

Optometry Coding & Billing Alert

Billing Basics: Don't Play Percentages With Overdue Copays

Watch out for state, federal laws on charging patients interest

Dealing with patients who drag their feet on paying bills can be a nuisance--but you shouldn't complicate your life by trying to hassle them.

Some billing experts have been advising practices to charge a -statement fee- for late copayments or deductibles. And a few practices have been adding on a flat percentage when they send the overdue bill to a collection agency or a company that sends out reminders. But this may not be a smart idea.

Watch out: You could get yourself into trouble with state and federal regulators if you charge your patients extra amounts for such non-medical services, says **Bob Burleigh** with Brandywine Consulting in Malvern, Pa. -You're stepping into a territory where there are so many ways to get in trouble,- he says.

In some states, it may be illegal for you to charge your patients what amounts to an interest payment or surcharge. Medicare doesn't allow you to charge patients for anything other than Medicare-covered services, Burleigh says. You could also be violating the federal Fair Credit Reporting Act -because you're charging for extending credit,- Burleigh says. Also, it may be hard for your billing system to account for the extra charge, Burleigh says.

Bottom line: -The amount you're allowed to charge the patient is the amount you're allowed to charge,- says attorney **Alice Gosfield** with Gosfield & Associates in Philadelphia. With private payers, such as HMOs, you usually sign a contract that limits how much you can charge the patient, she says.

What you can do: There are plenty of ways to -push the issue- besides charging the patient extra, Gosfield adds. You can warn patients, send them to a collection agency or put them on a payment plan. You can also fire your patients. -You don't have to continue to treat people who don't pay their bills,- Gosfield says.

If you do withdraw from a patient's care, be sure to send the patient a dismissal letter, offering to continue care for 30 days. You should also provide referrals to other optometrists who can provide care. Include their phone numbers in the letter.