracts as Explanation of Benefits are received.
- Childhood Vaccination Adjustments (SSVFC) become applicable when guarantors are unable to pay full price for childhood immunization administration fees.
  - In the event that VFC (Vaccine For Children) administration fees create a hardship, these fees may be waived at the time of service by using an “SL” modifier. (Per state VFC agreement)
  - Non-VFC encounter balances, after insurance processes, which pose a hardship for families can be reduced with authorization from FACHS Director.
- Billing Errors (CORADJ) resulting in a change in guarantor financial responsibility will be adjusted according to current fee schedule.
- Bad Debt (BADADJ) is used to adjust accounts for which bankruptcy notice has been received.
- Past Filing Limit Adjustments (PFLADJ) are used when it is necessary to write off balances due to timely filing restrictions established by various insurance companies.

## Refunds

Refunds process every 2-3 months or as needed for guarantors and insurance companies. Guarantor credits less than \$25.00 are held on the account as a credit to be used for future services unless a request is made by the guarantor.

## Donations

- Donations made at the time of service may be utilized for remaining balances on the encounter.
- Guarantor overpayments may be applied as a donation on account.
  - Transact RX
  - Mailed in client payments