Serving the Dental Industry

Hot Buttons

Volume 9 · Issue 3 · May 2009

Schenck
Health Service Solutions
BETTER PEOPLE. BETTER RESULTS.™

Collections Policies: *Your Road to a Successful Practice*

Caring employees will go above and beyond the call of duty for patients. Without a doubt, they display genuine concern, and feel for their patients. The patient is the center of the proverbial universe in a dental practice. But, as a business, profits also need to be a concern. Profits allow the practice to grow, hire competent staff, invest in the latest technology, provide comparable compensation and benefits for owners and staff, and ensure the best care to the patient.

It is not necessary to have a business degree to know that increasing profits is a must. It may actually only take minor adjustments to your collection policies to grow your practice.

A Balancing Act

Both the billing department and the front desk are important to the success of the financial goals of the practice, and they must work together to achieve those goals. The front desk is generally responsible for collecting co-pays and account balances from patients at the time of treatment. Front desk staff should verify demographic data on a regular basis (each recall visit): name, address, phone number, cell phone number, and e-mail address.

The billing department submits claims and collects payment from insurance companies and patients. They can verify responsible parties for insurance billing, employment/ employer telephone numbers, family members covered, insurance plan co-pays and deductibles and covered services, and other billing requirements. Procedures have to be in place to ensure that information flows between the two departments in a back-and-forth, give-and-take manner.

The practice management computer system is a big help to this relationship. It should make updated information available to all departments. The billing department should be able to access the appointment data a couple of days prior to the visit to determine any past due balance or other financial information that is needed so they can alert the front desk, asking them to collect past due payments. The front desk should be able to enter updates on a patient-by-patient basis, which then becomes accessible to the billing department.

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Join us for our EagleSoft Users Groups

Sessions will be held in Appleton, Milwaukee and Wisconsin Dells. See page 6 for details!

Also In This Issue:

***Hot Buttons* is is published several times a year and is available to clients and friends of Schenck Health Service Solutions at no charge. For name and address corrections, or to receive the newsletter electronically, please call Anne Dlugopolski at 800-236-2246, extension 1167, or email anne.dlugopolski@schencksolutions.com.**

Collections Policies

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Do You Have a Collections Problem?

What are the financial guidelines that everyone on the staff should be aware of? Are they in writing? Are they followed? Are they communicated to patients? When and how? What is the status of accounts receivable? If the answers to these questions are fuzzy, mixed, or staff is uncertain of the answers, take the time to evaluate the collection policies of your office, and take steps to put new ones in place.

A Questionnaire Everyone Completes

A good starting point is to survey your staff. There may be some resistance from those who consider themselves removed from the collection process. However, the entire team is responsible for the success of the practice—therefore, they should be involved in the evaluation. It will reveal the weaknesses in the system as well as its strengths.

A simple, mostly yes/no, survey can be created. Include questions such as:

- Does your office have a written set of collection policies?
- Does your office ask for payment on the date of service?
- Is your policy of payment at the time of service closely followed, reasonably followed, loosely followed, or hardly followed?
- How do you inform your patients of collection policies?
- Prior to beginning treatment, who is responsible for discussing the cost of a significant treatment plan with the patient?
- Are you clear on the payment policy when a patient calls with an emergency?
- Who is responsible for collecting co-payments and when?
- When is demographic information updated?
- Who is responsible for entering information into the computer?
- Who has access to that information?
- Does your practice have a set of standard collection letters?
- Do you have a sequence of events and timeline governing use of the collection letters?
- Do you have someone on the staff designated to oversee your accounts receivable and collections?
- Do you have guidelines and scripted verbiage for collection phone calls?
- Does someone follow up on outstanding accounts according to a timetable?
- Do you know what your monthly accounts receivable are?
- What billing system does your office use – in-house computer, outside service, peg board, or other manual system?
- Do you use a collection agency?
- Do you have guidelines for when patients are referred to the collection agency?
- Have you ever gone to small claims with a patient?
- Does your office assist patients with insurance claim problems?
- Do you offer a number of payment options for patients?
- Do you accept credit cards?
- Do you have an accountant who, on a regular basis, reviews your collection guidelines?
- Do you provide continuing education for the staff who is/are responsible for collections?

Findings

After the analysis, if the staff is confused as to what the policies really are, who is responsible for what collection tasks, and/or why certain policies exist, there is a problem. Here are a few steps to remedy the situation:

1. Hold a staff meeting to review the findings of the survey. At the meeting, talk about what you are doing right, then zero in on those areas where the practice falls short. The staff is a tremendous resource.

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Ask them:

- what worked in the past
- what could work better
- who has been responsible for certain activities in the past

Ask them to begin formulating new guidelines. Use the survey as a guide.

2. Categories to address in the guidelines are:

- Patient payment policies
- Collection policies
- Raising fees policy
- Overhead policies
- Staff involvement policies
- Supportive materials for each category

Note: for additional information and details on these categories, click here to see the July 2007 edition of the Hot Buttons newsletter.

3. Contact your accountant and seek his or her advice on generally accepted collection guidelines.

4. Put the new guidelines in writing. Review them for clarity, ease of incorporating them into the practice, and the value they serve in the collection process. Identify who on the staff will be responsible for what activity.

5. Set a timeline for the installation of the new guidelines.

6. Obtain a commitment from the staff to live by the guidelines, so on future surveys/evaluations they can answer that they are followed "closely."

7. Identify the process to inform patients about your practice's new policies. This is especially important if the policies vary significantly from what has been done in the past. A word of caution: be sure to inform patients about the new policy prior to acting on the new policy.

8. Review collection letters.

9. If necessary, provide training for how to contact and communicate with patients about the new guidelines.

10. Set a goal for the percentage of accounts receivable to be collected relative to overall practice income.

Standardize the Process

The above steps will provide the opportunity to hold "creative thinking" sessions in which the whole staff should participate. Their participation gives them a sense of possession—ownership of the process and its outcome. The staff will take pride in playing a significant role in making the practice successful.

It is important that the system is standardized. Everyone should understand it and resolve to follow it. Make it a point to check that all staff members know and understand the technology used in the office to assist in the collection process.

Exceptions Can Defeat Your Purpose

Once your new policies are in place, they have been communicated to patients, and the staff is committed, don't undermine them by making exceptions or opening up the possibility of an exception. If you say any of the following to a patient when discussing payment, you are making an exception to the policy:

- "Don't worry about it"
- "We'll bill you later"
- "We can make an exception"
- "I'll take care of it at the front desk"

Your collection system is undermined when:

- your copayment collection policy is to collect copayment on the date of service, or
- your emergency payment policy is to collect at the time of service, or
- your outstanding accounts policy states patients should be asked to make a payment at the next visit...

...but one of your employees tells patients something to the contrary.

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Collections Policies

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Who is Responsible?

When policies are put in place, designate an individual to be responsible for overseeing each activity. Staff meetings throughout the year should include a periodic review of one or more of the policies to determine if they are working. Remain flexible so that if adjustments need to be made, they can be made easily.

How It Can Work

The policies should include a process for patients to be informed about any changes. This is especially crucial if, in the past, they could make payments on their outstanding accounts according to *their* timeline and in amounts *they* determined. New guidelines may cause some resentment by patients. This could happen if the policy clearly states co-payments will be collected at the time of service. It could happen if the policy states that when treatment plans are presented, they will include a discussion of payment methods, and the patient wants to make small payments over a number of years. It could also happen if the policy states that current outstanding accounts will be discussed with patients, and they will be asked to make payments within a four month timeframe. There is no easy way to tell a patient a different set of rules will begin immediately. They will resist, and some could even be upset when asked for payments.

Remember, the patient is responsible for their portion of the payment based on the benefits outlined in their dental benefit plan and/or the cost of the treatment if they do not have benefits. It may take some training for staff to explain to patients their financial responsibilities. Success may depend on how they are asked for payment, the approach used and the tone of voice used. Patients are influenced by these factors. It may take some practice to say, “I understand you are having a difficult time right now. What we need to do is work out a payment system that fits your situation and addresses this outstanding balance.”

Develop a script for various situations to ease some of the patient resistance. For example, when working with a patient who is accustomed to making small payments in the past, you may say, “I understand you have made small payments in the past. Unfortunately, we have changed some of our policies and we are no longer set up for small payments. Do you have a credit card or debit card? Let’s use the card to pay for this account, and then you can make payments that are convenient for you to the credit card company.”

A Word of Caution

As mentioned earlier, in all of this, it is important to be flexible. For example, pushing for total payment at the time of service from a patient who, over the years, has a history of paying the total bill over 2 or 3 months may not be wise. It may be prudent to let them continue in the fashion to which they are accustomed. Analyze your patients and determine on an individual basis how you will handle longtime patients of record who pay in a timely manner. Contrast that with patients who are delinquent, slow with payments, make small payments, have outstanding accounts over 90 days, break appointments, etc.

In Conclusion

Excellent verbal skills will improve interactions with patients and overall acceptance of the new policies. Educate your patients with a positive attitude, and be enthusiastic about the changes that have been made in the practice. Your enthusiasm and positive spirit will generate a tremendous positive outcome. Overall acceptance by the majority of your patients will have them telling their friends and neighbors about your practice and your caring staff.

Your collection policies, how you incorporate them into the practice, your staff’s commitment to them, and their overall acceptance by your patients will ensure the continued profitability of your practice and will make it a vibrant, successful business.

Organize Your Workspace and Get Your Work Done

Do you frequently miss deadlines? Do you feel frustrated with the many projects you have in progress? Take a look around your work space. Do you see piles of papers and half-finished tasks? Is the floor covered with stacks of work? Is your desk covered with notes, phone messages and folders needing to be filed?

There are a lot of reasons for not completing tasks on time. You may have a heavy workload, you may have frequent interruptions, you may have to fill in for a missing staff person, your boss's tasks may take precedence over others', or you may not have correctly calculated the time it would take to complete a job.

Disorder and confusion may contribute to your lack of productivity.

So, what can be done about it?

Start With a To Do List. Put those tasks closest to deadline at the top. Some people put simple, quick tasks at the top to get them out of the way so more time can be dedicated to the intense and time-consuming ones. Sift through the tasks and determine if there are any that can be delegated to someone else.

Set Priorities. There are a number of ways to prioritize tasks. Much of how you do so depends on your work style. If you are not meeting deadlines, perhaps some of the suggestions listed here will help you break habits that have not worked in the past.

Here are some ways of setting priorities that others have found successful. Determine the most important task and put it at the top of the priority list. Do the ones that will take the least time immediately. The ones with an immediate deadline need top priority. If you have a clear outline of the necessary steps to complete the task, it will take less time than if the directions and outcome are not clear. Ones you are most comfortable and confident with, and that you can complete without too much assistance from others, can be done after the top priority ones are finished. Set time aside for those that need a significant amount of time to complete. Tackle unpleasant work first.

One final suggestion is to add deadlines to your calendar or planner. Fool yourself, and put the deadline several days early so you have a cushion to ensure completion on time.

Clear Off Your Desk. Take the time to file items in their proper place. Throw away the materials you are saving because you thought you would read them sometime in the future. Make folders for projects in progress. Have a place for them so they can be seen and are easily accessible.

You may have heard of the Four Ds of Desk Management: Discard it, Do it, Delegate it or Defer it. Following the Four Ds will clear off your desk and take the clutter out of your working view.

Only have materials that pertain to the task you are working on on your desk. That way, you will not become distracted by projects waiting for your attention.

Return Phone Calls. Playing phone tag wastes a lot of time. Plan your calls in advance. When placing a call, have notes listing the matters you want to address. The list is then ready in case the person is not available, and you can mention them in your voice mail. In turn, that person can plan their return call, giving you the answers and/or information you requested. This type of planning will reduce the time spent on the phone. An additional benefit of having a list of items you want to discuss is that you'll reduce the number of times you repeat yourself during the call. If you are the person returning the call, have the information available so the conversation can be handled with ease and quickly.

When someone calls you, tell them you have only a few minutes. Generally, the conversation is shorter and more concise when they know time is limited.

Finally, include in your voice mail message a request to the caller asking them to tell you the best time for you to return their call. Then when you call them, they will be ready for you and you will not have to leave another message. Thus, the end of phone tag.

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Organize Your Workspace

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Email. A big time waster is thinking you have to answer an email message as soon as it arrives. Consider looking at emails several times a day to reduce the time spent returning messages. Try this – it works!

Interruptions. Interruptions by coworkers and team members can take precious time away from accomplishing your tasks. Be frank by telling those who drop by that you cannot meet with them right away and set a time for when you can. Set an interruption-free time (such as the first hour of the day) so you can work without being disturbed. Put the phone on "do not disturb." Close the door. These techniques can reduce interruptions and give you time to work.

Organization is Key to Job Success

Organize your work space, increase your productivity and meet your deadlines. These few management techniques can help determine your overall job success and make you a dynamic contributor to the success of the practice.

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Your Coding Questions Answered

Q: There is a code for placing fluoride varnish. Can this code be used when applying varnish to desensitize a tooth?

A: When fluoride varnish is utilized to desensitize a tooth, you may report "D9910 application of desensitizing medicament." Procedure code "D1206 topical fluoride varnish; therapeutic application for patients at moderate to high risk of developing caries" is used for therapeutic purposes with patients who are at moderate to high risk of developing caries.

Q: Is it necessary to use trays to deliver fluoride treatment in the office?

A: The Code does not specify delivery mechanisms for topical fluoride materials. This aspect of the procedure is best determined by the practitioner at the time of service.

Patterson EagleSoft Users Groups

Schenck Health Service Solutions' EagleSoft Users Groups provide the latest program updates and enhancements and to share tips on how to best use the software to save you time and avoid frustration. Please join us! You'll be able to draw on the experience of Schenck's professionals as well as users from other dental offices in your area.

Schenck Health Service Solutions Speakers
• Vicki Fischer, EagleSoft Software Consultant/Trainer
• Maryann Dillon, Dental Practice Consultant
Patterson Technology Representatives will attend all sessions.

Sessions will run from 8:30 a.m. till 12:30 p.m. The cost to attend is $20 per person, which includes handouts, as well as coffee and doughnuts.

October 14 • Hilton Garden Inn - Park Place • Milwaukee
October 16 • Liberty Hall • Kimberly
Date TBD • Kalahari Resort • Wisconsin Dells

To register, call Anne at 920-996-1167 or visit us online at www.schencksolutions.com/events.