

## **Think your Uncollectibles are Useless?**

Think your uncollectibles are only good to look at on an aging report? Well maybe not. Instead of just considering them to be dead accounts, try viewing them as teaching tools. By carefully examining these accounts, you can discover where you went wrong and why you haven't been able to collect on them. Examining these accounts with regard to your collections process can show you how to correct flaws for more effective collections in the future.

For example, think of the collection calls you could avoid having to make if you were able to get the money from the patient up-front. Here are some of the common reasons that unpaid accounts end up in the oldest aging categories:

- Skips
- Bill too large for patient resources
- Patient didn't stick to payment plan
- Disputed bill

Compare these collections problems to your own problem accounts and see what you find. Here are some suggestions to help solve each of these and maintain a more effective collections process.

### **SKIPS AND FALSE ADDRESSES**

Solving this problem means improving the trace information you glean from patient intake records. Go to your patient's record and determine what's missing. Are you asking for place of employment, emergency contacts, and names of family members or next of kin? In addition, begin using *Forwarding and Address Corrections Requested* on all envelopes that go out of your office. If these preventive measures don't bring results, go to the Internet and try free sites such as *peoplefinders.com*, *whitepages.com*, *anywho.com*, *411locate.com*, and *switchboard.com*.

### **BILL TOO LARGE FOR PATIENT RESOURCES**

Take a hard look at your *time of service collections program*. Is your receptionist expecting payment before the patient leaves the office? Do you offer payment choices such as checks, cash, debit, and credit cards? Do patients know that you expect payment before they leave the office? Do you have signs in your waiting room and notices in your brochure to inform patients of this policy? Are patients reminded when scheduling that payment will be expected at time of service? Many computer systems are equipped with flags that can be used to help you alert staff when a patient has an overdue or especially large balance. When your staff notices the flag, the patient can be appointed to see the patient accounts manager before he or she leaves the office.

### **DIDN'T STICK TO THE PAYMENT PLAN**

When this happens, the place to look is your phone collections system. Did you follow up with the patient quickly and continually? Do you have a written schedule for phoning delinquent accounts that have been put on payment plans? When making calls, are you prepared to handle the common excuses? Do you have a list of financial assistance options near the phone to use as suggestions to patients who are having trouble paying? Are agreements made over the phone put in writing and mailed to the patient? Do you have a tracking system that alerts you when a payment is missed so that you can follow up on it quickly?

## **DISPUTED BILLS**

When a patient disputes a bill, it's important to discover whether the dispute concerns the bill itself or the quality of the treatment that was received. Treatment disputes can also be malpractice threats. They should be referred to your doctor and possibly to your attorney rather than handled by the patient accounts manager. Disputes that relate to the bill often mean that the patient didn't understand the services and the costs before the services were rendered. It's important to avoid having this happen again by explaining services and costs up-front. Post the services and bill the patients promptly after the service is rendered to increase the chances of undisputed payment. If a dispute does arrive, go to the medical record and try to explain the service and charge to the patient. Once the patient understands the situation, he or she will often pay the bill.

Evaluating uncollectibles is not a once and done procedure. Doing this on a regular basis should help you to cut down on the number of accounts receivable you carry and the number of bad debt writeoffs you need to make. Done on a continuing basis, this exercise should help you to improve your collections process and significantly reduce the number of writeoffs in your files.

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