

Medicare Bad Debt Recovery Checklist & Toolkit

Medicare reimburses 65 % of eligible deductible and coinsurance balances that meet its **bad-debt** criteria—but only if your documentation is flawless. This toolkit streamlines compliance with turnkey forms, logs, and checklists you can drop straight into your revenue-cycle workflow.

What's Inside

1. **Printable Documentation Checklist** – line-item requirements from PRM-I, §322; track completion with Yes/No columns.
2. **Sample Indigence Determination Form** – a fill-in-the-blanks template to support presumptive charity write-offs.
3. **Cost-Report Bad-Debt Log Template** – spreadsheet-ready table to summarise each claim for your FYE Medicare cost report.

1. Printable Documentation Checklist

Copy the table below into Excel or print for manual tick-and-sign-off during month-end close.

#	Required Documentation	PRM-I Reference	Complete (Y/N)	Notes
1	Itemised bill showing Medicare coinsurance/deductible	§322.1 (A) (1)		
2	Evidence of timely billing to patient (first bill within 120 days)	§322.5		
3	Collection notes / statements of follow-up efforts (at least 3)	§322.1 (C)		
4	Final bill stamped "Final Notice" with due date	§322		
5	Provider write-off approval & GL entry	§322.2		
6	State Medicaid remittance (for dual-eligibles)	§322.4		
7	Indigence determination documentation (if applicable)	§322.3		
8	Bad-debt log entry with date deemed worthless	§322		

Tip: Scan all items into a single PDF per account; name files `MRN-Acct#-BadDebt.pdf` for quick retrieval during audit.

2. Sample Indigence Determination Form

Purpose: Substantiate that a patient lacks the financial ability to pay, allowing immediate write-off without routine collection efforts (per CMS Pub. 15-1, §312).

Field	Entry
Patient Name	_____
MRN / Account #	_____
Date of Service	__/__/2025
Household Size	_____
Annual Household Income	\$_____
% of Federal Poverty Level	_____ %
Assets Review (cash, investments, property)	_____
Medicaid Eligibility Checked?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Extraordinary Circumstances (medical hardship, homelessness, etc.)	_____
Determination	<input type="checkbox"/> Approved – Indigent <input type="checkbox"/> Denied
Reviewer Name & Title	_____
Signature / Date	_____

Attach income verification (tax return, pay stubs) and asset statements. Maintain this form for at least five years.

3. Cost-Report Bad-Debt Log Template

Load the following columns into Excel; totals flow directly to Worksheet E-Part A.

Patient Name	Medicare ID	DOS (Start)	DOS (End)	Acct #	Coinsurance \$	Deductible \$	Total Bad Debt \$	Date Deemed
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Validation Rules * Coinsurance + Deductible must equal Total Bad Debt. * Date Deemed Worthless \geq 120 days after first bill unless indigence approved. * Medicaid Pay applies only to dual-eligibles; subtract before calculating reimbursable amount.

How to Use the Toolkit

1. **During the month:** Complete the Indigence Form promptly when charity cases are identified. Enter routine accounts in the Bad-Debt Log.
2. **Month-end close:** Run the Documentation Checklist for each new write-off. File scanned backup in your "Bad Debt" folder.
3. **Year-end cost report:** Export the Bad-Debt Log to CSV and attach PDFs as work-papers. Review totals against GL bad-debt expense.

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