

Optometry Coding & Billing Alert

Reader Questions: Beware Tacking on Additional Patient Charges

Question: Can you charge a processing fee or a "statement" fee to past due patients when we have to send a bill?

Answer: While charging a statement or processing fee, charging interest on late payments, or even adding on a flat percentage when they send the overdue bill to a collection agency may be tempting to help offset the additional costs your practice incurs by having to bill a past-due patient, it could set your practice up for major problems.

Here's why: Some payers, including Medicare, do not allow you to charge patients extra charges. With Medicare, you cannot bill for any charges other than those listed in the Medicare Fee Schedule. With private payers, whether or not you can bill a statement fee depends on the contract you have with the payer.

Additionally: In some states, it may be illegal for you to charge your patients an interest payment or surcharge. If you find out that your payer allows you to charge extra administrative fees, remember that any fees you'll add to a bill should be spelled out in a financial policy that you provide to the patient. The patient should sign that he received and understood the policy.

Other options: There are plenty of ways to boost your collections efforts without charging the patient extra. Consider collecting copays and deductibles before the patient receives the service. After the fact, you can warn patients, send them to a collection agency, or put them on a payment plan. Plus, you don't have to continue to treat people who don't pay their bills. You can also dismiss patients from your practice.