



Maximizing patient collections after the time of service

With the continuing shift of treatment costs from health plans to patients, it is increasingly important for physician practices to adequately manage patient payments and back-end collections efforts in order to maintain financial viability. In order to efficiently process patient payments, your practice staff must know how to collect after the time of service, when the insurance billing process is complete. Implementing effective strategies for collecting after the time of service can help you:

- reduce accounts receivable,
- increase cash flow and
- save time and money that would otherwise be spent tracking and writing off bad patient debt.

Consider the following tips to help you maximize patient collections and increase patient compliance with paying off outstanding debts.

1. Be Prepared

It's an obvious yet often overlooked point: you must have the patient's current contact information to successfully collect after the time of service. Keep patient demographic information current with the following tips:

- Ask patients to verify their current address at all appointments. This will ensure that invoices are sent to the patient's current residence and won't be returned as undeliverable.
- Request and verify all of your patients' current phone numbers (home, work and mobile) at each visit. Having multiple phone numbers on file allows you to easily reach patients regarding outstanding balances and late payments.
- Confirm that all contact information is correctly entered into the practice's billing system.
- Don't just ask returning patients, "Has any information changed since your last appointment?" Instead, front desk staff should have the patient review and confirm his/her address and phone number(s).

2. Gather and Present the Facts

Accurate and understandable information is the foundation of any effective collections strategy. Whether you are contacting the patient via mail or phone, use the following tips to make sure that you have correct data and are prepared:

For written communications:

- Review any printed collection letters to ensure that the material is clear, complete and concise. Patients are less likely to pay medical bills they don't understand, so be sure that invoices clearly detail the date of service, services performed, insurance payments received, payments collected at the time of service and the reasons for any past balances due.
- Double-check the accuracy of all invoices prior to mailing—particularly the amount due.
- Include a phone number on all invoices for patient billing questions.

For telephone communications:

- Before calling the patient, review claim history and all applicable notes so you are prepared for the discussion.
- Know exactly the amount owed, the service(s) provided and the age of the balance. Being prepared to state facts, dates and exact numbers establishes credibility and makes patients less likely to argue.
- Review appointment history, particularly if the patient is being billed for a "no show" fee. The appointment history will show if the appointment was cancelled and rescheduled, or if the patient was truly a "no show."
- Determine if the patient has a pattern of late or nonpayment so you are prepared to manage excuses. Has the patient promised to pay in the past but did not follow through? If so, be ready for the same excuses so that you can politely, but firmly, inform the patient that you did not receive payment as previously promised.

3. Offer Options

By offering a variety of payment options, your practice will be able to accommodate most patient preferences and maximize your chances of successfully receiving payment. Consider the different ways in which your practice can offer patients flexibility in paying their bills, both in the payment method and delivery.

- Beyond in-person and mail payments, consider allowing your patients to pay over the phone with a credit card. Some practices now also leverage patient portals, electronic health records and/or waiting room kiosks to facilitate patient payments.
- Accept a variety of payment methods, including cash, checks, credit cards and debit cards.
- Consider asking patients to leave a credit card number on file to allow automatic billing of future payments.
- When discussing past-due payments on the phone with patients, present payment options in sequence according to your practice's preference. For example:
 - Offer payment in full by credit card as the first option.
 - If the patient states that he/she is unable to pay by credit card, suggest payment in full by check to the lockbox as the second option (if you use a lockbox).
 - Suggest payment in full by check or cash dropped off at your office as the next option.
 - If the patient will not agree to any of these options, offer a payment plan as the final option. Be prepared with acceptable payment amounts and a schedule. For example, would you accept 50% of the balance now and the rest next month? 25% of the balance now and the remaining 75% over the next three months? **[Caution:** There are many laws governing the extension of consumer credit. If your practice is interested in allowing patients to make payments over time, make sure you contact an experienced attorney to ensure your credit practices meet all applicable regulatory requirements.]

4. Sharpen Your Technique

How you and your practice staff talk about money with patients is often as important as what is said. Training your practice staff on proper telephone etiquette and debt-recovering strategies can improve your practice's collection communications and success rate.

- Prepare staff for difficult discussions about patient bad debt and potentially challenging patient payment scenarios. [Scripts](#) can help your staff communicate with patients about their outstanding balances.
- Remain firm but cordial when discussing outstanding balances with patients.

- If the patient becomes angry or emotional, maintain your composure, state the facts and stay on message.
- Clearly explain the reason for the outstanding balance and work with the patient to find a mutually acceptable payment solution.
- Follow the Golden Rule: treat others as you would want to be treated.
 - Always address patients by name; use “Mr.” or “Mrs./Ms.” according to patient preference.
 - Say “please” when asking patients to pay—and remember to thank patients when completing your interaction.

5. Put Time on Your Side

After a health plan processes a claim, it sends an explanation of benefits (EOB) detailing what services were billed by the practice, the amount that will be paid by the plan and any remaining balance for which the patient is responsible. Proper timing—whether it’s in terms of invoices, phone calls or face-to-face contact with patients—can help your practice collect these remaining patient balances.

- Invoice patient balances immediately upon receipt and posting of the EOB to the patient record—don’t wait for the monthly billing cycle. The sooner after a service that an invoice is received by the patient, the more likely and faster it is to be paid.
 - To expedite posting, many medical billing applications and health plans support electronic remittance services in which EOB data are sent digitally to the billing system.
- Consider the time of day when calling patients to discuss balances due.
 - The best chance to catch a patient at home is **during the evening**. Maximize your potential for collecting by calling patients on your staff coverage late days.
- Take advantage of all “face time” with patients: review patients’ accounts at every visit and collect any prior balances before additional charges are incurred.
- Encourage practice staff to use a tickler system to remind them when it is time to follow up with a patient regarding an outstanding balance.
- Avoid discussing financial issues when patients are in pain, anxious or stressed (for example, immediately prior to a procedure) or otherwise distracted or preoccupied. This sensitivity will both protect your practice’s relationship with patients and increase your chances of successful collections.

6. Adjust Your Attitude

Talking to patients about their financial responsibilities can be challenging for you and your staff. During difficult conversations with patients about past-due balances, it may be helpful to keep the following points in mind:

- Since the patient received a service from your practice, you deserve to be paid in a timely manner;
- Your reminder phone call is not the first notice the patient has received;
- The patient has had several opportunities to pay (at time of service, upon receipt of the EOB from the health plan, first statement, second statement, etc.) and
- Patients will respect your asking for payment as long as you are courteous and kind.

7. Get Professional Assistance

Even after implementing these tips in your practice, you may still be unable to collect some patient outstanding balances. In these cases, you may wish to consider using a collection agency to improve the success of your practice’s collection efforts. The AMA resource, [“How to select a collection service,”](#) provides a checklist of items for you to review when selecting a collection agency to help with patient collections after the time of service.