

Optometry Coding & Billing Alert

Reader Question: Get Tough on Bounced Checks

Question: Every once in a while, a patient's check bounces. We not only lose the patient's money but also have to pay a \$25 fee to the bank for each bounced check. How should we recoup the payment and the overdraft fee from the patient?

Alabama Subscriber

Answer: You should have a clear procedure for responding to bounced checks. Inform patients in your financial policy statement that they are responsible for bank fees associated with invalid checks.

When the bank returns a check to your office, be sure to note the reason the check was returned. A check can be returned for three reasons: There are not sufficient funds (NSF) in the account to pay the check, the account has been closed, or there is no such account. The latter two reasons should make you suspicious of the patient.

If the patient has been coming to your practice for a while and has always paid his bill, then it's best to contact the patient about the check. Use either a return-receipt letter or a phone call to request payment.

If it's a new patient, you should consider contacting the criminal magistrate or district attorney (DA). The patient may have made a mistake, but it's in your best interest to let the police determine that. The DA can press worthless-check criminal charges. If the patient wants to avoid these charges, he simply has to pay you.

But use caution when deciding to contact the DA. You should consult with the practice attorney before taking action. Even though turning the patient over to the DA costs you nothing in monetary value, you risk alienating a patient who may have just made a mistake.

Is that a risk worth taking? Perhaps. If you call the patient, he may agree on the phone to bring cash to the office to settle the debt. If you accept the offer, you've reached a new contract with the patient. And if the patient doesn't keep his end of the bargain, the DA will call his misdemeanor a breach of contract, not a bad check. You can always pursue a delinquent account through collections or small-claims court, but then you're doing the work you could have put on the DA's desk.

So, if you fear you can't take the patient at his word, then turning directly to the DA could save you time and money. It may seem harsh to turn the patient over to the DA, but in extenuating circumstances it's a valuable collection tool.