

STATE OF MARYLAND  
DEPARTMENT OF HEALTH AND MENTAL HYGIENE

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Executive Director

Stephen Ports  
Principal Deputy Director  
Policy & Operations

Gerard J. Schmith  
Deputy Director  
Hospital Rate Setting

John J. O'Brien  
Deputy Director  
Research and Methodology

**HEALTH SERVICES COST REVIEW COMMISSION**

4160 PATTERSON AVENUE · BALTIMORE, MARYLAND 21215

AREA CODE 410-764-2605

FAX 410-358-6217

Toll Free 888-287-3229

Web Site: <http://www.hscrc.state.md.us/>

**URGENT**

**MEMORANDUM**

TO: Chief Financial Officers

FROM: Robert Murray, Executive Director *R Murray*

DATE: December 8, 2008

RE: Hospital Credit and Collection Policy Survey

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As per the provisions of Health-General Article, §19-214.1, your hospital is directed to complete HSCRC's Hospital Credit and Collection Survey (attached) and to submit a copy of your hospital's credit and collection policy to the HSCRC. For your convenience, the survey will be placed on the HSCRC's website. A hard copy of the survey and the credit and collection policy may be submitted to me or may be e-mailed to Amanda Greene at [agreene@hscrc.state.md.us](mailto:agreene@hscrc.state.md.us).

The survey and a copy of your hospital's credit and collection policy will be due in the HSCRC's offices on or before December 22, 2008.

If you have any questions concerning the above, you may contact Dennis N. Phelps, Associate Director-Audit & Compliance at (410) 764-2565.

**GENERAL INFORMATION**

**HSCRC Hospital Credit and Collection Policy Survey**

Hospital Name: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Contact Number: \_\_\_\_\_  
 Contact Email: \_\_\_\_\_

**INTERNAL HOSPITAL COLLECTION POLICY**

	45-59	60-89	90-119	120+	15	15
A1	YES	4	NO	11	15	15
A2	YES	45	NO	1		
A3	YES	0	NO	46		
A4	YES	32	NO	14		
A5	YES	46	NO	0		
A6	YES	9	NO	37		
A7	YES	21	NO	25		

- A1 If a patient gives no response to the hospital's collection efforts, when does the hospital refer the account to a collection agency (in days)?
- A2 If a patient agrees to a reasonable collection plan with the hospital, does this stop the timing cycle for referring a patient's account to a collection agency?
- A3 Does your hospital charge interest for payment plans for accounts in active AR? If yes, please provide detail including rates and terms.
- A4 Does your hospital bill include the following or a similar statement? "This bill is only for hospital services. You should expect a separate bill from your physician."
- A5 Do you have a single phone number on the hospital bill that a patient can call to get their questions answered?
- A6 If a patient has a history of previous non-payment, is the credit and collection process different? (e.g., immediate write-off to bad debt, commence full billing cycle?)
- A7 If your hospital determines that a patient qualifies for reduced-cost care under the hospital's financial assistance policy, is the hospital's internal collection policy different (yes/no)? If yes, please explain.

**EXTERNAL COLLECTION POLICY**

- B1 How is the account classified once it moves to a collection agency? (e.g., bad debt?)
- B2 While a debt is at a collection agency, is the debt permitted to be noted on a patient's credit report? If yes, please provide details (when noted on credit report, how long, etc.).
- B3 Who determines when an account should be considered uncollectible? (i.e., collection agency? Hospital?) After what period of time? (in days)
- B4 When an account is determined to be uncollectible, how does the hospital classify the account? (e.g., bad debt?)
- B5 Who determines whether or not a patient has assets available to satisfy outstanding debt? (i.e., collection agency? Hospital?)
- B6 Is your collection agency authorized to pursue legal judgements? (e.g., garnishment of wages, Lien on assets - undertaken by hospital? Collection agency?) If assets are determined to be available and sufficient to satisfy either in part or in whole the outstanding debt and the patient has not responded to phone calls and letters, what steps are taken? Please provide details if necessary.
- B7 Does your hospital charge interest for accounts in bad debt collections? If yes, please provide detail including rates and terms.
- B8 In what circumstances will the hospital execute a legal judgment? Please provide example.

45 = Bad Debt: 1 = AR Fully Reserved	NO	1
YES		
Hospital	30	16
Collection Agency	18	25
Both		3
46 = Bad Debt: 1 = Charity		
Hospital	13	24
Collection Agency		14
No Answer	YES	NO
YES	3	22
NO	11	34
Details		

B9 If your hospital determines that a patient qualifies for reduced-cost care under the hospital's financial assistance policy, is the hospital's external collection policy different (yes/no)? If yes, please explain.

No Answer	YES	NO
	1	8
		36

**OTHER CREDIT/COLLECTION INFORMATION**

C1 Does your hospital expend funds to enroll patients eligible for insurance coverage in such programs? If yes, please provide names of programs or products? If yes, how much does your hospital spend (total amount)?

YES	NO	Amount Spent (\$)	Average Amount Spent\$
37	9	\$9,082,867.81	\$197,455.82

C2 What percentage of cases get turned over to a bad debt collection agency? Please use the following formula to calculate:  
 # of cases to bad debt collections/total number of cases

Average % of cases sent to Bad Debt Collection Agency  
 17.51% out of 37 hospitals

C3 What percentage of cases go to legal action? Please use the following formula to calculate:  
 # of cases to legal action/total number of cases

10 # of hospitals less than 1%  
 5.03% out of 31 hospitals