A Physician's 8 Ways to Boost Patient Payment Collections

By Rebecca Fox, MD

Here are some strategies my medical practice has developed to get those unpaid patient balances off our books.

Source: Physicians Practice

All medical practices will have challenges from time to time with collecting past due balances from patients. This is likely compounded this year by the confusion surrounding all the new rules and health insurance plans as a result of the Affordable Care Act.

Here are some strategies my practice has developed to get those unpaid balances off our books.

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1. Train (retrain) your front-desk staff correctly. First, you must educate your staff about looking at patient balances in the practice management system. It is very effective to remind patients about their bills before they receive services that day. Since patients want to be seen, they will usually pay part of their entire bill in order to stay in the good graces of the doctors. Part of this training includes instructing the best way to inquire about past due balances. Questions that have “yes/no” answers are too easy for patients to give a negative answer (“Do you want to pay your bill today?” Well, of course not!). It is far better to ask open-ended questions such as, “How would you like to pay your bill today?” and let them know what methods of payment you take.

2. Have regular meetings with billing staff to stay informed of your accounts receivable (A/R). Practice management software has ways to assess A/R, especially the balances that are patient responsibility. It can also organize these balances into aging brackets. Once you have the information, your staff needs to get busy working these accounts. We actively work any account that has a balance of $5 or more. Over the past several years, we have managed to reduce the number of delinquent accounts dramatically.

3. Be kind to your struggling patients. Help your patients that are struggling financially by helping them set up a payment plan. Some families can only afford $20 per month. If they stick to their payment plan, at least your practice will be making progress towards reducing your overall A/R.

4. Be tough with other patients. Despite our most diligent efforts to get patients to pay their balances, some simply refuse to cover their debts to us. Astonishingly, there have even been several families with thousands of dollars due to the practice and they keep coming into the office for visits! Your practice should have defined policies regarding this (see #8). You will need to inform these patients by certified letters of the consequences should they not pay their balance.

We have found that sending letters indicating that they may be dismissed from the practice often gets their attention. Still, you may need to send some patient accounts to collection agencies. Remember, you will only receive pennies on the dollar with this course of action, but at least it gets this financial liability off your books. And strangely, some patients will pay their entire bill to you rather than to an agency.

Your practice will also need to determine whether to keep these patients that apparently have chronic payment problems. We have terminated our relationship with a few patients in the past just for issues like this.

5. Get the doctors involved as a last resort. Most physicians are uncomfortable with discussing financial balances with patients, however, if your doctors are willing, you may see amazing results. I’m sure you know patients that are very rude to staff, but very polite to doctors. We physicians are very influential with our patients and really should not hesitate to address this awkward subject. After all, we discuss other difficult topics with our patients. I would advise other physicians to approach payment problems in a respectful and personal manner. Remind patients that the medical practice has bills to pay and staff members to support.
6. **Once you start catching up, don’t get behind again!** Keep working your past due lists diligently, but don’t forget to work the current A/R of 60 days or fewer. By keeping your accounts current, your total past due A/R will gradually decrease.

7. **Apply any credits for patients to their deductibles.** We have been working on credits due to patients over the past few years. Since the beginning of this year, we slowed down getting credits back to patients in order to apply it to their new deductibles. Patients have appreciated this and we solve two problems at once. Make sure you check other family members' accounts too and reassign those credits.

8. **Decide on your practice’s financial policies regarding patient financial responsibility.**

   Set up clear rules regarding your financial policies. Ask patients to sign these policies and place them in their charts. That way, about it is clear what you expect of them. Also, decide at what point to intervene with a patient balance, including the limit to be sent to collections (this could be a total balance or a length of time of non-payment).

   These are really tough discussions but with clear guidelines, there will be no gray areas with regard to financial obligations.

   Your practice works hard for the patients. Make sure your practice gets paid!

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