	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN071	
		<i>Effective Date</i>	02-01-97	
	<i>Subject</i>	RETURNED CHECKS AND UNIDENTIFIED PAYMENTS	<i>Page</i>	1 of 5
			<i>Revised</i>	2/5/08

POLICY

This policy applies to The Johns Hopkins Health System Corporation (JHHS) and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center, Inc. (JHBMC), Johns Hopkins Community Physicians (JHCP) and Johns Hopkins Home Care Group (JHHCG).

Purpose

The purpose of this policy is to describe the responsibilities and procedures of the Patient Financial Services Department (at JHCP, the Cash Application Unit) for the proper processing of returned checks and unidentified payments.

Definitions

Returned Checks: Checks that have been received by a JHHS affiliate from a third party or patient and deposited and that are returned by the bank of deposit for reasons such as nonsufficient funds, account closed, etc.

Unidentified Payments: Payments received by a JHHS affiliate from a third party or patient that do not identify the patient or the patient's account for which the payment was intended, or which were sent in error to the receiving affiliate.

Returned Check Fees

Each affiliate will determine the appropriate fee to be charged to Patient Financial Services for processing checks returned by the bank for any reason, including insufficient funds, closed account, etc. Publicly displayed signs at all cashier locations and notices on billing statements will advise responsible parties of JHHS's policy regarding returned checks and of any fees to be assessed whenever a check has been returned by the bank.

Suspense or Unapplied Cash Accounts

Unidentified payments are recorded in the Suspense Account (at JHCP, and JHHCG the Unapplied Cash Account), pending research and disposition of payments. This account is reconciled monthly. Payments are resolved within ninety (90) days from the date the initial letter is sent or initial telephone contact is made from the affiliate requesting more information about the payment. At JHH and JHBMC, unresolved deposits are transferred to the Miscellaneous Cash account and monitored by General Accounting.


REFERENCE

JHHS Finance Policies and Procedures Manual

Policy No. FIN043 - Central Cashiering

Policy No. FIN073 - Point of Service Cashiering

JHCP Credit and Collection Manual

	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN071
		<i>Effective Date</i>	02-01-97
	<i>Subject</i>	<i>Page</i>	2 of 5
	RETURNED CHECKS AND UNIDENTIFIED PAYMENTS	<i>Revised</i>	2/5/08

RESPONSIBILITIES

Supervisor, Cashier Function	Receive returned checks from depository bank and give to Cash Distribution Clerk for processing.
Cash Distribution Clerk (Cash Application Specialist, JHCP)	Log information, research patient name and number, and prepare documentation for reversal of Cash and Accounts Receivable.
Cash Control Clerk, JHH and JHBMC	Charge patient's account for returned check fee add batch work. Deliver to Data Entry personnel for processing. Record unidentified payments in Suspense Account, research and determine disposition. Identify patient and prepare documents to post payment or refund to payer. If patient remains unidentified, transfer payment to Miscellaneous Cash and reconcile Suspense Accounts Daily.
Cash Application Specialist, JHCP	Charge patient's account for returned check fee and batch work for processing. Enter returned check/unidentified payment information into automated system.
General Accounting	Record unidentified payments in Unapplied Cash Account. Research and determine disposition. Identify patient and prepare documents to post payment or refund to payer.

SPONSOR

Senior Director of Patient Financial Services (JHH, JHHS, JHBMC)
Cash Manager (JHCP)
Director of Reimbursements (JHHCG)


CYCLE REVIEW

Three (3) years

APPROVAL

President, JHHS/JHH

Date

	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN071
		<i>Effective Date</i>	02-01-97
	<i>Subject</i> RETURNED CHECKS AND UNIDENTIFIED PAYMENTS	<i>Page</i>	3 of 5
		<i>Revised</i>	2/5/08

PROCEDURES - JHH & JHBMC

A. Returned Checks

1. Supervisor, Cashier's Office
 - a. Receive returned checks from the depository bank and give them to the Cash Distribution Clerk for processing.

2. Cash Distribution Clerk
 - a. Log information in the Returned Items logbook and research for patient name and number associated with the check.

 - b. Complete the Paid Out form to reverse the cash entry in the Cash Book System; complete the Transfer Form to reverse the payment in the Accounts Receivable system; sign and distribute the forms.

 - c. Notify the Senior Cash Control clerk of the returned check amount; batch the work and deliver to Data Entry for processing.

B. Unidentified Checks


1. Cash Control Clerk
 - a. Record unidentified payments in Suspense account; research and determine disposition of payment.

 - b. Research Suspense Account daily to determine identity of patient and identify any open account balances at each affiliate, as appropriate. As may be necessary, call or send two letters at thirty-day intervals to check's maker to discover patient identity and resolve issue within sixty days of deposit.

 - c. If patient's identity is determined, prepare documentation to:
 - 1) post payment to the affiliate patient's account, or
 - 2) initiate remittance withdrawal/refund to maker for another affiliate's or hospital's patient.

 - d. If patient's identity is not determined within thirty days of second letter of inquiry, transfer payment to Miscellaneous Cash account which is monitored by General Accounting.

 - e. Reconcile the Suspense Account on a daily basis.

	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN071
		<i>Effective Date</i>	02-01-97
	<i>Subject</i> RETURNED CHECKS AND UNIDENTIFIED PAYMENTS	<i>Page</i>	4 of 5
		<i>Revised</i>	2/5/08

PROCEDURES – JHCP

A. Returned Checks

1. Supervisor, Cash Function
 - a. Receive returned checks from the depository bank and give them to the Cash Application Specialist.
2. Cash Application Specialist
 - a. Research for patient name and number associated with the check.
 - b. Batch check copies and post to system.


B. Unidentified Checks

1. Cash Application Specialist
 - a. Research unapplied cash and determine disposition of payment.
 - b. Determine identity of patient and identify any open account balances. As may be necessary, call or send follow-up letter to check's maker to discover patient's identity and resolve issue within ninety days of initial inquiry.
 - c. If patient's identity is determined, prepare documentation to :
 - 1) Post payment to the patient's account, or
 - 2) Initiate remittance withdrawal/refund to maker for another affiliate's or hospital's patient.
 - d. If patient's identity is not determined with ninety days of the initial inquiry, transfer payment to Miscellaneous Income Account, which is monitored by General Accounting.

PROCEDURES - JHHCG

A. Returned Checks

1. Accounting
 - a. Receive returned checks from the depository bank and give them to the Cash Application Specialist.
2. Cash Application Specialist
 - a. Research for patient name and number associated with the check.
 - b. Batch check copies and post to system.
 - c. Give a copy to Collections Supervisor.

	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN071
		<i>Effective Date</i>	02-01-97
	<i>Subject</i> RETURNED CHECKS AND UNIDENTIFIED PAYMENTS	<i>Page</i>	5 of 5
		<i>Revised</i>	2/5/08

B. Unidentified Checks

1. Cash Application
Specialist

- a. Research unapplied cash and determine disposition of payment.
- b. Determine identity of patient and identify any open account balances. As may be necessary, call or send follow-up letter to check's maker to discover patient's identity and resolve issue within ninety days of initial inquiry.
- c. If patient's identity is determined, prepare documentation to:
 - 1) Post payment to the patient's account r
 - 2) Initiate remittance withdrawal/refund to maker for another affiliate's or hospital's patient.
- d. If patient's identity is not determined within ninety days of initial inquiry, transfer payment to Miscellaneous Income account, which is monitored by General Accounting.