



### **Agenda Action Form Overview**

The Board is requested to approve the Department of Public Health (DPH) to write-off \$996,162.75 in uncollectible debt from two electronic health records (EHR) systems no longer in use.

### **Background/Justification**

Per the Department of Public Health's Administrative Policy: HD 32 Debt Collection (Set-Off), Bad Debt Write-Off Policy Section 1.1.a:

*Durham County adheres to a 10-year aging guideline for writing off self-pay receivable accounts. After 10 years a delinquent account qualifies for write off. In the eleventh year, when recourse through debt set off has been exhausted, bad debt accounts may be written off following BOCC approval.*

Further in 1.1.f:

*If a DCoDPH database becomes obsolete or otherwise unusable, the Public Health Director may use a different write-off schedule. This especially pertains to outdated software or changes in programs where access from one to another cannot be easily accessed to view guest accounts.*

DPH used Patagonia as the department's medical EHR from 2013-2021 and Dentrax as the department's dental EHR from 2009-2021. Delinquent and uncollectible debt in the amount of \$996,162.75 remains in these two systems. Since these debts are now several years old and DPH's patient population is transient, it would be generous to assume that DPH could recover 1% of these debts for a total of \$9,962. In 2024 DPH has been able to recover only \$1,448.51 (or 0.02%) of the debt from Patagonia.

Meanwhile, just in FY 25 DPH spent \$55,810 in contracts to maintain these systems. Thus, it is not in the County's best interest to maintain these legacy systems or pay staff to work to recover these old debts. DPH would like to sunset these systems as a cost savings measure.

DPH now uses EPIC for both medical and dental clinics and will continue to focus debt recovery efforts there, including utilization of MyChart, payment plans, and the NC Debt Setoff program.

### **Policy Impact**

This action is consistent with HD 32 Debt Collection (Set-Off), Bad Debt Write-Off Policy and does not require any exceptions or new additions to Board policy.

### **Procurement Background**

Not applicable.

### **Fiscal Impact**

The approval of this debt write-off will have a positive fiscal impact estimated at an annual cost off \$54,361.



**Recommendation**

The County Manager recommends that the Board approve the Department of Public Health (DPH) to write-off \$996,162.75 in uncollectible debt from two electronic health records (EHR) systems no longer in use.