

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: May 2, 2011

SUBJECT: N. C. Debt Setoff Program – Outstanding Delinquent
EMS Accounts

PRESENTER: J. Carey McLelland, Finance Director

ATTACHMENTS: Yes

SUMMARY OF REQUEST:

Local Governments in North Carolina can use the N.C. Debt Setoff Program to collect delinquent account balances of \$50 or more by submitting them to a clearinghouse which will attach to state income tax refunds processed by the N.C. Department of Revenue. Once submitted, the delinquent accounts will stay in the clearinghouse database until any state income tax refund becomes available to satisfy the balance due.

Staff is requesting to be able to utilize the N.C. Debt Setoff Program to attach to any state income tax refund that becomes available to collect on outstanding delinquent EMS account balances for patients that have no insurance coverage and for those patients that have insurance coverage, but does not pay 100 percent of the charges and the balance remaining has not been satisfied.

Only those EMS patient accounts that have been identified as having no insurance coverage at all or have insurance that does not pay 100 percent of the bill leaving an outstanding delinquent account balance would be submitted to this Program. No Medicare or Medicaid eligible patient accounts will be submitted to the N.C. Debt Setoff Program.

BOARD ACTION REQUESTED:

Request that the Board consider approving the use of the N.C. Debt Setoff Program by Staff for the collection of outstanding delinquent EMS account balances.

Suggested Motion:

I move that the Board of Commissioners approve the use of the N.C. Debt Setoff Program by Staff for the collection of delinquent EMS account balances over \$50 for patients that have no insurance coverage at all and also for those patients that have insurance coverage, but does not pay 100 percent of the charges leaving an outstanding delinquent account balance.

EMS ACCOUNTS RECIEVABLE

APRIL 26, 2011

Accounts receivable balance – 4/26/11	\$1,664,114
AR balance - private pay (cash) accts – 59%	\$ 986,615
10%-15% collection success rate through the N.C. Debt Setoff Program	\$98,662 - \$147,992
Cost of a paramedic including benefits	\$ 46,390
Total FY2011 EMS operating budget	\$4,156,546
Total FY2011 EMS revenues budgeted	<u>\$2,325,000</u>
Difference	\$1,831,546