

Psychiatry Coding & Reimbursement Alert

Reader Question: Study State Laws and Payer Policies While Handling Delinquent Accounts

Question: My work in our psychiatry practice is to handle the collection of past due co-pays, deductibles, and coinsurance as well as the coding and claims. My question is whether or not I can send extremely delinquent accounts to the credit bureau or a collections agency even if the patient is paying a few dollars a month and our practice didn't agree to a payment plan?

Washington Subscriber

Answer: Yes, you can send information about delinquent accounts to collections agencies and/or credit bureaus -- even if the patient is making a token attempt to pay up. If the patient is following a repayment schedule that you haven't approved, then you have the right to insist on a quicker repayment.

How it works: If a patient is paying a small amount every month that was not approved, many practices do send them to collections, and the collection agency may or may not report them to the credit bureau.

You should check your own state's laws and payers' or carriers' requirements, and make sure that your office has policies governing how it handles debts. Most offices have policies in place that show what monthly payments they will accept. If you bill patients, and they send in only a partial payment, it's best to call them to arrange a set plan rather than just accepting whatever they pay.

Note: You, the original creditor attempting to collect a debt have more rights than a third-party collector, such as a collection agency. Once you've turned over the account to a collection agency, then you should direct all payments to the collection agency. If the patient sends money directly to your office, you need to notify the collection agency about that payment. Most likely, your contract with the collection agency will specify how you report this payment and explain how the collection agency will obtain its cut of the money.