

Six Tips for Collecting Past-due Patient Balances

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Every medical practice will have patients with unpaid balances, but those that have smart collection strategies in place will be better off.

Source: Physicians Practice

It's inevitable. Every practice will have patients with unpaid balances. While it is unpleasant to ask people to pay you what is owed, it is critical to collect this revenue.

Here are some of the strategies my practice has put in place to improve patient payment collections:

1. Retrain front-desk staff

The most important approach is to train (or retrain) the staff that serves as the first point of contact for patients: your front-desk staff.

Make sure they are able to look at patient accounts when checking in a patient. As they are confirming insurance and demographics, they can politely remind the patient about a past-due balance and ask how the patient would like to pay it. It's crucial to not ask a yes or no question such as, "Do you want to pay your balance today?" The answer will usually be "no." It works much better to ask if the patient would prefer to pay with a check or credit card.

2. Look for other payment options

Since we are a pediatric practice, our front-desk staff also looks at siblings' accounts to see if there are any credits that could be moved from one account to another. Parents are always thrilled when we can do that and reduce their bill somewhat (and it's always better to apply the credit rather than for us to write a check back to the patient).

3. Ask a staff member to step up

We also have one front-desk person in each of our offices that, in addition to her regular duties, is assigned to work the list of past-due balances. She calls patients about their balances in between answering phones and checking patients in and out. Make sure that the person you choose has excellent phone etiquette, but also has tenacity to not take "no" for an answer.

4. Don't keep chasing patients

Then, of course, there is the persistent non-paying patient. Every phone call and letter sent to the patient costs your practice money and cuts into the revenue you could receive from that delinquent payment. Don't keep chasing a non-payer. Set very clear rules on just how many calls or letters you will send.

5. Make the consequences clear, and stick to them

We call three times and send two "dear patient" letters. In the letters we make it very clear that failure to contact us about payment will result in dismissal from the practice and having the account turned over to collections.

Remember if you must turn the account over to a collection agency, you will receive pennies on the dollar. Although, many patients will send you the entire amount once they have been sent to collections in order to have their name removed from these services.

6. Dismiss when necessary

When a patient does ultimately pay his past-due balance, you must decide whether you want to continue seeing him. If you think that he will continue to be difficult with paying his bills to you in a timely manner, you may need to terminate the doctor-patient relationship. Just remember you must give the patient a 30-day grace period in which you will see him for urgent matters (otherwise you risk being charged with patient abandonment).

However, do remember that you have an ethical responsibility to care for patients even if they have a balance. Should they be very ill when coming into your office, you cannot turn them away that day because of the money they owe you. For non-urgent services such as consults or physical exams, you can postpone the appointment until the balance is paid.

We all work very hard each day and our practice also has bills to pay in a timely manner. Make sure you work those patient responsibility accounts receivable regularly, and collect the money due to

your practice.

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