

APPENDIX D

FP 7



**FINANCIAL CONTROL PROCEDURE:
INCOME & DEBTORS**

Initiated by: Director of Finance & Procurement

Approved by: Audit Committee

Date approved:

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Distribution: Executive Directors
Board Secretary
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[Directorate Clinical Service Group](#)

Managers
Sharepoint

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This policy has been subject to a full equality impact assessment.

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1.0 INTRODUCTION

- 1.1 This procedure details the controls underlying the University Health Board's Income & Debtors system and is applicable to both Cwm Taf Morgannwg University Health Board and the hosted services of Welsh Health Specialised Services Committee (WHSSC) and Emergency Ambulance Services Committee (EASC).
- 1.2 Where the term University Health Board (UHB) is used this applies equally, unless otherwise specified, to WHSSC and EASC.
- 1.3 This procedure should be read in conjunction with the University Health Board's Standing Financial Instructions, Standing Orders and other relevant Financial Control Procedures.
- 1.4 All monies due to the ~~UHB Health Board~~ not collected at the point of service or sale must be:
- a. Invoiced to the appropriate debtor.
 - b. Accounted for in the reporting period to which the income relates.
 - c. Properly pursued with adequate arrangements for the collection of income due.
- 1.5 The billing system should only be used if the collection of income at source or, for staff, a deduction from payroll is not possible.

2.0 NOTIFICATION OF INCOME DUE

- 2.1 Prior to bills being raised, appropriate notifications must be received from an originator on a standard form. These forms should be completed and signed by authorised members of staff and include the following information:

- a. The name and full address of the debtor.
- b. A telephone number and email address if possible.
- c. Full details of the charge to be made, together with any appropriate backing documentation.
- d. The amount to be billed, with VAT applicable shown separately.
- e. The financial code to where the income is to be credited.

2.2 The Notification of Income Request forms should be used except for in the following cases:

- a. Private Patients.
- b. Overseas Patients
- c. Category II Fees.
- d. Accommodation.

~~e. — Medical records copying fee.~~

~~h.f.~~ Where a standard charge has been agreed between the Finance Department and a third party this information is detailed on an “Invoice Record” form known as an “Auto invoice Template” [see 12.0]

~~i.g.~~ An “Auto invoice Template” can also be used for standard format invoices. e.g.: Payroll, Lease Cars, Catering, and Resus.

2.3 The format for notifying income relating to 2.2 a – ~~fg~~ above is outlined in Section 11 – Other Income Generating Activities.

3.0 RAISING OF INVOICES

3.1 Invoices will be raised via the Accounts Receivable (AR) module of the ORACLE accounting system by a designated officer within the ~~UHB Health Board~~'s Finance Department.

- 3.2 Invoices will only be raised upon receipt of:
- a duly authorised 'Notification of Income' (NOI) form.
 - an "Auto invoice Template" that details an invoice that is to be raised , or
 - those items identified in 2.2
- 3.3 The account number, invoice number and the date raised will be entered onto the notification form.
- 3.4 The person who raises the invoices shall not be involved in posting receipts to the ledger.
- 3.5 NOI forms are classed as controlled stationery and are issued to departments as and when necessary. Each form is in duplicate and each has a unique reference number. Any spoiled or cancelled forms must be crossed through and retained on file.
- 3.6 ~~A Sales Register Report shall be run for each batch of invoices raised. These prints must be checked, signed and dated by the raising officer.~~ The electronic Oracle Invoice Log is updated by the invoice raiser who checks the Oracle batch agrees to the Invoice request. This process will be monitored by the ~~Debtors Manager~~ Senior Finance Officer - Debtors.
- 3.7 The invoice will be sent to the debtor within one working day of it being produced.
- 3.8 The raising of invoices for small monetary amounts (e.g. under £10) should be avoided whenever possible. In these cases alternative methods of collection should be discussed with the ~~Senior Finance Officer - Debtors~~ Debtors Manager.
- 4.0 POSTING RECEIPTS**
- 4.1 Payments in respect of invoices raised are entered onto the ORACLE AR system by the Cashiers Department.
- 4.2 In the cases of Government Banking System (GBS) receipts or payments received via credit transfer the details shall be recorded and posted by the Cashiers Department.

4.3 Payments of invoices obtained via deductions from salary shall be taken from the payroll deduction prints and receipted into the AR system by the Debtors [Team Manager](#).

5.0 FOLLOW-UP OF OUTSTANDING DEBTS

5.1 Outstanding debts are monitored and follow-up letters are issued in three stages, all at 14-day intervals. These letters should be tailored according to the nature of the debt.

5.2 At stage one a reminder letter is raised 14 days after payment is due.

5.3 If no response is received, a stage two letter should be issued 14 days later.

5.4 Again if no response is received a stage three letter will be issued 14 days later stating that the debt will be forwarded to a Debt Collection Agency.

5.5 For Health Boards, other NHS organisations and Public Bodies a statement will be issued on a monthly basis.

5.6 If the follow-up letters/statements have failed to produce a response, the course of action will then depend on the nature of the debt:

a. NHS Organisations and other Public Bodies

i. The [Senior Finance Officer - Debtors Debtors Manager](#) or their representative will telephone or email the debtor organisation concerned to establish the reason for non-payment.

ii. A contact name should be obtained for any further communication.

iii. Telephone calls and emails shall continue to be made at regular intervals until the invoice has been settled.

- iv. The Head of Corporate Finance (or their representative) shall be notified if such action has failed to produce any results within one month.
- v. For all Welsh NHS debts that remain unpaid after ten weeks the All Wales Debtors Arbitration process as determined by the Welsh Government will be followed by the Senior Finance Officer - Debtors~~Debtors Manager~~. This process will be led by the Head of Corporate Finance (or their representative).
- vi. Documentation shall be maintained, in the form of system notes on the ORACLE AR system. This will keep track of letters written, emails and telephone calls made.

b. Staff employed by the UHB Health Board

In accordance with the Terms and Conditions of Employment, those employees on Cwm Taf Morgannwg University Health Board contracts, who fail to respond to follow-up letters and requests for payment, may have any outstanding monies deducted from their salary. All actions will be agreed with the Head of Corporate Finance (or their representative).

c. All Other Debts

The Debtors Manager Team will ensure that all possible methods have been used to pursue the recovery of the debt including referral to the Local Counter Fraud Specialist where appropriate. If these have been unsuccessful outstanding invoices will be referred to the Debt Collection Agency for further action. A list of debts to be referred shall be provided to them on a monthly basis. The Debtors Manager Team shall supply any information requested by the Debt Collection agency relevant to the collection of the debt on a strictly confidential basis. The Debtors Manager Team shall liaise with the Debt Collection agency of any progress in relation to the debt.

- 5.7 On a monthly basis, a list shall be prepared for all debts where the above procedures have not yielded a response. The Head of Corporate Finance (or their representative) will advise on the appropriate course of action.
- 5.8 If contact has been established with the debtor, the appropriate circumstances should be taken into account in deciding what further action to take. This may involve suspending follow-up action for a limited period of time, or making arrangements for the debtor to pay by instalments. Any such arrangements must be reported to the Head of Corporate Finance (or their representative).

6.0 PAYMENT BY INSTALMENTS

- 6.1 Payment by instalments should be avoided if at all possible, and should only be allowed in cases of genuine hardship, or if the debt was incurred as a result of an error by the UHB Health Board (e.g. over-payment of salary).
- 6.2 Requests to pay by instalments shall be refused in all cases where the debtor has signed an undertaking to pay prior to the treatment or service being carried out, as in the case of private patients.
- 6.3 All requests to pay by instalments must be made in writing to the Senior Finance Officer - Debtors~~Debtors Manager~~ for agreement unless 6.4 applies.
- 6.4 Payment by instalments will be for a maximum period of 424 months, with a minimum payment of £15 per month unless authorised by the Head of Corporate Finance. The period and amount shall, within these limits, be at the discretion of the Debtors Team~~Manager~~.
- 6.5 Instalments payable by staff should be recovered by deduction from salary where possible.

7.0 COURT ACTION

- 7.1 If all attempts to recover the debt via the usual follow-up procedure have failed, consideration should then be given to take the debtor to Court using a Debt Collection Agency. The decision on whether to take this course of action shall depend on:
- a. The circumstances of the debt and the likely success. Advice from the Debt Collection Agency should be taken into account.
 - b. The value of the debt.
- 7.2 The decision on whether to apply for Court action shall be made by the Head of Corporate Finance.

8.0 CANCELLATIONS

- 8.1 If a bill has been raised in error, a request for cancellation should be completed by the Requisitioning Department. This should contain full reasons for the cancellation.
- 8.2 Similarly, part of a bill may be cancelled in cases of incorrect details having been entered onto the invoice.
- 8.3 In cases of an AR error, the raising officer should complete the request for cancellation.

9.0 WRITE-OFFS

- 9.1 Invoices that have failed to be collected by the Debt Collection Agency or other means shall be forwarded to the Head of Corporate Finance and recommended for write-off within the delegated limits. The debt write-off delegated limits are as follows:

a	Head of <u>Corporate</u> Finance	≤ £1,000
b	<u>Deputy Director of Finance</u>	£1,000 to £10,000
c	Director of Finance & <u>Procurement</u>	£10,000 to £25,000
d	Chief Executive	£25,000 to £50,000

Bad debts over £50,000 must be referred to the Welsh Government for approval.

- 9.2 The details of each write-off will be ~~entered onto a form reported~~ and approved electronically by the appropriate officer.
- 9.3 On receipt of approval, details shall be entered in the ~~UHB Health Board's~~ Losses and Special Payments Register.
- 9.4 The write-offs shall be input to the relevant account in the ledger by the Senior Finance Officer - Debtors~~Debtors Manager~~.
- 9.5 All debts written off in the period will then be reported to the Audit Committee.

10.0 RECONCILIATIONS

- 10.1 The Senior Finance Officer - Debtors~~Debtors Manager~~ is responsible for ensuring that a reconciliation is completed between the AR system debtor balances and the appropriate General Ledger balance. Any discrepancies must be investigated and corrected. A detailed record of the reconciliation must be maintained.
- 10.2 The reconciliation must be signed and dated by the Debtors Manager Team, and shall be reviewed by the ~~Head of Corporate Finance (or their representative)~~Senior Finance Officer - Debtors~~Debtors Manager~~.

11.0 OTHER INCOME GENERATING ACTIVITIES

11.1 Private Patients

11.1.1 Consultants must ensure that all private patient cases are notified to the Private Patients Officer in the Medical Records Department. The Private Patients Officer shall in turn ensure that a signed "Undertaking to Pay" form is obtained from all private patients. The Private Patients Officer shall

make arrangements with individual Consultants for them to obtain a signed undertaking to pay outside normal office hours. Failure to obtain a signed "Undertaking to Pay" form may result in lost income for the UHB Health Board. Further information is provided in the Financial Control Procedure on Private Patients.

11.2 Overseas Patients

11.2.1 Overseas Patients who are not EU citizens or covered by reciprocal agreement shall be charged for the healthcare they receive.

11.2.2 The Medical Records Officer will be responsible for identifying which overseas patients are liable to charges and for notifying finance of the amounts to be invoiced.

11.2.3 Overseas Patients will be required to complete an assessment form to establish their UK status.

11.2.4 For those patients identified as having to meet the cost of their treatment they will be required to sign an undertaking to pay form.

11.2.5 It is important that the Medical Records Officer informs those patients liable for charges that failure to settle the debt will result in information being sent to the UK Border Agency which could result in future entry restrictions into the UK.

11.2.6 The Medical Records Officer will complete an Overseas Notification of Income Form which shall be sent to the Debtors Section with the undertaking to pay attached.

11.2.7 Invoices issued by the Finance Department relating to overseas patients will include the warning that failure to settle the debt will result in the UK Border Agency being informed and this may affect future UK entry. This warning will also be included on all subsequent follow up letters issued by the UHB or its representatives.

11.2.8 On a monthly basis the Senior Finance Officer - Debtors~~Debtors~~ ~~Manager~~ will forward information on

outstanding overseas patient debts which have been outstanding for two months and longer and are £500 or more to the UK Border Agency.

11.3 Category II Fees

11.3.1 Category II work covers any examinations and reports required by a person or third party primarily to serve the interest of the person, his employer or other third party in such contexts as insurance, superannuation, foreign travel, emigration or recreation.

11.3.2 Where, in carrying out work of this nature, hospital facilities are used the practitioner's charges shall show separately the charge for hospital costs. One third of the payment made for hospital costs shall be retained by the UHBHealth Board.

11.3.3 Invoice Request Forms, designed specifically for Category II fees, shall be forwarded to the Debtors Department.

11.3.4 The Debtors Department shall raise an invoice, crediting a third of the amount due to the UHBHealth Board, and two thirds to a balance sheet account for subsequent reimbursement to the Practitioner.

11.3.5 Annually Monthly, payments shall be made to practitioners according to the income received in that financial year period.

11.3.6 The Debtors Team Manager shall reconcile the balance sheet account on a monthly basis to the outstanding Category II bills.

11.4 Accommodation

11.4.1 For all staff taking up residence in UHBHealth Board accommodation, arrangements shall be made to deduct rent due from salary. It is the responsibility of the Assistant Director of Facilities (or their representative) to notify the Senior Finance Officer - DebtorsDebtors Manager (or their representative) of the start and end date of the occupancy.

The Debtors Section shall notify the Shared Services Payroll Department of the required deduction from salary.

11.4.2 The Debtors Section will validate the charges deducted from salary on a monthly basis.

11.4.3 For all non staff taking up residence in UHBHealth Board accommodation, arrangements shall be made by the Debtors section to notify them of amounts due and if no payment is received then invoice the relevant charge for their accommodation.

~~11.5 Medical Records copying fee~~

~~11.5.1 An advance payment is required from all solicitors requesting copies of a patient's medical records. A standard letter is issued to all solicitors informing them of the advance charge.~~

~~11.5.2 All receipts are by cheque. A receipt will be issued, the number of which will be noted. Medical Records staff will not action a request unless a receipt number is recorded.~~

~~11.56 Pharmacy Sales notes~~

~~11.6.1 Pharmacy Sales notes are generated sequentially by the Pharmacy Department and are forwarded to the Finance Divisional Support Team Assistant (DSA) who uses these documents as the authorisation to raise invoices. The DSAvisional Divisional Support Team e-mails a completed Auto invoice Template to the Debtors Section to enable the invoice to be raised.~~

~~11.67 Other Contracts – Private Sector Customers~~

~~11.67.1 Where the UHB provides goods or services to Private sector customers, then the staff providing the services should contact the Head of Corporate Finance (or their representative), in order for an appropriate credit check of the company/individual to be undertaken if the value of goods or services exceeds £5,000.~~

11.6-7.2 The UHB may require that a deposit be taken for those services which fall below the required threshold of £5,000 and this should be considered based on the value of the goods or service.

12.0 INVOICE RECORD - “Auto invoice Template”

12.1 The Directorate Visional Support Team Accountants shall be responsible for the maintenance of an “Auto invoice Template” in respect of all regular income after initial notification from any source.

12.2 The Auto invoice Template shall record:

- a. Annual value of the agreement.
- b. Date and amount of invoices raised.
- c. The invoice address and contact reference.
- d. The Financial Code.

Any variations to the agreement shall also be recorded and adjusted accordingly.

12.3 All regular income due from other NHS organisations shall be invoiced in sufficient time for payments to be made in accordance with agreed timetables.

12.4 The Auto invoice Template can also be used to enable other types of Income to be raised by the Debtors Section. (e.g.: Catering, Lease Car, Overpayment of Salary and Resus requests).

13.0 DEBTORS REPORTING

13.1 On a monthly basis, the current position of the UHB’s outstanding debts will be available to the Head of Corporate Finance (or their representative). This report will be reviewed and appropriate action taken.

14.0 INJURY COST RECOVERY COMPENSATION RECOVERY UNIT

- 14.1 Requests for information on the treatment of patients received from Commercial Insurance Companies are currently logged on an Injury Cost Recovery Compensation Recovery Unit (ICRU) website. The Senior Finance Officer - Debtors Debtors Manager will ensure that this is reviewed regularly and that the required action is taken to respond to the request. These requests, in the form of worksheets, are either sent to the Medical Records Department for completed ion by the Debtors Team -or, if available using -details extracted from the Welsh PAS Patients records systems within the Debtors Department. Details from completed forms will be recorded on the ICRU website. The maximum period for this process is 14 days; therefore all Departments must treat these documents and the supply of information as a priority.
- 14.2 Each month, the Senior Finance Officer - Debtors Debtors Manager will arrange for the amounts due to the UHB from the ICRU to be calculated and an appropriate journal entry prepared. The calculation is based on an excel spreadsheet which is maintained in the Debtors Section.
- 14.3 A monthly report is received from the ICRU outlining the successful and failed cases. Payment for the successful cases is also received from ICRU at this time.

15.0 BRIDGEND CLINIC – PRIVATE PATIENTS

15.1 Introduction

15.1.1 The purpose of this is to ensure that all private patient attendances are identified and notified to the Bridgend Clinic Manager.

15.1.2 Wherever possible payment by self-funding patients should be obtained by debit /credit card or Bank Transfer to minimise the risk of financial loss to the UHB. If payment is made by cheque, this should be paid in advance, to ensure that cleared funds are available and made payable to Cwm Taf Morgannwg University Health Board.

15.1.3 Use of private outpatient facilities will be controlled and maintained by the Private Patient Manager at the Bridgend Clinic.

15.2 Bridgend Clinic

15.2.1 Notification of the Treatment of a Private Patient

15.2.2 Normally, all private patient bookings for all appointments are made through the Private Patient Clinic.

15.2.3 Where private patients contact individual consultants directly, the consultant is responsible for advising the Private Patients Clinic (via the Bridgend Clinic Manager) of patients due to be seen privately at the hospital

15.3 Procedure for Outpatients

15.3.1 Prior to or immediately after the outpatient appointment, the Bridgend Clinic must complete a schedule to clearly identify the charges payable by the private patient. This normally relates to the Consultation fees only, which is payable to the Bridgend Clinic immediately after the appointment.

15.3.2 This payment is due either from the private patient directly (self-payer) or from the private patient's insurer. An invoice for the Consultation Fee will be raised if payment has not been made directly to the consultant.

15.3.3 In some cases, the schedule includes the room fee element at this stage, in which case, an Invoice is raised through Oracle. These invoices are payable immediately by private patients who are self-payers or sent to the insurance company concerned.

15.4 Procedure for Inpatients / Daycase

15.4.1 The Consultant with primary responsibility for the patient must inform the patient that hospital charges will be levied and that additional fees may also be charged for the professional services of any other consultants involved in their treatment.

15.4.2 As soon as the decision is made that a patient will be admitted for a procedure, the Bridgend Clinic Manager must ensure that an [Undertaking To Pay \(UTP Form\) - Appendix A](#) is completed. This form establishes whether the private patient is a self-payer or insured, and also the procedure to be undertaken with the associated fees chargeable to the private patient. They are also used to book the patient's admission dates and theatre time.

15.4.3 If the private patient is a self-payer, then confirmation of the booking, together with the fees payable, will be sent to the patient. This letter also emphasises that the UTP Form must be completed prior to the procedure being undertaken.

15.4.4 If the private patient is insured, then confirmation of the booking will be sent to the patient. This letter also emphasises that the UTP form must be completed prior to the procedure being undertaken, and that any excess is payable by the patient together with any shortfall from the insurer.

15.4.5 If the UTP form is not received by Bridgend Clinic staff prior to the date of admission, it is the responsibility of the Bridgend Clinic Manager to ensure a UTP form is completed prior to any inpatient procedure being undertaken.

15.4.6 The Private Patient Manager maintains an electronic spreadsheet that lists the patient's name, date of admission, date of exit, insurance details and the fee, reference number (PIP – private inpatient) and undertaking to pay form number. This list helps to identify any missing data.

15.5 Collection of Charges

15.5.1 Where accounts for the Bridgend Clinic remain unpaid, Section 5 [above](#) (Follow-up of Outstanding Debts) will be followed, in consultation with the designated Private Patients Manager.

15.5.2 Payment to Consultants will not be made until full payment is received by the [UHB](#). In the event of non-recovery or only partial recovery of outstanding fees and charges, no

payment will be made to the Consultant until the UHB element is fully satisfied.

15.5.3 Overpayment of the hospital fees element of the invoice is not to be made available to the consultant in the event of non-payment of the consultant's fee without the patient's written consent.

15.5.4 For patients attending the Private Outpatients Suite, each consultant will pay the hospital the agreed fee for use of the facilities per session / patient attendance. Recovery of hospital fees in such cases are to be controlled and monitored by the designated Private Patients Manager and the Finance Officer - Bridgend Clinic / Cashiers. Other hospital charges such as pathology tests will be raised by the Bridgend Clinic to the patient via a Debtors invoice.

15.5.5 Where a consultant owes charges for use of outpatient's facilities to the UHB, payment of private fees due to the consultant by the UHB may be withheld until the facilities charges are settled or offset against their consultant fee income.

15.6 Payment of Consultants Fees

15.6.1 The Bridgend Clinic Finance Officer will ascertain the total amount due to the consultant for their fee. Payment to the consultant will only be made when the fees have actually been collected. Unpaid room hire fees will also be taken into account before any payment is made (see Para. 6.2.4.5 above).

15.6.2 The monthly balance will be reconciled to the General Ledger.

15.6.3 A schedule will be prepared weekly giving details of the fees collected on behalf of each consultant, and this will form the basis of the payment to the consultant.

15.6.4 Where a consultant requires an annual statement of private patient fees to be produced, this should be provided by the Head of Corporate Finance

15.016.0 EQUALITY IMPACT ASSESSMENT

15.116.1 Following assessment, this policy is not felt to be discriminatory or detrimental in any way with regard to the following equality strands: Gender; Race; Disability; Age; Sexual Orientation; Religion or Belief; Welsh Language or Human Rights.



Private Patient Undertaking to Pay Hospital Costs

APPENDIX A

Part A
Patients Surname.....Date of Birth:
Patients Forename.....NHS NO:
Address:NI No:
.....Postcode:
Telephone No: (Day)..... (Mob)..... (Evening)
Email Address:Employer:

Part B
Procedure / Apt.....Consultant:
Location:Date:Hosp no.....

Part C
Are you self-funding Do you have private health insurance Employer or Third party sponsored
If insured, please provide the following details:
Insurance Healthcare provider:
Membership and / or Policy No:Pre-authorisation no:

Cwm Taf Morgannwg University Health Board Income & Debtors (FP 7)

Part D
FINANCIAL & DATA PROTECTION DECLARATION
<p>1. I accept liability for payment of the charges determined by Cwm Taf Morgannwg University Health Board for the accommodation, treatment, investigations and all other services provided UHB as a private patient of: Mr / Mrs / Miss / Dr / Prof:</p> <p>2. I agree that invoices may be sent to my Insurance Company for direct settlement with the UHB. In the event of non-payment, payment shortfall or failure to settle in full by the patients' medical insurer, I undertake to settle the outstanding balance upon request.</p> <p>3. I accept that the UBH reserves the right to require payment of its charges in advance.</p> <p>4. I consent to disclosure by the UHB of clinical information on my condition and treatment to other healthcare providers, in order to provide the medical treatment and ensure the continuity of medical care that I require.</p> <p>5. I also consent to disclosure by the UHB of clinical information on my condition and treatment to my Insurance Company as is necessary to approve my claim. I would wish to see a copy of the report before it is disclosed to my Insurance Company.</p> <p>SignedDate:</p> <p>I have read & understood the Terms & Conditions listed overleaf</p> <p>Address:Postcode:</p> <p>Witnessed by:Date:Relationship:</p>

Top copy – Customer Bottom copy – Office use