

Last revised 6/30/17

Philadelphia Fire Department

Emergency Medical Services Charge-off Criteria

To accurately report the true state of our accounts receivable, the Philadelphia Fire Department (PFD) will begin charging off bad debt accounts, allowing PFD to focus on those that are viable and active. This guideline establishes a practice that will allow a clear and consistent method to be applied by PFD billing and collections agency under the direction of the Fire Department Fiscal Officer. PFD will recommend annual charge-offs based on the below schema to the City of Philadelphia Revenue Department and will use the schema to inform the end-of-year Accounts Review Panel discussion on PFD charge-offs. Recommended charge-offs represent accounts deemed uncollectible. These accounts will be reviewed on a monthly basis using a 365 day format and the criteria below.

Only accounts that are over 365 days old will be considered. Identification of accounts will occur on a monthly basis, but official charge-offs will occur once a year through the City of Philadelphia Accounts Review Panel.

For those items older than 365 days, accounts will be identified for charge-off if:

- no payments have been received, no insurance invoices sent, or no appeals have been filed on the account
- and 60 days of inactivity has passed.

Charge off recommendations will include all types of aged¹ accounts: all insured accounts (Medicare, Medicaid, private third party, workers compensation, automobile insurance), self-pay, and uninsured.

Charge off recommendations will include aged accounts involving circumstances precluding an account's ability to remit payment include death, bankruptcy, or financial hardship. These accounts will be charged off upon receipt of supporting documents in the form of a death certificate, bankruptcy discharge, or hardship discount approved by the Tax Review Board of Appeals.

Charge off recommendations will include all aged accounts carrying a balance of \$10 or less.

Charge off recommendations will include all aged accounts involving invalid demographics that have resulted in repeated failed attempts to contact the client, with all avenues to obtain correct demographics have been exhausted.

¹ "Aged" is defined as an account over 365 days old.

Bad Debt / Invalid Demographics Criteria

| | | |
|-------------------------------------|----------------------|---|
| Min Account Age | 365 | <i>days (Date Entered)</i> |
| No Patient Invoice Sent For | 60 | } Include/Exclude "Recent Activity", account age will vary |
| No Payment For | 60 | |
| No Insurance Invoice Sent For | 60 | |
| No Appeal Filed For | 60 | |
| Include Self Pay | Yes | } Include/Exclude by insurance type (Medicare, Medicaid, Liability) |
| Include Private Insurance | Yes | |
| Include Medicare | Yes | |
| Include Medicaid | Yes | |
| Include Workers Comp | Yes | |
| Include Auto Insurance | Yes | } Include/Exclude by patient status, medical necessity, residence, other write off policies |
| Exclude Deceased/DOA | Yes | |
| Bankruptcy | Yes | |
| Approved Hardship Discounts | Yes | |
| Exclude Not Medically Necessary | No | |
| Exclude Patients In District | No District - Philly | } Included/Exclude by patient's age or balance on account |
| Min Balance on the Account | \$10 | |
| Min Patient Age | N/A | |
| Max Patient Age | N/A | } Returned Mail, Bad Demographics, age limitations (Collections or Bad Debt) |
| Returned Mail/No Update | Invalid Demo | |
| Bad Demographics (Unknown/Homeless) | Invalid Demo | |