

SA-VIT COLLECTION AGENCY TIPS OF THE MONTH ARCHIVES



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“We need more people in the billing and collection department.”

This cry for help is all too common, especially when receivables get out of control. There may be a true need for increased staff when significant changes occur in the growth of the practice, or when a reduction in the billing and collection staff occurs without filling the void, or maybe if the billing protocol is relaxed for any reason.

In most cases, however, it would be better to use the existing staff more effectively.

There are three areas where valuable staff time is often wasted:

1. Over billing. A well designed billing protocol will collect over 90 per cent of self-pay accounts within 60 to 90 days of the first bill. After three invoices, the return on the effort is so minimal that further billing is simply a drain on resources.
2. Ineffective use of the telephone. The telephone should be used primarily to receive calls from patients inquiring about their bills. These patients usually want to pay, but have a question or two they would like to ask. After responding to their concerns, always remind them of your billing and collection policies. If your protocol includes outgoing calls, these should be made between the first (Courtesy) and second (Past Due) bills, or between the second and third (Final Notice) bills. Never call a patient after sending a Final Notice. At this point the ball is in the patient's hands, and by ignoring a Final Notice, the patient is telling you he is not ready to pay his account. It is time to forward the account to collection.
3. Failure to return messages promptly. It is important to return such calls as soon as possible. The patient will appreciate the prompt return call and you will impart a sense of urgency and commitment to

the patient. Waiting until a "scheduled time to return calls" often leaves the patient feeling ignored and unimportant, resulting in less urgency in clearing the account. Take a "do it now" attitude.

Improving debtor communications will make the collection staff more effective, increase cash flow and keep overhead in check.