

Psychiatry Coding & Reimbursement Alert

Patient Relations: Don't Get into Ugly Confrontations Trying to Collect Copays

Experts: Give patients a few chances to pay, then call collections.

If you lose out on collecting copayments from patients, you will be hurting your bottom line. Although it is not a common occurrence where a patient might totally refuse to shell out the copay that he is bound to pay, you should know how to handle such situations when they occur.

The problem: If you cannot defuse the situation quickly, things can turn ugly fast and it will likely play out within earshot of other patients.

Check out this expert advice on dealing with patients who are outright refusing copayment.

Step 1: De-escalate the Situation

When a patient makes it clear that he has no intention of paying his bill, you should not refuse service at that time, experts say. Let the patient see the physician for his scheduled appointment, and make sure you don't antagonize the patient or get argumentative.

"We don't get confrontational [with the patient]," says **James P. Bartley, MS, Med**, practice administrator for Women's Healthcare of New England in Norwalk, Conn. "I'm not going to get into an argument with a patient over a \$20 copay."

Do this: Remind the patient of the financial responsibility agreement he signed (if the practice has one). Then, Bartley recommends gently telling the patient "If you don't want to pay it, it's understandable. In the future, we're not going to book you an appointment unless the balance is taken care of."

Step 2: Follow Up With Statements, Phone Calls

After the noncompliant patient leaves the office, you should note in his file that he hasn't paid. Then, continue your collection efforts for a couple months. The individual practice must decide how long it wants to try to collect from the patient, but most experts recommend a combination of phone calls and letters for a maximum of three months.

"It is too costly for a practice to continue collection efforts after three months," contends **Catherine Brink, BS, CMM, CPC, CMSCS, CPOM**, president of Healthcare Resource Management Inc. in Spring Lake, N.J. Bartley agrees: "Don't go past three months; it's too labor-intensive to chase money at that point," he says.

Exception: If your practice uses a billing company, then it will make the decision as to how to collect the outstanding copay.

Step 3: Call the Collectors

The absolute last option is handing the matter over to a collection agency. The agencies are a last resort because "obviously you're going to take a financial hit" from paying the collectors, Bartley explains.

When you turn the matter over to collectors, it might also be the start of the end of your practice's relationship with the patient.

Step 4: Send Termination of Service Letter

If you decide to terminate your relationship with the patient, cover your bases by getting it in writing, Brink says.

Do this: Send the patient a certified letter with signature confirmation that "informs the patient that you are terminating future care of the patient with your practice for failure to pay financial obligations," Brink says. The termination letter should also clearly request the name of the physician with whom the patient will continue care, so you can forward the patient's medical records to his new physician.

You should also include a "one last visit" clause in the certified letter, Brink says. This clause should clearly state that if the patient is in need medical care and doesn't have a new physician to continue his/her care, then the practice will see him one last time before severing patient care.