



PSYCHIATRIC HOSPITAL -- ADMINISTRATION/FISCAL

**COLLECTION OF BILLED CHARGES**  
**OPERATIONAL PROCEDURE**

April, 1989 (rv 7/93, 6/96, 4/99, 9/02, 9/05, 3/08, 11/13)

Policy Ref: 110-07

Reviewed/Revised: May, 2017

Procedure: 705-05

**A. PURPOSE:**

To establish procedures for the resolution of all accounts due within one hundred twenty (120) days of discharge.

**B. PROCEDURE:**

- I. The Billing Dept. shall take all available and appropriate measures to collect on outstanding insurance balances within forty-five (45) days of the date the claim is filed. Each account shall be reviewed in forty-five (45) days after submission of the claim. Follow-up action will continue in fifteen (15)-day increments.
- II. Insurance accounts which are uncollectible at ninety (90) days shall be reviewed by the Billing Supervisor to determine whether the claim should be referred to an outside insurance recovery specialist.
- III. Individuals with self-pay accounts that have made no payment after thirty (30) days of billing may be referred to an outside collection agency.
- IV. Prior to referral to a collection agency delinquent accounts shall be reviewed by the Billing Supervisor to determine whether it is cost effective to pursue collection further.
- V. Insurance and self-pay account balances shall age separately and appear on an aging report.
- VI. All accounts referred to an outside collection agency shall be written off as a bad debt according to LifeStream's procedure for "Deductions From Revenue".

**PROCEDURE APPROVED:**

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QI/RM Director

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Date