



**Cooper City Commission Meeting
Agenda Item Request Form**

Commission Meeting/Workshop Date: August 20, 2019

Requesting Department: Commissioner Pulcini / Finance

Subject: EMS Receivables and Allowance Policy

Section:

Presentation

Consent

Regular

Discussion

Background and Recommendation (attach backup material to Item Request Form):

The purpose of the EMS receivables and allowance policy is to set forth the accounting recognition policy the calculation of the allowance for uncollected bills. Staff recommends the adoption of an EMS receivables and allowance policy to ensure the City's receivables are not overstated and that any accounts deemed uncollectible are recorded in the correct period for financial statement purposes.

The adoption of this policy will require the City to recognize an allowance of \$888,355 as of October 1, 2018.

Approvals:

Finance Director  City Manager  City Clerk _____

City of Cooper City, Florida
EMS Receivables and Allowance Policy

Purpose

The purpose of the EMS receivables and allowance policy is to set forth the accounting recognition policy for billing and the calculation of the allowance for uncollected bills.

General Overview

EMS services are provided by Broward Sheriff's Office (BSO). BSO has contracted with a third party to provide billing and collection services, R1 Revenue Cycle Management (R1 RCM), formerly known as Intermedix. R1 RCM receives information from each transport, such as name, address, insurance information, services provided, etc. R1 RCM proceeds to bill based on the information received (i.e., Medicare, Private Insurance, Private Pay, etc.) If no insurance information is received, R1 RCM contacts the patient for more information. Invoices are billed every 30 days, and if no payment is received after 90 days, the account is sent for collection.

Allowance for Doubtful Accounts / Bad Debt Reserves

An allowance for doubtful accounts should be established to reflect the amount of the City's receivables that the Finance Department estimates will be uncollectible. The establishment of an allowance account ensures that the City's receivables are not overstated and that accounts deemed uncollectible are timely and accurately recorded in the correct period for financial statement purposes. An allowance of 100% of the receivable balance on September 30 shall be recognized by the City.

Write-Offs and Adjustments

Efforts should be made to pursue the timely collection of delinquent accounts. Collection efforts should be exhausted prior to any write-offs. All accounts referred for write-off should be reviewed and approved by the Finance Director and City Manager prior to submission to the City Commission for final approval.

City of Cooper City
EMS Receivables - Aging Schedule
As of June 30, 2019

	Balance	% of Total
Current (Less than 30 days)	71,474	4%
30-60 Days	65,848	4%
61-90 Days	49,405	3%
Over 91 Days	<u>1,692,884</u>	90%
Total	1,879,611	
Allowance as of 09/30/18	897,803	