

Overseas patient charges & Aged debtors to write off

September Board Meeting
25th September 2026

Presented for:	Approval
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Previous Committees:	WEB (Weekly Executive Board)

Freedom of Information Act (FOIA) Exemption	☐ YES (restricted from the FOIA) ☒ NO (available to the public under the FOIA)
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Link to Strategic Objective	Outcomes – being outstanding now and in the future.
Link to Provider Capability Assessment	Financial performance and oversight
Link to CQC Well-led Statement	Governance, Management and Sustainability
<u>Regulatory Impact</u>	Regulation 17: Good governance

Key points	Purpose
The Board are asked to write off this aged debt as all avenues to recover this income have been exhausted. Writing off these aged debtors is a prudent decision that will benefit the organization financially and operationally. By taking this step, the organization can improve its financial reporting, reduce administrative burdens, and streamline its accounting processes.	<i>Approval</i>

<u>Risk Appetite Framework</u>			
Level 1 Risk	Level 2 Risks	(Risk Appetite Scale)	Impact
Financial Risk	Financial Reporting Risk - We will deliver sound financial management and reporting for the Trust with no material misstatements or variances to forecast. Any variances to forecast that materialise will be well signalled & socialised with key stakeholders	Minimal	Operating within
Financial Risk	Revenue & Cash Management - We regard less than 10 days' operating cash as a trigger for enhanced risk management and will at least retain a minimum balance of £3m in line with requirements for a Trust of our size	Cautious	Operating within

1. Summary

The Private Patients and Overseas Visitor (PPOV) team charge overseas patients who are not eligible for free NHS treatment at Leeds Teaching Hospitals Trust in line with the Department of Health guidance (NHS cost recovery - Overseas visitors Guidance for NHS service providers on charging overseas visitors in England Published 19 February 2024 - Appendix 2).

There are occasions where this debt cannot be recovered and requires writing off in the Trust accounts. In line with the Standing Financial Instructions, the Board are asked to approve the writing off of outstanding debt to the value of £1,528,528.81 (£1,461,634.09 relating to overseas patients, £63,276.87 relating to companies who have gone into administration and £3,617.85 relating to overpayment of salaries), following approval at WEB (Weekly Executive Board).

2. Proposal

This paper proposes the write-off of aged debtors that are unrecoverable due to various reasons including deceased and vulnerable patients, or that the debt collections process has been exhausted.

There are several accounts for overseas patients where either they have been unable to trace the individual or their financial position means they are unable to pay. Some patients may have returned home to their country of origin which makes it very difficult to pursue and can be costly to take to court. The recommended action by ACT, our third party debt management partner, in these circumstances is to close the account and write off the debt.

3. Quality and Performance Implications

This action is recommended to streamline accounting processes, improve financial reporting accuracy, and minimize the administrative burden associated with managing these outstanding debts.

4. Financial Implications

The SFIs state that any individual debt write-off above £50,000 needs to be approved by the Board (see table below for details):

Losses and special payments including ex gratia payments

This includes debt and stock write-off

Value	Authorisation
up to £1k	Invoice write-offs at this level to be approved by the Credit Income Manager
up to £10k	Level 3
up to £25k	Level 4
up to £50k	Level 6 (Director of Finance)
£50k+	Level 7 (Board)

Therefore, we are asking the Board for permission to make the write-off following approval at WEB. All write-off's are reported to the Audit Committee at the December and May meetings.

To improve efficiency any large write-off cases (over £50,000) have been consolidated into a single board paper instead of individual submissions. For a more comprehensive understanding into the volume of overseas patient write-offs, we have also included several lower value cases, even though they could be written off individually.

For assurance it is important to note that any outstanding debtor on a payment plan have been excluded from this paper. Any smaller invoices (under £50k) that require write off outside of this window will still follow the usual approval process.

The total amount of debt requiring to be written off is £1,528,528.81 (see Appendix 1 for a Summary by CSU and reason & Appendix 2 for the full breakdown by account number).

There is a provision for irrecoverable/bad debts that includes overseas visitors. The provision is calculated as 60% against overseas debt (which is based on the latest cash recovery data) and 4% against outstanding non-nhs debt, excluding overseas patients debt (which is the average write off rate over the past 5 years).

At the start of April 2026 the Expected Credit Loss Provision was £1.736m. The full amount will be written off against the provision so there will be no additional charge to I&E.

The Accounts Receivable team are working hard with their debt recovery partners to reduce the levels of unrecoverable debt in the future. The main issues and potential solutions are detailed below:

- Patients returning overseas without settling outstanding debt – We are in the process of tendering for the service looking for a partner with higher success rates when collecting debt overseas.
- Tracing patients – We are doing work internally to improve the capture of data when patients come for treatment by utilising digital forms with mandatory fields and reviewing the current pathway with the help of KPO.
- Patients with ongoing treatments – investigating ways to set up a flag on PAS to identify patients with outstanding debt to confirm contact details/have conversations about payment plans before they leave the site. However, in many cases these people are living here illegally with no job or fixed abode. They are relying on friends and family for support so have no means to pay for the treatment.
- Chip and Pin machines have been purchased and in the process of being rolled out across the organisation allowing departments to take payments upfront.

5. Risk

Review of our aged debt register is good practice, as the Trust is then accurately reporting its true receivables. We review the aged debt register monthly, highlighting potential items that may need to be written off. All items for write-off are considered annually and is consistent with the organisation's risk appetite for Financial Reporting.

Review of the aged debt register is also necessary for accurate cash flow reporting, to help with effective cash management. Although writing off bad debt means that cash will not be received, accurate reporting of debt enables effective cash forecasting and management and helps operate with the Trust's risk appetite for Revenue and Cash Management.

There are no material changes which impact risk.

6. Communication and Involvement

The paper will be shared with CSUs for awareness and to aim to improve collection rates.

7. Impact on Equality & Health Inequalities

There is no requirement for an E&HI, as this has no impact on the wider Trust. It is a finance requirement which has been provided for in the Trust accounts.

8. Publication Under Freedom of Information Act

This paper has been made available under the Freedom of Information Act 2000.

9. Recommendation

The Board is requested to approve the write-off of these outstanding overseas and aged debtors, as all recovery attempts have been exhausted. While this write-off incurs some additional costs, addressing this unrecoverable income is unavoidable. Acting now allows the Accounts Receivable team to concentrate on other, potentially recoverable debts, helping them maintain a manageable aged debtor balance and improve overall collections.

10. Supporting Information

Appendix 1

Debt by status	Outstanding amount of debt
Company in administration	63,276.87
Deceased - Confirmation on PAS	111,797.54
Deceased - Death certificate received	26,934.52
Deceased - Probate search completed	389,180.57
Vulnerable patient	543,269.68
Vulnerable person	1,499.99
ACT - Closed - Collections Activity Exhausted	388,207.40
ACT - Closed - Uneconomical to enforce	4,362.24
Grand Total	1,528,528.81

Appendix 2 – NHS cost recovery - Overseas visitors Guidance for NHS service providers on charging overseas visitors in England Published 19 February 2024

Appendix 3 – Breakdown of debtors by CSU & Reason

Appendix 4 – Status description

Appendix 5 - Full Breakdown of debtors by account number