


MADISON LUTHERAN HOME – MADISON, MINNESOTA
Madison Hospital - Lac qui Parle Clinic

SUBJECT:	POLICY #:	
DEPARTMENT/INITIATOR:	PAGE # 1 OF	
DISTRIBUTION:	EFFECTIVE DATE:	

Credit Balance Policy:

It is the policy of Madison Hospital/Lac Qui Parle Clinic to verify and review all patient account credit balances.

1. Any credit balance on patient accounts should be verified.
 - A. All insurance and private payments should be verified to detect any errors made when posting payments.
2. Credit balances due to insurance payment:
 - A. If credit on patient account results from correction in charges, wrong payer billed, etc the insurance company should be issued a refund check with below stipulations:
 1. Medicare credits are completed through DDE system so credit is recovered on a future remittance, with no check being issued.
 2. Blue Cross credits should be corrected with a corrected claim submitted and credit recovered on a future remittance whenever possible.
 3. Insurance company preferable method is to have letter from insurance company requesting refund so insurance company has knowledge of where to post refund check and reason for refund.
3. Credit balance due to private payment.
 - A. Credit balance should be transferred to any private pay balances on guarantor accounts for hospital and clinic prior to refunding to patient.
4. Credit balances under \$5.00.
 - A. Credit balance should be held on account for 12 months to transfer to another private pay guarantor account.
 1. If there are no private pay guarantor accounts to transfer balance, and credit has been held for 12 months, the credit amount is adjusted off.
 - A. It is estimated that it costs \$12.00 to process accounts payable check, mail and post refund.