

Optometry Coding & Billing Alert

Reader Question: Use Caution With Write Offs

Question: At what point can we write off a patient balance as bad debt? Are there certain criteria we need to meet before we do so?

North Carolina Subscriber

Answer: There are no general set rules about when you can write off a patient balance; however, you must make a good faith effort to collect from your patients. How you make the good faith attempt to collect is up to your practice, but be sure to document your efforts. If you have patients who truly cannot pay their balances because of financial hardship, you might want to consider writing off the balance □ after you've made an effort to try to collect and you have gotten proof of financial hardship. To prove financial hardship, you should ask the patient to provide you with information such as gross monthly income, assets, monthly household expenditures, and number of dependents.

Key: You have to apply a consistent collections policy to all of your patients. You must treat every patient equally when it comes to collections efforts and write offs. Create a policy and stick with it for every patient.

Tip: If the patient has an insurance with which your practice does not participate, it is acceptable to write off the difference between the practice fee and the insurance allowance and only bill the patient the indicated deductibles and copayments on the remittance advice.