Collecting from patients is one of the more difficult aspects of medical practice management. But few medical practices will survive without collecting a high percentage of amounts due from patients, whether they are insured or not.

Medical practices must make a concerted effort to collect copayments, coinsurance, deductibles, amounts for services not covered by insurance, and charges to uninsured patients. The reimbursement rates that third-party payers allow take into account what medical practices collect from patients. Today’s high deductible health plans mean patients are less likely to satisfy their deductibles until well into the plan year.

The best ways to ensure your medical practice collects from patients is to:

- Verify insurance
- Estimate the patient’s responsibility
- Collect as much of that as possible before, or just after, medical services are provided
- Provide a number of payment options to make it easy for patients to pay
- Establish an effective program to collect amounts that patients cannot pay at the time of service
- Monitor the success of collection efforts[1]
Studies from *Medical Economics* indicate that collection rates for insured patients can be as low as 50% to 70% after the patient walks out the door. The rate continues to decline as time passes and before an account is turned over to a collection agency. Similarly, the collection rate can be only 10% for uninsured patients. And surprisingly, studies also indicate that over half of patients are willing to pay $200 to $500 or more by credit or debit card at the time of a physician visit.[2]

The copayment for an office visit is usually easy to determine. It’s either printed on the patient’s insurance card or available when one verifies the patient’s insurance. Most patients know it is due at the time of service and medical practices should make an effort to collect copayments from every patient.

When the patient just can’t pay or says they don’t have their checkbook or credit card, have staff complete a form or log indicating the patient’s name, amount of copayment, and why it could not be collected. Make sure patients know that they will contacted in the event payment is not received within two weeks. Better yet, give them instructions and tell them they can make a payment through your website’s patient portal. On a regular basis, the manager and/or physicians should monitor how the copayment collection efforts are working and make tweaks as needed. With patients that can’t pay, you may want to set up a payment plan during the encounter.

Deductibles and coinsurance can be more difficult to estimate, particularly if a range of services are provided. Some of the services – like some preventive services – might not be subject to coinsurance or even deductibles. Other services could be subject to confusing reimbursement rules like those for multiple procedures. Some services might not even be covered. Regardless, it is usually better to make the best estimate you can and attempt to collect that amount at the time of service. Some groups collect 25% to 50% of their best estimate and counsel the patient that they will be billed the remainder when the claim(s) is adjudicated.[3]

It is a good investment to train staff in these matters. Studies suggest that you need to know what patients owe and “improve the ask.”[4] Some employees are instinctively better at collecting from patients, while others do not handle it confidently. Those who are better at collections can train other staff. Rather than asking a patient if they can pay their bill today, ask “How would you like to pay your bill today?” That little difference in the “ask” often improves collection rates and makes it easier on staff.

If your practice does not have a written payment policy, write one and post it in the office and on your website. Keep copies available to hand out to patients.

**Here are a number of articles and other resources that will help your medical practice improve collection efforts:**

The AMA Managing Patient Payment Toolkit [1]


[3] Another issue is that some managed care physician service contracts – also called “participation agreements” -- can be read to preclude medical practices from collecting coinsurance and deductibles before the claim is adjudicated. While that language is not as prevalent now, that contractual language still exists. Managers should check contracts for such language. Some physicians have been successful negotiating modifications to those sections, or have received clarifications that would allow a physician to collect a reasonable estimate on the date of service with a refund if a credit balance results. In any event, those clauses could be an obstacle, but it’s worth asking the plan if one can collect a reasonable estimate of deductibles and coinsurance. In fact, most contracts require medical practices to make a reasonable effort to collect coinsurance and deductibles.


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