Explain Your Financial Policy Upfront to Patients

By P.J. Cloud-Moulds [5]

Having a very well written financial policy isn't enough. It's all about staff training and verbal explanations to patients.  
Source: Physicians Practice

For years, physicians' practices have assumed all financial risk when it comes to accepting medical insurance. I've been working on changing this stigma. Unfortunately, I find that patients are just mortified at the thought that they really are 100 percent financially responsible for their visit with the physician.

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Accepting insurance at your practice and signing a contract does not mean that you've opened your arms up to assume that financial risk. It is important that patients understand this concept. Explaining this to patients in a professional, positive manner is the key to changing this misperception.

You can have the best, written financial policy, patients can sign the document, but if you do not spend the time upfront explaining what your payment policy is, none of that will matter. It really should only take three to five minutes of your time upfront, and your return on this time will be thousands of dollars.

I was reviewing some new patient accounts over the past month or so and have found that the benefits provided to our patients did not match what the insurance plan reimbursed our practice, 35 percent to 40 percent of the time. This is much higher than I have always assumed, so I asked some colleagues in the industry if they are experiencing the same thing.

This is causing patients to receive statements much more often, and because they feel this sense of entitlement, they are refusing to pay our practice. The patients point to the EOB (explanation of benefits) provided to us by their insurance plan, and say, "This is what you told me to pay. I paid it. That's all you get from me!" Well, no. That's not all we should get. Is it our responsibility that the patient's private insurance plan provided incorrect benefit information? No, it's not. Should we adjust off balances because we were provided incorrect information from the insurance plan? No, we shouldn't.

So, what can a practice do? Use very specific and clear verbiage and spend the time to explain it.  
Click here for a sample payment policy.

Although some front-office staff do not feel comfortable explaining this type of policy to patients, it's imperative to your bottom line. Do some role playing with your staff, until they feel confident they can explain this policy comfortably and thoroughly to patients.

The time has come to hand the financial risk back to where it belongs: to the patient.

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