**To: Maryland Hospital’s Chief Financial Officers**

**From: Dennis Phelps, Deputy Director, Audit & Integrity**

**Date: October 26, 2023**

**Re: FY 2023 Supplemental Debit Collection and Financial Assistance Filing Guidance #2**

In response to inquiries from hospitals and other interested parties, the HSCRC is providing the following additional guidance for completing the 2023 Debit Collection and Financial Assistance (DCFA) Filing. **This memorandum is in addition to FY 2023 Supplement Debt Collection and Financial Assistance Filling Guidance published on September 19, 2023.**

**Tab 2 – Financial Assistance**

*Line 13a-f, Column 1:*

1. Should this include patients who were prospectively approved for Financial Assistance but do not yet have charges classified?

***Additional Guidance:***If you are referring to patients who have been pre-approved for financial assistance, but their incurred charges have not been classified as bad debt, the answer is **No**.

**Tab 4 – Debt Collection**

*Line 17, Column 1:*

1. Should the number of patients against whom the hospital has reported or classified a bad debt include patients whose accounts were marked as a bad debt in the system without any actions taken against them yet, or should this only include patients against whom actions have been taken to collect a bad debt?
2. Does action mean taken to court or just sent to a collection agency?

***Additional Guidance:***If the patient has been classified (regardless of whether action was taken against them), they are reported.

*Line 18, Column 1:*

1. The additional guidance provided by the HSCRC indicates that "this number should include all patients, not just those added in FY2023." Are we correct to assume this number should be calculated as the total patients seen in FY2023, less the number reported in Line 18? If not, what is the time period for "all patients?"

***Additional Guidance:*** The answer is **Yes**. It is the total number of patients in FY 2023 less the number reported on Line 17.

*Line 19 Column 1:*

1. Is this just the payor’s portion of all of what was written off to bad debt during the fiscal year? I’m taking the second bullet that says ‘not just those added in Fy23’ to mean that we report any bad debt on the financial statement in FY23 even if it **is** related to accounts from prior years.

***Additional Guidance:***The answer is **No**. This represents the out of pocket and payor portion. Only report charges for services discharged in the reported fiscal year.

1. Is the intention of this to report the charges that correspond with the patients reported as having a bad debt in Line 17? Especially for patients seen towards the end of the fiscal year, there may be charges that have not been collected but would not yet be considered a bad debt.

***Additional Guidance:***If the patient was not included in Line 17, he/she should not be included.

1. How should charges be treated for patients with a bill that crosses fiscal years (e.g., service from 6/15/23 to 7/15/23)?

***Additional Guidance:***The charges should be included based on the patient’s discharge date.

1. Should this include the out-of-pocket charges reported in Line 20?

***Additional Guidance:***The answer is **Yes**, and should be based on the patient’s discharge date.

*Line 20 Column 1:*

1. Same thought as the above but this is meant to be only the self-pay portion of the report bad debt write offs for insured patients?

***Additional Guidance:*** The answer is **No**. This represents the out of pocket and payor portion. Only report charges for services discharged in the reported fiscal year***.***

1. There will be charges not yet adjudicated by insurance; therefore, it will not be known whether they are out-of-pocket. How should these charges be handled?

***Additional Guidance:*** The answer is **No**. Do not include charges until costs are certain.

1. Should charges reported in this line include only those related to patients treated in FY2023?

***Additional Guidance:***The answer is **Yes**.

*Line 21 Column 1:*

1. Is this the uninsured self-pay portion of bad debt write offs reported in the fiscal year?

***Additional Guidance:***The answer is **Yes**.

*Lines 21 & 22, Column 1:*

1. Some patients who have insurance will have a self-pay balance because the hospital is out of network or because they chose not to use their insurance. Should these balances be included in lines 21 and 22?

***Additional Guidance:*** If the insurance does not pay the full balance, the total charges should be reported in Line 19 and 20. If insurance is not used, charges should be reported 21 and 22.