University of Connecticut
Health Center

JOHN DEMPSEY HOSPITAL

PATIENT FINANCIAL SERVICES
ORIGINAL EFFECTIVE DATE: 10/31/1981
REVISION DATE: 06/01/1995; 01/30/2008; 01/30/09; 09/01/09

MAJOR CLASSIFICATION: Patient Financial Services

TITLE: Write off policy

PURPOSE

This section of the Patient Financial Services Policy and Procedure Manual is intended to specifically define the policy for determining when an account is to be written off as a bad debt.

ORGANIZATION OF SECTIONS

A. Statement of Policy
B. Accounts Exempt from Write-Off Policy
C. Balances Not Submitted for Write-Off
D. Determination of Uncollectibility
E. Medical Authorization [*Audits*]
F. Preparation of Write-Off Batches/Approval Process [*Documentation/Forms required*]
G. Input of Write-Off Batches [*Approval Process*]
H. Reconciliation of Write-Off Batches [Final Disposition of Debt]
I. Non-Medicare Bad Debt Recovery [*Applying payments on Accounts Written Off*]
J. Medicare Bad Debt Recovery [*Applying payments on Accounts Written Off*]

A. STATEMENT OF POLICY

The process of recommending accounts for write-off is to take place only after all available resources for the collection of a debt for services have been exhausted. This collection process includes billing third party payers (insurance carriers, etc.) direct billing and dunning to the patient or guarantor, in-house collection activity (i.e.: phone calls, dunnings, small claims filing, etc.) as well as referral to outside collection agencies or to the Attorney General's Office if appropriate. Requests for write-offs in the category of medical authorizations [*and/or audits*] as designated in Section E of this policy are excluded from the aforementioned collection process.

B. EXCEPTIONS TO THE WRITE-OFF POLICY

1. **Balances less than or equal to $50.00.** [*Balances under $10.*]

2. Patient Deceased- No Estate: The self pay balance(s) of a patient who has expired where there Is verification that no estate exisits.

3. Bankruptcy: Where a patient/guarantor has filed and been declared bankrupt by the court.

4. Administrative Recommendation: Those accounts that have been recommended for write-off by the Hospital or Health Center Administration because of the medically sensitive situation or other unusual circumstance.

5. Verification of Charges: Where charges on a patient's bill cannot be substantiated in the medical records during the course of a third party charge audit.

6. Accounts with a credit balance after all efforts have been exhausted to resolve the balance.

C. BALANCES THAT ARE NOT TO BE SUBMITTED FOR WRITE-OFF ARE:

1. When the balance remaining after a third-party payment is a discount or a per diem adjustment. [*These amounts are not considered for write-off.*]

2. Medicare Part A deductibles and co-insurances that have been returned as uncollectible by the agency. These amounts are handled as a Medicare bad debt adjustment.

3. Any tax amounts exempt under ERISA or any federal law.

D. DETERMINATION OF UNCOLLECTIBILITY

An account becomes uncollectible when the patient or responsible party does not pay for the billed charges after a number of steps have been taken by Patient Financial Services to encourage payment.

[*For those in which the patient is responsible for the entire amount or a portion of the amount, the Collection Unit of Patient Services duns the responsible party. The dunning process is based on dollar due regardless of inpatient or outpatient service status.*]

The responsible party on any account, in which the patient portion falls in the range listed below has not been paid in full, receives during a ninety (90) day period [*at least the following:*]:

[*1. Two computer generated monthly billing statements*].

[*2. Two individual dunning letters sent approximately 15 days after the statement.*]

Balances Under $500

1. Two computer generated monthly billing statements.

Balances Above $500

1. Two computer generated monthly billing statements.

2. Two telephone calls from collection personnel

3. A final dunning notice from the collector. This letter will notify the patient of the action that will be taken by the Patient Financial Services Department if the account remains unpaid, which could include Small Claims Referral or referral to the Attorney General's Office.

If there is no response , one or more of the following activities occur:

Balances Less Than or Equal To $500[*Balances Under $100*]

1. Referral to Collection Agency

Balances Greater $500 and Less Than $2,000[*Balances $100-$750 (and any balance with no assets)*

1. Verification of Assets [*Phone Calls*]

2. Referral to Collection Agency

3. Referral to Small Claims Court

[*Balances $750- $1,500 with Assets*

1. Phone Calls

2. Notice of Intent to Sue

3. Small Claims Court]

Balances Greater than $2,000 [*Balances of $1,500 and over with Assets*]

1. Verification of Assets [*Phone Calls*]

2. Credit Report

3. Property Assessment with Town Hall of patient's residence

4. Referral to Collection Agency
5. Referral to Attorney General to pursue legal action

[*Employment*]

Outside Collection Agencies:

Accounts are referred to collection agencies on a monthly basis. They sent a initial dunning letter to verify address and to stimulate payment. In addition, they perform asset and employment verification. [*in addition, they do asset and employment verification.*]. If the patient or responsible party does not respond in ninety (90) days, [*and the balance is under $100*], the account is referred to the attorney that represents the collection agency. The attorney pursues the account via wage attachment, small claims, liens, etc. The attorney will then return those accounts in which payments are not forthcoming. **It is expected that any account that has been turned over for collection and has not experienced any activity within 180 days will be returned to the hospital as a bad debt write-off.**

Assistant Attorney General:

The Assistant Attorney General handles self pay and various types of third party accounts referred from our [*the*] collection staff, [*as well as third party accounts referred from our*] billing staff, **and the Department's Director and Assistant Director.** [*These*] **Examples of** third party accounts include: **General Assistance** [*Town/City welfare*], Motor Vehicle Accidents, Workers Compensation, and Commercial Insurance [*carriers, etc.*]. **Accounts will be returned to Patient Financial Services as an uncollectible write-off after all legal avenues have failed to produce payment within s reasonable amount of time. The exception to this is if a property lien has been filed; these accounts may remain active until property is sold or exchanges ownership. If a compromise settlement has been reached as the result of a legal suit, the remaining balance will be referred for write-off. Compromise settlements will only be accepted if the Assistant Attorney General verifies that it is the best option available and/or percentage comparable to John Dempsey Hospital's.** [*After all legal avenues have been used, the uncollectible account, whether self pay or third party, will be returned for write-off. If a compromise settlement has been reached as a result of legal suit, the remaining balance will be referred for write-off.*]

E. MEDICAL AUTHORIZATION

1. Authorization

Various third parties will require that authorization be obtained either prior to or during treatment. **Many of these requirements, especially with HMO's and other managed care plans, are included in their contractual agreements with the hospital.** If authorization is not obtained, the claim will be denied and neither the patient or the third party will be liable. **Some authorization requirements are specific to types of service while others are across the board.** [*Examples of treatments that need authorization are: psychiatric care, physical therapy and out of state welcare care.*] If authorization is not obtained and the hospital is at fault, the account will be processed for write-off.

2. Medical Records

There are situations where the third party needs medical information in order to process the claim. [*Examples of these would be: CT Scan Reports, EEG Reports, drug prescriptions.*] If this information **is not provided to Patient Financial Services** [*cannot be obtained from*] **by the** Medical Records or **the ancillary** department **within 60 days of the date the information was requested,** the account will be processed for write-off.

[*3. Verification of Charges*

If the charge information cannot be substantiated in the Medical Records or the Ancillary Department, the charge amount will be processed for write-off.]

F. THE PREPARATION OF WRITE-OFF BATCHES

Write-off batches are prepared in advance of the Finance Corporation meeting and forwarded to Financial Administration. [*Bad Debt write-offs are entered into the Hospital billing system upon receipt of notice from Collection Agencies, Bankrutpcy accounts and the like*] **Each batch must have a write-off transmittal number assigned to it, and must list the number of accounts and their associated dollar amount. The batches must have cover letters addressed to the Executive Director of the University Of Connecticut Health Center (UCHC) Finance Corporation on UCHC letterhead (Attachment 1), and to the Chairman of the Board of the UCHC Finance Corporation on UCHC Finance Corporation letterhead (Attachment 2). The write-off transmittal number, the number of uncollectible accounts and the dollar amount must be identical on each of these cover letters.**

Each transmittal must be accompanied by a list showing: Patient Name, Medical Record Number and/or Admission Numbers, the balance and a subcode which indicates the reason for write-off (Attachment 3). The total numberand dollar amount of this list must match those on the transmittal letters.

This list must be summarized in two different ways: the number and dollar amount of accounts by write-off subcode and the number and dollar amount of accounts in the following balance range:

Less than or equal to $500
$501 - $2,500
$2,501 - $10,000
Greater than $10,000

An example of these summaries is provided in (Attachment 4). The totals of the summaries must be identical to those on both cover letters.

Once each write-off batch is balanced and ready for forwarding to Financial Administration, they must be signed by the Director of Patient Financial Services or the Assistant Director of Patient Financial Services in his/her absence, and must be logged into the write-off transmittal log. [*This report is logged by the Collection Supervisor in a excel spread report*] **A copy of each batch must be made and kept in the pending basket. The original batch can then be sent to Financial Administration.**

For computing and audit purposes, one account will be counted for each Medical Record Number. Two tapes showing the sum of the account balances must accompany each write-off batch.

[F. DOCUMENTATION/FORMS REQUIRED

The request package for write-offs of accounts returned by the collection agency and its attorney Will contain a list of accounts, a list of codes indicating the reason for the write-off and a cover Letter from Patient Services.

The request package for write-offs of accounts by the Assistant Attorney General will contain a cover letter detailing the activity on the account and why it should be written off as well as a cover letter from Patient Services.

The request package for write-offs due to lack of medical information and/or documentation will contain a list of accounts, a list of codes indicating reason for write-off, and a cover letter from Patient Services.]

G. INPUT OF WRITE-OFF BATCHES

A copy of the minutes of the Finance Corporation meeting are sent to the Patient Financial Services Department. These minutes include a list of the write-off transmittals that were approved. For bad debt write-off. The dates these transmittals were approved must be entered into the write-off transmittal log [*Inputted by the Collection Supervisor*]. **It is important to note that some of these transactions may result in a credit balance, or may not register at all because the account was partially paid or paid in full in the interim between the time the account received departmental approval for write-off and the time the Finance Corporation approved the write-off. If the batch fiel indicated that the transaction will result in a negative balance, the full amount will, none the less, be input and will be reconciled at a later date (see section**

H) . If the account does not register at all, the account must be highlighted on the write-off Transmittal and used for reference during reconciliation.

One batch will be created for each write-off transmittal. A cover sheet will be attached to the batch once it has been completed, listing the number of the batch, the transaction code used and the dollar amount of the batch (Attachment 5).

Each transmittal approved by the Finance Corporation will be input into the system before the end of the month.

[*G. APPROVAL PROCESS*

The Patient Services Department will gather the appropriate documentation and prepare a transmittal letter which will be forwarded to the following for approval:

1. *Hospital Controller*

2. *Associate Hospital Director*

The transmittal and accompanying documentation will then be sent to the John Dempsey Hospital Finance Corporation for approval to write-off the account as uncollectible. A log is kept on all transmittals.]

H. RECONCILIATION OF WRITE-OFF BATCHES

It is important to document which accounts approved for write-off did not get written off for the approved amount and the reason this occurred.

The reconciliation batch is prepared by first reviewing the batch edit of the original write-off batch (Attachment 6). If the amount listed in the "amount" section is greater than the amount listed in the "balance" section, then a reconciliation batch is necessary. Each account where this occurs needs to be reconciled.

An account reconciled by inputting transaction code "80" for the differences between what was requested for write-off and what was actually written off. There should be one reconciliation batch for each write-off transmittal that requires a reconciliation.

The reconciliation batch should be closed once all the adjustments have been entered, and the number of the batch should be written on the original write-off batch edit.

Once the edit for the reconciliation batch(es) is received, the following items must be documented on the edit(s): the write-off transmittal being reconciled, the amount approved for write-off by the Finance Corporation, the actual amount written off, and the difference (Attachment 7). The sum of the accounts on the batch edit must equal the difference

between what the Finance Corporation approved for write-off and what was actually written off. Note that if a 73 transaction code is among the entries on the reconciliation batch (which would occur if an amount greater than what was originally approved is needed to make the account balance $0), this amount must be subtracted twice from the control amount in order to reflect the total or "Absolute value" of the amounts input.

Once the reconciliation batches have been completed, a memorandum must be sent to the Associate Hospital Director (Finance) describing the discrepancies (Attachment 8), with a copy of the reconciliation batch(es) attached.

All of the write-off transmittals, write-off batch edits, reconciliation batch edits, and Finance Corporation minutes must be collated. A large elastic band is placed around them, and referred to the Assistant Director of Patient Financial Services, who will file them.

The Patient Financial Services Department will hold two fiscal years worth of reconciled write-off transmittals: the present fiscal year and the previous fiscal year. Any remaining transmittals will be sent to the archive for storage.

[*H. FINAL DISPOSITION OF DEBT*

When the approval to dissolve the debt has been granted, a member of Patient Services will input the appropriate transaction bring the account to zero status.

The write-off package is then retained for seven years before destruction. The transmittal log is updated.]

I. NON-MEDICARE BAD DEBT RECOVERY

Payments received on accounts written-off as Bad Debt are broken down into 2 recoveries *A) Small Balances B) Large Balances*. The funds received are recovery of Bad Debt remitted either by the Collection Agencies or by Debtors. These recoveries are on accounts previously recorded as uncollectible, and written-off as a Bad Debt. The funds received are to "Net-off" all or part of the Bad Debt write-offs equal to the $$ received. The following examples shows how the process is done:

(Examples):

A) Small Balance Recovery [*Balances under $25.00*]

Name: DOE, JOHN I MRN: XXXXXXXXX VTYP: OPOP Adm#: XXXXXXX I6VC.A
Adm Dt: 12/22/2005 Dis Dt: 12/22/2005 FB Dt: 01/03/2006 Stmt Dt: 03/08/2007
Tot Chgs: 185.01 Billed: 185.01 Unbilled: 0.00 Late: 0.00
Pymts: -69.84 Adjs: -115.17 Bal: 0.00 ARFSC: 850

V I S I T A/R T R A N S A C T I O N S

Entry Dt	Trans Dt	Plan	ARCTR	Code	Description	Type	Amount	Ind
06/28/06	06/28/06	0950	7H	942	TRANSFER TO AMERI	TADJ	5.10	M
02/17/07	02/17/07	0950	7H	902	SMALL BALANCE WRI	DADJ	-5.10	
12/06/07	12/06/07	0950	7H	556	PFS SMALL BAL W/O	DADJ	5.10	
12/10/07	12/07/07	0950	7H	415	SELF PAY - COLL R	PAYM	-5.10	

B) Large Balance Recovery [*Balances over $25.00 & above*]

Name: DOE, JOHN MRN: TXXXXXXXX VTYP: OPUL Adm#: XXXXXXX I6VC.A
Adm Dt: 07/15/2003 Dis Dt: 07/15/2003 FB Dt: 08/07/2003 Stmt Dt: 01/31/2004
Tot Chgs: 2218.00 Billed: 2218.00 Unbilled: 0.00 Late: 0.00
Pymts: -204.06 Adjs: -2013.94 Bal: 0.00 ARFSC: 1

V I S I T A/R T R A N S A C T I O N S

Entry Dt	Trans Dt	Plan	ARCTR	Code	Description	Type	Amount	Ind
Beginning								
02/13/04	02/13/04	0482	4H	934	TRANSFER TO NAIR	TADJ	204.06	M
05/17/04	05/13/04	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
07/13/04	07/08/04	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
10/12/04	10/08/04	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
11/04/04	11/04/04	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
02/07/05	02/07/05	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
10/27/06	10/27/06	0482	4H	590	BAD DEBT WRITE OF	CADJ	-54.06	
12/06/07	12/06/07	0482	4H	591	BAD DEBT RECOVERI	CADJ	54.06	
12/10/07	12/07/07	0482	4H	415	SELF PAY - COLL R	PAYM	-54.06	

**Clm # 4 0.00 Bills -204.06 Pymts 204.06 Adjs 0.00 Bal
**Plan 0482 0.00 Bills -204.06 Pymts 204.06 Adjs 0.00 Bal

J. MEDICARE BAD DEBT RECOVERY

Payments received on accounts written-off as Medicare Bad Debt are broken down into 2 recoveries *A) Small Balances B) Large Balances*. The funds received are recovery of Medicare Bad Debt remitted either by the Collection Agencies or by Debtors. These recoveries are on accounts previously recorded as uncollectible, and written-off as a Medicare Bad Debt. The funds received are to "Net-off" all or part of the Medicare Bad Debt write-offs equal to the $$ received. The following examples shows how the process is done:

(Examples):

A) Small Balance Recovery [*Balances under $25.00*]

Name: DOE, JOHN MRN: TXXXXXXXX VTYP: ORAD Adm#: XXXXXXX I6VC.A
Adm Dt: 12/10/2004 Dis Dt: 12/10/2004 FB Dt: 12/21/2004 Stmt Dt: 10/07/2005
Tot Chgs: 332.00 Billed: 332.00 Unbilled: 0.00 Late: 0.00
Pymts: -89.98 Adjs: -242.02 Bal: 0.00 ARFSC: 850

V I S I T A/R T R A N S A C T I O N S

Entry Dt	Trans Dt	Plan	ARCTR	Code	Description	Type	Amount	Ind
04/29/05	04/29/05	0483	4H	935	TRANSFER TO NAIR	TADJ	18.00	M
10/01/05	10/01/05	0483	4H	902	SMALL BALANCE WRI	DADJ	-18.00	
12/06/07	12/06/07	0483	4H	556	PFS SMALL BAL W/O	DADJ	18.00	
12/07/07	12/07/07	0483	4H	415	SELF PAY - COLL R PAYM		-18.00	

**Clm # 4 0.00 Bills -18.00 Pymts 18.00 Adjs 0.00 Bal
***Plan 0483 0.00 Bills -18.00 Pymts 18.00 Adjs 0.00 Bal

B) Large Balance Recovery [*Balances over $25.00 & above*]

Name: DOE, JOHN MRN: TXXXXXXXX VTYP: OPGR Adm#: XXXXXXX I6VC.A
Adm Dt: 05/01/2001 Dis Dt: 05/31/2001 FB Dt: 06/05/2001 Stmt Dt: 09/30/2005
Tot Chgs: 126.75 Billed: 126.75 Unbilled: 0.00 Late: 0.00
Pymts: -262.14 Adjs: 135.39 Bal: 0.00 ARFSC: 850

V I S I T A/R T R A N S A C T I O N S

Entry Dt	Trans Dt	Plan	ARCTR	Code	Description	Type	Amount	Ind
12/19/03	12/19/03	0481	5H	933	TRANSFER TO CENTU	TADJ	67.17	M
09/06/05	09/06/05	0481	5H	594	MEDICARE BAD DEBT	CADJ	-67.17	
08/09/07	08/08/07	0481	5H	415	SELF PAY - COLL R PAYM		-5.09	
08/09/07	08/09/07	0481	5H	592	MEDICARE BAD DEBT RECOV	CADJ	5.09	
09/07/07	09/07/07	0481	5H	415	SELF PAY - COLL R PAYM		-25.00	
10/02/07	10/02/07	0481	5H	592	MEDICARE BAD DEBT RECOV	CADJ	50.24	
10/04/07	10/03/07	0481	5H	415	SELF PAY - COLL R PAYM		-25.24	
12/06/07	12/06/07	0481	5H	592	MEDICARE BAD DEBT RECOV	CADJ	11.84	
12/10/07	12/07/07	0481	5H	415	SELF PAY - COLL R PAYM		-11.84	

**Clm # 5 0.00 Bills -67.17 Pymts 67.17 Adjs 0.00 Bal
***Plan 0481 0.00 Bills -67.17 Pymts 67.17 Adjs 0.00 Bal

University of Connecticut Health Center
John Dempsey Hospital

Patient Financial Services
Department

Date: Dec 3, 2009

Richard D. Gray
Executive Director
UCHC Finance Corporation
University of Connecticut Health Center
Farmington, Connecticut 06032

SUBJECT: Request to Write Off Uncollectible Hospital Receivable

Dear Mr. Gray:

Enclosed please find a list of transmittal #'s W1179-W1202 writing off of 2,009 uncollectible accounts totaling $604,873.93. The determination to submit these accounts for write off was made in conformance with the Hospital's write off policy dated September 01, 2009.

All efforts have been exhausted and these accounts have returned to John Dempsey Hospital as uncollectible by our outside collection agency.

Sincerely,

Richard A. Peer
Director, Patient Financial Services
John Dempsey Hospital _____ Date: _____

John M. Biancamano
Chief Financial Officer _____ Date: _____

Farmington, Connecticut 06034-4034

Telephone: (860) 679-2795
Facsimile (860) 679-2267

University of Connecticut Health Center
John Dempsey Hospital

Patient Financial Services
Department

Date: Dec 3, 2009

Board of Directors
University of Connecticut Health Center
Finance Corporation
263 Farmington Avenue
Farmington, CT 06032

Dear Board of Directors:

In accordance with the policies and procedures governing the write off of the uncollectible account receivable of the John Dempsey Hospital, I recommend that the Board approve transmittal numbers W1179-W1202 requesting the write off of 2,009 uncollectible accounts totaling $604,873.93.

I have reviewed the transmittal letter for proper approvals and the accompanying documentation to determine that the John Dempsey Hospital has followed its write off policy dated September 01,2009 in representing that the accounts are uncollectible.

Sincerely,

Richard D. Gray, Executive Director:

_____ Date: _____

Michael J. Hogan, President:

_____ Date: _____

Munson Level 1
Mailing Address: P.O. Box 4034
Farmington, Connecticut 06034-4034

Telephone: (860) 679-2795
Facsimile (860) 679-2267

Nair & Levin, PC

12/09 Bad debt W/o for Medicare Accounts
(594)

FILE NO	DEBTOR NAME	L/ACTION	CLIENT NO.	ACCOUT NO.	CLIENT NAME	CLOSED DA
12-21562-0	Long, William G	CAU	1001-01	6308752	C John Dempsey Hospita	12/3/
12-23973-0	Mann, Charles H	CAU	1001-01	5987591	C John Dempsey Hospita	12/3/
11-74196-0	Parsons, Marguerite	CAP	1001-01	6016953	C John Dempsey Hospita	12/3/
12-67703-0	Precourt, Frank	CAD	1001-01	6267046	C John Dempsey Hospita	12/3/
05-53187-0	Reed, Henrietta A	CAP	1001-01	4534239	C John Dempsey Hospita	12/3/
05-55666-0	Reynolds, Shirley A	CAP	1001-01	3260547	C John Dempsey Hospita	12/3/
05-55670-0	Reynolds, Shirley A	CAP	1001-01	4495550	C John Dempsey Hospita	12/3/
10-87372-0	Salerno, Gregory	CAP	1001-01	4830962	C John Dempsey Hospita	12/3/
10-87373-0	Salerno, Gregory	CAP	1001-01	4915814	C John Dempsey Hospita	12/3/
10-87374-0	Salerno, Gregory	CAP	1001-01	4936204	C John Dempsey Hospita	12/3/
10-87375-0	Salerno, Gregory	CAP	1001-01	4965200	C John Dempsey Hospita	12/3/
07-77924-0	Salvatore, James	CAS	1001-01	4990557	C John Dempsey Hospita	12/3/
06-15727-0	Sykes, Randolph W	CAP	1001-01	4699146	C John Dempsey Hospita	12/3/
12-67852-0	Valentin, Felix	CAU	1001-01	5408516	C John Dempsey Hospita	12/3/
12-67853-0	Valentin, Felix	CAU	1001-01	5549051	C John Dempsey Hospita	12/3/
12-23992-0	White, Venora	CAU	1001-01	5785078	C John Dempsey Hospita	12/3/
12-23993-0	Williams, Christopher	CAU	1001-01	5980679	C John Dempsey Hospita	12/3/
11-51944-0	Winthrop, Marilyn P	CAP	1001-01	5648172	C John Dempsey Hospita	12/3/
11-55530-0	Wood, Matthew	CAU	1001-01	5705397	C John Dempsey Hospita	12/3/

Nair & Levin PC

12/09 Bad Debt W/o
Non-Medicare (590)

FILE NO	DEBTOR NAME	L/ACTION	CLIENT NO.	ACCOUT NO.	CLIENT NAME	CLOSED D
12-19491-0	Feliciano, Marilyn	CAU	1001-00	6143272	C John Dempsey Hospita	12/3
06-02546-0	Hern, Cynthia	CAP	1001-00	4498175	C John Dempsey Hospita	12/3
07-15971-0	Kondracki, Vicktoria	CAP	1001-00	4771866	C John Dempsey Hospita	12/3
12-67750-0	Lenn, Danielle	CAU	1001-00	5968501	C John Dempsey Hospita	12/3
12-23929-0	Macdonald, Vicki	CAU	1001-00	5529610	C John Dempsey Hospita	12/3
11-51970-0	Magoon, Cory W	CAU	1001-00	5964860	C John Dempsey Hospita	12/3
11-51971-0	Magoon, Cory W	CAU	1001-00	5964914	C John Dempsey Hospita	12/3
12-07751-0	Malley, Brendan	CAP	1001-00	6176313	C John Dempsey Hospita	12/3
12-23931-0	Maratta, Erin R.	CAP	1001-00	6045269	C John Dempsey Hospita	12/3
10-83340-0	Marshall, Catherine	CAP	1001-00	5607082	C John Dempsey Hospita	12/3
11-52005-0	Martin, Megan C	CAU	1001-00	5799121	C John Dempsey Hospita	12/3
11-52006-0	Martin, Megan C	CAU	1001-00	5802712	C John Dempsey Hospita	12/3
12-38927-0	Martin, Megan C	CAU	1001-00	6124332	C John Dempsey Hospita	12/3
11-52008-0	Martinez, Edward	CAU	1001-00	5990442	C John Dempsey Hospita	12/3
08-42656-0	Martinez, Richard	CAP	1001-00	5291937	C John Dempsey Hospita	12/3
07-37602-0	Martocci, Michael	CAU	1001-00	5019104	C John Dempsey Hospita	12/3
12-23939-0	Maurer, Stephen C	CAU	1001-00	6223938	C John Dempsey Hospita	12/3
09-88192-0	Maznio, Vanessa	CAU	1001-00	5460892	C John Dempsey Hospita	12/3
08-85159-0	McBee, Joel	CAP	1001-00	5393298	C John Dempsey Hospita	12/3
12-19414-0	McCray, Shawana	CAU	1001-00	6079609	C John Dempsey Hospita	12/3
11-50819-0	McFarland, Marilyn P	CAU	1001-00	5604133	C John Dempsey Hospita	12/3
11-52045-0	McKay, Megan	CAU	1001-00	5879996	C John Dempsey Hospita	12/3
11-57340-0	McNeill, Jared	CAU	1001-00	5876512	C John Dempsey Hospita	12/3
12-23945-0	McZorn, Tabatha	CAU	1001-00	6197348	C John Dempsey Hospita	12/3
12-19420-0	Melanson, Shannon	CAU	1001-00	5735470	C John Dempsey Hospita	12/3
12-21222-0	Melody, Arrirak	CAU	1001-00	6230647	C John Dempsey Hospita	12/3

W1202

AAB NON-MEDICARE

REASON CODE	DESCRIPTION	# OF ACCTS
WE	JUDGEMENT AND EXECUTION PROOF	158
XS	JUDGEMENT AND EXECUTION PROOF	18
TOTALS		176

SUMMARY OF BALANCE

WE	UNDER $500	158
XS	$500 - $2,500.00	17
XS	$2,501 - $10,000	1
XS	OVER $10,000	0
	TOTALS	176

John Dempsey Hospital

263 Farmington Ave.

P.o. Box 4033

Farmington, CT. 06034-4033

Richard Peer, Director Patient Financial Services

Benjamin Maysonet, Collection Supervisor Patient Financial Services

Re: Report totaling all Bad Debt Written off to Committee

Date Processed	Trans Number	Agency Source	<> 500	Number of Accounts
12/2/2009	**W1179**	AAB MEDICARE	<>	14
12/2/2009	**W1180**	AAB NON-MDCRE	<>	94
12/2/2009	**W1181**	SELF PAY NON MDCRE	<	1
12/2/2009	**W1182**	SELF PAY NON MDCRE	<	4
12/2/2009	**W1183**	SELF PAY NON MDCRE	<	1
12/2/2009	**W1184**	SELF PAY NON MDCRE	<	1
12/2/2009	**W1185**	SELF PAY NON MDCRE	<	1
12/2/2009	**W1186**	SELF PAY NON MDCRE	<>	3
12/2/2009	**W1187**	ATTORNEY GENERAL	>	1
12/2/2009	**W1188**	ATTORNEY GENERAL	<	14
12/2/2009	**W1189**	AAB NON-MDCRE	<>	152
12/2/2009	**W1190**	AAB NON-MDCRE	<>	316
12/2/2009	**W1191**	NAIR & LEVIN MEDICARE	<	10
12/2/2009	**W1192**	AAB NON-MDCRE	<>	192
12/2/2009	**W1193**	AAB NON-MDCRE	<>	192
12/2/2009	**W1194**	NAIR & LEVIN NON-MDCRE	<	36
12/2/2009	**W1195**	AAB MEDICARE	<>	41
12/2/2009	**W1196**	NAIR & LEVIN NON-MDCRE	<	1
12/2/2009	**W1197**	NAIR & LEVIN NON-MDCRE	<>	172
12/2/2009	**W1198**	NAIR & LEVIN MEDICARE	<>	17
12/2/2009	**W1199**	AAB NON-MDCRE	<>	196

12/2/2009	**W1200**	NAIR & LEVIN NON-MDCRE	<>	171
12/2/2009	**W1201**	NAIR & LEVIN NON-MDCRE	<>	159
12/2/2009	**W1202**	AAB NON-MDCRE	<>	220
		TOTAL	<>	**2009**

User: DOHITE

JOHN DEMPSEY HOSPITAL
Batch#: 158939 Description: NAIR & LEVIN/BAD DE
User: DOHITE Type: Transaction Batch St
Sorted by: Batch Number

Created: 10/14/2009 01:56PM Last Entered: 10/14/2009 02:00PM
Posted: Periods: 0910
Interface: Run Number:

W1R1

Batch Balancing Fields

Field Description	Control	Actual	Variance
Total Payment Dollars:		0.00	
Total Credits/Adjusts:		-1277.22	
Total Paym+Adjs:		-1277.22	
Transactions:		10	

Adm # / Trans Dt	Patient Code / Description	PLAN	ARCTR	ARFSC	MRN	Payments	Adjustments	Comment
5746951	MEGGETT,BARRY				T01093071			
10/14/09	594 MEDICARE BAD DEBT	0483	5H	483		0.00	-99.81	
5643228	MILLER,GERALDINE K				T00433059			
10/14/09	594 MEDICARE BAD DEBT	0483	10H	483		0.00	-35.00	
5528588	MOISAN,KATHLEEN				T00192218			
10/14/09	594 MEDICARE BAD DEBT	0483	6H	483		0.00	-17.01	
5157774	MOSKOWITZ,PAUL				T00303153			
10/14/09	594 MEDICARE BAD DEBT	0483	12H	483		0.00	-125.50	
5300973	MOSKOWITZ,PAUL				T00303153			
10/14/09	594 MEDICARE BAD DEBT	0483	5H	483		0.00	-84.78	
5651301	NEISLOSS,DORIS				T00442736			
10/14/09	594 MEDICARE BAD DEBT	0483	9H	483		0.00	-65.46	
5864698	PARSONS,PATRICIA CAROL				T00608720			
10/14/09	594 MEDICARE BAD DEBT	0483	4H	483		0.00	-21.57	
5910331	RICHARD,LINDA				T00136805			
10/14/09	594 MEDICARE BAD DEBT	0483	7H	483		0.00	-379.47	
5048110	WIGGLESWORTH,JILL				T01031900			
10/14/09	594 MEDICARE BAD DEBT	0483	7H	483		0.00	-315.70	
5504551	YOUNSI,EMILIENNE				T00399140			
10/14/09	590 BAD DEBT WRITE OFF	0483	6H	483		0.00	-132.92	

User: DOHITE

JOHN DEMPSEY HOSPITAL
Batch#: 158939 Description: NAIR & LEVIN/BAD DE
User: DOHITE Type: Transaction Batch St
Sorted by: Batch Number

Batch Total by Period:	Payments	Adjustments	Net
0910	0.00	-1277.22	-1277.22
Batch Total:	0.00	-1277.22	-1277.22

End of Batch
End of Report

DATCH # 158939

Nair & Levin, PC.
Bad Debt W/o Report
10/09 (594)

FILE NO	DEBTOR NAME	L/ACTION	CLIENT NO.	ACCT NO.	CLIENT NAME	CLOSED DATE	T/O BALANCE	CLOSED BALANCE
11-55478-0	Mangassarian, Robert	CAP	1001-01	5596249	C John Dempsey Hospita	9/1/2009	202.89	0
11-54024-0	Mazzarella, Joseph	CAP	1001-01	5699087	C John Dempsey Hospita	9/1/2009	33.57	0
11-74531-0	Meggett, Barry	CAU	1001-01	5746951	C John Dempsey Hospita	9/1/2009	99.81	99.81
11-74188-0	Miller, Geraldine K	CAU	1001-01	5643228	C John Dempsey Hospita	9/1/2009	35	35
11-51909-0	Moisan, Kathleen	CAD	1001-01	5132519	C John Dempsey Hospita	9/1/2009	16.5	6.5 - D
11-97903-0	Moisan, Kathleen	CAD	1001-01	5528588	C John Dempsey Hospita	9/1/2009	17.01	17.01
11-74189-0	Moskowitz, Paul	CAU	1001-01	5157774	C John Dempsey Hospita	9/1/2009	125.5	125.5
11-74190-0	Moskowitz, Paul	CAU	1001-01	5300973	C John Dempsey Hospita	9/1/2009	84.78	84.78
11-74191-0	Neisloss, Doris	CAU	1001-01	5651301	C John Dempsey Hospita	9/1/2009	65.46	65.46
11-55483-0	Nichols, Virginia D	CAP	1001-01	5853285	C John Dempsey Hospita	9/1/2009	541.48	0
11-74197-0	Parsons, Patricia Car	CAU	1001-01	5864698	C John Dempsey Hospita	9/1/2009	21.57	21.57
11-11850-0	Richard, Linda	CAU	1001-01	5910331	C John Dempsey Hospita	9/1/2009	612.08	379.47
08-31604-0	Rodriguez, Robert	CAP	1001-01	4803472	C John Dempsey Hospita	9/1/2009	222.01	0
11-60794-0	Speich, Norma	CAU	1001-01	5666620	C John Dempsey Hospita	9/1/2009	343	343 - D
11-51881-0	Torres, Teresa	CAP	1001-01	5408896	C John Dempsey Hospita	9/1/2009	37.55	0
11-82141-0	Wigglesworth, Jill	CAU	1001-01	5048110	C John Dempsey Hospita	9/1/2009	315.7	315.7
11-74550-0	Wilson, Henry	CAP	1001-01	5204076	C John Dempsey Hospita	9/1/2009	131.4	0
11-74211-0	Younsi, Emilienne	CAU	1001-01	5504551	C John Dempsey Hospita	9/1/2009	132.92	132.92
								1626.72

BOARD OF DIRECTORS
OF THE
UNIVERSITY OF CONNECTICUT HEALTH CENTER
FINANCE CORPORATION

MINUTES OF THE JUNE 22, 2009 MEETING

BOARD OF DIRECTORS PRESENT:

President Hogan, Dr. Laurencin, Dr. Rowe, Mr. Cicchetti and Mr. Shepperd.

ATTENDEES:

Mr. Biancamano, Dr. Burrow, Mr. Carlson, Mr. Geoghegan, Mr. Gray, Ms. Hassett, Attorney Kleinman, and Dr. MacNeil.

1. **REVIEW AND APPROVAL OF THE MINUTES OF THE MARCH 23, 2009 MEETING**

On a motion duly made and seconded, the Board approved the minutes of the March 23, 2009 meeting.

2. **REVIEW AND APPROVAL OF THE REVENUE CONTRACT RENEWAL WITH THE HEART CENTER OF GREATER WATERBURY ON BEHALF OF THE JOHN DEMPSEY HOSPITAL**

In early 2004, both the Board of Directors of the University of Connecticut Health Center and the University of Connecticut Health Center Finance Corporation approved a three-year revenue contract, on behalf of the John Dempsey Hospital, with St. Mary's Hospital and Waterbury Hospital to provide support, assistance, and clinical oversight for the proposed Angioplasty and Open Heart Surgery Program. A Memorandum of Agreement outlined the planned relationship relative to perfusion services.

The Heart Center and JDH have renewed this agreement annually on a per-case amount. For fiscal years 2010 and 2011, it is estimated there will be 225 perfusion cases per year, which would yield an estimated revenue of approximately $512,000 for year one and $527,000 for year two.

The John Dempsey Hospital will continue to manage a team of perfusionists who will provide round-the-clock support for the John Dempsey Hospital, and the Heart Center of Greater Waterbury (St. Mary's Hospital, and Waterbury Hospital) relative to open heart cases and associated perfusion program management services.

On a motion duly made and seconded, the Board of Directors approved a contract renewal, on behalf of the John Dempsey Hospital, with The Heart Center of Greater Waterbury to provide perfusion services in support of their Open Heart Surgery Program for

- Finalize and begin implementation of sub-agreements related to the Integration Agreement
- Continue the financial modeling of the relationship
- Plan for the creation of University Physicians
- Plan for the transition of UMG into University Physicians
- Assist with operational transition plans for John Dempsey Hospital
- Assist with operational transition plans that impact the Dental Clinics and the School of Dental Medicine
- Provide advice and support to the UCHC team in other aspects of the transition

Estimated costs through December 31, 2009 are $550,000, which will bring the total cost of this engagement to $1,300,000.

On a motion duly made and seconded, the Board of Directors approved a contract amendment on behalf of John Dempsey Hospital with Larson Allen for continued consulting services in support of Phase II of the affiliation evaluation project for the period July 1, 2009 through December 31, 2009 in an amount not to exceed $1,300,000, and that the Executive Director be authorized to enter into said contract amendment.

7. APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR THE JOHN DEMPSEY HOSPITAL

On a motion duly made and seconded, the Board approved the write-off of 1231 accounts totaling $544,560.36 for the period February 1, 2009 through May 31, 2009, for the John Dempsey Hospital (Transmittal Numbers 1120 through 1147) as returned from the collection agencies.

8. APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR THE UCONN MEDICAL GROUP

On a motion duly made and seconded, the Board approved the write-off of 3,032 accounts totaling $163,050.34 for the period March 1, 2009 through April 30, 2009 for the University Physicians (Transmittal Number 113) as returned from the collection agencies.

9. APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR UCONN DENTAL CLINICS

On a motion duly made and seconded, the Board approved the write-off of 974 accounts totaling $186,005.93 for the period March 6, 2009 through May 27, 2009 for the UConn Dental Clinics (Transmittal Number DC 126) as returned from the collection agencies.

10. APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR UNIVERSITY DENTISTS

On a motion duly made and seconded, the Board approved the write-off of 279 accounts totaling $77,897.84 for the University Dentists (Transmittal Number UD010) as returned from the collection agencies.

Dr. Rowe asked about the write-off trend. Mr. Geoghegan stated it has been steady and there has not been a large fluctuation in the past year.

11. REVIEW AND APPROVAL OF THE FY 2010 FINANCE CORPORATION BUDGET

Dr. Rowe noted that the budget showed a profit of $100,000, which was a result of a modest increase in revenues from the Munson Road Corporation and a modest reduction in interest expenses.

On a motion duly made and seconded, the Board approved the Finance Corporation budget for fiscal year 2010.

12. DISCUSSION REGARDING FUTURE FINANCE CORPORATION BOARD OF DIRECTORS MEETING SCHEDULE

Dr. Rowe noted that Governor Rell has appointed Thomas Ritter as interim chairman of the UConn Board of Trustees and the UCHC Finance Corporation Board of Directors. Any items requiring action after July 1, 2009 would be handled by Mr. Ritter until a permanent Chairman is appointed. Dr. Rowe suggested that the Board wait to finalize the schedule until a permanent Chairman is appointed. Dr. Rowe stated that he would give Mr. Ritter a copy of the proposed schedule for his calendar.

13. PURCHASES MADE/CONTRACTS EXECUTED BY THE FINANCE CORPORATION FOR THE PERIOD MARCH 1, 2009- MAY 31, 2009

Board Members reviewed the list of purchases made and contracts executed by the Finance Corporation for the period of March 1, 2009 – May 31, 2009.

14. PROPOSAL OF REFORMULATION OF JOHN DEMPSEY HOSPITAL AND HARTFORD HEALTHCARE

President Hogan stated that a Master Integration Agreement, which includes multiple sub-agreements, has been negotiated with Hartford Healthcare and has been submitted to the General Assembly for review. President Hogan noted that there have been on-going discussions for the past 4-6 weeks with Robert Genuario, secretary of the Office of Policy and Management, and Dr. Robert Galvin, commissioner of the Department of Public Health. Additionally, the leadership teams from Hartford Healthcare and UConn Health Center have met multiple times regarding the plan, which is also being reviewed by the Office of the Attorney General.

15. DISCUSSION ITEMS

President Hogan noted that he is very pleased with the efforts and results of Attorney Steve Cowherd from the law firm of Jeffers and Ireland, as well as Greg Hart, Principal of Larson Allen, and his team of consultants.

President Hogan thanked Dr. Rowe for his years of service to the Finance Corporation Board of Directors.

With no further business, the meeting adjourned at 9:20 a.m.

Respectfully submitted,

Richard D. Gray
Executive Director

DRAFT

THE UNIVERSITY OF CONNECTICUT HEALTH CENTER
JOHN DEMPSEY HOSPITAL, UMG/UCHP
ADMINISTRATIVE MANUAL

SECTION: FINANCIAL MANAGEMENT NUMBER: 04-005

SUBJECT: CHARITY CARE PAGE: 1 OF 3

RECEIVED
MAR - 1 2010
OFFICE OF
HEALTH CARE ACCESS

PURPOSE:

To provide a policy and procedure for the determination and handling of University of Connecticut Heath Center's (UCHC) Charity Care. Charity Care is a financial assistance program offered by the UConn Health Center which provides a reduced cost rate for medically necessary services incurred by State of Connecticut legal residents whose household income does not exceed 250% of the Federal Income Poverty Guidelines for a family unit.
Patients must meet the State of Connecticut definition of "Uninsured", having applied and been denied eligibility for any medical or health care coverage provided under the General Assistance Program or the CT Medicaid program, or not be eligible for coverage under the Medicare or CHAMPUS programs, or any other governmental or privately sponsored health or accident insurance. Patients must furnish proof of income to qualify for charity care.

PROCEDURE:

A. Notice of Charity Care:

Signs in both English and Spanish are posted in the operational areas indicated below:

Health Center Cashier Offices
Financial Counseling Offices
Hospital outpatient departments
Patient Financial Services departments
Hospital Emergency department
Same Day Surgery department
UMG/UCHP Physician Offices

B. Applications for Charity Care:

Patients may obtain an application for Charity Care from Financial Counselors or the Collection units of the Patient Financial Services Department. The completed application must be returned to the attention of the Collections Supervisor of the Patient Financial Services Department.

Financial Counselors, Case Managers, and Social Workers are available to assist the patient with this process. Additionally, UConn Health Center has translation services available through the Language Line services via AT&T to also assist with this process.

C. Eligibility Requirements

All patients who apply for Charity Care consideration must be State of Connecticut legal residents whose household income does not exceed 250% of the Federal Income Poverty Guidelines for a family unit. Patients must meet the definition of "Uninsured", having applied and been denied eligibility for any medical or health care coverage provided under the General Assistance Program or the CT Medicaid program, or not eligible for coverage under the Medicare or CHAMPUS programs, or any other governmental or privately sponsored health or accident insurance. Patients must furnish proof of income to qualify for charity care.

Federal Income Poverty Guidelines will be adjusted annually based upon the inflation rate as determined by the Consumer Price Index (CPI) as published at the end of the calendar year.

D. Services Covered by the Program:

Medically necessary services, which are deemed essential to identify or treat a patient's condition, illness or injury, based on the patient's symptoms, diagnosis or treatment of the underlying condition, in accordance with professional standards of medical care generally accepted in the medical community.

E. Services NOT Covered:

Not medically necessary services, which are solely for the convenience of the patient

Disputes with respect to medically necessary services may be appealed to the Associate Dean for Clinical Affairs

F. Application Documentation Requirements:

1. Applications must include documentation of all household income. The required form of documentation will be one or more of the following:

   a. Pay stubs for the previous three (3) months
   b. The previous year's income tax return (Schedule C for self-employed applicants)
   c. The previous year's W-2 form
   d. Social Security verification of monthly pension

2. Patient's whose income is known to exceed the poverty income guidelines must also provide documentation of their assets, which incorporate the following items:
   a. Savings and passbook accounts
   b. Stocks, bonds, and certificates of deposit
   c. Money market accounts
   d. Annuities
   e. Pensions

3. Applications must include documentation of unpaid UCHC expenses. Any unpaid UCHC expenses must be documented by a billing invoice and a balance due statement.

4. Proof of State of Connecticut legal residency.

G. Eligibility Determination

1. An applicant will be considered eligible for Charity Care consideration only if eligibility and documentation requirements are met, and the application is returned within 90 days of receipt.

2. After making the eligibility determination, the Collection Supervisor or their designee will notify the patient of the decision in writing within three business days.

3. Approved Charity Care applications will cover only those services where payment is due from the patient at the time of the eligibility determination. Patients may reapply for Charity Care on a per episode basis. Also, if additional services are requested related to the current treatment, those services will be covered as well under the initial application

H. Collection Procedure

1. Normal billing procedures will continue during the application process. However, the account will not be referred to an outside collection agency, or if the account is already with an outside collection agency, collection efforts will be delayed until final determination is made on the patient's eligibility for Charity Care.

2. Control logs are maintained by the collection department for John Dempsey Hospital (JDH) and University Medical Group (UMG) to record allowances processed by fiscal year and will include the transaction date, the patient name and patient visit number(s), the transaction amount and the year to date total. The JDH control log is made available to the State of Connecticut's Office of Health Care Access upon request. Applications will be retained for a six (6) month period after the end of the fiscal year and logs are retained for permanently for audit and statistical purposes.

Mike Summerer MD. MS.
Interim Hospital Director

Date Issued: 2/95

Date Reviewed: 10/95; 10/97

Date Revised: 12/97, 10/01, 11/01, 7/03, 1/05; 01/07; 06/08; 02/09

John Dempsey Hospital
JDH Charity Care
Report # D3-R5, Charity Adjustment Code
FY 09 OHCA

YTD September 30, 2008	$	179,047
YTD June 30, 2009	$	840,699
YTD September 30, 2009	$	65,857
	$	**727,509** Expense for the period 10/01/2008 to 09/30/09

Docket #09-26AR

INCOME ANALYSIS REPOR
MONTH END BY TRANSACTION, Report[illegible]-D3-R5-1
For Period 0809, Sorted By: TRN_[illegible]N_1
Last Compiled on 10/01/2008 (Final)

Printed: 10/02/2008 12:00PM

	MONTH TO DATE			YEAR TO DATE		
	INPATIENT AMOUNT # AVERAGE	OUTPATIENT AMOUNT # AVERAGE	COMBINED AMOUNT # AVERAGE	INPATIENT AMOUNT # AVERAGE	OUTPATIENT AMOUNT # AVERAGE	COMBINED AMOUNT # AVERAGE
BLUE CROSS CAP ADJU	0.00 0 0.00	-143,460.68 1602 -89.55	-143,460.68 1602 -89.55	0.00 0 0.00	-387,436.77 4290 -90.31	387,436.77 4290 -90.31
BLUE CROSS HMO SECO	-1,126.20 28 -40.22	-2,381.66 327 -7.28	-3,507.86 355 -9.88	-3,140.99 83 -37.84	-6,141.39 794 -7.73	-9,282.38 877 -10.58
CAPITATION ADJUSTME	0.00 0 0.00	-540,583.00 23 -23,503.61	-540,583.00 23 -23,503.61	0.00 0 0.00	-1,649,640.40 67 -24,621.50	1,649,640.40 67 -24,621.50
CHARGE EXCLUDED FRO	0.00 0 0.00	-4,832.96 67 -72.13	-4,832.96 67 -72.13	0.00 0 0.00	-11,963.56 136 -87.97	11,963.56 136 -87.97
CHARITY ADJUSTMENT	-30,862.33 2 15,431.17	-10,199.12 38 -268.40	-41,061.45 40 -1,026.54	-51,769.39 8 -6,471.17	-29,224.15 88 -332.09	-80,993.54 96 844.68
CHARITY COST CHARGE	43,723.79 2 -21,861.90	-11,622.41 38 -305.85	-55,346.20 40 -1,383.66	-68,925.29 8 -8,615.66	-29,128.57 90 -323.65	98,053.86 -98 1,000.55
CIGNA LAB CAPITATIO	0.00 0 0.00	135.00 3 45.00	135.00 3 45.00	0.00 0 0.00	135.00 3 45.00	135.00 3 45.00
CMA CREDIT CORRECTI	0.00 0 0.00	0.00 0 0.00	0.00 0 0.00	0.00 2 0.00	1,130.91 * 141.36	1,130.91 10 113.09
CMA REJECT ADJUSTME	123,034.29 9 13,670.48	0.00 0 0.00	123,034.29 9 13,670.48	-452,315.09 19 -23,806.06	3,721.96 117 31.81	-448,593.13 136 3,298.48
COSMETIC SURGERY DI	0.00 0 0.00	-27,419.06 16 -1,713.69	-27,419.06 16 -1,713.69	0.00 0 0.00	-141,352.34 55 -2,570.04	-141,352.34 55 2,570.04

> 179,047 +

Docket #09-26AR

	MONTH TO DATE			YEAR TO DATE		
	INPATIENT	OUTPATIENT	COMBINED	INPATIENT	OUTPATIENT	COMBINED
BLUE CROSS HMO SECO	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
	#	#	#	#	#	#
	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE
	-464.99	-1,089.06	-1,554.05	-1,423.83	-3,611.84	5,035.67
	18	316	334	56	1031	1087
	-25.83	-3.45	-4.65	-25.43	-3.50	4.63
CAPITATION ADJUSTME	0.00	-539,342.15	-539,342.15	0.00	-1,714,704.63	1,714,704.63
	0	249	249	0	892	892
	0.00	-2,166.03	-2,166.03	0.00	-1,922.31	1,922.31
CHARGE EXCLUDED FRO	0.00	-178.52	-178.52	0.00	-1,117.56	1,117.56
	0	6	6	0	14	14
	0.00	-29.75	-29.75	0.00	-79.83	79.83
CHARITY ADJUSTMENT	-796.56	-4,041.92	-4,838.48	-8,282.27	-23,075.38	31,357.65
	1	19	20	5	72	77
	-796.56	-212.73	-241.92	-1,656.45	-320.49	407.24
CHARITY COST CHARGE	2,102.71	-3,965.00	-6,067.71	-13,224.76	-21,274.46	34,499.22
	1	19	20	5	59	64
	-2,102.71	-208.68	-303.39	-2,644.95	-360.58	539.05
CIGNA LAB CAPITATIO	0.00	0.00	0.00	0.00	-38.17	38.17
	0	0	0	0	1	1
	0.00	0.00	0.00	0.00	38.17	38.17
CMA REJECT ADJUSTME	738,291.79	0.00	738,291.79	557,779.31	0.00	557,779.31
	13	0	13	27	0	27
	56,791.68	0.00	56,791.68	20,658.49	0.00	20,658.49
CONNECTICARE CAPITA	0.00	-62,990.09	-62,990.09	0.00	-241,797.92	241,797.92
	0	513	513	0	1463	1463
	0.00	-122.79	-122.79	0.00	-165.28	165.28
COSMETIC SURGERY DI	0.00	-145,122.07	-145,122.07	-8,621.91	-266,514.10	275,136.01
	0	30	30	1	52	53
	0.00	-4,837.40	-4,837.40	-8,621.91	-5,125.27	5,191.25
COUNTER CORRECTION	907.61	-12,455.53	-11,547.92	430.92	-11,146.18	10,715.26
	189	410	599	480	1092	1572
	4.80	-30.38	-19.28	0.90	-10.21	6.82

65,856.87

Docket #09-26AR

21

	MONTH TO DATE			YEAR TO DATE		
	INPATIENT	OUTPATIENT	COMBINED	INPATIENT	OUTPATIENT	COMBINED
BLUE CROSS CAP ADJU	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
	#	#	#	#	#	#
	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE
	0.00	-142,426.22	-142,426.22	0.00	-1,545,888.55	1,545,888.55
	0	1447	1447	0	17059	17059
	0.00	-98.43	-98.43	0.00	-90.62	90.62
BLUE CROSS HMO SECO	-1,699.55	-1,764.99	-3,464.54	-17,723.81	-22,462.71	40,186.52
	56	440	496	427	3581	4008
	30.35	-4.01	-6.98	-41.51	-6.27	10.03
CAPITATION ADJUSTME	0.00	-476,867.20	-476,867.20	0.00	-6,459,969.15	6,459,969.15
	0	214	214	0	629	629
	0.00	-2,228.35	-2,228.35	0.00	-10,270.22	10,270.22
CHARGE EXCLUDED FRO	0.00	-1,247.59	-1,247.59	-992.00	-34,375.00	35,367.00
	0	4	4	1	263	264
	0.00	-311.90	-311.90	-992.00	-130.70	133.97
CHARITY ADJUSTMENT	-21,436.67	-37,315.99	-58,752.66	-156,086.97	-268,232.73	424,319.70
	3	74	77	28	464	492
	-7,145.56	-504.27	-763.02	-5,574.53	-578.09	862.44
CHARITY COST CHARGE	-15,844.48	-37,574.00	-53,418.48	-151,833.63	-264,545.82	-416,379.45
	3	79	82	28	454	482
	-5,281.49	-475.62	-651.44	-5,422.63	-582.70	863.86
CIGNA LAB CAPITATIO	0.00	0.00	0.00	0.00	278.00	278.00
	0	0	0	0	5	5
	0.00	0.00	0.00	0.00	55.60	55.60
CMA CREDIT CORRECTI	0.00	0.00	0.00	4,496.04	1,210.95	5,706.99
	0	0	0	10	9	19
	0.00	0.00	0.00	449.60	134.55	300.37
CMA REJECT ADJUSTME	21,917.31	0.00	-21,917.31	-1,747,681.88	3,155.09	1,744,526.79
	4	0	4	111	118	229
	-5,479.33	0.00	-5,479.33	-15,744.88	26.74	7,618.02
CONNECTICARE CAPITA	0.00	-38,527.11	-38,527.11	0.00	-113,163.15	113,163.15
	0	464	464	0	836	836
	0.00	-83.03	-83.03	0.00	-135.36	135.36

+ 840,699.15

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(2) Hypothecation

In accordance with State Statute, John Dempsey Hospital can borrow from the State up to 90% of its net patient receivables, contract and other receivables to fund operations. As of June 30, 2009 and 2008, the Hospital had drawn down $13,431,939 and $17,945,885, respectively. As of June 30, 2009 and 2008, the Hospital has available $17,905,950 and $13,372,322, respectively, under the State Statute.

(3) Charity Care

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. During 2009 and 2008, the Hospital provided charity care services of $840,699 and $967,138, respectively. The cost basis of these services was $416,379 and $468,055. Expenses associated with these procedures were included in operating expenses.

(4) Net Patient Service Revenues

The Hospital provides health care services primarily to residents of the region. Revenues from the Medicare programs accounted for approximately 35% and 32% of the Hospital's net patient service revenues for the years ended June 30, 2009 and 2008, respectively. Revenues from the Medicaid programs accounted for approximately 26% and 24% of the Hospital's net patient service revenues for the years ended June 30, 2009 and 2008, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries are outstanding, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

Patient accounts receivable included approximately 34% and 35% due from Medicare and approximately 13% due from Medicaid at June 30, 2009 and 2008, respectively.

Patient service revenue is reported net of allowances for the years ended June 30, was:

		2009	2008
Gross patient service revenue	$	469,647,440	406,763,316
Less contractual allowances		218,514,352	170,678,351
Less provision for bad debt		4,252,105	5,570,353
Net patient service revenue	$	246,880,983	230,514,612

(Continued)

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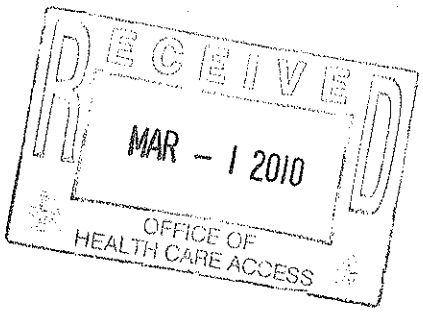
University of Connecticut Health Center

JOHN DEMPSEY HOSPITAL



PATIENT FINANCIAL SERVICES
ORIGINAL EFFECTIVE DATE: 10/31/1981
REVISION DATE: 06/01/1995; 01/30/2008; 01/30/09; 09/01/09

MAJOR CLASSIFICATION: Patient Financial Services

TITLE: Write off policy

PURPOSE

This section of the Patient Financial Services Policy and Procedure Manual is intended to specifically define the policy for determining when an account is to be written off as a bad debt.

ORGANIZATION OF SECTIONS

A. Statement of Policy
B. Accounts Exempt from Write-Off Policy
C. Balances Not Submitted for Write-Off
D. Determination of Uncollectibility
E. Medical Authorization [*Audits*]
F. Preparation of Write-Off Batches/Approval Process [*Documentation/Forms required*]
G. Input of Write-Off Batches [*Approval Process*]
H. Reconciliation of Write-Off Batches [Final Disposition of Debt]
I. Non-Medicare Bad Debt Recovery [*Applying payments on Accounts Written Off*]
J. Medicare Bad Debt Recovery [*Applying payments on Accounts Written Off*]

A. STATEMENT OF POLICY

The process of recommending accounts for write-off is to take place only after all available resources for the collection of a debt for services have been exhausted. This collection process includes billing third party payers (insurance carriers, etc.) direct billing and dunning to the patient or guarantor, in-house collection activity (i.e.: phone calls, dunnings, small claims filing, etc.) as well as referral to outside collection agencies or to the Attorney General's Office if appropriate. Requests for write-offs in the category of medical authorizations [*and/or audits*] as designated in Section E of this policy are excluded from the aforementioned collection process.

B. EXCEPTIONS TO THE WRITE-OFF POLICY

1. **Balances less than or equal to $50.00.** [*Balances under $10.*]

2. Patient Deceased- No Estate: The self pay balance(s) of a patient who has expired where there Is verification that no estate exisits.

3. Bankruptcy: Where a patient/guarantor has filed and been declared bankrupt by the court.

4. Administrative Recommendation: Those accounts that have been recommended for write-off by the Hospital or Health Center Administration because of the medically sensitive situation or other unusual circumstance.

5. Verification of Charges: Where charges on a patient's bill cannot be substantiated in the medical records during the course of a third party charge audit.

6. Accounts with a credit balance after all efforts have been exhausted to resolve the balance.

C. BALANCES THAT ARE NOT TO BE SUBMITTED FOR WRITE-OFF ARE:

1. When the balance remaining after a third-party payment is a discount or a per diem adjustment. [*These amounts are not considered for write-off.*]

2. Medicare Part A deductibles and co-insurances that have been returned as uncollectible by the agency. These amounts are handled as a Medicare bad debt adjustment.

3. Any tax amounts exempt under ERISA or any federal law.

D. DETERMINATION OF UNCOLLECTIBILITY

An account becomes uncollectible when the patient or responsible party does not pay for the billed charges after a number of steps have been taken by Patient Financial Services to encourage payment.

[*For those in which the patient is responsible for the entire amount or a portion of the amount, the Collection Unit of Patient Services duns the responsible party. The dunning process is based on dollar due regardless of inpatient or outpatient service status.*]

The responsible party on any account, in which the patient portion falls in the range listed below has not been paid in full, receives during a ninety (90) day period [*at least the following:*]:

[*1. Two computer generated monthly billing statements*].

[*2. Two individual dunning letters sent approximately 15 days after the statement.*]

Balances Under $500

1. Two computer generated monthly billing statements.

Balances Above $500

1. Two computer generated monthly billing statements.

2. Two telephone calls from collection personnel

3. A final dunning notice from the collector. This letter will notify the patient of the action that will be taken by the Patient Financial Services Department if the account remains unpaid, which could include Small Claims Referral or referral to the Attorney General's Office.

If there is no response , one or more of the following activities occur:

Balances Less Than or Equal To $500[*Balances Under $100*]

1. Referral to Collection Agency

Balances Greater $500 and Less Than $2,000[*Balances $100-$750 (and any balance with no assets)*

1. Verification of Assets [*Phone Calls*]

2. Referral to Collection Agency

3. Referral to Small Claims Court

[*Balances $750- $1,500 with Assets*

1. Phone Calls

2. Notice of Intent to Sue

3. Small Claims Court]

Balances Greater than $2,000 [*Balances of $1,500 and over with Assets*]

1. Verification of Assets [*Phone Calls*]

2. Credit Report

3. Property Assessment with Town Hall of patient's residence

4. Referral to Collection Agency
5. Referral to Attorney General to pursue legal action

[*Employment*]

Outside Collection Agencies:

Accounts are referred to collection agencies on a monthly basis. They sent a initial dunning letter to verify address and to stimulate payment. In addition, they perform asset and employment verification. [*in addition, they do asset and employment verification.*]. If the patient or responsible party does not respond in ninety (90) days, [*and the balance is under $100*], the account is referred to the attorney that represents the collection agency. The attorney pursues the account via wage attachment, small claims, liens, etc. The attorney will then return those accounts in which payments are not forthcoming. **It is expected that any account that has been turned over for collection and has not experienced any activity within 180 days will be returned to the hospital as a bad debt write-off.**

Assistant Attorney General:

The Assistant Attorney General handles self pay and various types of third party accounts referred from our [*the*] collection staff, [*as well as third party accounts referred from our*] billing staff, **and the Department's Director and Assistant Director.** [*These*] **Examples of** third party accounts include: **General Assistance** [*Town/City welfare*], Motor Vehicle Accidents, Workers Compensation, and Commercial Insurance [*carriers, etc.*]. **Accounts will be returned to Patient Financial Services as an uncollectible write-off after all legal avenues have failed to produce payment within s reasonable amount of time. The exception to this is if a property lien has been filed; these accounts may remain active until property is sold or exchanges ownership. If a compromise settlement has been reached as the result of a legal suit, the remaining balance will be referred for write-off. Compromise settlements will only be accepted if the Assistant Attorney General verifies that it is the best option available and/or percentage comparable to John Dempsey Hospital's.** [*After all legal avenues have been used, the uncollectible account, whether self pay or third party, will be returned for write-off. If a compromise settlement has been reached as a result of legal suit, the remaining balance will be referred for write-off.*]

E. MEDICAL AUTHORIZATION

1. Authorization

Various third parties will require that authorization be obtained either prior to or during treatment. **Many of these requirements, especially with HMO's and other managed care plans, are included in their contractual agreements with the hospital.** If authorization is not obtained, the claim will be denied and neither the patient or the third party will be liable. **Some authorization requirements are specific to types of service while others are across the board.** [*Examples of treatments that need authorization are: psychiatric care, physical therapy and out of state welcare care.*] If authorization is not obtained and the hospital is at fault, the account will be processed for write-off.

2. Medical Records

There are situations where the third party needs medical information in order to process the claim. [*Examples of these would be: CT Scan Reports, EEG Reports, drug prescriptions.*] If this information **is not provided to Patient Financial Services** [*cannot be obtained from*] **by the** Medical Records or **the ancillary** department **within 60 days of the date the information was requested,** the account will be processed for write-off.

[*3. Verification of Charges*

If the charge information cannot be substantiated in the Medical Records or the Ancillary Department, the charge amount will be processed for write-off.]

F. THE PREPARATION OF WRITE-OFF BATCHES

Write-off batches are prepared in advance of the Finance Corporation meeting and forwarded to Financial Administration. [*Bad Debt write-offs are entered into the Hospital billing system upon receipt of notice from Collection Agencies, Bankrutpcy accounts and the like*] **Each batch must have a write-off transmittal number assigned to it, and must list the number of accounts and their associated dollar amount. The batches must have cover letters addressed to the Executive Director of the University Of Connecticut Health Center (UCHC) Finance Corporation on UCHC letterhead (Attachment 1), and to the Chairman of the Board of the UCHC Finance Corporation on UCHC Finance Corporation letterhead (Attachment 2). The write-off transmittal number, the number of uncollectible accounts and the dollar amount must be identical on each of these cover letters.**

Each transmittal must be accompanied by a list showing: Patient Name, Medical Record Number and/or Admission Numbers, the balance and a subcode which indicates the reason for write-off (Attachment 3). The total numberand dollar amount of this list must match those on the transmittal letters.

This list must be summarized in two different ways: the number and dollar amount of accounts by write-off subcode and the number and dollar amount of accounts in the following balance range:

Less than or equal to $500
$501 - $2,500
$2,501 - $10,000
Greater than $10,000

An example of these summaries is provided in (Attachment 4). The totals of the summaries must be identical to those on both cover letters.

Once each write-off batch is balanced and ready for forwarding to Financial Administration, they must be signed by the Director of Patient Financial Services or the Assistant Director of Patient Financial Services in his/her absence, and must be logged into the write-off transmittal log. [*This report is logged by the Collection Supervisor in a excel spread report*] **A copy of each batch must be made and kept in the pending basket. The original batch can then be sent to Financial Administration.**

For computing and audit purposes, one account will be counted for each Medical Record Number. Two tapes showing the sum of the account balances must accompany each write-off batch.

[F. DOCUMENTATION/FORMS REQUIRED

The request package for write-offs of accounts returned by the collection agency and its attorney Will contain a list of accounts, a list of codes indicating the reason for the write-off and a cover Letter from Patient Services.

The request package for write-offs of accounts by the Assistant Attorney General will contain a cover letter detailing the activity on the account and why it should be written off as well as a cover letter from Patient Services.

The request package for write-offs due to lack of medical information and/or documentation will contain a list of accounts, a list of codes indicating reason for write-off, and a cover letter from Patient Services.]

G. INPUT OF WRITE-OFF BATCHES

A copy of the minutes of the Finance Corporation meeting are sent to the Patient Financial Services Department. These minutes include a list of the write-off transmittals that were approved. For bad debt write-off. The dates these transmittals were approved must be entered into the write-off transmittal log [*Inputted by the Collection Supervisor*]. **It is important to note that some of these transactions may result in a credit balance, or may not register at all because the account was partially paid or paid in full in the interim between the time the account received departmental approval for write-off and the time the Finance Corporation approved the write-off. If the batch fiel indicated that the transaction will result in a negative balance, the full amount will, none the less, be input and will be reconciled at a later date (see section**

H) . If the account does not register at all, the account must be highlighted on the write-off Transmittal and used for reference during reconciliation.

One batch will be created for each write-off transmittal. A cover sheet will be attached to the batch once it has been completed, listing the number of the batch, the transaction code used and the dollar amount of the batch (Attachment 5).

Each transmittal approved by the Finance Corporation will be input into the system before the end of the month.

[*G. APPROVAL PROCESS*

The Patient Services Department will gather the appropriate documentation and prepare a transmittal letter which will be forwarded to the following for approval:

1. *Hospital Controller*

2. *Associate Hospital Director*

The transmittal and accompanying documentation will then be sent to the John Dempsey Hospital Finance Corporation for approval to write-off the account as uncollectible. A log is kept on all transmittals.]

H. RECONCILIATION OF WRITE-OFF BATCHES

It is important to document which accounts approved for write-off did not get written off for the approved amount and the reason this occurred.

The reconciliation batch is prepared by first reviewing the batch edit of the original write-off batch (Attachment 6). If the amount listed in the "amount" section is greater than the amount listed in the "balance" section, then a reconciliation batch is necessary. Each account where this occurs needs to be reconciled.

An account reconciled by inputting transaction code "80" for the differences between what was requested for write-off and what was actually written off. There should be one reconciliation batch for each write-off transmittal that requires a reconciliation.

The reconciliation batch should be closed once all the adjustments have been entered, and the number of the batch should be written on the original write-off batch edit.

Once the edit for the reconciliation batch(es) is received, the following items must be documented on the edit(s): the write-off transmittal being reconciled, the amount approved for write-off by the Finance Corporation, the actual amount written off, and the difference (Attachment 7). The sum of the accounts on the batch edit must equal the difference

between what the Finance Corporation approved for write-off and what was actually written off. Note that if a 73 transaction code is among the entries on the reconciliation batch (which would occur if an amount greater than what was originally approved is needed to make the account balance $0), this amount must be subtracted twice from the control amount in order to reflect the total or "Absolute value" of the amounts input.

Once the reconciliation batches have been completed, a memorandum must be sent to the Associate Hospital Director (Finance) describing the discrepancies (Attachment 8), with a copy of the reconciliation batch(es) attached.

All of the write-off transmittals, write-off batch edits, reconciliation batch edits, and Finance Corporation minutes must be collated. A large elastic band is placed around them, and referred to the Assistant Director of Patient Financial Services, who will file them.

The Patient Financial Services Department will hold two fiscal years worth of reconciled write-off transmittals: the present fiscal year and the previous fiscal year. Any remaining transmittals will be sent to the archive for storage.

[*H. FINAL DISPOSITION OF DEBT*

When the approval to dissolve the debt has been granted, a member of Patient Services will input the appropriate transaction bring the account to zero status.

The write-off package is then retained for seven years before destruction. The transmittal log is updated.]

I. NON-MEDICARE BAD DEBT RECOVERY

Payments received on accounts written-off as Bad Debt are broken down into 2 recoveries *A) Small Balances B) Large Balances*. The funds received are recovery of Bad Debt remitted either by the Collection Agencies or by Debtors. These recoveries are on accounts previously recorded as uncollectible, and written-off as a Bad Debt. The funds received are to "Net-off" all or part of the Bad Debt write-offs equal to the $$ received. The following examples shows how the process is done:

(Examples):

A) Small Balance Recovery [*Balances under $25.00*]

Name: DOE, JOHN I MRN: XXXXXXXXX VTYP: OPOP Adm#: XXXXXXX I6VC.A
Adm Dt: 12/22/2005 Dis Dt: 12/22/2005 FB Dt: 01/03/2006 Stmt Dt: 03/08/2007
Tot Chgs: 185.01 Billed: 185.01 Unbilled: 0.00 Late: 0.00
Pymts: -69.84 Adjs: -115.17 Bal: 0.00 ARFSC: 850

VISIT A/R TRANSACTIONS

Entry Dt	Trans Dt	Plan	ARCTR	Code	Description	Type	Amount	Ind
06/28/06	06/28/06	0950	7H	942	TRANSFER TO AMERI	TADJ	5.10	M
02/17/07	02/17/07	0950	7H	902	SMALL BALANCE WRI	DADJ	-5.10	
12/06/07	12/06/07	0950	7H	556	PFS SMALL BAL W/O	DADJ	5.10	
12/10/07	12/07/07	0950	7H	415	SELF PAY - COLL R	PAYM	-5.10	

B) Large Balance Recovery [*Balances over $25.00 & above*]

Name: DOE, JOHN MRN: TXXXXXXXX VTYP: OPUL Adm#: XXXXXXX I6VC.A
Adm Dt: 07/15/2003 Dis Dt: 07/15/2003 FB Dt: 08/07/2003 Stmt Dt: 01/31/2004
Tot Chgs: 2218.00 Billed: 2218.00 Unbilled: 0.00 Late: 0.00
Pymts: -204.06 Adjs: -2013.94 Bal: 0.00 ARFSC: 1

VISIT A/R TRANSACTIONS

Entry Dt	Trans Dt	Plan	ARCTR	Code	Description	Type	Amount	Ind
	Beginning							
02/13/04	02/13/04	0482	4H	934	TRANSFER TO NAIR	TADJ	204.06	M
05/17/04	05/13/04	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
07/13/04	07/08/04	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
10/12/04	10/08/04	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
11/04/04	11/04/04	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
02/07/05	02/07/05	0482	4H	415	SELF PAY - COLL R	PAYM	-30.00	
10/27/06	10/27/06	0482	4H	590	BAD DEBT WRITE OF	CADJ	-54.06	
12/06/07	12/06/07	0482	4H	591	BAD DEBT RECOVERI	CADJ	54.06	
12/10/07	12/07/07	0482	4H	415	SELF PAY - COLL R	PAYM	-54.06	

**Clm # 4	0.00 Bills	-204.06 Pymts	204.06 Adjs	0.00 Bal
**Plan 0482	0.00 Bills	-204.06 Pymts	204.06 Adjs	0.00 Bal

BOARD OF DIRECTORS
OF THE
UNIVERSITY OF CONNECTICUT HEALTH CENTER
FINANCE CORPORATION

MINUTES OF THE JUNE 22, 2009 MEETING

BOARD OF DIRECTORS PRESENT:

President Hogan, Dr. Laurencin, Dr. Rowe, Mr. Cicchetti and Mr. Shepperd.

ATTENDEES:

Mr. Biancamano, Dr. Burrow, Mr. Carlson, Mr. Geoghegan, Mr. Gray, Ms. Hassett, Attorney Kleinman, and Dr. MacNeil.

1. **REVIEW AND APPROVAL OF THE MINUTES OF THE MARCH 23, 2009 MEETING**

On a motion duly made and seconded, the Board approved the minutes of the March 23, 2009 meeting.

2. **REVIEW AND APPROVAL OF THE REVENUE CONTRACT RENEWAL WITH THE HEART CENTER OF GREATER WATERBURY ON BEHALF OF THE JOHN DEMPSEY HOSPITAL**

In early 2004, both the Board of Directors of the University of Connecticut Health Center and the University of Connecticut Health Center Finance Corporation approved a three-year revenue contract, on behalf of the John Dempsey Hospital, with St. Mary's Hospital and Waterbury Hospital to provide support, assistance, and clinical oversight for the proposed Angioplasty and Open Heart Surgery Program. A Memorandum of Agreement outlined the planned relationship relative to perfusion services.

The Heart Center and JDH have renewed this agreement annually on a per-case amount. For fiscal years 2010 and 2011, it is estimated there will be 225 perfusion cases per year, which would yield an estimated revenue of approximately $512,000 for year one and $527,000 for year two.

The John Dempsey Hospital will continue to manage a team of perfusionists who will provide round-the-clock support for the John Dempsey Hospital, and the Heart Center of Greater Waterbury (St. Mary's Hospital, and Waterbury Hospital) relative to open heart cases and associated perfusion program management services.

On a motion duly made and seconded, the Board of Directors approved a contract renewal, on behalf of the John Dempsey Hospital, with The Heart Center of Greater Waterbury to provide perfusion services in support of their Open Heart Surgery Program for

- Finalize and begin implementation of sub-agreements related to the Integration Agreement
- Continue the financial modeling of the relationship
- Plan for the creation of University Physicians
- Plan for the transition of UMG into University Physicians
- Assist with operational transition plans for John Dempsey Hospital
- Assist with operational transition plans that impact the Dental Clinics and the School of Dental Medicine
- Provide advice and support to the UCHC team in other aspects of the transition

Estimated costs through December 31, 2009 are $550,000, which will bring the total cost of this engagement to $1,300,000.

On a motion duly made and seconded, the Board of Directors approved a contract amendment on behalf of John Dempsey Hospital with Larson Allen for continued consulting services in support of Phase II of the affiliation evaluation project for the period July 1, 2009 through December 31, 2009 in an amount not to exceed $1,300,000, and that the Executive Director be authorized to enter into said contract amendment.

7. **APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR THE JOHN DEMPSEY HOSPITAL**

On a motion duly made and seconded, the Board approved the write-off of 1231 accounts totaling $544,560.36 for the period February 1, 2009 through May 31, 2009, for the John Dempsey Hospital (Transmittal Numbers 1120 through 1147) as returned from the collection agencies.

8. **APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR THE UCONN MEDICAL GROUP**

On a motion duly made and seconded, the Board approved the write-off of 3,032 accounts totaling $163,050.34 for the period March 1, 2009 through April 30, 2009 for the University Physicians (Transmittal Number 113) as returned from the collection agencies.

9. **APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR UCONN DENTAL CLINICS**

On a motion duly made and seconded, the Board approved the write-off of 974 accounts totaling $186,005.93 for the period March 6, 2009 through May 27, 2009 for the UConn Dental Clinics (Transmittal Number DC 126) as returned from the collection agencies.

10. APPROVAL OF THE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS FOR UNIVERSITY DENTISTS

On a motion duly made and seconded, the Board approved the write-off of 279 accounts totaling $77,897.84 for the University Dentists (Transmittal Number UD010) as returned from the collection agencies.

Dr. Rowe asked about the write-off trend. Mr. Geoghegan stated it has been steady and there has not been a large fluctuation in the past year.

11. REVIEW AND APPROVAL OF THE FY 2010 FINANCE CORPORATION BUDGET

Dr. Rowe noted that the budget showed a profit of $100,000, which was a result of a modest increase in revenues from the Munson Road Corporation and a modest reduction in interest expenses.

On a motion duly made and seconded, the Board approved the Finance Corporation budget for fiscal year 2010.

12. DISCUSSION REGARDING FUTURE FINANCE CORPORATION BOARD OF DIRECTORS MEETING SCHEDULE

Dr. Rowe noted that Governor Rell has appointed Thomas Ritter as interim chairman of the UConn Board of Trustees and the UCHC Finance Corporation Board of Directors. Any items requiring action after July 1, 2009 would be handled by Mr. Ritter until a permanent Chairman is appointed. Dr. Rowe suggested that the Board wait to finalize the schedule until a permanent Chairman is appointed. Dr. Rowe stated that he would give Mr. Ritter a copy of the proposed schedule for his calendar.

13. PURCHASES MADE/CONTRACTS EXECUTED BY THE FINANCE CORPORATION FOR THE PERIOD MARCH 1, 2009- MAY 31, 2009

Board Members reviewed the list of purchases made and contracts executed by the Finance Corporation for the period of March 1, 2009 – May 31, 2009.

14. PROPOSAL OF REFORMULATION OF JOHN DEMPSEY HOSPITAL AND HARTFORD HEALTHCARE

President Hogan stated that a Master Integration Agreement, which includes multiple sub-agreements, has been negotiated with Hartford Healthcare and has been submitted to the General Assembly for review. President Hogan noted that there have been on-going discussions for the past 4-6 weeks with Robert Genuario, secretary of the Office of Policy and Management, and Dr. Robert Galvin, commissioner of the Department of Public Health. Additionally, the leadership teams from Hartford Healthcare and UConn Health Center have met multiple times regarding the plan, which is also being reviewed by the Office of the Attorney General.

15. DISCUSSION ITEMS

President Hogan noted that he is very pleased with the efforts and results of Attorney Steve Cowherd from the law firm of Jeffers and Ireland, as well as Greg Hart, Principal of Larson Allen, and his team of consultants.

President Hogan thanked Dr. Rowe for his years of service to the Finance Corporation Board of Directors.

With no further business, the meeting adjourned at 9:20 a.m.

Respectfully submitted,

Richard D. Gray
Executive Director

DRAFT

University of Connecticut Health Center
2009 POVERTY LEVEL GUIDELINES

Federal Income Poverty Guidelines as published in the Federal Register on February 3,2009

Family Size	% of Poverty Level	100%	101% 125%	126% 150%	151% 175%	176% 200%	201% 225%	226% 250%
	% of Discount of charges	100%	84%	70%	56%	42%	28%	14%
1	Total Household Income Up to	$10,830	$13,538	$16,245	$18,953	$21,660	$24,368	$27,075
2	Total Household Income Up to	$14,570	$18,213	$21,855	$25,498	$29,140	$32,783	$36,425
3	Total Household Income Up to	$18,310	$22,888	$27,465	$32,043	$36,620	$41,198	$45,775
4	Total Household Income Up to	$22,050	$27,563	$33,075	$38,588	$44,100	$49,613	$55,125
5	Total Household Income Up to	$25,790	$32,238	$38,685	$45,133	$51,580	$58,028	$64,475
6	Total Household Income Up to	$29,530	$36,913	$44,295	$51,678	$59,060	$66,443	$73,825
7	Total Household Income Up to	$33,270	$41,588	$49,905	$58,223	$66,540	$74,858	$83,175
8	Total Household Income Up to	$37,010	$46,263	$55,515	$64,768	$74,020	$83,273	$92,525

For each additional person in family add $3,740

Docket #09-26AR

BAD DEBT EXPENSE ROLLFORWARD
For the Period 10/01/08 Through 9/30/09

BAD DEBT EXPENSE (10/1-9/30)		6,367,403.00	**OHCA Income Schedule**
PY RESERVE	25,328,142.00	**9/30 FS**	
CY RESERVE	23,074,720.00	**9/30 Balance Sheets**	
INCREASE IN RESERVE		(2,253,422)	
WRITEOFFS		4,398,900.00	**See Write off Tab**
Write offs for July 08-Sept 08 reported in June 09		553,058.00	
Reserve for Other AR		95,337.00	
KREG correction		3,221,892.00	
RECOVERY OF BAD DEBTS		26,634.00	
Reverse 9/30/07 reclass from contractual		325,000.00	
IMMATERIAL DIFFERENCE		4.00	imm
		6,367,403.00	
CALCULATED EXPENSE			
		DIFFERENCE	-

Docket #09-26AR

BAD DEBT EXPENSE ROLLFORWARD
For the Period 10/01/08 Through 9/30/09
Writeoff Support

	Amount	Source
10/08-12/08	663,328	Quarterly Hypothecation Package
1/09-3/09	1,969,274	Quarterly Hypothecation Package
4/09-6/09	931,135	Quarterly Hypothecation Package
7/09-9/09	835,163	Quarterly Hypothecation Package
Total	4,398,900	

JOHN DEMPSEY HOSPITAL (6005 FUND PROGRAMS) Docket # 09-26AR
ACCOUNTS RECEIVABLE WRITE-OFFS
OCTOBER 2008-TO-SEPTEMBER 2009

		TOTAL	HOSPITAL	DENTAL
OCTOBER		$ 324,849	175,544	149,305
NOVEMBER		$ 84,817	86,800	(1,983)
DECEMBER		$ 253,662	19,400	234,262
JANUARY	2009	$ 469,960	466,711	3,249
FEBRUARY		$ 986,614	725,957	260,657
MARCH		$ 512,700	377,736	134,964
APRIL		$ 242,774	93,175	149,599
MAY		$ 449,658	352,130	97,528
JUNE		$ 238,703	164,746	73,957
JULY	2009	$ 271,234	131,676	139,558
AUGUST		$ 135,833	129,492	6,341
SEPTEMBER		$ 428,096	311,076	117,020
TOTAL		**$ 4,398,900**	**$ 3,034,443**	**$ 1,364,457**

Difference
Approved / written off

NOTE: Amounts include Attorney General, Collections and Finance Corporation write-offs for CADJ and DADJ within the OCHA Report (Allowances by Payor). Amounts obtained via monthly Entries for Dental AR and IDX System for JDH

OHCA Income Statement
For the Twelve Months Ended September 30, 2009
Source: Monthly Package Income Statements(YTD Sept08, YTD June 09, YTD Sept 09)
Note: Dempsey YTD06 includes FSC activity

For the Twelve Months Ended 09/30/2009

	YTD September 08			YTD June 09			YTD September 09			Oct08-Sept09				
	DENTAL 7/1/08 - 9/30/08	DEMPSEY 7/1/08 - 9/30/08	COMBINED 7/1/08 - 9/30/08	DENTAL 7/1/08 - 6/30/09	DEMPSEY 7/1/08 - 6/30/09	COMBINED 7/1/08 - 6/30/09	DENTAL 7/1/09 - 9/30/09	DEMPSEY 7/1/09 - 9/30/09	COMBINED 7/1/08 - 9/30/09	DENTAL 10/01/08-09/30/09	DEMPSEY 10/01/08-09/30/09	COMBINED 10/01/08-09/30/09	Elim	Final Combined 10/01/08-09/30/09
Gross Inpatient Revenue	-	49,587,363	49,587,363	-	228,680,649	228,680,649	-	64,916,776	64,916,776	-	244,010,062	244,010,062		244,010,062
Gross Outpatient Revenue	2,636,852	52,120,399	54,757,251	10,436,050	230,530,741	240,966,791	2,333,208	58,348,598	60,681,806	10,132,406	236,758,940	246,891,346		246,891,346
Total Gross Patient Revenue	2,636,852	101,707,762	104,344,614	10,436,050	459,211,390	469,647,440	2,333,208	123,265,374	125,598,582	10,132,406	480,769,002	490,901,408		490,901,408
Less: Contractual Allowances	883,204	45,094,809	45,978,013	2,290,286	216,224,067	218,514,353	587,433	62,043,369	62,630,802	1,994,515	233,172,627	235,167,142		235,167,142
Provision for Bad Debt	26,489	(144,402)	(117,913)	699,236	3,552,868	4,252,104	157,137	1,840,249	1,997,386	829,884	5,537,519	6,367,403		6,367,403
Net Patient Revenue	1,727,159	56,757,355	58,484,514	7,446,528	239,434,455	246,880,983	1,588,638	59,381,756	60,970,394	7,308,007	242,058,856	249,366,863		249,366,863
Investment Income	-	117,800	117,800	-	258,902	258,902	-	23,540	23,540	-	165,642	165,642		165,642
Other Operating Revenue	479,968	911,739	1,391,707	2,169,085	3,335,660	5,504,745	689,540	499,397	1,188,937	2,378,657	2,923,318	5,301,975	1,576,688	3,725,287
Total Other Operating Income	479,968	1,029,539	1,509,507	2,169,085	3,595,562	5,764,647	689,540	522,937	1,212,477	2,378,657	3,088,960	5,467,617		3,890,929
Total Revenue	2,207,127	57,786,894	59,994,021	9,615,613	243,030,017	252,645,630	2,278,178	59,904,693	62,182,871	9,686,664	245,147,816	254,834,480		253,257,792
Expenses:										-	-	-		
Salaries and Wages	807,553	22,828,427	23,635,980	3,240,857	90,339,479	93,580,336	857,738	23,438,768	24,296,506	3,291,042	90,949,820	94,240,862		94,240,862
Fringe Benefits	280,045	8,667,513	8,947,558	1,156,987	33,795,495	34,952,482	330,247	6,831,510	7,161,757	1,207,189	31,959,492	33,166,681		33,166,681
Medical/Dental House Staff	-	2,924,292	2,924,292	-	11,966,675	11,966,675	-	3,727,987	3,727,987	-	12,770,370	12,770,370		12,770,370
Medical Contractual Support	-	1,564,032	1,564,032	-	6,426,706	6,426,706	-	542,708	542,708	-	5,405,382	5,405,382	1,576,688	3,828,694
Outside Agency Per Diems	-	303,235	303,235	-	1,145,303	1,145,303	-	388,095	388,095	-	1,230,163	1,230,163		1,230,163
Depreciation Expense	59,955	2,591,492	2,651,447	250,976	10,582,684	10,833,660	67,650	2,911,253	2,978,903	258,671	10,902,445	11,161,116		11,161,116
Drug/Medical Supplies	614,365	11,949,714	12,564,079	2,081,720	50,573,338	52,655,058	555,591	12,366,742	12,922,333	2,022,946	50,990,366	53,013,312		53,013,312
Utilities	-	1,045,164	1,045,164	-	3,162,879	3,162,879	-	694,662	694,662	-	2,812,377	2,812,377		2,812,377
Outside & Other Purchased Services	302,673	6,556,839	6,859,512	1,218,944	31,778,587	32,997,531	300,078	8,102,138	8,402,216	1,216,349	33,323,886	34,540,235		34,540,235
Insurance	-	733,751	733,751	-	8,257,896	8,257,896	-	809,011	809,011	-	8,333,156	8,333,156		8,333,156
Repairs & Maintenance	5,468	1,142,645	1,148,113	36,496	4,857,552	4,894,048	3,035	1,276,536	1,279,571	34,063	4,991,443	5,025,506		5,025,506
Other Expenses	157,582	640,627	798,209	648,694	2,653,360	3,302,054	187,070	543,550	730,620	678,182	2,556,283	3,234,465		3,234,465
Total Operating Expenses	2,227,641	60,947,731	63,175,372	8,634,674	255,539,954	264,174,628	2,301,409	61,632,960	63,934,369	8,708,442	256,225,183	264,933,625		263,356,937
NET INCOME/(LOSS)	$ (20,514)	$ (3,160,837)	$ (3,181,351)	$ 980,939	$ (12,509,937)	$ (11,528,998)	$ (23,231)	$ (1,728,267)	$ (1,751,498)	$ 978,222	$ (11,077,367.00)	$ (10,099,145.00)		$ (10,099,145.00)

Docket #09-26AR

Docket #09-26AR

OHCA Balance Sheet
As of September 30, 2009
Source: Monthly Package JDH Balance Sheet

John Dempsey
September 2009

ASSETS

Current Assets:		
Cash		$ -
Patient Accounts Receivable		
Active Patient Accounts Receivable	12,336,042	
Gross AR for unbilled and non contractual	49,549,456	
Dormant Patient Accounts Receivable	10,648,726	
Reserve for Contractual Allowance	(23,481,195)	
Allowance for Doubtful Accounts	(19,434,461)	
Net Patient Accounts Receivables		29,618,568
Bond Trust Fund (current portion)		-
Advances to Finance Corp		2,516,242
Due from State of Connecticut		3,402,739
Other Accounts Receivable		568,879
Inventory		5,272,429
Prepaid Expenses and Other Assets		3,478,707
Due From Third Party Payors		1,791,963
Malpractice Trust Fund (current portion)		6,910,000
Total Current Assets		53,559,527
Assets whose use is limited, net of current portion		
Bond Trust Fund		-
Malpractice Trust Fund - 7207 Fund		17,016,166
Malpractice Trust Fund - Finance Corp		1,876,897
Other Investments		622,236
Total Assets whose use is limited		19,515,299
Plant and Equipment (gross)		172,871,331
Accumulated Depreciation		(116,672,625)
Plant and Equipment (net)		56,198,706
Total Assets		$ 129,273,532

LIABILITIES & FUND BALANCE

Current Liabilities:	
Cash Overdraft	$ 20,741,551
Accounts Payable	9,651,980
Deferred Revenue	-
Due to Other Health Center Agencies	-
Accrued Payroll	4,968,290
Due to State of CT. - Fringe Benefits	2,113,478
Due to Third Party Payors	-
Accrued Compensated Absences	5,179,932
Current installments of Long-Term Debt	830,396
Current installment of liabilities under Capital Leases	1,983,114
Current portion of Estimated Malpractice Costs	6,910,000
Total Current Liabilities	52,378,741
Long-Term Debt, excluding current installments	10,077,005
	10,077,005
Estimated Malpractice Costs, net of current portion	18,550,572
Total Liabilities	81,006,318
Fund Balance	48,267,214
Total Liabilities & Fund Balance	$ 129,273,532

OHCA Balance Sheet
As of September 30, 2009
Source: Monthly Package DC Balance Sheet

ASSETS

	Dental Clinics September 2009	
Current Assets:		
Cash		$4,921,446
Active Patient Accts. Receivable	3,986,290	
Dormant Patient Accts. Receivable	1,564,575	
Reserve for Contractual Allowances	(1,429,785)	
Reserve for Bad Debts	(3,640,259)	
Net Patient Accounts Receivable		480,821
Other Accounts Receivable		540,195
Due from Malpractice		-
Due from Finance Corp.		-
Inventory		187,086
Prepaid Expense		-
Total Current Assets		6,129,548
Property, Plant, & Equipment (Gross)		11,245,536
Accumulated Depreciation		(9,402,803)
Property, Plant, & Equipment (Net)		1,842,733
Total Assets		$ 7,972,281

LIABILITIES AND FUND BALANCE

Deferred Income	-
Accounts Payable & Accrued Expenses	682,395
Due to Finance Corp.	873,176
Accrued Payroll	185,389
Due to State of CT - Fringe Benefits	69,307
Compensated Absences & Fringe Benefits	120,366
Total Liabilites	1,930,633
Fund Balance	6,041,648
Total Liabilities & Fund Balance	$ 7,972,281