Status **Active** PolicyStat ID **21154005**

Origination	5/16/2018
Last Approved	7/31/2026
Effective	7/31/2026
Last Revised	7/31/2026
Next Review	7/30/2028
Owner	Kimberly Allen: Manager of Billing Services
Policy Area	Finance - Business Office - FIN-BOP
Applicability	MVHS

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

PURPOSE

The purpose of this work instruction is to define the MVHS Business Office/Patient Accounting process for assisting patients and guarantors who are uninsured or underinsured, but do not qualify or opt to apply for Financial Assistance, in order to resolve their outstanding balances that are the result of medically necessary services provided by MVHS, Inc. This policy explains the work flow for self pay accounts that remain unresolved after 180 days and are classified as Bad Debt and sent to a collection agency. This includes balances for true self pay and residual self pay accounts.

SCOPE

MVHS Customer Service Representatives - Finance

REFERENCES

n/a

DEFINITIONS / ABBREVIATIONS

AR: Accounts Receivable

EMR: Electronic Medical Record

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.

True Self Pay: Patient has no insurance coverage.

Residual Self Pay: Patient has insurance but is responsible for cost sharing. This includes deductibles, coinsurances, and copays.

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 180 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 agreement of an internal payment plan for a maximum of 8 months to satisfy the outstanding balance.
    - If the Guarantor financially qualifies for 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. An additional 4 statements, for a total of 5, will be provided to the guarantor throughout the 180 day billing cycle.
        B. At 180 days into the cycle, if 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 agency. 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.
            - The Collection Agency 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 or any other allowed Revenue Cycle Management

position (i.e. Executive Director of Revenue Cycle or Director of Revenue Cycle Services).

C. Accounts will stay with the collection agencies for 15 months with the exception of accounts that move to legal status.
    - At the 15 month, accounts will be returned to MVHS and updated to terminal bad debt.
    - Accounts that are moved to legal status will stay in legal status until the accounts are settled.
    - Any account that is sent for legal action will include an affidavit signed by the CFO that states to the best of their knowledge, the patient's income is not below 400% FPL.

- Eligible patients will not be charged more than Amounts Generally Billed (AGB) than those patients who have insurance. This is determined based on our highest volume payer's contracted rate. For more information on AGB please call 315-368-0099.
- **If a patient or guarantor chooses to pay for medical services with a credit card, they will be foregoing State and Federal protections related to medical debt.**
- A patient who accumulates cost shares that would be coverable by Medicaid, and the calendar year total exceeds 10% of their yearly gross income will be eligible for a full write off if they provide copies of insurance explanation of benefits statements as proof. Submission of 3 months current pay stubs and the prior year's income statement will also be required.

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

This Document Replaces: BOI023

Approval Signatures

Step Description	Approver	Date
Approver	Cody White: Executive Director	7/31/2026
Owner	Kimberly Allen: Manager of Billing Services	7/31/2026

Applicability

MVHS