

Indian Health Service Debt Management

Navajo Area Debt Management Process

Presenters:

LeAnn Yazzie, Navajo Area Office

Kelley Castillo, Crownpoint SU



Overview

- I.H.S. Debt Mgt. Policy
- Definition of Debt/Debtor
- Due Process
- Service Unit DM Process
- When Debt has been forwarded to Area DM
- Area DM Process
- Collections
- Issues
- Debt Management Process Flow Chart
- Questions

POLICY

- It is the I.H.S. Debt Mgt. policy to aggressively collect all debts arising out of I.H.S. activities and that collection activities shall be undertaken promptly with follow-up action taken as necessary.
- Website link for the I.H.S. Debt Mgt. Policy is:
http://www.ihs.gov/IHM/index.cfm?module=dsp_ihm_pc_p9c4

Debt

Is an amount of money, funds or property that I.H.S. has determined is owed to I.H.S.

- RPMS Debts
 - Non-Ben Patient Accounts
 - Private Insurance
- NON-RPMS Debts
 - Quarters
 - Report of Survey
 - Other (duplicate or erroneous payments, etc.)

Debtor

- Any person, organization, or entity.
- Legal age (18 years old) for the debt to be legally enforceable
- Social Security Number (SSN) or Employer Identification Number (EIN)
- An Indian Health Service Employee
- Federal Agencies (not subject to debt collection)

Due process

Must be given to the debtor for the debt to be legally enforceable. Due process involves two concepts:

- Notice informs the debtor of:
 - Amount and type of debt
 - Actions by the agency to collect
- Opportunity allows the debtor to:
 - Review debt files
 - Dispute Agency debt decisions
 - Enter into a repayment agreement

Due process – notice & opportunity

Begins at:

- Service Unit Business Office
 - RPMS DEBTS – issuing Claims
- Service Unit Finance Office
 - NON-RPMS DEBTS – issuing Bill for Collections (BOC) SF-114
- Area Finance Office
 - NON-RPMS DEBTS – issuing Bill for Collections (BOC) SF-114

SERVICE UNIT DM Process

Claims

- Lead Billing Technician sends Voucher Examiner billed claims.
- Sent out by 5th Business Day.

Demand Letters

- Issued in 30, 60, 90 day notices
- Contents of letter includes notice and opportunity.
- Claim#, \$ amount,
- Includes “I.H.S.’ right to assess & accrue, interest, penalty interest and an administrative fee.”

SERVICE UNIT DM Process

Notifications

- Can be sent through regular or certified mail.
- Sending Demand Letter to last known address, according to the Debt Mgt. Policy, is considered sufficient notice.

SERVICE UNIT DM Process

Begin process Debt documents to Area when Debtor:


- DOES NOT make payment
- DOES NOT respond to bill notice or demand letters
- DOES NOT fulfill installment agreements

SERVICE UNIT DM Process

For each debt prepare the RPMS Request for Further Collection Memo

- Serves as a CHECK LIST
- Summarizes
 - Debtor Information
 - Due process dates
 - Balance due
- Signed by BOM

RPMS Request for Further Collection Memo

	DEPARTMENT OF HEALTH & HUMAN SERVICES	Public Health Service
		Navajo Area IHS Debt Management P.O. Box 1130 St. Michaels, AZ 86511 Phone: (928) 871-1443 Fax: (928) 871-5877

MEMORANDUM

TO: LeAnn Yazzie, Accountant
FROM: PATRICK YAZZIE Business Office Mgt
DATE: May 17, 2023
SUBJECT: RPMS Non-Beneficiary or Private Ins. Claim# **11234568A-CH**

Chinle Service Unit is requesting further collection for the claim # referenced above. Attached and documented is all the information required to process this debt collection request.

A. Debtor information which includes:

1. Debtor Smith, John
2. Debtor Social Security 111-11-1111 OR Insurance Co. Tax I.D. ### #######
3. Debtor Address:
307 East Pine Ave., Apt 4
Chinle, AZ 86503
4. Is Debtor a current I.H.S. Employee? Yes No
5. At time of service, was Debtor 18 yrs. of age or older? Yes No

B. Patient Name Last Name, First Name, MI. (if different than Debtor).

1. Age of patient

C. One (1) copy of bill supporting debt
 Claim with Date of Service 12/1/21

D. One (1) copy of each Demand Letter
 1st Demand Letter and Dated 1/1/2022
 2nd Demand Letter and Dated 2/1/2022
 3rd Demand Letter and Dated 3/1/2022

E. One (1) copy, 1 page with complete history
 RPMS History Report with approval date of bill 12/5/2021

F. Was the last demand letter returned? Yes No

G. **BALANCE DUE: \$ 253.00**

H. Type of Service: ER

I. Comments: No payments made on claim.

Please contact, LaDonna, Tom at (928)222-1234 for further questions.

Concurred by: Last Name, First Name, Business Office Mgr. _____ Date _____

SERVICE UNIT DM Process

Non Ben or Private Insurance Claim Form

- Form 1500
- UB-04

1st, 2nd, 3rd, Demand Letters (waiting on OIG's approval for 1 DL)

- PSC = 3 DLs
- Signed by the BOM

SERVICE UNIT DM Process

Service Unit DM Spreadsheet

- List all claims
- DO NOT INCLUDE SSN
- Sort the following columns
 - Last Name
 - Claim#
- Name of Sender/Preparer with Ph#/Date

SERVICE UNIT DM Process

Service Unit DM Spreadsheet (Cont'd)

LOC	SU	DFAS or PSC	PI or NB	BAP	UFMS BILL#	Fund	Bill Date	Claim#	DOS	Last Name	First Name	Middle Initial	Address	City	State	ZIP	Principal	Description	
7	CHINLE	PSC	NB	7100540109	8081018081014301398	0J227020211RA0	02/22/21	1234567A-CH	02/10/21	DOE	JOHN	S	PO BOX 1344	CHINLE	AZ	12345	385.41	OPV	
7	CHINLE	PSC	PI	7132540515	8081018081014301398	0J227020211RA0	02/22/21	2222222B-CH	02/11/21	BLUE CROSS BLUE SHIELD			PO BOX 100	PHOENIX	AZ	12345	241.41	pt JANE DOE	
7	CHINLE	DFAS	NB	7100540109	8081018081014301398	0J227020211RA0	02/22/21	1111111A-CH	02/15/21	DOE	JIMMY	T	PO BOX 50	CHINLE	AZ	12345	1,230.00	ER	
																	TOTAL	\$1,856.82	
Preparer: LaDonna Tom																			
(928) 321-1111																			

SERVICE UNIT DM Process

Service Unit DM Spreadsheet (cont'd.)

- Locate Accounting Data from
 - RPMS Report
 - IHS RPMS Invoice Detail Report (FBIS)
 - BAP
 - UFMS INVOICE#
 - APPROVAL DATE
 - FUND YEAR
 - Tracks Cancel Year

SERVICE UNIT DM Process

Prepare and Send files to AREA DM

- RPMS Request for Further Collection Memo
- Non Ben or Private Insurance Claim Form
- 1st, 2nd, 3rd, Demand Letters (actual copy you sent to the Debtor signed by the BO Mgr.)
- SU DM spreadsheet listing all claims
- Save claims – use following format
 - Saved as LASTNAME_FIRST 3 LETTERS OF FIRST NAME_CLAIM#

SAVE AS ZIP FILE & SEND BY SECURE E-MAIL TO AREA DEBT MGT ACCOUNTANT

Debt in process to AREA DM

- DO NOT ACCEPT PAYMENTS FROM THE DEBTOR
- If Debt is at PSC, debts may or may not be recalled.
- If Debt is at Treasury, debts are difficult to recall.
- Payroll garnishments
 - Garnishment cannot be changed.
 - Garnishment cannot be stopped.

Debt in process to AREA DM

- Return payment to Debtor & Instruct Debtor to mail payment to :

Program Support Center
Debt Collection Center
7700 Wisconsin Ave
Mailstop 10230B
Suite 8-110D
Bethesda, MD 20857

- Or refer Debtor to make payment on online at www.pay.gov

The secure way to pay U.S. Federal Government Agencies

Department of Veterans Affairs

Make a VA Medical Care Copayment

Did you receive a medical bill statement from the U.S. Department of Veterans Affairs?

[Pay it right here](#)

Small Business Administration

Make a SBA 1201 Borrower Payment

Did you receive a payment notice (Form 1201) from the Small Business Administration?

[Pay it right here](#)

Social Security Administration

Repay your Social Security Overpayment

Did you receive an overpayment notice from the Social Security Administration?

[Pay it right here](#)

Defense Finance and Accounting Service

Pay a Former Military or Civilian Employee Debt

Are you a former military member or former federal employee that has to pay a debt to Department of Defense?

[Pay it right here](#)

Internal Revenue Service

Apply for IRS 1023 EZ

Do you need to apply for a tax exemption under Section 501(c)(3) of the Internal Revenue Code?

[Apply right here](#)

Treasury: Bureau of the Fiscal Service

Pay an overdue debt to the Bureau of the Fiscal Service

Do you want to make a payment toward a federal non-tax debt (not an IRS tax debt or student loan debt)?

[Pay it right here](#)

Area DM Process

Received batch from Service Unit via secure email and begin REVIEW

- Assign batch a file name, log in, and assign to reviewer.

54_CH_240517_01_41_\$4,111.00

Acctg Pt, SU, Date of Batch, #1 of Batch,# of claims, total principal batch amount

- Helps to track batch and assists PSC to find claims in our batches.

Area DM Process

- Transfer data from SU DM Spreadsheet to the AREA DM Spreadsheet
- Compare each individual claim to the data listed on the Area DM spreadsheet by opening & reviewing each file within the batch:
 - RPMS Request for Further Collection Memo
 - Non Ben or Private Insurance Claim Form
 - 1st, 2nd, 3rd, Demand Letters
 - RPMS History Report

Area DM Process

Area DM Shreadsheet

- Add SSN/EIN
- Find interest rate for each DM account/claim
 - Using the date of the 1st DL to locate interest in the following link (use HHS APPLICATE RATE column)

[Interest Rates on Overdue and Delinquent Debts | HHS.gov](#)

Area DM Process

Area DM Shreadsheet (cont'd.)

- Apply RATE & Assess Penalty Fees to each principal debt amount
 - INTEREST
FORMULA:
$$=ROUND((((INT DATE-DATE 1^{ST} DL)*(INT RATE/365)*PRINCIPAL),2)$$
 - PENALTY INTEREST
 - Assess 6% penalty interest fee
 - ADMINISTRATION FEE
 - \$30.00

Area DM Process

- Prepare Area's Recovery of Debt Due to the US. Government" letter by utilizing WORD mail merge for each claim against the AREA DM SPREADSHEET (see sample).



Navajo Area
Indian Health Service
P.O. Box 1130
St. Michaels, Arizona 86511

March 7, 2023

HHS Program Support Center
Accounting Services, Debt Collection Center
7700 Wisconsin Ave., Mail Stop 10230B
Bethesda, MD 20814

RE: Recovery of Debt Due to the United States Government

The Navajo Area Indian Health Service requests that your office initiate an offset for an outstanding debt due to the U.S. Government. In addition to the offset, please, assess the required interest, penalty interest and administrative fee cost that are required to clear this outstanding debt.

Name: DOE, JOHN
TAX I.D. or SSN: 111-11-1111
BILL# 2222222B-CH
Date debt incurred: 3/21/2021
Date of Debt Notice/Occurance: 6/30/2021
Date debt calculated through: 2/16/2023
Principal amount due: \$201.00
Interest Rate: 9.500%
Interest: \$31.18
6% Penalty Interest: \$19.64
Administrative Fee: \$30.00
Total Due: \$281.82
Description: ER

It is certified that the Debtor has been notified of their debt and their due process rights, per the "Debt Management Act of 1996". Attached are copies of the REQUEST FOR COLLECTION, CLAIM OR BOC & DEMAND LETTERS.

If you have any questions, you may contact the Debt Management Department at (928) 871-1443. Your prompt assistance to resolving this debt is appreciated.

Sincerely,

Area DM Process

- Transfer all debt data from Area DM spreadsheet to required PSC DM spreadsheet.
- Prepare Certification memo to PSC (see sample)
 - Signed by FMO



Navajo Area
Indian Health Service
P.O. Box 1130
St. Michaels AZ 86511

March 7, 2023

Total batch forwarding to the Program Support Center:

Principal: \$8,572.89

Interest: \$1,220.87

Penalty Interest: \$765.81

Administrative Fees: \$970.00

Total Due: \$11,429.57

Total # of debts (claims or BOCs): 29

For: Navajo Debts (Chinle)

F M O C E R T I F I C A T I O N

I certify the following:

1. All debts referred to the Program Support Center for referral to Treasury for Cross Servicing are valid and legally enforceable.
2. There is no bar to collection on the debts at the time of referral (i.e. bankruptcy, over 10 years delinquent, etc.)
3. The following due process and notification has been provided to each debtor.
 - a) Written notification provided of the nature and amount of the debt; I.H.S. intention to collect through administrative offset including salary offset; an explanation of the debtor's rights; an opportunity to inspect and copy records; an opportunity provided for a review within I.H.S. of the basis/validity of the debt, opportunity provided to present evidence that all or part of the debt is not past due or legally enforceable; and opportunity provided to enter into a written repayment agreement
4. Notification regarding interest, penalty interest, administrative cost and credit reporting has been provided.
 - a) I.H.S. has notified debtors and complied with regulations and requirements applicable to I.H.S. assessment of interest, interest penalties and administrative costs. I.H.S. has notified each debtor that information regarding the debt will be reported to applicable credit reporting agencies.

Darlene Kirk -S
Digitally signed by Darlene Kirk -S
Date: 2023.03.07 16:30:47 -0700

Darlene Kirk, FMO
Navajo Area Office
Indian Health Service

Date _____

Area DM Process

- Save batch in ZIP drive include:
 - Batch Certification Memo
 - All Claims
 - PSC DM Spreadsheet
- Send via secure email to: NewDebt@psc.hhs.gov

Navajo's PSC POC (other Areas may be different)

Patria Stoutt, Jr. Financial Analyst Fed Sync

Program Support Center

U.S. Department of Health and Human Services

(301) 492-4625

Area DM Process

- After Debts have been forwarded to PSC or Payroll garnishment has been created.
 - NAO Debt Mgt. – will send confirmation to the Service Unit = list of debts
 - Service Units – will make adjustments to the RPMS account to categorize as “SENT TO PSC”

COLLECTIONS

- Program Support Center Financial Mgt Services (PSC, FMS)
 - IPAC = Schedule I-#####
- Area Debt Mgt
 - Distribute collection to the Service Units
 - Identify canceled year RPMS claims/collections and post to Treasury
 - Send Service Units active RPMS collections
 - Post UFMS (Non-RPMS, Interest, Penalty Int & Adm Fee)
- Service Units
 - Post debts to RPMS

ISSUES

- Once debt has been forwarded to AREA DO NOT ACCEPT PAYMENT FROM DEBTOR.
- Debtor pays or sends debt to SU or Lockbox
 - To avoid add'l penalty fees once they receive letter from PSC or Treasury.
 - Advise Debtor to send payment to PSC or Treasury
- If Debtor paid and payment was erroneously received
 - Report payment to Area Debt Mgt.
 - Area will request debt to be recalled or canceled w/ PSC &/or Treasury = may be granted.
 - Recalled denied = Overpayment = Refund to Debtor.

Issues

- PAYROLL garnishments CANNOT BE CHANGED OR CANCELED.
- U.S. Treasury Over Garnishes
 - Refund debtor
 - May need to request PSC to tell Treasury to stop garnishing.

Data

	Processed		Collection	CY	Penalty Fees	RPMS
FY	# Claims	Amount	Amount	%	%	%
2023	424	\$130,952.74	\$214,864.90	14%	36%	45%
2024	736	\$544,231.29	\$202,910.01	8%	28%	60%

NAVAJO AREA DM POC

Area DM POC

LeAnn Yazzie, Accounting Officer

(928) 871-1443

LeAnn.Yazzie@ihs.gov

Area DM Reviewers

Navyena Holyan, Accountant

(928) 871-1417

Navyena.Holyan@ihs.gov

Floretta Tom, Accounting Technician

(928) 871-5827

Floretta.Tom@ihs.gov

NAVAJO Service Unit DM POC

Service Unit POC

Kelly Castillo, Voucher Examiner
(505) 786-6387
Crownpoint Service Unit

LaDonna Tom, Voucher Examiner
(928) 674-7368
Chinle Service Unit

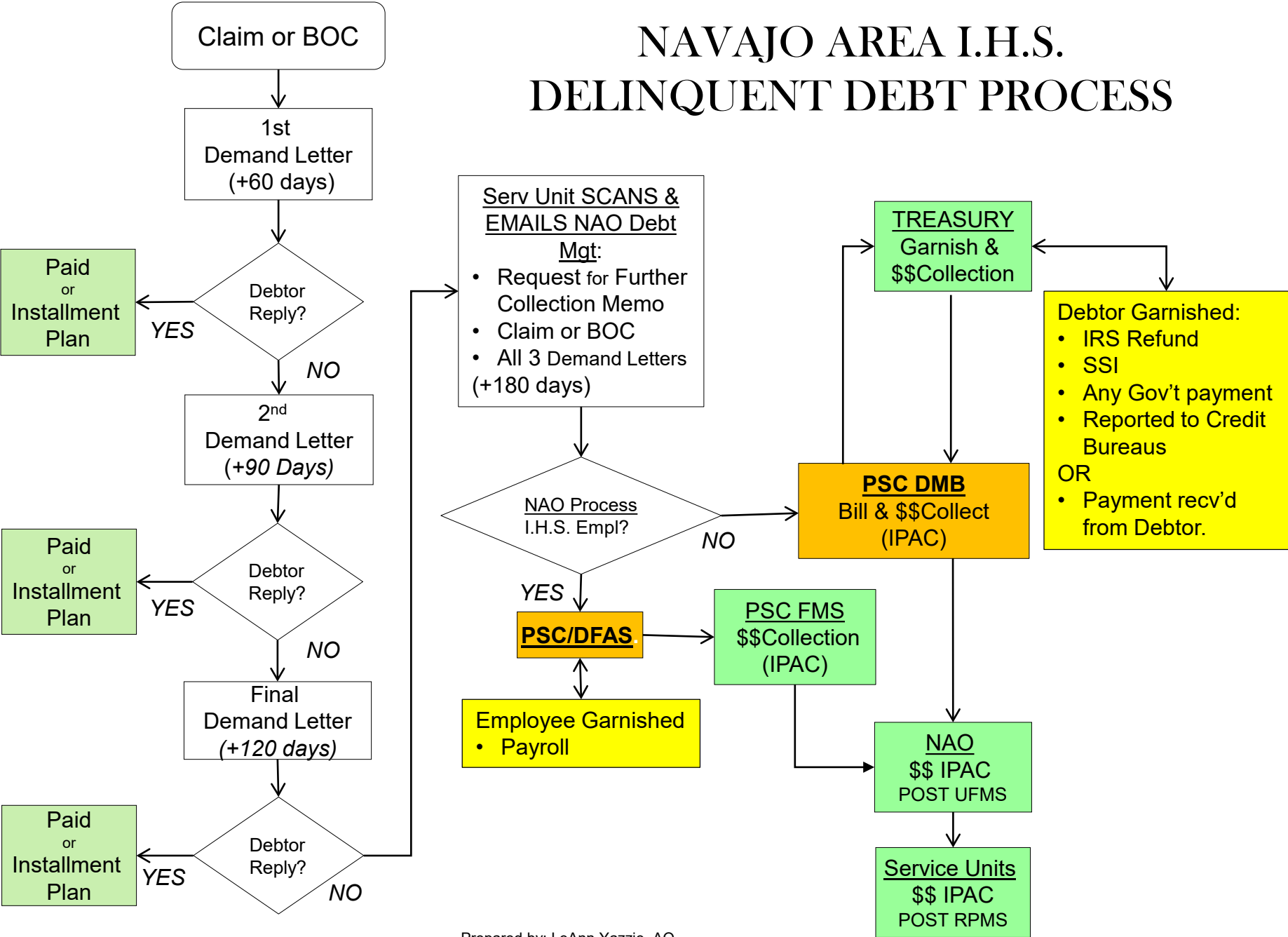
Sophia Blackgoat, Budget Tech
(505) 722-1000
Gallup Service Unit

Terry Jo Caboni, Voucher Examiner
(928) 697-5061
Kayenta Service Unit

NAVAJO DM process



NAVAJO AREA I.H.S. DELINQUENT DEBT PROCESS



IHS Debt Collection Process

