

BILLING AND COLLECTION PROCEDURES

Consistency is mandatory for collecting fees due. A written protocol for the office is a good way to establish a consistent, effective routine. An example of a protocol follows.

Billing may be done around the 25th of each month so that patients receive a statement prior to the first of the next month. Alternately, bill ¼ of the alphabetical list of patients' last names every week---this method evens out cash flow. Statements are to be sent to every outstanding account, insurance with claims over 30 days included, regardless of date of service.

Billing Sequence:

- Statement and addressed envelope sent with patient who does not pay on day of service.
- First billing cycle following treatment--within 30 days--statement sent.
- Second billing cycle following treatment—within 60 days—statement and letter-reminder of past-due balance sent.
- If no payment received within 10 days, call the patient asking for commitment for payment by a certain date. Listen carefully to the reason for non-payment. Be empathetic, but firm. If possible, offer to help solve the problem. Mention you are recording the date payment is to be received per your accountant's request.
- Third billing cycle following treatment--within 90 days—statement and a more-insistent collection letter sent.
- If no payment received within 5 days, call again.
- If no response, send letter telling patient account will be forwarded for outside collection action if payment is not received immediately. After such notification, you must follow through, giving the account to an outside collector.
- Before this step, the dentist should review the patient's chart to be certain there are no extenuating circumstances. If there are apparent problems, simply write off the balance and see the patient henceforth for cash only.
- NOTE: If the patient has incomplete treatment or an appliance requiring periodic checks, send a letter of dismissal by certified mail, return receipt requested, informing the patient of such. Keep a copy of the letter on file.
- Mark the patient's chart, whether hard-copy or computerized, INACTIVE. "PATOS"—"Payment At Time Of Service" is an appropriate code to use on inactivated charts.

Steps to inactivating an account which has been sent for outside collection action:

- Dentist and Patient Account Coordinator review the chart.
- Code the chart PATOS (Payment At Time Of Service)
- Remove the patient from the Recare System.
- Send certified letter to patient to inform him/her of incomplete treatment or any device that requires periodic checks.
- Write account balance off Accounts Receivable.
- Maintain a total write-off report for the dentist's review monthly.
- If payment is received, enter it as a charge and collection and remove the amount from the total write-offs.
- Insist that the collection agency or attorney handling the collection action submit a monthly statement to the dental office summarizing action taken, progress toward collections, and fees collected.

Rule of thumb for delinquent accounts: (Adjust these balances as dentist prefers)

Under \$50 – write off the balance after the phone call following the third billing cycle. See the patient for cash only in the future. NOTE: a small balance is often due to unpaid insurance claims. Call the patient and offer to put the balance on a credit card as a convenience to him/her.

\$50 to \$200 – send for outside collection action after all steps above are done.

\$200 plus – take to Small Claims Court

Collection Procedures:

- Review the collection routine the office has for all patients with each new patient **following** the first examination.
- Collect fees not covered by insurance as treatment progresses. If unsure of exact co-payment due from patient, collect 1/3 of the fee.
- Collect at least 1/2 of lab fee on day of impressions. Collect remainder when prosthesis or appliance is delivered.
- Get a financial agreement signed by patient if credit is extended. If credit is extended, make it no longer than down payment (1/4 of fee) plus three equal monthly payments. Goal: all fees collected by the time treatment is completed.
- At checkout, review all services done that day with patient and state the total fee. Ask “Will that be cash, check, or credit card?” then be quiet while patient answers.
- Over-the-counter collections – as much as possible. Daily goal: 35% — 50% or more of production including payments received by mail or electronically.
- Point-of-Service billing – send stamped, addressed envelope with patient on day of service. Tell the patient a note is being made that he/she will mail payment.
- Billing cycle routine as described above.
- Chart inactivation routine as described above.