



COUNTY OF EL DORADO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject: COLLECTIONS - RECOVERY OF PUBLIC FUNDS	Policy Number B-4	Page Number: 1 of 12
	Date Adopted: 12/13/1988	Revised Date: 09/24/2002

1. BACKGROUND:

The Board of Supervisors recognizes Article XVI, Section 6 of the California Constitution prohibits a gift of public money or a thing of value to another governmental entity, private individual or association, and that all property held under the County's care and control is in trust for the people of the State of California.

The Board further recognizes, as part of the County's fiduciary duty to safeguard the property and monies held in public trust, the importance that the County enforce just and legal obligations by efficient collection practices within its departments.

It is also recognized that equity and practicality are important factors depending upon the circumstances of a given matter, and collections efforts made without concern to these aspects may result in expending additional public funds in an uneconomical or unjust manner.

In view of the foregoing concerns, the Board of Supervisors adopts the following policy guidelines regarding collection of just and due obligations for services or assistance rendered by the County.

2. POLICY:

RECOVERY OF PUBLIC FUNDS

1. Priority

Collection of just and legal obligations and debts owing the County is a high priority concern to the Board of Supervisors. Departments and officers of the County are to prioritize collection of any obligations within their department according to this policy.



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2. Scope of Policy

This policy shall apply to collections for all services and/or assistance provided by County employees or officers, except for state or federally regulated assistance programs, such as Aid to Families With Dependent Children (AFDC) and Food Stamp programs, or such other debts or obligations for which a specified collection procedure exists under state, federal or local laws, statutes or regulations. Community Service Areas (CSA) Nos. 3 and 7 ambulance service debts shall be processed as set forth in Paragraph 4.

This policy supercedes all County policies, procedures or regulations which conflict with the policy expressed herein.

This policy expressly does not supercede those debts and obligations for which a collection procedure is otherwise specified by law, for example, the billing and collection of real property taxes or the course of action required in the event of non-payment.

3. Billing and Timely Referral for Collection Action

- a. Departments are directed to bill the recipient of any services or monies for which an obligation to repay the County is incurred as soon as possible or within thirty (30) days from the date such services or monies are provided.
- b. If not paid within thirty (30) days from the initial billing, a second billing, which indicates in bold type it is the second billing and requests immediate payment, should be prepared and sent out.



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- c. If not paid within sixty (60) days from the date of providing County services, the department shall refer the case to the County Counsel for legal proceedings to enforce the obligations.

4. CSA Nos. 3 and 7 Ambulance Billing

Due to the complex nature of the Health Care Industry and associated billing for related services, the Ambulance Billing Department utilizes a claims processing procedure based upon the patient's payer type. Each payer type requires a unique claims process and time frame. When patient's contract with a combination of payer types, the claims process must be extended to accommodate a claim submission to each payer and a prescribed amount of time for repayment.

Therefore, the following policy establishes guidelines that will address the billing process, collections and bad debts for the CSA #3 and CSA #7 Ambulance Billing Department.

A. Major Payer Types

The following are recognized as the major payer types for ambulance services:

1. Patient (Uninsured)
2. Medicare
3. Medi-Cal
4. Private Health Insurance
5. Worker's Compensation (work related injuries)
6. Third Party Liability (auto accidents)



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It is important to note that patient's may present many combinations of payer types (combinations of Medicare, Medi-Cal, Private Insurance, Worker's Compensation and Third Party Liability, i.e., auto insurance). Although specific rules apply to identify the primary payer when multiple insurance carriers are presented failure to identify the correct primary payer will extend the billing process; additionally, the number of insurance carriers presented will have a direct bearing on the billing time-frame.

B. Billing and Timely Referral for Collection Action

1. Ambulance Billing is directed to bill the recipient of ambulance services for which an obligation to repay the County is incurred as soon as possible or within fifteen (15) days of the date of service.
2. Subsequent billings and referral for collection enforcement care guidelines based on the various payer types and as follows:

Patient Payer:

1 st Invoice	15 days
Final Invoice (10 days to pay)	45 days
Review Action	55 days
Referral for Collection Enforcement	70 days



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Medicare Only Payer:

1 st Invoice	15 days
Review claim - Tracer Sent	60 days
Denial Received (prompts review)	60 days (est)
2 nd Denial (prompt patient billing)	90 days (est)
Patient Final Invoice (10 days to pay)	120 days
Review Action	130 days
Referral for Collection Enforcement	145 days

(Ambulance billing is authorized to write-down that amount over and above the Medicare allowable amount for covered benefits if Medicare pays)

Medicare with One Supplemental Private Health Insurance:

1 st Invoice	15 days
Review claim - Tracer Sent	60 days
Denial received (prompt a claim review)	60 days
2 nd Denial (prompts billing to patient & insurance)	90 days (est)
Final Invoice Patient (10 days to pay)	120 days
Review Action	130 days
Referral for Collection Enforcement	145 days

Medi-Cal Only (Excluding Scheduled Transports):

1 st Invoice	15 days
Review claim - Tracer Sent	60 days
2 nd Review, send a 2 nd Tracer	90 days
Review and re-submit claim information	110 days
Referral for Collection Enforcement	150 days

If patient has a Medi-Cal share of cost (SOC-a specified amount for which the patient is financially responsible each month), billing will transfer to a



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patient pay account until the SOC is paid and will then revert back to a Medi-Cal billing.

If patient has no SOC, Medi-Cal only patients cannot be billed unless the service is deemed not medically necessary by Medi-Cal; the patient then becomes responsible for all costs incurred. If Medi-Cal pays, Ambulance billing is authorized to administratively write-off the amount over and above the Medi-Cal allowable amount. This claim cannot be referred for collection enforcement unless the service is deemed not medically necessary at which time the patient becomes financially responsible.

Scheduled transports for Medi-Cal patients require an approved Treatment Authorization Request Form prior to submitting the initial invoice. This process may add up to thirty (30) additional days to the billing process.

Medicare/Medi-Cal (Excluding Scheduled Transports):

1 st Invoice to Medicare	15 days
Review claim and sent a Tracer	60 days
Denial received (prompts claim review)	60 days (est)
2 nd Denial (prompts billing of Medi-Cal)	90 days
Review claim and send a Tracer	135 days
2 nd Medi-Cal Denial (prompts a 1 st Appeal)	200 days
If denied, forward to Claims Rec. Serv.	
Referred Bad Debt	210 days

If patient has a Medi-Cal share of cost (SOC) billing will transfer to a patient pay account until the SOC is paid and will then revert back to a Medi-Cal billing.



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If patient has no SOC, patient cannot be billed unless the service is deemed not medically necessary by Medi-Cal; the patient then becomes responsible for all costs incurred. If Medi-Cal pays, Ambulance billing is authorized to administratively write-off the amount over and above the Medi-Cal allowable amount.

If Medi-Cal pays on the claim and the payment is more than Medi-Cal will allow, Ambulance Billing is authorized to administratively write-off the Medi-Cal uncollected balance.

Worker's Compensation:

1 st Invoice	15 days
Review Action	60 days
Referral for Collection Enforcement	90 days

(Collection Enforcement is initiated only when a determination has been made that the services did not result from a work related injury.)

Worker's Compensation has sixty (60) days to approve or deny a claim. A Worker's Compensation denial will transfer the billing process to a third party payment type (employer). The patient cannot be billed until both the employer and Worker's Compensation have both denied the claim as a non-industrial related injury (follows and appeal process).

Third Party Liability:

1 st Invoice to Insurance or Patient	15 days
Final Patient Invoice (10 days to pay)	45 days
Review Action	55 days
Referral for Collection Enforcement	70 days



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Patients must resolve litigation matters (i.e., auto accidents) outside of this billing process as such legal action may take years to settle. The patient will be held responsible for payment.

Private Insurance (No supplemental Insurance):

1 st Invoice to Insurance Company	15 days
Patient Courtesy Notice of Insurance Billing	15 days
Final Notice (Patient)	45 days
Review Action	55 days
Referral for Collection Enforcement	70 days

If the patient has supplemental insurance, the time-frame for processing this type of claim must be multiplied by the number of supplemental insurance carriers.

C. Periodic Payment Agreements:

Periodic payment agreements shall be based upon a written agreement providing for the entire debt to be paid within twelve 12 months from the date of provision of services. A failure of a debtor to make two (2) periodic payments under a repayment agreement, either consecutive or intermittent, is to be referred for collection enforcement. At the conclusion of twelve (12) months from the date of service, if the entire debt is not paid, the account will be referred for collection enforcement.

5. **Standardized Referral Forms**

Due to the increasing volume of collection matters, all departments shall utilize standardized referral forms, lien forms and repayment agreements approved by County Counsel unless otherwise required by state or federal regulation. The



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applicable forms should be filled out completely concerning any matter to be referred for collection.

6. Liens

Department shall ensure that lien forms should include a date of birth and driver's license number in addition to the Social Security number. The name and signature on the lien form should be typed and include the full and complete name, be legible, and include a middle name, if applicable.

7. Notice of Bankruptcy

Any department receiving oral or written notice that a debtor of the County has filed an action or proceeding in bankruptcy of any type should immediately refer the case to County Counsel and seek advice since federal bankruptcy law usually imposes an automatic stay upon further collection efforts unless an exception to the stay provision is obtained.

8. Periodic Payment Agreements

Unless otherwise provided for or required by law, no periodic payment agreements for obligations or debts owed the County shall be entered into by a department or County officer without review and approval as to form by County Counsel. Repayment agreements unless otherwise provided for by law or a previously approved agreement, should be based upon repayment with a twelve (12) month period from the date of provision of services or assistance by the County. A failure of a debtor to make two (2) periodic payments under a repayment agreement, either consecutive or intermittent, is to be referred for collection enforcement. Further reinstatement upon a periodic repayment agreement shall be in the



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discretion of and upon such terms and conditions as may be required by the Collections Officer.

9. Implementation

Each department to the extent permitted by law shall review its internal policies and practices to ensure consistency with this policy and to avoid further services or assistance to those currently owing repayment or in default of an obligation to the County.

10. Rates, Fees and Charges

Obligations shall be calculated at the rates, fees and charges established by law or by Board of Supervisors action at the time the obligation was/is incurred. Collection of the full amount of legal obligations shall be accomplished to the greatest extent practicable, taking into account the totality of circumstances relating to any particular case, including but not limited to, practicality of enforcement and the best interests to the public. For matters in litigation or pending litigation, County Counsel shall have authority to resolve any collection matter less than twenty-five thousand dollars (\$25,000.00) upon determination that such action is in the best interests of the public.

11. Joint and Several Obligations

It shall be the County policy that obligations imposed by law as "joint and several" shall be enforced accordingly, i.e., where the law specified one or more parties are responsible for payment of an obligation, no "splitting" is to be utilized and the debt is to be enforced fully against each and every party until paid.

12. Probation "In Re Gerald C" Matters



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- a. For purposes of collection of charges arising out of juvenile matters pursuant to Welfare and Institutions Code Section 900, et seq., where no court order has been entered, the County Administrative policy shall be to adopt the statute of limitations period for those matters where the obligation is founded upon statute, i.e., three (3) years, or as may otherwise be provided for by law. Collection of matters for which enforcement is barred by the applicable statute of limitations should be administratively discharged by the department.
- b. Unless otherwise provided for by law or this policy, the rate used to calculate the amount obligated to be repaid by responsible parties shall be that rate established and in effect at the time the obligation is incurred. For matters which have proceeded to judgment, the judgment amount together with any additional charges or fees is the amount of the obligation. For matters which are in litigation or pending litigation, the established rate may be adjusted to conform to law or the sufficiency of proof.

13. Welfare

Prior to referral of cases for reimbursement of County General Assistance (GA) administered by the County Welfare Department, the Welfare Department shall determine whether the recipient possesses sufficient assets so as to give rise to a County claim for reimbursement. Prior to referral, the Department shall also make written demand for repayment upon the recipient and report the response of its demand by the recipient as part of the referral.

14. Discharge of Debt - Write - Offs



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Absent a judgement or written agreement between the County and a debtor to the contrary, payments shall be credited as to debts first incurred and legally enforceable and thereafter to subsequent obligations accrued against a debtor.

After consultation and concurrence with County Counsel, a department may determine that a recipient of aid services or assistance rendered by County is unable to provide reimbursement and prepare for Board of Supervisors a resolution discharging those particular cases or debts. The County Counsel through its Collections Officer may develop and implement guidelines to be applied on a case by case basis for determining whether prosecution of a collection action would result in an uneconomical expenditure of additional public funds.

For all matters involving actual or potential collection litigation and debt amounts less than twenty-five thousand dollars (\$25,000.00), County Counsel shall have authority to proceed or not proceed with litigation or compromise and discharge/release the debt.

Primary Department: Office of the County Counsel

References: California Constitution Article XVI