 JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN071
	<i>SUBJECT</i> RETURNED CHECKS AND UNIDENTIFIED PAYMENTS	<i>Effective Date</i>	01-22-09
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POLICY


This policy applies to The Johns Hopkins Health System (JHHS) Patient Financial Services (PFS) Department and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center (JHBMC), and Howard County General Hospital (HCGH).

PURPOSE

To describe the responsibilities and procedures of the Patient Financial Services Department 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 insufficient funds, account closed, etc.
- Returned Check Fees:** Each affiliate will determine the appropriate fee to be charged by 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 any fees to be assessed whenever a check has been returned by the bank.
- 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.
- Suspense or Unapplied Cash Accounts:** Unidentified payments are recorded in the Suspense Account, pending research and disposition of payments. These accounts are 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.

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REFERENCE

JHHS Finance Policies and Procedures Manual

Policy No. FIN043 - Central Cashiering

Policy No. FIN073 - Point of Service Cashiering

RESPONSIBILITIES

- | | |
|--|---|
| Supervisor, Cashier Function | Receive returned checks from depository bank and give to Cash Distribution Clerk for processing. |
| Cash Distribution Clerk | Log information, research patient name and number, and prepare documentation for reversal of Cash and Accounts Receivable. |
| Cash Control Clerk (JHH, JHBMC and HCGH) | Charge patient's account for returned check fee and 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. |

PROCEDURES – JHH, JHBMC & HCGH

A. Returned Checks


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| 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 documentation to reverse cash. Also prepare documentation for Return Check Fee, and deliver to Data Entry Department to process. |

B. Unidentified Checks

- | | |
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| 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, |
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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 (60) 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 (30) days of second letter of inquiry, prepare documentation to refund payer.
- e. Reconcile the Suspense Account on a monthly basis.


SPONSOR

Senior Director, Patient Finance (JHH, JHHS, JHBMC, HCGH)
 Senior Director of Finance (JHCP)
 CFO (JHHCG)

REVIEW CYCLE

Three (3) years

APPROVAL


 Vice President of Finance/CFO and Treasurer, JHHS

7-9-09
 Date