Managing debt

GPCME Conference

2012

The dilemmas of debt management

Finding the time

Understanding income streams

Getting the principals' buy-in

Guidelines for staff

Focus patients on paying on the day

When enough is enough

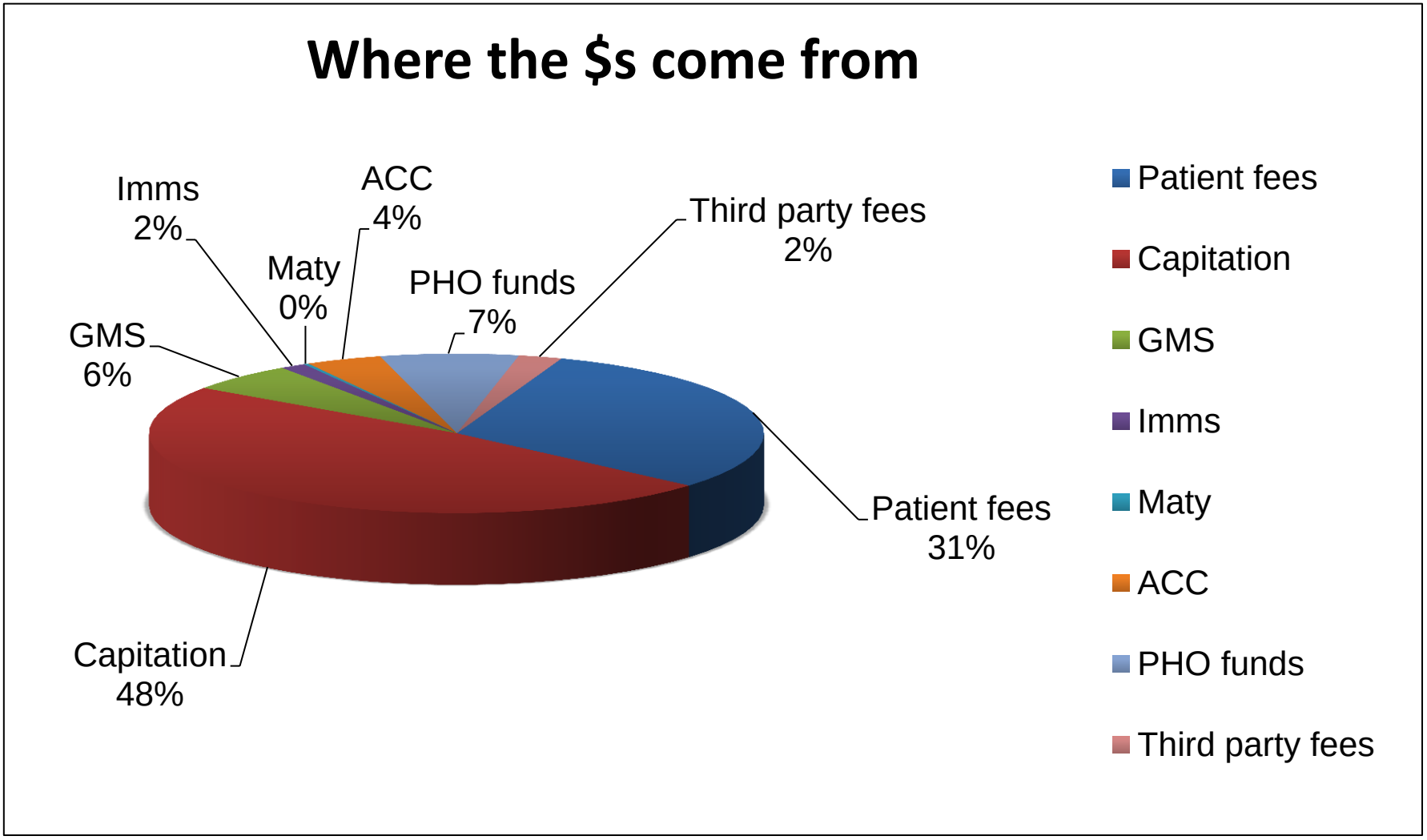
Finding the time

Credit control requires dedicated time to manage:

- Procedures
- Incentives
- Ongoing monitoring

Appoint someone who is firm but respectful and diplomatic to communicate with the person behind the debt.

Understanding revenue streams



Patient register maintenance

Everyone needs to understand:

- the requirements around keeping the patient register and PMS accurate and up to date

- PHO enrolment criteria
  - casual, registered and enrolled patients
  - eligibility to NZ-funded health services

- and be able to explain benefits of enrolment to patients
  - access to lower cost services
  - additional services and initiatives provided by the PHO

Getting the principals' buy-in

Make them aware of debt impact

- Use your PMS reports to show the $ impact

Discuss and decide on debt management and invoicing policies with the principals

- Train and resource all staff on their application

Establish invoicing protocols

1. Record all patients attending the practice on appointment book
2. Invoice generated for every service (incl. no charge)
3. Daily review of patients seen and not invoiced
4. Invoicing for consumables, such as:
    - vaccines: travel, Pneumovax, Varilix
    - materials: dressings, sutures, TropT blood tests
    - medical devices: pipelles, catheters, syringes
5. Receipts issued for all cash payments
6. Include a discounting policy

Receive cash as quickly as possible

Cash is received in three ways:

- At the time of consultation
- From accounts receivable (patient invoices, ACC, government departments, PHO projects etc)
- Capitation funding

Provide scripts for staff to do their part

Receptionists:

"I note your account is overdue, will you be settling this today? – *or* when do you think this will be paid?

Great - I'll make a note for Sally to let her know"

Doctors and Nurses:

"I note your account is overdue, have you spoken with Sally about when this will be paid? If not, see her or one of the receptionists at the front desk on your way out. *Or* I'll ask Sally to give you a call to discuss it."

Internal credit control processes

1. Upskill staff on asking for payment without creating offence.
2. Document credit control procedures for staff.
3. Delegate overall responsibility for following up patient debt.
4. Promote a variety of payment methods or instalment plans.
5. Overdue accounts to be cleared before patient is seen again (dependent upon the health status of the patient).
6. Report on aged debtors with monthly management report.
7. Be upfront with patients, advise of extra charges before the service is provided.
   (such as ECGs or nursing service on top of doctor fee).

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8. Issue detailed invoice immediately after each consultation.
9. Offer discount for immediate payment (i.e. $50 if paid now or $55 if paid later).
10. Mail invoice the same day if patient left without paying.
    - Look to use lowest cost method, e.g. email
11. Provide bank account details for electronic payment.
12. Place notices in prominent places with message that the payment is expected on the day.
13. Print standard terms for payment on invoice e.g. payment is required within seven days of consultation.

Too late - they are overdue!

Date patient seen - 5th of month	Invoice given to patient – terms of credit printed on the invoice
End of the month	Statement sent to patient
14 days after end of month	Phone call to patient to request payment
30 days overdue	Letter to patient advising of debt collection process offering them the opportunity to make full payment within 7 days.
7 days after letter	Put in hands of the debt collector.

Workshop

What needs to be in place to encourage payment on the day

They just won't pay

Is it worth keeping this habitual non-paying patient on the books?

- A decision (not to be taken lightly) is to ask the patient to leave the practice.

On the rare occasions where this happens, a letter is written to the patient.

- We recommend seeking advice and getting your letter reviewed by an appropriate 3rd party.

Example last resort letter

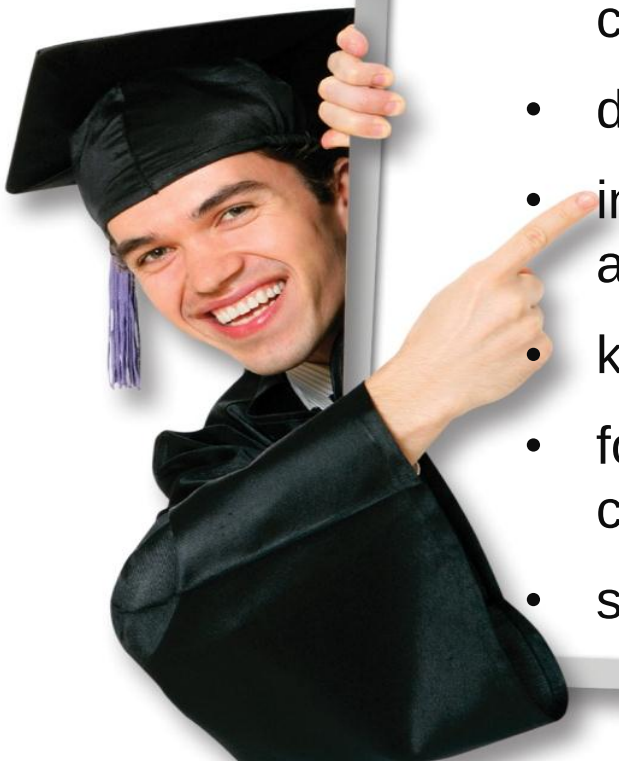
Dear Patient

Despite numerous requests for payment, your account remains unpaid. As previously advised we have put this debt in the hands of our debt collection agency.

As a result of this breakdown of trust in our professional relationship, we can no longer provide medical care to you. Please advise our receptionist to which doctor you would like copies of your medical records sent.

Yours faithfully

Managing patient debt checklist



Do you

- have a credit policy in place for following up on patient debt?
- have payment options available immediately after consultation?
- discount patients who pay immediately?
- include payment terms on invoices with bank account details for electronic payments?
- keep accurate records of those patients yet to pay?
- follow up non-paid with weekly phone calls/email/text?
- send reminders for those not paid after 15 days?

Questions?

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