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Owner: *MaryJane Loiacano: Patient Account Manager - SEMC*
Policy Area: *Finance - FIN*
References:
Applicability: *MVHS*

Business Office Self Pay Accounts and Collection Agency Involvement Work Instructions, FIN-BOP-004

PURPOSE

The purpose of this work instruction is to define the MVHS Business Office process for classifying a Self Pay account as Bad Debt and forwarding such account to a Collection Agency for the entire patient population with balances not covered by insurance for services provided by MVHS.

SCOPE

MVHS Customer Service Representatives - Finance

REFERENCES

n/a

DEFINITIONS / ABBREVIATIONS

AR: Accounts Receivable

F/C: Financial Class

MVHS: Mohawk Vally Health System

Collection Agency: Any 3rd party firm contracted with by MVHS to collect accounts determined to be Bad Debts.

Financial Class: A "label" assigned to each account that distinguishes the responsible party for each account. Examples include "M" for Medicare, "E" for Medicaid and "S" for Self Pay.

Guarantor: The person that has been determined to be liable for the account balance.

Self-Pay Customer Service Team: Business Office employees who are assigned accounts to review that are in the Self-Pay Financial Class.

PROCEDURE / DIRECTIVE

1. All self pay accounts age through the system and are allowed a 120 day billing cycle prior to being turned over to a Collection Agency unless an extension has been granted. The following extensions may be afforded:

- An internal agreement of a 5 month "Payment Plan" to satisfy the outstanding balance.
- If the Guarantor financially qualifies an offer by our external Financial Business Partner for an interest free "Payment Plan" for an agreed upon extended period of time.
 - A. When it has been determined that an account is Self Pay, the 1st statement is mailed informing the guarantor that the balance is due upon receipt of statement. For accounts remaining open after an additional 30 days, a 2nd statement is produced requesting payment in full.
 - B. Accounts with a balance will continue through the billing cycle receiving their 3rd statement at 60 days from the date of the original Self Pay statement. The message states, "This bill represents your financial responsibility, your payment is seriously past due, remit payment immediately".
 - C. At 90 days the account is selected for a collection letter which states, "within 30 days the account will be automatically turned over to a Collection Agency". Prior to updating the collection letters, each account is manually reviewed by the Self Pay Customer Service Team to verify account balance, demographic information, and if any insurance exists that needs to be billed.
 - D. At 120 days into the cycle, and the account remains unsatisfied, the account is removed from the A/R and placed in Bad Debt status. All bad debt accounts are electronically sent to our collection agencies. Once an account is sent to a Collection Agency, MVHS can still accept payments. All requests for payment arrangements must be directed to the Collection Agency. Collection agencies will remit all collections received (net of agreed upon contracted rates) to MVHS in a frequency no less than once a month.

Collection Agencies contracted with will extend the same collection efforts including taking the account to suit to all accounts regardless of Financial Class. The Collection Agency will accept payment terms for all accounts in their possession. Settlement offers on accounts will first be approved by the Director of Patient Accounts.

CONTENT EXPERT(S) / RESEARCHER(S) / CONTRIBUTOR(S): n/

a

This Document Replaces: BOI023

Attachments:

No Attachments

Approval Signatures

Step Description	Approver	Date
Approver	Louis Aiello: Chief Financial Officer	5/16/2018

Step Description	Approver	Date
Owner	MaryJane Loiacano: Patient Account Manager - SEMC	5/10/2018

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