

The following information was distributed to local health directors this morning through an email and is being shared with you as an FYI (email dated 4/18/08).

Health Directors-

Some good news regarding family planning policies and the use of debt set off.

Our regional Title X family planning officer has just informed us that North Carolina health department family planning programs may utilize the Debt Set off Policy as described by the North Carolina Association of Local Health Directors (see below). This information should help clarify the use of this policy. We greatly appreciate the successful efforts of the NCALHD (especially Wanda Sandele) to clarify and advocate for the use of this policy with regional Title X staff.

NCALHD's Description of Debt Set Off Policy Process:

The Debt Set-Off program permits local government to collect past due debts by having the amount deducted from the individual's NC State Tax Refund. The unpaid debts collected may include property taxes, water and sewer fees, etc. As agencies of local government, health departments may participate by submitting fees for services that have not been paid or otherwise addressed by the client. The "debt" is that amount of full charges that the client is responsible for after application of a sliding fee scale. Health department clients receive a notice that their unpaid bill will be submitted to the state for deduction from their State Tax Refund if it remains unpaid. Some clients find this a convenient way to have a debt settled. Some choose to pay their bill when they receive this notice, and therefore retain their entire refund. If no state tax refund is due the individual, there is obviously nothing to collect from.

The information submitted to the state for debt set-off includes the client's name, address, social security number, the amount due, and the local government department that is owed. Debts owed to the health department are simply designated as "Health". The specific service is not named. Health Departments provide a wide range of services. The debt submitted could be a fee for a septic permit, a food-handling course, testing of a water sample, family planning, primary care, prenatal care, home health, or even registration of a dog deemed potentially dangerous. There is absolutely no way the specific service can be identified. As health departments considered using this tool, it was determined that the program would not cause any breach of confidentiality and was fully HIPAA compliant. The method by no means creates a barrier to care because no one is refused service if the debt remains unpaid and many clients submitted to Debt Set-Off return for service.

This system is very different from the use of a collection agency, which most would agree could create a barrier to care. No one makes demanding telephone calls at dinnertime, or contacts the client's place of employment. Failure to pay does not affect an individual's credit rating. Service is not refused because the bill is unpaid. The Debt Set-Off program is consistent with paragraph 6.3 of the Program

Guidance, which states in (9) "Reasonable efforts to collect charges without jeopardizing client confidentiality must be made."

If you have questions, please contact your regional administrative or women's health consultant. Sydney Atkinson will also be glad to assist you (919) 707-5693 or Sydney.Atkinson@ncmail.net.

Tx
Joe Holliday