

Optometry Coding & Billing Alert

Collections Q&A: Create a Solid Financial Policy That Tells Your Patients Exactly What You Expect

Get answers to your top financial policy questions from a billing expert.

Having a financial policy is essential for any optometry practice's financial success. A detailed and documented policy helps both your employees and your patients know how your practice handles the financial side of healthcare.

Follow this advice from billing and reimbursement expert **Cyndee Weston, CPC, CMC, CMRS**, executive director of the American Medical Billing Association in Davis, Okla., to ensure your practice employs financial policies that work and then that you adequately communicate those policies to your patients.

Question 1: Why Do We Need a Clear Financial Policy?

A financial policy is a "formal set of procedures that your practice follows with regard to collecting money," Weston explains.

There are several reasons your practices should develop, implement, and continually evaluate a set financial policy, Weston advises. "It's really a very real part of effective customer service with your patients," she adds.

You'll also find that a set financial policy will give your staff the tools they need to do their job collecting from patients. By reviewing your written policies, patients should get a clear understanding of their responsibilities and your practice's expectations with regard to financial topics. This can help prevent patients from asking for discounts and payment exceptions.

"The whole idea is that we want financial policies in place so that we can be more effective at collecting," Weston says.

Question 2: How Do We Communicate the Policy to Patients?

You want to put your policy in writing, and then educate all of your practice staff and also your patients about the policy. You can even post an abbreviated version at your check in or checkout counter to ensure patients are aware of the policies.

"Good policies start with explaining to your patients what you expect so that they understand exactly what you require of them," Weston says. "Firm, consistent financial policies are a customer service that patients deserve and expect."

Good practice: Start communicating your financial policies and expectations to patients at the onset of the patient appointment, Weston says. Having patients sign the financial policy indicating that they received a copy of it is a good idea. Then keep a signed copy in the patient's chart, and give another copy to the patient.

Here's how: For new patients, explain your policies and make written versions available through your practice Web site, by fax, or by mail. For existing patients, you should occasionally remind patients of the policy and notify existing patients any time you make a policy change. "Craft and mail a 'change of policy' letter and put a notice on your Web site and in the office," Weston advises.

Question 3: What Should the Policy Include?

Spell it out: Your written financial policy should include information about anything related to the financial aspects associated with a patient's care, such as no-show fees or penalties assigned if the patient doesn't pay his copay at the time of service.

Your policy should help patients understand several things about insurance, your practice, and other financial aspects of healthcare, Weston advises, including your commitment to providing the best possible care, the fact that insurance is a contract between the patient and insurance company, but you will use your best efforts to obtain the maximum reimbursement, and that sometimes routine services are not covered by insurance and patients must pay those charges at the time services are rendered.

According to Weston, there are many things your written financial policy should explain to patients, including other smaller policies. Consider including information about the following:

- The importance of maintaining current account information (address, policy, responsible party)
- Forms of payment your practice accepts (cash, credit cards, checks)
- Forms of ID required, including if an insurance card is required at every visit
- Payment guarantee form/signature
- Patient demographics and patient history forms
- Returned check fees based on your state's laws
- Billing cycle or when statements are sent and payments are due
- Hardship application and documentation
- Your policies on handling delinquent accounts, including timelines your practice follows and any fees the patient may incur
- Cancellation policies and charges
- Where to direct billing inquiries
- How self pay accounts will be handled
- Medical record copy/transfer charges and policies.