



# Monterey County

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## Board Report

Legistar File Number: 14-1347

December 16, 2014

**Introduced:** 12/3/2014

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** General Agenda Item

Approve the Health Department's Clinic Services Bureau, Billing and Collection of Self-Pay Account Policy and Procedure, which, among other things, would authorize either the Clinic Services Bureau Chief ("Bureau Chief") or the Monterey County Health Department Clinic Services Bureau Finance Manager II with the written concurrence of the Assistant Director of Health/Administration Bureau, to compromise patient debts and write off outstanding, self-pay guarantor accounts receivable in the amount up to two-thousand dollars (\$2,000).

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve the Health Department's Clinic Services Bureau, Billing and Collection of Self-Pay Account Policy and Procedure, which, among other things, would authorize either the Clinic Services Bureau Chief ("Bureau Chief") or the Monterey County Health Department Clinic Services Bureau Finance Manager II with the written concurrence of the Assistant Director of Health/Administration Bureau, to compromise patient debts and write off outstanding, self-pay guarantor accounts receivable in the amount up to two-thousand dollars (\$2,000).

### SUMMARY/DISCUSSION:

The Clinic Service Bureau (Clinic Services) is a safety net provider and the only source of health care for many Monterey County residents. Clinic Services provides health care regardless of a person's ability to pay. Staff seeks to link patients with governmental insurances such as Medicare and Medi-Cal, and checks to see if they have other sources for health insurance. The Health Resources and Services Administration (HRSA), which regulates the Health Departments Federally Qualified Health Clinic, Look-Alikes, requires that Clinic Services offer a Sliding Scale Discount Fee Schedule to eligible uninsured or underinsured patients whose incomes are at or below 200% of the Federal Poverty Level to assist with the costs of their medical care.

Clinic Services maintains a sound accounts receivable program revolving around accurate collection of data at the point of registration, accurate and timely recording of patient services, charges and diagnosis, prompt billing of the receivable to third party payors, governmental insurances, and collection of monies from all parties billed. Clinic Services occasionally receives no response for guarantor accounts billed. If there is no response within 120 days to set-up a payment plan or pay in full, and the guarantor balance is over five dollars (\$5.00), the account is assigned to a collections agency and marked as and transferred to bad debt.

Clinic Services makes every reasonable effort to secure payment from patients. At times, however, there are extenuating circumstances that prevent a balance from ever being collected. While \$2,000 is the maximum write-off authority being requested, 99% of Clinic Services'

self-account balanced are \$300 or less and 77% of the balances are less than \$100. Although historical self-account balances are \$300 or less, the rising cost of health care, increasing insurance deductibles and/or co-pays and the rise in recommended vaccines and devices make it necessary for Clinic Services to have the write-off authority being requested to meet our current and future business needs.

Authority given directly to either the Clinic Services Bureau Chief or the MCHD-CSB Finance Manager II with the written concurrence of the Assistant Director of Health/Administration Bureau would allow for more efficient and timely processing of uncollectable accounts.

OTHER AGENCY INVOLVEMENT:

County Counsel and the Auditor-Controller have reviewed and approved the Clinic Services Bureau, Billing and Collection of Self-Pay Account Policy and Procedure.

FINANCING:

In Fiscal Year 2013-14, total self-pay write off amounts totaled \$4,015 from Clinic Services (4000-HEA007) total annual revenue. The Board order will not result in patient revenue reduction. Writing off outstanding balances and potentially collecting from a commercial collections agency would allow for more efficient operations. Clinic Services is budgeted at zero General Fund Cost for FY 2014-15.

Prepared By: Stephanie Shonley, Management Analyst, 1313

Approved By: Ray Bullick, Director of Health, 4526

Attachment: Billing and Collection of Self-Pay Account Policy and Procedure and Attachment A is on file with the Clerk of the Board.