Welcome to Practice Management Institute’s Webinar and Audio Conference Training. We hope that the information contained herein will give you valuable tips that you can use to improve your skills and performance on the job. Each year, more than 40,000 physicians and office staff are trained by Practice Management Institute. For 30 years, physicians have relied on PMI to provide up-to-date coding, reimbursement, compliance and office management training. Instructor-led classes are presented in 400 of the nation’s leading hospitals, healthcare systems, colleges and medical societies.

PMI provides a number of other training resources for your practice, including national conferences for medical office professionals, self-paced certification preparatory courses, online training, educational audio downloads, and practice reference materials. For more information, visit PMI’s web site at www.pmiMD.com

Please be advised that all information in this program is provided for informational purposes only. While PMI makes all reasonable efforts to verify the credentials of instructors and the information provided, it is not intended to serve as legal advice. The opinions expressed are those of the individual presenter and do not necessarily reflect the viewpoint of Practice Management Institute. The information provided is general in nature. Depending on the particular facts at issue, it may or may not apply to your situation. Participants requiring specific guidance should contact their legal counsel.

CPT® is a registered trademark of the American Medical Association.
Welcome to PMI’s Webinar Presentation

Brought to you by:
Practice Management Institute®
pmiMD.com

Meet the Presenter…

On the topic:
WHERE IS MY MONEY? Pt. 3:
The Importance of Front Desk Collections
Look what happens to $1.00 when you don't collect it TODAY!

<table>
<thead>
<tr>
<th>Time (Days)</th>
<th>$1.00</th>
<th>$0.90</th>
<th>$0.80</th>
<th>$0.70</th>
<th>$0.60</th>
<th>$0.50</th>
<th>$0.40</th>
<th>$0.30</th>
<th>$0.20</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>$1.00</td>
<td>$0.90</td>
<td>$0.80</td>
<td>$0.70</td>
<td>$0.60</td>
<td>$0.50</td>
<td>$0.40</td>
<td>$0.30</td>
<td>$0.20</td>
</tr>
<tr>
<td>61</td>
<td></td>
<td>$0.90</td>
<td>$0.80</td>
<td>$0.70</td>
<td>$0.60</td>
<td>$0.50</td>
<td>$0.40</td>
<td>$0.30</td>
<td>$0.20</td>
</tr>
<tr>
<td>91</td>
<td></td>
<td></td>
<td>$0.80</td>
<td>$0.70</td>
<td>$0.60</td>
<td>$0.50</td>
<td>$0.40</td>
<td>$0.30</td>
<td>$0.20</td>
</tr>
<tr>
<td>181</td>
<td></td>
<td></td>
<td></td>
<td>$0.70</td>
<td>$0.60</td>
<td>$0.50</td>
<td>$0.40</td>
<td>$0.30</td>
<td>$0.20</td>
</tr>
<tr>
<td>366</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.60</td>
<td>$0.50</td>
<td>$0.40</td>
<td>$0.30</td>
<td>$0.20</td>
</tr>
</tbody>
</table>

Source: The Commercial Law League of America

After one year, the uncollected dollar you worked for is only worth 26 cents!
Collections from Insurance

• Represent only 35% of all billed services (National Average)
• 25-30 years ago this was closer to 80%

Collections from Patient

• Represents approximately 65% of all billed services (National Average)
• If you ran a monthly collections report would 65% of your collections represent cash patients, insurance patient’s non-covered (co-pay, co-insurance, deductible) amounts?
• In first quarter of each year, this amount may go as high as 80% due to collection of deductibles.
• Many insurance plans moving back to the model of Deductible/Coinurance. ACA plans average $6,600 - $11,000 deductible
Your Collection Team

- **The Doctor/Provider** - Provides Insurance Dept with good information on services rendered, diagnosis codes and supporting documentation.
- **The Insurance Dept** - Keeps cash flow steady with timely filing, follow up and appeals of insurance claims. Coordinates/advises Front desk on what to collect from patients. Verifications/preauthorizations
- **Front Desk** - Collects co-pays, co-insurance, non-covered services and deductible amounts from patient at time of service.

Patient Collections

- It is estimated that clinics fail to generate 25%+ of their potential income due to uncollected patient receivables. Reasons:
  - Front Desk does not know what to collect
  - Front Desk afraid to confront patient, does not feel comfortable asking patient for money (poverty complex)
  - No consistent financial policy, too many “deals” made with patients
  - Poor customer service (why should they pay?)
  - Poor payment habits of patients
Overcoming Patient Collection Problems

- Problem: Front Desk does not know what to collect
- Solution: Collect SOMETHING, even if it’s not the exact amount they owe.
- Always check your managed care agreements to see if you are allowed to collect up front
- If not, get a cc auth to process coinsurance and/or deductible as soon as payment is received from the insurance company

NAME OF CLINIC/ORGANIZATION

AUTHORIZATION FOR AUTOMATIC PAYMENT

I AUTHORIZE <NAME OF ORGANIZATION> TO AUTOMATICALLY BILL ME FOR UNPAID SERVICES/INVOICES. I CHOOSE THE FOLLOWING TERMS:

_____ I agree to a one-time payment of $________________

_____ I agree to be billed monthly/weekly (circle one), until my account is paid in full. Amount $________________. I understand that weekly payments will be processed each Friday. Monthly payment will be processed on or around the 5th of each month.

_____ I agree to have any insurance balance attributable to patient responsibility automatically deducted from my credit/debit card on file. This may include, but is not limited to, unpaid copay, coinsurance and deductible amounts, claims rejected for non-authorization, claims denied due to policy exclusions, and amounts that are sent to me directly and not reimbursed to <Name of Organization>.

I wish to have my payment(s) processed using the following card:

_____ CREDIT/DEBIT CARD: ________________________________

Card # ________________________________

Exp. Date ________________________________

CVV Security code ________________________________

BILLING ADDRESS OF CARD _______________________________________________________________

I agree to the above terms and authorize you to process the automatic payment as set forth above. I understand that should my payment be declined, I will be charged the entire amount outstanding on my account, and payment of full invoice will be due immediately. If my card expires or is no longer valid, I will give <Name of Organization> a new method for automatic payment. I understand that this authorization is valid for 12 months from date of signature.

Signature ________________________________ Date ________________________________

PRINT NAME ________________________________

ADDRESS ________________________________ City________________________ Zip________________

DAYTIME PHONE ________________________________ E-MAIL ________________________________

Witness ________________________________ Date ________________________________

PRINT NAME ________________________________
AUTHORIZATION FOR AUTOMATIC PAYMENT

I AUTHORIZE ________________ TO AUTOMATICALLY PROCESS MY CREDIT CARD/BANK ACCOUNT FOR MY NON-COVERED HEALTHCARE SERVICES UTILIZING THE PAYMENT METHOD BELOW

[Credit/Debit Card Options]

CARDHOLDER NAME
CARD # ____________ EXP. DATE ____________
BILLING ADDRESS OF CARD: ___________________________________________________________
BILLING PHONE NUMBER: _____________________________________________________________

EFT/AUTO DEBIT FROM CHECKING ACCOUNT (no surcharge):

I understand that a charge will be made to my credit/debit card OR a check will be produced and deposited to __________________ as set forth in financial agreement above. I understand that if a credit card is declined, or check is returned due to insufficient funds I will make immediate arrangements to pay my bill.

[Payment Agreement]

Signature of Cardholder/Account Owner _______________________________________________________
PRINT NAME ___________________________________________ Date ___________________

Signature of Witness ____________________________________________________________________
PRINT NAME ___________________________________________ Date ___________________

AUTHORIZATION FOR AUTOMATIC PAYMENT

I AUTHORIZE ___ NAME OF ORGANIZATION ___ TO AUTOMATICALLY BILL ME FOR UNPAID SERVICES/INVOICES. I CHOOSE THE FOLLOWING TERMS:

_____ I agree to a one-time payment of $______________
_____ I agree to be billed monthly/weekly (circle one), until my account is paid in full. Amount $__________

[Payment Method Options]

CARDHOLDER NAME
CARD # ____________ EXP. DATE ____________
BILLING ADDRESS OF CARD: _______________________________________________________________

EFT/AUTO DEBIT FROM CHECKING ACCOUNT

[Provide Copy of Voided Check]

I am providing _______________ check(s) in the amount of $________ each. I understand that a check will be deposited to __________________ as set forth in financial agreement above. I understand that if a check is returned due to insufficient funds I will make immediate arrangements to pay my bill. Failure to do so will result in the bounce check to the proper authorities for collection action. I am aware that knowingly providing a bad check can result in violations of federal and state laws.

I agree to the above terms and authorize you to process the automatic payment as set forth above. I understand that should my payment be declined, or should I terminate my treatment "against medical advice", I will be charged the full amount of my care.

Signature _________________________ Date ________________
PRINT NAME ___________________________________________
ADDRESS_______________________________ City________________________ Zip__________
DAYTIME PHONE_________________________ E-MAIL __________________________________
ABOUT PAYMENT AUTHS......

- Check with Healthcare Attorney in your State for Legal Info
- Keep in a safe, secure place.
  - If patients fill out paper form, enter data in software and shred paper
  - Recommend an online PCI compliant storage program
  - Only Office manager/clinic director/payment processor should have access to this information
- Examples of PCI Compliant Software Websites
  - http://www.3dsi.com/accept-payments/cardvault
- Software/storage should have capability to set up one-time or recurring payments
- Some Practice Management Software has CC/EFT storage built in

Overcoming Patient Collection Problems

- Problem: Front Desk does not know what to collect
- Solutions:
  - Pre-verify benefits before OV, if possible. This is done during scheduling.
  - Have an online form on your website that patients can fill out to request a benefit check
  - Have access to online resources that give staff the ability to log in and do a quick check verification. Follow up with phone verif in the next few days, if necessary.
Overcoming Patient Collection Problems

- Problem: Front Desk afraid to confront patient, does not feel comfortable asking patient for money (poverty complex)
- Solution: Knowing WHAT to collect is half the battle. The rest needs to be worked on:
  - Overcome the Poverty Complex.
    - No one goes to the grocery store, gets to the check out counter, and says, “Sorry, I forgot my checkbook”
    - Look at what they are driving when they pull up to your door
    - Know how to handle the excuses - give FD scripts and ammunition for handling patient objections. Role play during staff meetings or at SPS.
    - This CAN be done with a smile! Patients have a hard time saying “no” if you’re nice about it.

Overcoming Patient Collection Problems

- Problem: No consistent financial policy
- Solution: Have a Financial Policy and Stick to your Guns!
  - Financial Policy in Writing. Keep it simple.
  - Have Front Desk or Insurance/Business Dept do a BRIEF review of the patient’s benefits and Financial Policy. Helps to handle potential problems with payment that day.
  - Have Financial Solutions Available:
    - Auto-Pay options (pay $ each week/month), auto debit with Debit/CC
    - CARE CREDIT – CC for health care costs only
    - Financial Hardship (5% or less of patients) [http://aspe.hhs.gov/poverty/12poverty.shtml](http://aspe.hhs.gov/poverty/12poverty.shtml)
  - If patient comes to office with past due balance, get payment for that day PLUS payment on past due account. Set up payment plan for remaining balance
Overcoming Patient Collection Problems

- Problem: Poor payment habits of patients (maybe you created or inherited a monster)
- Solution: Start Developing good habits with new patients and re-training existing patients.
  - Post new financial policy notice (Keep it SIMPLE!!)
  - If existing patients comment "I never had to pay before", ask them if payment would pose a financial hardship. If they say "yes", have them make a partial payment, and set up auto-pay option for remaining balance.
  - Use terminology such as “I understand...however, your account balance has reached a level where you might compromise your health because you have a balance on your account. Patients like yourself are so nice, they’d rather not come in when they have a balance. We don't want that to happen, and I'm sure you don't either. Let’s see what we can do together.....”
  - Send monthly/routine statements.

Dear Valued Patient,

Due to regulations that are being enforced as part of the new healthcare system, our office must now collect payment for non-covered services as they are rendered. This will include payment of services for patients with no insurance, and patients who have insurance but are required to pay a co-pay, coinsurance or deductible. Extended payment options may be available to patients who qualify. Please see the front desk for more information. Thank you for your continued support of our clinic, and your patience as we complete this transition.

Post this at the front desk
HANDLING PATIENT A/R

- Most Clinics/Organizations send out “remainder” statements, after insurance has processed.
  - Recommend that statements go monthly, regardless of whether insurance has paid or not
  - Work Patient A/R the same as Insurance A/R – sweet spot is 45-90 days
- Have an Patient A/R Protocol:
  - Statement 1
  - Statement 2 – 30 days
  - Statement 3 – 30 days
  - Phone call 1 – 10 days after statement 3
  - Phone call 2 – 10 days after Phone Call 1
  - Certified Mail with Collection demand
  - Turn over to Collection Agency after 90 days

COLLECTION CALLS

- HIPAA! Be careful about violating HIPAA rules on patient collection calls
  - Patient Registration form should indicate permission to call and what numbers not to call
  - Leaving Message: “Please call Juanita at Shannon Clinic at your earliest convenience”
    - Do not say “This is about your account”
    - Do not say “This is the Shannon Clinic Collection Dept”
  - Behavioral Health: do not leave message or if you do, only leave name and phone number
  - Some Business offices have the collection staff use local cell phones so they cannot be identified on Caller ID
  - Be prepared to take payment over the phone and make payment arrangements over the phone
  - DOCUMENT conversation and outcome in PM Software
CERTIFIED LETTERS

• Not used as often as they should be
• Very effective at getting patient’s attention
• Usually results in patient contacting you
• At very least, you have proof that the patient has received your correspondence “I never got a statement”
• Certified letters are more expensive, but still more profitable overall than turning account over to Collection Agency

OFFICE LETTERHEAD

***SENT VIA CERTIFIED MAIL***

DATE: ____________________________________________

Name of Patient __________________________________________________

Account Balance _________________________________________________

Dear ________________________________________,

We are sending you a final notice of your account balance at (Name of clinic). The attached statement shows an outstanding balance of $_________ due in 60 days. On or after the 60th day, the account will be turned over to a national collection agency. If you have questions, please call our office toll free at 866-942-5655.

We are more than happy to work with you to resolve this account, however we cannot help you if you do not communicate with us.

If you intend to pay this balance in full, please write a check payable to (Name of clinic) and mail to:

Post Office Box 62104  *  San Angelo, TX  76904  *  866-942-5655

Respectfully,

Account Recovery Manager

NAME OF CLINIC
COLLECTION AGENCY

- Send patient to collections when all other steps in house have been exhausted
- Many large facilities send patients to collections too soon. It would be more cost effective to keep in-house
- Find Collection Agency that specializes in Health Care collections, and understands HIPAA compliance rules
- Find Collection Agency licensed to operate in your state
- Local Agency usually works best

Questions?

- Thank you for your attendance!

- Get your questions answered on PMI’s Discussion Forum:
  http://www.pmimd.com/pmiForums/rules.asp