ADVENTIST HEALTH CARE, INC.

PATIENT FINANCIAL SERVICES BAD DEBT
WRITE OFF POLICY: AGENCY
BAD DEBT COLLECTION POLICY

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1. PURPOSE:

1.1. To describe the internal AHC process prior to accounts going to Bad Debt and being to Debt Collection agencies. Also, to define the Criteria and Process, for closure of business with former Collection Agencies.

1.2. To establish Guidelines and Procedure for Contracted Agent(s) engaged in Debt Collection Practices on behalf of Adventist Healthcare Corporation.

1.3. To describe the process for auditing AHC Bad Debt Accounts being held by Collection Agencies.

2. POLICY:

2.1. Patient Accounting will seek to resolve all patient balances in accordance with established guidelines. All patients that have a "self-pay" balance will receive Statement

Notices as follows:
2.1.1. Statement #1 = Maryland Summary Statement, with Financial Assistance Notice on back.

2.1.2. Statements # 2 – 5, Non-Medicare/Medicaid patients will receive a total of 4 additional statements, timed, every 30 days. Medicare/Medicaid patients will also receive a total of 4 additional statements, timed, every 30 days.

2.1.3. Phone Calls - in addition to the statements, phone calls are attempted by internal Customer Service Staff and or dialer in an attempt to collect the debt. During the conversation with the Debtor, PFS Staff will mention the opportunity to have the bill reduced if the debtor qualifies for AHC – Financial Assistance; see AHC – Financial Policy # 3.19 for details.

> 2.1.3a. Outbound phone calls may be interrupted if and when staffing levels are low to ensure proper coverage is handling inbound calls being received.
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> 2.1.3b. Technology assisted outbound calls may not run if technology is interrupted, upgraded or system updates.

2.1.4.PFS reserves the right to contract with "Outsource Vendors" to serve as an extension of the Central Business Staff. Outsource Vendors will follow the same process as internal staff to inform the debtor of the Financial Assistance offered by AHC.

2.2. If the debt remains unpaid after the fourth statement, the account will be referred to an external collection agency for recovery. However, management may elect not to send an account to an external agency if the anticipated cost of collection is considered extraordinary and exceeds the estimated collectability of the account.
In situations where referral to an external agency would result in excessive costs, management will review the account to determine whether the patient has received a sufficient number of statements to classify the balance as bad debt.

2.3. Collection Agencies, hired to collect Consumer Debt on behalf of Adventist Healthcare Corp. must be licensed in the State of Maryland to engage in the practice of Debt Collection.

2.4 The collection agency vendor will continue collection efforts on a patient account unless the patient files for bankruptcy or is confirmed to be deceased. Adventist HealthCare reserves the right to determine whether additional actions beyond the initial placement with the collection agency are warranted.