



**DEPARTMENT OF MENTAL HEALTH
POLICY/PROCEDURE**

SUBJECT TRANSFERRING DELINQUENT ACCOUNTS TO THE TREASURER- TAX COLLECTOR (TTC)	POLICY NO. 805.01	EFFECTIVE DATE 08/31/1990	PAGE 1 of 3
APPROVED BY: Original signed by: ROBERTO QUIROZ Director	SUPERSEDES 405.1 08/31/1990	ORIGINAL ISSUE DATE 03/29/1988	DISTRIBUTION LEVEL(S) 1

PURPOSE

- 1.1 To ensure mandatory participation and uniform methodology for handling delinquent accounts.
- 1.2 This policy is being revised to comply with the County Fiscal Policy and the Auditor-Controller recommendations. The specific changes are: 1) all accounts meeting the TTC criteria must be referred (thereby eliminating therapist approval); 2) accounts will be referred at 60 days delinquent as opposed to 30 days or more past due; 3) referral amount is reduced to \$50 from \$93; and 4) reiterate that account is charged off prior to referral.

POLICY

- 2.1 It is the policy of the Department of Mental Health (DMH) to refer its uncollected accounts to TTC for further collection follow-up. Procedures are herein provided for implementation of this policy and a reference for staff training and development.

BACKGROUND

- 3.1 The TTC is the collection arm of the County of Los Angeles. All departments are expected to refer their delinquent accounts to TTC if internal attempts at collection prove unsuccessful.
- 3.2 This is a particularly viable tool for the DMH as County departments are prohibited by State mandate from referring accounts to the private sector for collection.

PROCEDURE



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4.1 All DMH accounts meeting the TTC criteria must be referred. The criteria is as follows:

- Account is 60 days delinquent;
- Collection efforts at the clinic level have been exhausted;
- A valid current address;
- Balance over \$50;
- Account has been charged off.

4.2 Prepare a collection Referral/Credit Memo form (Attachment I) for each client for which a charge is being referred to TTC. The MIS Number must follow the description of the charge.

4.3 Attach to each referral form a copy of the Payor Financial Information (PFI) form, the Client Statement Card, and, where available, a copy of the Financial Obligation Agreement.

4.4 Group referrals into batches not to exceed fifteen (15). Prepare a Collection Referral Transmittal (Attachment II) in triplicate for each batch. Enter your Provider Number with appropriate alpha code in the space marked "Department I.D. Number."

4.5 To adjust an account after it has already been referred to TTC, prepare an additional Collection Referral/Credit Memo form indicating the credit in the appropriate column. The "Description of Charge" will reflect the type of adjustment, e.g., payment, referral error, etc. Debit adjustments will be handled as if they were a new charge with a TTC account number.

4.6 The entire package is sent via County Messenger to:

Department of Mental Health
Revenue Management Division
550 S. Vermont Ave. 8th Floor
Los Angeles, CA 90020

