

DEBT RECOVERY AND WRITE-OFF POLICY®

DOCUMENT SUMMARY/KEY POINTS

- The Sydney Children's Hospitals Network (SCHN) as part of the NSW Health System, and as a Government Agency, is committed to NSW Ministry of Health's PD2005_522 "Group Services / Commercialisation Policy - Revenue Policy, Revenue Standard" https://www1.health.nsw.gov.au/pds/ActivePDSDocuments/PD2005_522.pdf in managing the Network's patient-related revenue and debt recovery functions.
- This policy will govern the operations of debt recovery and write-offs at The Sydney Children's Hospitals Network and sets out the responsibilities of the Transactional Services Department and HealthShare NSW.
- Patient-related debtors at the Sydney Children's Hospital [SCH] are currently managed by South Eastern Sydney Local Health District [SESLHD].

CHANGE SUMMARY

- New SCHN document
- Replaces CHW document: [1/A/15:9053-01:00] **Debt Recovery & Write Off** (due for mandatory review).
 - Updated in line with current practices
 - Multiple changes, all sections altered

READ ACKNOWLEDGEMENT

- All SCHN staff with responsibility for revenue should read and acknowledge they understand the contents of this policy.

This document reflects what is currently regarded as safe practice. However, as in any clinical situation, there may be factors which cannot be covered by a single set of guidelines. This document does not replace the need for the application of clinical judgement to each individual presentation.

Approved by:	SCHN Policy, Procedure and Guideline Committee	
Date Effective:	1 st October 2018	Review Period: 3 years
Team Leader:	Manager Transactional Services	Area/Dept: Finance

Policy Aim

As an important part of its recurrent funding, SCHN is reliant upon revenue raised through the billing for goods and services provided to privately insured patients, Medicare Ineligible patients, self-funded patients, compensable patients and also to other third parties who consume the services of the Network.

The process for the issue of invoices for services rendered by the Network is primarily centralised, noting that patient-related debtors at the Sydney Children's Hospital are currently managed by South Eastern Sydney Local Health District.

Accordingly, SCHN has established a Transactional Services Department which has responsibility for the billing, receipting and recovery of debts on behalf of the Hospital. SCHN has implemented Medicare Australia's online claiming product called ECLIPSE (Electronic Claims Lodgement and Information Processing Service Environment). Acknowledgement of claims lodged for outpatient services (bulk billing) is usually received within 48 hours. Acknowledgement of claims for inpatient services (simplified billing) is usually received within 3-5 days for participating health funds.

A response is expected from health funds within 28 days for patient-related accommodation services.

HealthShare has been engaged to deal with the Network's sundry debtor invoicing and initial debt recovery.

This policy is intended to address the issue of debt recovery and provide guidance to all persons involved in issuing invoices and recovering monies on behalf of the Network.

Policy Statement

The Chief Executive resolves that:

1. The Transactional Services Department is responsible for all debt recovery for CHW. Any debts to be recovered on behalf of the Hospital should be referred to the Transactional Services Department.
2. The Transactional Services Department may use the debt recovery services of HealthShare but must retain the ultimate responsibility for debt recovery and writing-off outstanding debt for SCHN sundry debtors.
3. The Transactional Services Department must develop procedures and guidelines for the management and recovery of the Hospital's debtors.
4. In accordance with Network guidelines, the Transactional Services Department may use the services of external debt collection agencies to recover monies owed by outstanding debtors.

Procedures & Guidelines

There is a requirement to differentiate between debt raised incorrectly, an adjustment, and debt raised which is uncollectable, a write-off.

The following guidelines are to be observed when managing debtors and debt write-offs:

1. The Transactional Services Department manages the patient-related debtors by sending up to first, second and third reminders, including telephone contact after each reminder, for outstanding debts. A final notice is then sent if required.
2. HealthShare manages the Network's sundry debtors by sending up to first, second, third and fourth reminders for outstanding debts.
3. HealthShare will submit a monthly report on outstanding sundry debts in excess of 75 days to the Transactional Services Manager for follow up and action.
4. Subject to paragraphs 1 & 2 above, all unrecovered debts of up to \$100 value per account are to be submitted by the Transactional Services Manager for write-off in accordance with the Network's delegations manual.
<http://webapps.schn.health.nsw.gov.au/epolicy/policy/3965>
5. Subject to paragraphs 1 & 2 above, the Transactional Services Manager must review all unrecovered debts of greater than \$100 value to decide on whether the debt should be referred to SCHN contracted debt recovery agency or recommended for write-off.
6. The Transactional Services Manager shall submit their recommendation to the Associate Director of Finance for writing-off unrecovered debts, including Staff Specialist Level 1 billing, in accordance with the Network's delegations manual.
7. All outstanding debts for Staff Specialist Level 2 – 5 billing will be referred to the individual Specialist for write-off approval.
8. All outstanding debts for Sundry debtor billing will be referred to the individual invoice requestor for write off approval.
9. Engaging debt collection agencies must be done in accordance with the Hospital and NSW Health Goods & Services Procurement Policy Manual.
<http://webapps.schn.health.nsw.gov.au/epolicy/policy/2737>

The following guidelines are to be observed when managing SCHN's debtors and debt adjustments:

1. The Transactional Services Department identifies a debt adjustment where an invoice has been raised incorrectly.
2. An adjustment is requested, and is subject to authorisation by a delegated officer, according to an established authority level.
3. Adjustments are monitored regularly by the Transactional Services Manager or their delegate.

Policy Review

This policy will be reviewed at such times as deemed necessary by the Chief Executive and Finance Department but at least once every three years.

Related Information

- NSW Ministry of Health PD2005_522 “**Group Services / Commercialisation Policy - Revenue Policy, Revenue Standard**”
https://www1.health.nsw.gov.au/pds/ActivePDSDocuments/PD2005_522.pdf
- **Goods and Services Procurement**
<http://webapps.schn.health.nsw.gov.au/epolicy/policy/2737>
- **Delegations Manual – SCHN**
<http://webapps.schn.health.nsw.gov.au/epolicy/policy/3965>

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