

**UNIVERSITY OF PENNSYLVANIA HEALTH SYSTEM
PATIENT ACCOUNTING**

Subject: Procedure for the collection of any unpaid balances of patient balances and transfer to Bad Debt or Charity Care.

Purpose: The purpose of this procedure is to ensure the hospital is reimbursed for all services performed.

Effective Date: April 1, 2022

Responsibility: It is the responsibility of the Patient Accounting staff to manage the self-pay outsourcing vendor in the collection of patient receivables. The vendor will be responsible for collecting by phone. Patient Accounting will follow the process below.

A. Procedure for collection of patient balances:

1. Patients will receive statements for amounts due after patient responsibility has been determined
2. After the initial statement, if the account remains unpaid, the patient will continue to receive statements every 28 days for up to 120 days from the date of the first bill and will receive a minimum of 3 statements.
3. If the account remains unpaid after the above (#2) it will be transferred to the appropriate designated attorney or agency for further collection activity.
2. Patient Accounting Management team will perform audit of inpatient and outpatient accounts transferred to Bad Debt for each facility every month.
3. Outpatient Accounts that remain uncollected after the above (#2) will automatically transfer to the designated attorney or agency.
4. Management will review a report of all outpatient accounts transferred to Bad Debt that is greater than \$10,000 with each facility every month. Outpatient accounts will not be subject to the Signature Authorization requirement.

B. Accounts that are determined to be eligible for Charity Care (Inpatient and Outpatient), according to the Financial Assistance Policy (FAP), will follow the Signature Authorization below unless they are presumed eligible per the FAP:

1. Staff / Supervisor up to \$50,000
2. Manager up to \$100,000
3. Director up to \$250,000
4. Associate Vice President up to \$500,000
5. Vice President over \$500,000

For more information regarding the Charity Care process, please reference **The University of Pennsylvania Health System Financial Assistance Policy**.

C. Bankruptcy Notice Response Process

- If it can be determined by the pleading that the debtor is an individual, the pleading should be sent to the Director for Patient Financial Services
 - Director Patient Financial Services will review pleading for appropriate account adjustment or referral to outside counsel
- If it cannot be determined that the debtor is an individual or if it can be determined that the debtor is a corporate entity, the pleading should be sent to the Associate Vice President for Accounting
 1. Determine bar date
 2. Determine the amount owing to UPHS> if any, whether the claim is secured and whether or not there are any particular reasons to pursue the claim (in order to assess against potential litigation or other recovery costs)

3. If it is decided to pursue the collection, the matter is forwarded to the Office of General Counsel in advance of the bar date
- If forwarded to the Office of General Counsel, the following steps will be taken
 1. Contact the Bankruptcy Trustee and Debtor*s counsel to determine the number of Debtor's assets and liabilities, the amount of potential distribution, and the amount owing to secured creditors
 2. Follow up with Accounting in Corporate Finance
 3. If the decision has been made to proceed with collection activities, engage outside bankruptcy counsel as required and/or file proof of claim
 4. Monitor status of bankruptcy proceedings and respond to objections if required