Collection Tips: Copays, Deductibles, and No-shows

By James Bartley [2]

A practice administrator shares his approach to collecting patient copays, deductibles, and payment for canceled or missed appointments.

Source: Physicians Practice

When I was a young boy (yes it was quite a while ago), my mom would send me to the corner grocery store for a loaf of bread or a quart of milk. We asked the local merchant, whose name was Benny, to put the order “on our bill.”

When I first started working in my current position as the manager of a medical practice, my check-out staff member asked if we could send a bill to a patient for a $40 copay (rather than collecting her fee at time of service). My response was, “No.” I asked her, “If you go to the grocery store for a loaf of bread or quart of milk, do you ask the merchant to bill you later?” My mom was glad I did not get that type of response from Benny, but I am certain my response to my check-out staff member was correct.

I take a similar approach when it comes to charging patients deductibles at time of service. Patients may ask that we bill the insurance company first. My response is, “No, however we will accept 50 percent before the procedure and we will expect the balance within two to three months.”

Copays, cancellation fees, and deductibles are all part of the everyday vernacular of medical practices. Insurance companies negotiate pricing with the understanding that copays are part of the contracted rate. Failure to collect that fee comes right out of the physician’s pocket.

A similar situation occurs when a patient fails to appear for his appointment. The physician has allocated time in her busy schedule, with the understanding she will be compensated for that time slot. Yes, there are valid excuses such as sick children, last minute requests from a patient’s employer, and even, “My car broke down.” However, the patients need to understand and appreciate there are commitments on behalf of both parties.

To enhance that commitment, we tell our patients there is a $50 fee for last-minute cancellations. While I am reluctant to charge that fee, and in reality, I rarely do so, the policy “sets the tone” for an obligation on behalf of the patient that we expect to be fulfilled.

I once had a patient tell me she was forced to cancel her appointment since she had a conference call for her employer at the same time. That conference call was probably very important for her and it would not be very prudent for my office to ask her to cancel her conference call, or charge her a fee. However, that appointment was important for my practice and the patient needed to understand there is a policy in place and that her fulfillment of the appointment was just as vital to my practice. I formerly had a position at a not-for-profit, religious hospital. The organization was very proud of its founding “mission” to treat individuals who were indigent and had no one else to care for them. The CEO was fond of saying, “Without a margin, we have no mission.” While medicine is a healing, caring profession, it is still a business.

Today, that corner grocery store I frequented likely expects to be paid immediately for the loaf of bread or quart of milk. The doctor’s office should be treated the same way.

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