

Part B Insider (Multispecialty) Coding Alert

COMPLIANCE: Don't Play The Percentages With Overdue Copays And Deductibles

Watch out for state, federal laws on charging patients interest and surcharges

Patients who drag their feet on paying bills can be a nuisance--but you shouldn't complicate your life by trying to hassle them.

Some billing experts have been advising practices to charge a "statement fee" for late copayments or deductibles (see PBI, Vol. 7, No. 3). And a few practices have been adding on a flat percentage when they send the overdue bill to a collection agency or a company that sends out reminders. But this may not be a smart idea.

Watch out: You could get yourself into trouble with state and federal regulators if you charge your patients extra amounts for such non-medical services, warns **Bob Burleigh** with **Brandywine Consulting** in Malvern, PA. "When you start charging to send bills, you're stepping into a territory where there are so many ways to get in trouble," he warns.

In some states, it may be illegal for you to charge your patients what amounts to an interest payment or surcharge. Medicare doesn't allow you to charge patients for anything other than Medicare-covered services, Burleigh says. You could also be violating the federal Fair Credit Reporting Act "because you're charging for extending credit," says Burleigh.

Also, it may be hard for your billing system to account for the extra charge, Burleigh notes.

Bottom line: "The amount you're allowed to charge the patient is the amount you're allowed to charge," says attorney **Alice Gosfield** with **Gosfield & Associates** in Philadelphia. With private payors, such as HMOs, you usually sign a contract that limits how much you can charge the patient, she points out.

What you can do: There are plenty of ways to "push the issue" besides charging the patient extra, Gosfield adds. You can warn patients, send them to a collection agency or put them on a payment plan. You can also fire your patients. "You don't have to continue to treat people who don't pay their bills," notes Gosfield.