

Optometry Coding & Billing Alert

Collections: Let Your No-Show Policy Speak for You When Patients Skip Appointment

A robust policy will prevent write-offs for your optometry practice.

When patients don't present for their pre-scheduled appointments, it can not only create a domino effect in your schedule, but it can cost you a bundle. A robust no-show policy can help you recoup the costs you're losing, so Optometry Coding Alert sat down with **Mary Beth Haugen, MS, RHIA**, president and CEO of Haugen Consulting Group, Inc. in Denver, to find out how you can institute such a policy in your office.

Check Payer Contracts First

Some optometry offices report success with billing patients a set no-show charge when patients fail to present for their appointments. "I have seen clinics create a policy where they charge a blanket no-show fee of, for an example, \$25," Haugen says.

In most cases, you should be able to charge patients a fee when they miss an appointment. But check your contracts, because you may have a clause forbidding no-show charges or specifying particular cases when you can and can't bill the patient. For example, most payers will not allow you to charge a patient who cancelled her appointment more than 24 hours before the scheduled appointment time.

For example, CMS allows you to bill Medicare patients directly for no-show fees, as long as your no-show policies for Medicare patients are identical to the policies for non-Medicare patients.

Alert Patient of No-Show Policy During First Contact

You should tell patients about your no-show policy up front, Haugen says. Your best bet is to write the policy into your patient consent form, and post it prominently throughout your office. "Schedulers would also read the policy over the phone to patients when scheduling the appointment," Haugen says. "This of course generally does not cover all expenses incurred, but it does allow recoupment of a fraction of the lost revenue."

For example, assuming your average optometry visit bills at about \$120, you'll still lose \$95 for no-shows, even after they pay the \$25 no-show fee—but at least you haven't lost your full reimbursement amount.

Of course, managing the no-shows will cost you some money in administrative costs. "You'll still have the expense of mailing a bill and any follow-up if the balance is not paid," Haugen says. In addition, you'll have to determine which office staff member has the responsibility for enforcing the policy, whether it's your receptionist, biller, coder, or office manager.

"Some practices may waive the no-show fee on the first instance or in extenuating circumstances, and then a practice would need to define what extenuating circumstances are," Haugen says. Include this information in your office's no-show policy so you can refer back to it with the patients who fail to present for their appointments. "Then after two no-shows, a letter is sent stating that a third no-show will result in not being able to preschedule for appointments again. In many cases, the letter regarding the third no-show is all the patient needs to hear to adjust their promptness, she says.

Prevent Problems Up-Front

You should give your financial policy that mentions the no-show fee to every new patient. Have the patient sign two copies of the policy: one that he keeps, plus one you will keep with his chart.

In your policy, include information such as:

- The patient needs to notify you that he is not going to show
- Whether you'll charge a fee
- If you are going to charge a fee, what that fee is.