



# DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

<b>SUBJECT</b> <b>TRANSFERRING DELINQUENT ACCOUNTS TO THE TREASURER-TAX COLLECTOR (TTC)</b>	<b>POLICY NO.</b> <b>405.1</b>	<b>EFFECTIVE DATE</b> <b>8/31/90</b>	<b>PAGE</b> <b>1 of 3</b>
<b>APPROVED BY:</b> <b>original signed by:</b> <b>ROBERTO QUIROZ</b> <div style="text-align: right;">Director</div>	<b>SUPERSEDES</b> <b>10/1/89</b>	<b>ORIGINAL ISSUE DATE</b> <b>3/29/88</b>	<b>DISTRIBUTION LEVEL(S)</b> <b>1</b>

## **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**

- 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.



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- 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. 8<sup>th</sup> Floor  
Los Angeles, CA 90057
- 4.7 The package is then reviewed for accuracy. If errors exist, the package is rejected and returned to the clinic for correction. If accurate, the referrals are signed as approved; all documents are stamped "CONFIDENTIAL" and the package is sent via County Messenger to:
 

Treasurer-Tax Collector  
437 Hall of Administration  
500 W. Temple St.  
Los Angeles, CA 90012
- 4.8 The referrals will then be reviewed by TTC personnel. The yellow copy of the transmittal will be returned to DMH headquarters. Any rejections will be lined out and the collection referral will be attached. The accepted number of accounts and the total dollar amount will be entered on the bottom portion of the referral.
- 4.9 Additional forms may be obtained through the Revenue Management Division on request.

**AUTHORITY**

Los Angeles County Fiscal Manual



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Los Angeles County Auditor-Controller Recommendations  
State Department of Mental Health Audit Recommendations

### **ATTACHMENTS**

Attachment I                      Collection Referral/Credit Memo form  
Attachment II                     Collection Referral Transmittal form

Date: \_\_\_\_\_

**TREASURER-TAX COLLECTOR**  
**437 Hall of Administration**  
**500 W. Temple St., Los Angeles, CA 90012**

**COLLECTION REFERRAL/CREDIT MEMO**

Bill to:  
 Name: \_\_\_\_\_ Telephone # (\_\_\_\_) \_\_\_\_\_  
 (Parent if Patient Is a Minor)

Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 (Payor Address)

Check here to indicate credit memo TTC account no. \_\_\_\_\_

Referral/credit memo number \_\_\_\_\_

Firm account to credit collections: \_\_\_\_\_

Charge Date	Description of Charge	Credit Memo Amt	Charge Amt

Department I.D. Number: \_\_\_\_\_ (Provider Number with Alpha Code)

Social Security Number: \_\_\_\_\_ (Payor)

Date of Birth: \_\_\_\_\_

Drivers License Number: \_\_\_\_\_

Documentation Attached: \_\_\_\_\_

Special Instructions: \_\_\_\_\_

I certify on my own personal knowledge that the above is a proper charge and that the items and the total amount thereof are correct.

Approved by: \_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Phone

\_\_\_\_\_  
 Department

**For TTC use only:**

Statement Cycle: \_\_\_\_\_ Monthly Terms: \_\_\_\_\_

Account Type: \_\_\_\_\_ Effective Date: \_\_\_\_\_

Code: \_\_\_\_\_ Next Billing: \_\_\_\_\_

Charge I.D. \_\_\_\_\_ Due Date: \_\_\_\_\_

