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|  <p>B.S. Aquino Drive, Bacolod City, Negros Occidental, 6100</p> <p>DR. PABLO O. TORRE MEMORIAL HOSPITAL</p> | Document Code: | DPOTMH-B-7-P02 |
| | Effective Date: | 08-30-2022 |
| | Document Type: | Policy |
| | Page Number: | 1 of 5 |
| | Department/Section: | Billing |
| | Document Title: | CREDIT LIMIT APPROVAL FOR PERSONAL ACCOUNTS |

PURPOSE:

1. To establish credit policies for credit extension and approval of personal accounts during the patient's confinement.
2. To identify the approving authority of designated personnel and officers.
3. To ensure that credit policies are strictly implemented.
4. To minimize bad debts.

LEVEL:

Billing Staff, Billing Supervisor, Admitting Staff, Chief Risk Manager


DEFINITION OF TERMS:

1. **PERSONAL/INDIVIDUAL ACCOUNTS** – These are accounts granted to individuals who do not have pre-approved credit lines.

POLICY:

- 1 All individual or personal patients make a deposit or advance payment on admission based on case type and room accommodation and settle their hospital and doctors' bills upon discharge, except in the following cases:
 - 1.1 Emergency – It is the condition or state of a patient wherein, based on the objective findings of a prudent Medical Officer on Duty for the day, there is immediate danger and where delay in initial support and treatment may cause loss of life or cause permanent disability to the patient.

Example: vehicular accident cases, gunshot wounds, stab wounds
Reference: Republic Act 8344, Section 2.1 – It is an act prohibiting the demand for deposits or advance payments for the confinement of patients in hospitals or medical clinics in certain cases.

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- 1.2 Serious – It refers to the condition of a patient characterized by gravity or danger, which, based on the objective findings of a prudent Medical Officer on Duty for the day, when left unattended to, can cause permanent disability or damage to the patient.
- 1.3 Transferred-Out – It refers to patients who have been stabilized after emergency treatment has been administered, after STAT operations, or patients hooked up to life-saving devices but are financially incapable of their hospital and doctor's bills. These cases are usually coordinated with the Attending Physicians and the Billing Section.

Example: vehicular accidents, new-born premature babies or adult patients hooked up to a ventilator for a longer period of time.

Reference: **Republic Act 8344, Section 3.** After the hospital or medical clinic shall have administered medical treatment and support, it may cause the transfer of the patient to an appropriate hospital consistent with the needs of the patient, preferably to a government hospital, especially in the case of poor or indigent patients.

- 1.4 Patients who have discharge orders but lack the financial means to pay them exercise their right under RA 9439.
- 1.5 Death – In the case of a deceased patient, the corresponding death certificate and other documents required for the internment and other purposes shall be released to any of his surviving relatives requesting the same.

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2 Deposit or Partial Payment Policy. On admission, patients with personal accounts are required to make a deposit depending on case type, i.e. medical, surgical, OB or Gyne or others and according to room accommodation.

3 Progress Billing Plan. While the patient is confined, the designated Billing Staff follows-up the additional deposit once the initial deposit is consumed, until the patient is discharged.

4 Credit Limit Approval

4.1 Admitted Patients

4.1.1 The Credit Limit Approval of the Billing Account Officer is a maximum amount of P30,000.00. Accounts over P30,000.00 should be referred to the Billing Section Supervisor for proper disposition.

4.1.2 The Credit Limit Approval of the Billing Section Head and the Chief Risk Manager is a maximum amount of P100,000.00.

4.1.3 The Billing Supervisor confers with the Chief Risk Manager the accounts referred by the Billing Staff.

4.2 Patients for Discharge

4.2.1 The Billing Staff refers all accounts for Promissory Note Approval to the Billing Supervisor or the Chief Risk Manager.


4.2.2 Promissory Note Accounts up to P100,000 are approved by the Billing Supervisor or the Chief Risk Manager.

4.2.3 Promissory Notes over P100,000.00 should be subject to Top Management's approval.

5 Credit Terms

5.1 The maximum payment term is 30 days.

5.2 An interest fee of 3% per month is charged after 30 days.

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- 6 Requirements to be submitted by the patient for Personal Account are the following:
 - 6.1 Sign the standard DPOTMH promissory note
 - 6.2 At least two (2) co-makers who are gainfully employed.
 - 6.3 In case of a married co-maker, the spouse's signature as marital consent
 - 6.4 At least two (2) valid identification cards
 - 6.5 Proof of Billing (Utility Bills)
- 7 Submission of collateral, preferably a Land Title, is necessary if complete payment cannot be made. A Real Estate Mortgage is executed and the terms are annotated on the title.
- 8 The client is required to issue postdated check/s for his account balance.

DOCUMENTATION:

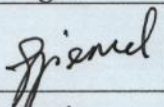
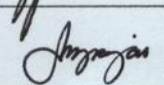
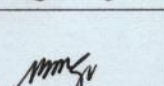
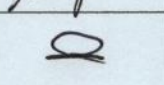
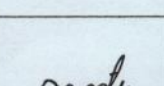
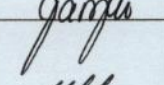
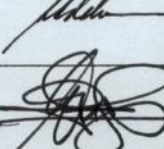
Revised Policy

DISSEMINATION:

Hospital Communicator

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APPROVAL:

| | Name/Title | Signature | Date |
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| Prepared by: | GLOREGENE J. SERUELO Billing Supervisor |  | 8/23/22 |
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