



Applies To: **CRTC**
 Functional Area: Fiscal Services
 Component (If Limited To): N/A
 Department (If Limited To): N/A

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|---|------------------|
| Title: Allowance for Doubtful Accounts | Procedure |
| Patient Age Group: All | |

DESCRIPTION/OVERVIEW

This procedure describes the recording of patient and other accounts receivable at estimated net collectible amounts.

REFERENCES

- UNM HSC Bad Debt
- UNM HSC Patient Payment
- UNM HSC Collection of Third Party Coinsurance, Co-payments and Deductibles
- UNM HSC UNM Care Program
- UNM HSC Financial Assistance Eligibility

AREAS OF REPPONSIBILITY

Fiscal Services will analyze and reconcile.

PROCEDURE

1. Analysis and reconciliation is performed monthly between general ledger accounts and the patient subsidiary account ledger. Reconciling items are recorded by the end of the respective quarter.
2. The contractual percentage applied to gross changes is calculated by payer class using historical billing and collection data. Payer trends are reviewed at least quarterly; accruals are adjusted for significant changes. Additional adjustments may be made if the accounts are more aged or are expected to be uncollectible in the future.
3. The majority of uncollectible accounts occur for self-pay patients. The monthly revenue and the allowance for uncollectible accounts are adjusted for anticipated uncollectible amounts.
4. At least quarterly and before year-end closing, the allowance is reviewed. Taking into consideration the above criteria, appropriate journal entries are made. Additional adjustments are made as historical data indicate significant shifts in trend.

DEFINITIONS

None

SUMMARY OF CHANGES

July, 2005 - Changed from a guideline to a procedure.

KEY WORDS

CRTC, doubtful accounts, allowance, uncollectible

Title: Allowance for Doubtful Accounts
 Owner: Chief Financial Officer
 Effective Date: 11/21/05

RESOURCES/TRAINING

| Resource/Office | Position/Title | Dept. Phone | Internet/Link |
|-------------------------|----------------|-------------|---------------|
| Chief Financial Officer | | | |
| | | | |
| | | | |

DOCUMENT APPROVAL & TRACKING

| Item | Contact | Date | Approval |
|---------------------------|--|---------------|----------|
| Owner | Chief Financial Officer | | |
| Consultant(s) | | | |
| Committee(s) | CRTC PPG Committee, Management Group | | Y |
| Nursing Director | Terry Amerine, Clinical Operations Director | | Y |
| Medical Director | Ian Rabinowitz, MD | | N/A |
| Human Resources | | | N/A |
| Compliance | Stanton Royce, Manager Clinical Therapy Programs | | Y |
| Fiscal | Anthony Masciotra, CFO | | Y |
| Official Approver | Russell Dilts, CAO | | Y |
| Official Signature | | | |
| Effective Date | | 11/21/05 | |
| Origination Date | | [Month/Year] | |
| Issue Date | Clinical Operations P&P Coordinator | [Day/Mo/Year] | |

ATTACHMENTS

None