**XXXXX Health Department   
Internal Control**

**Policy A-IC-13 September 15, 20##**

[*SAMPLE*] **Receipts Management Policy**

**Purpose:** To establish a standard procedure for the collection and management of receipts to ensure adequate and appropriate internal control measures.

**Policy:** All checks received at any site must be immediately stamped with a “Deposit Only” stamp. This shall be done by (Administrative Staff). All money sent to the (LHD/District Office) must be in a sealed envelope and accompanied by calculator tape indicating total money sent, in addition to the Daily Receipts 358 Report when applicable. All money received in the (District Office) goes to the (Office Manager) to be logged by date, amount, and check name (if applicable), except for clinic money received, which will go to the (Administrative Staff) person assigned this responsibility. Money is then forwarded to the Purchasing Agent to be coded and deposited. Money received from (LHD sites/local health centers) shall be matched and balanced with daily 358 cash received report. Daily deposit tickets are given to the (Administrative Staff) to be entered into the General Ledger.

**Procedure:**

I. At the end of the month:

A. The Administrative Staff performs a reconciliation.

B. The Administrative Staff runs a calculator tape of the entire month’s receipts and reconciles with the calculator tape of all deposit tickets as deposited by the Purchasing Agent and provided to the Administrative Staff. Any discrepancies are thoroughly investigated and documentation made of the findings.

C. The Director, or designee, receives all cancelled checks, bank statements, deposit slips, transfers, and other transaction records to review prior to reconciliation.

D. The Director reconciles (or approves after designee reconciles) the General, Operating, Environmental, and Building bank accounts, assuring that the bank statement reconciles with the hand-tallied ledger maintained by the Purchasing Agent.

II. Self-Pay (Health Center Programs)

A. After the completed Patient Encounter Form (except for the amount paid) has been entered into the system, the second Patient Encounter Form screen lists the services provided and the amount owed by the patient. In the space provided, enter amount paid, the number of bills/receipts to print, and transmit (Xmit). The system will print a bill/receipt. The employee, who receives the payment documents type of payment, initials the bill/receipt, gives the original to the patient, and attaches the second copy to Encounter Form.

B. All money received shall be secured in the cash box.

C. Each day’s bill/receipts shall be batched separately. A calculator tape shall be run of the payments received as listed on the bill/receipts at the end of the day.

D. The day’s actual receipts that are in the cash box shall be counted.

E. The receipts total on Report #358 for that day shall be compared to the calculator tape total and to the actual receipts count. All three (3) amounts should agree. If donations have been received, also review the Report #319 and add the daily donations received from this report with the self-pay amounts from Report #358 and/or Report #319. If the total amounts do not agree, correct the errors and document on the Report #358. Send a copy of Report #358, Report #319 (if applicable), the calculator tape detailing receipts, a copy of any receipts, and the money to the (Administrative Staff) with the next delivery of mail.

F. The account distribution amounts for the Self-Pay receipts are at the end of Report #358. These daily distributions are used to support the cash entries in the General Ledger. The Patient Encounter Forms (PEFs) and a copy of the #319 report shall be maintained for six (6) years after the Independent Financial Audit.

III. Medicaid Preventive Services Program

A. Medicaid billing is automatically run twice a month. All services entered in the Patient Encounter Form system as of the billing run date are included in the billing. This may include 1-4 days of the next month.

B. The Medicaid Patient Scheduled Invoice Register Report #308 is available to each site when run. The Medicaid Claims Paid #432 is available to each site when the Medicaid payment tape is applied, to each Health Department’s Medicaid A/R file.

C. The Medicaid payment tape may not match the Health Department A/R file for any of the following circumstances:

* The patient Medicaid number has changed between the time the service was rendered and the date the Medicaid payment is applied to the A/R file.
* Medicaid was billed by hand on a CMS (HCFA) 1500 and the correct A/R information was not entered in time.
* A recoupment of a prior time period payment is involved.

Any necessary corrections to the A/R system must be made by the (LHD/Health Center) to reconcile the differences between the payment and A/R file (Example: service billed with 800 series number and payment received after new MA# received).

D. All denied Medicaid claims on each remittance report must be examined and the proper action taken on at least a monthly basis. When a denial necessitates re-submittal, the Administrative Staff at each (LHD/Health Center) will be responsible for re-submittals of MA denials.

E. If the patient or services were billed in error to Medicaid, correct the A/R system using CDP instructions.

F. Patients with retroactive Medicaid cards will be automatically billed to Medicaid when their Patient Encounter Form History File is updated to show Medicaid eligibility.

G. At the end of each month, the potential-eligible Medicaid Report #375 is run for prior months that lists all patients and services that were entered as potentially eligible for Medicaid when their services were rendered. Review the patient’s Medicaid eligibility to determine which prior services may be automatically billed to Medicaid by correcting the Patient Encounter Form History File. Those potentially

Eligible for Medicaid on Report #375 remain on the report until an action of eligibility or non-eligibility is performed, or the end of the FY.

H. The actual Medicaid payment is sent to the Department for Public Health. The payment is divided into the prior Medicaid payment amount, the local Trust and agency amount, and the State Trust and Agency amount. The Medicaid Payment Report #432 is sent to each Health Department monthly to reconcile the Medicaid remittance amounts with the payments sent to the Local Health Department by the Department for Public Health. This reconciliation is performed by the (Administrative Staff).

I. The A/R Aging Report #359 should be examined monthly by each (LHD/Health Center) clerk to take the necessary action on Medicaid A/R that are more than ninety (90) days old. These balances may be the result of errors in the resubmission of denied claims, final denial by Medicaid, differences in hand billing amounts, and payment amounts by Medicaid and other reasons. All must be acted upon and the proper entries made. Document reasons for any changes. The (Administrative Staff) will monitor aging reports for the (LHD/health centers) to ensure accuracy in any changes or corrections.

IV. Bad Debts

1. The monthly A/R Report #359 lists all unpaid balances. Self-pay balances that are $10.00 or less, and more than six months old, will be automatically written off by the system. Each site will receive a listing of the bad debts written off on the A/R monthly Report #358. You may add back any of these bad debts from the A/R Report if there is a reasonable expectation of collection. Self-pay balances more than $10.00 must be written off on an individual basis using the requirements in the Administrative Reference for Local Health Departments. The designated Administrative Staff and Public Health Director must approve all manual write-offs in writing.

V. Assurance of Manual Receipts for Money Received

Necessary information: 1) Date of receipt

2) Client name

3) Amount of receipt

4) Cost center

5) Type of receipt (i.e. self-pay, donation)

6) How paid

7) Employee signature

A. LHD/Health Centers: In the event that the computer system is down, issue manual receipts, and save for entry to data system, which should occur as soon as possible.

B. Environmental Services Receipts: Refer to Policy E-IC-1. Designated Administrative Staff should collect fees. Pre-addressed and stamped envelopes may be issued in the field to clients or installers who wish to pay without coming into the Health Center. Environmentalists should not accept fees except temporary food service permit fees which may be collected by the Environmentalists in the field provided they are $20.00 or less, or the risk of not being paid exceeds the risk of accepting the fee.

C. Receipt Forms: The appropriate application form as listed below is used to serve as receipt for payment.

* Application for permit to operate a food service establishment.
* Application for permit to operate a retail food market.
* Application for permit to operate a temporary food service establishment.
* Application for permit to operate a hotel or motel.
* Application for permit to operate a septic tank cleaning business.
* Application for permit to operate a septic tank cleaning vehicle.
* Application for site evaluation for onsite sewage disposal systems.
* Application for license for onsite sewage disposal system installers.
* Request for inspection of existing subsurface sewage.
* Disposal system and/or private water supply system.
* Application to license a youth camp.
* Application to license a frozen food locker.
* Application for permit to operate a mobile home park.
* Application for permit to construct or alter a mobile home park.
* Application for permit to operate a swimming pool.

Copy #1 (Original) goes to client.

Copy #2 Is retained by the (LHD/Health Center) Clerk to be returned to the environmentalist (yellow).

Copy #3 Is sent to the District Office (if applicable) with money attached via next day inter-district mail, or at least two (2) times per week. The (LHD/Health Center) Support Staff must run a calculator tape of each batch of environmental receipts and reconcile to the total cash to be sent.

Attach the calculator tape to the money and receipts.

VI. HIPAA Compliance

A. Any receipt source documentation shall be maintained in a secure and confidential manner, in accordance with U.S. federal HIPAA regulations.

**Public Health Director** (signature) **Date**

**Chairperson, XXXXX Health Department** (signature) **Date**

**Effective date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Reviewed\_\_\_\_\_\_\_ Reviewed \_\_\_\_\_\_\_ Reviewed \_\_\_\_\_\_\_\_ Reviewed \_\_\_\_\_\_\_\_**