Successful Collection Protocols for Your Practice

It's important to stay upfront and in front of this process.

BY TINA DEL BUONO, PMAC

Practice Management Pearls is a regular feature that focuses on practice management issues presented by successful DPMs who are members of the American Academy of Podiatric Practice Management. The AAPPM has over a forty-year history of providing its member podiatrists with practice management education and resources they need to practice efficiently and profitably, through personal mentoring and sharing of knowledge. To contact AAPPM call 978-686-6185, e-mail aappmexecdir@aol.com or visit www.aappm.com.

Collections can be a daunting task. Unless you have one or two dedicated staff members whose only job is to follow the accounts receivable, this task has a way of getting put on the back burner, causing collectable money to slip away.

Insurance companies are changing their payment protocols and many will only allow a 60 or 90-day appeal process for denied claims. In a busy office with no specific time set apart for collection work, this deadline will pass very quickly and the opportunity to fight for your payment can be lost.

Collections should be the responsibility of every person in the office. The front office person needs to collect every co-payment and balance as patients come in the door. The back office assistants should be responsible that payment is made for any product or item of equipment that is dispensed during the patient's appointment, not allowing for items to walk out the door.

Setting up a good collection system for your office includes several important policies and processes.

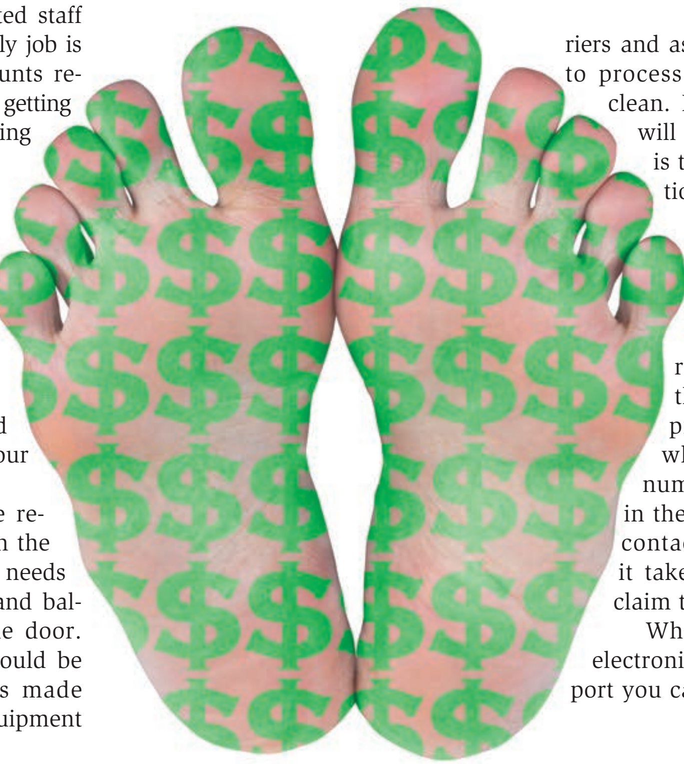
Establishing Policies

Unless you have a great collection protocol in place, this is where you need to begin. Walking through the whole process and writing the steps it takes to get your claims paid takes some time, but in the long run, you will be more successful.

Insurance Company Protocols

Contact your large insurance carriers and ask them how long it takes to process your claims if they are clean. If a claim is denied, how will you be notified and what is the time frame for notification? Some insurance carriers send electronic denials and others send a written letter in the mail.

Giving patients a copy of their benefits shows them that you are on the ball, and know what their insurance coverage is and what they will owe.



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Find out from your carriers what the correct appeals process is for their company. Who is the provider relation contact, what is the phone and fax number? This will save time in the future when you need to contact them. How long does it take for a previously denied claim to be reviewed?

When claims are submitted electronically there is usually a report you can get from your clearing-

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house letting you know if the claims you send have been received by the insurance company. If you know that the insurance company's turnaround time for payment is 14 days, you can contact them if payment is not made on a claim within that time frame.

Calling the insurance company at two to three weeks from submission time to see if they received a claim will allow you to re-submit the claim much more quickly, instead of waiting 30-45 days and then following up. Remember, it is the early bird that gets the worm. With the technology we have today, it is very easy to see if a claim is in process or not. Taking advantage of this can make a tremendous difference in collecting the monies that are due to you.

Patient Contracts

Insurance benefits must be verified on patients with commercial insurance. Again, this is much easier now as many companies have the information regarding limitations, deductibles, and durable medical equipment online in a format that can be accessed and printed in a few minutes. Giving patients a copy of their benefits shows them that you are on the ball, and know what their insurance coverage is and what they will owe.

Having contracts with your patients for orthotics or other durable medical equipment will help them to understand that you have contacted their insurance, have checked their benefits, and have a reference number for the call. Patients will sign this contract and also be given a copy; so if there are any issues that come up after items are dispensed and billed, they will have the information to help you fight for their claim.

Patients must also know if any item is not a covered benefit and what the cost will be to them. Let them make the decision if they can afford it or not. If they can, have a contract that spells out the costs, non-coverage, and any expectations. If a patient is given all of the information, including an explanation as to why it is not covered, and they sign acknowledging such, you are protecting your relationship with your patient. Remember, no one likes unexpected surprises, especially when it comes to paying out money.

Establishing Staff Collection Protocols

Attitude

Always assume the patient expects to pay. Do not be afraid to let your new patients know what is expected from them prior to their first visit with you. Make sure that all new patients have received your financial policy and are clear about your office policies regarding co-payments, deductibles and over-the-counter products.

Let patients know that you take credit cards. The staff member's voice should reveal that the doctor is their best choice and your fees are in line with those of other physicians in your area. Any staff member answering the phone needs to be confident and clear with patients regarding their insurance plan and responsibility. This is important for establishing and maintaining your professional relationship with your patients.

Eye Contact

The look in the staff member's eyes while collecting for services rendered should reveal that s/he genuinely expects that the fees for services should be paid for. At the same time, staff need to remain friendly and professional when collecting payments. Their eye contact, facial expressions, and tone of voice should set the tone for a positive collection experience.

Resourcefulness

The staff member's ability to answer any questions the patient may have about a bill is very important. There needs to be prior protocols set up as to payment plans and parameters so that staff members can conduct business without interrupting the doctor for approval. All staff members need to be able to understand an explanation of benefits and why a patient owes money so that this information can be easily communicated. No one feels comfortable paying someone for something that they do not understand completely.

Follow-up

Follow-up is very important in effective collecting of patient accounts. A good collector tracks promises made and has appropriate timelines for follow-up. Patient and insurance companies both know that weak follow-up allows for payments not being made to the provider. Appropriate timelines and follow-up are necessary and need to be monitored. A lack in this area is a loss in the bottom line of revenue to the practice.

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Preparation

Staff members need to be prepared when collecting. Make sure that all information is reviewed and all documentation is in hand when making calls either to patients or insurance companies. They need to know what money is due to the physician and why. Be prepared to fax claims, information, or statements immediately. Have a clear understanding of all of the facts of the claim.

Practice People Skills

Effective collectors must have good people skills in order to get good responses from patients and insurance companies. Remember, with insurance companies, if the person on the other end of the phone does not like the way he/she has been treated, your claims could go to the bottom of the

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pile or worse, to the shredder.

Timing

Have your collections protocol for patients clearly spelled out. Patients need to have a copy of your financial policy. Send your statements in a timely manner and have your phone calls to patients who have balances done on time. If your policy is that the balance is to be paid in full within 90 days and there has not been any attempt by the patient to pay, do not hesitate to send the account to collections. Your policy must state that this will be done and under what conditions. The patient has had time to contact the office and let you know of their situation and make arrangements for paying their account in full. If no contact has been made and a reasonable attempt has occurred, then sending them to a collection agency is a good choice for the following reasons:

- It removes your office from being the "bad guy" making the collection calls.
- Collection agencies have knowledge of the laws of collections in your state that you might not be aware of.
- Collection agencies can commit more time to collecting your money, since that is all they do.
- Using a collection agency frees up your staff to focus on what they do best, serving your patients.
- You do not pay the collection agency if patients do not pay. You do not pay employees for wasted time in trying to collect.
- Your patients will know that you are serious about your business. Financial policies are important and need to be reviewed with each patient.

It is important to have every staff member trained and committed to effective protocols in collecting payments for the practice. All staff members must realize that their paychecks come from the revenue that is collected from patient visits. Making collections a team effort will benefit everyone in the office. **PM**

Tina Del Buono is Founder and CEO, Practical Practice Management. She has been a practice manager for 19 years. She lectures nationally on practical practice management, specializing in complete practice efficiencies, team building, staffing issues, manager training and practice-building protocols. Tina has written over 400 articles on practice management and has developed GPS—Global Practice Systems—to create the road map to get your practice from where it is now to where you want it to be, in small practical, achievable steps. She is the office manager for her husband John Hollander, DPM in Santa Rosa, CA.