

Optometry Coding & Billing Alert

READER QUESTION ~ Give Collection Agencies All the Details

Question: We've decided to turn over some of our outstanding accounts to a collection agency. Do you have any tips for using an outside agency?

New York Subscriber

Answer: Using an outside debt collection agency has its advantages, but to get the most bang for your buck, you need to know how collection agencies tick. Watch out:

Skimping on the information you provide may jeopardize the collection agency's success in getting payment on your outstanding accounts.

Some collection agencies have client-education initiatives in place. Agencies may call you, ask for a few minutes of your time, and explain how they work, including the agency's responsibilities, obligations, liabilities and regulations.

Those few minutes are typically well-spent, yielding a better return on collections.

These tips will help you get the best results possible from your collection agency:

- Provide the agency with enough information for its reps to get on the phone and collect the account.
- Provide the agency with enough timely information for its reps to address a patient who disputes the debt.
- Don't hold on to the debt very long because the older the debt, the lower the ability to collect. Therefore, you need to provide the agency with the debt quickly to ensure you can collect.
- Notify the agency if you receive a bankruptcy notice pertaining to an account.
- Don't assign the same accounts to multiple agencies for collection.
- Let the agency know when a patient pays your practice directly.
- Work with the agency if a patient complains to your practice.

Tip: A high-quality, compliance-focused collection agency will take the initiative to provide you with the information you need to form a profitable, efficient relationship with the agency. If an agency simply asks you for your accounts, you'd be wise to keep looking.

Important: Some offices do pass on the cost of collection to the patient. The only way you can do that, however, is if:

- your state allows that practice;
- you make it clear to the patient up-front when he signs the financial agreement with the practice that adding the collection fee is part of your policy; and
- the contract with the agency allows it.

