

Out Of Control Patient Balances in a Dental Office



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Out of Control Overdue Patient Balances

Working with practices across the nation provides us with trends and common struggles in dental offices. One denominator is that many offices have the aging patient balances over 30 days out of control. It is our job to clean those up, but if we do not help the practice change their protocols, there will be more balances rolling over, as fast as we clean them up. Here is what must happen to make sure that your cashflow is healthy and the accounts receivable growth is minimized.

1. Provide an accurate estimate of the treatment plan with a clear financial agreement of expected payment at time of service for the total treatment plan or for each appointment.

For this to happen 2 things are pre-requisites: you must have the insurance fees updated in your dental software and the plan breakdown must be setup correctly. You must verify insurance coverage and call on plan breakdown once per year. The financial agreement needs to have the following components:

- A) your total treatment plan price is...
- B) the in-network discount (insurance write-off) for the patient is...
- C) the estimated insurance payment is....
- D) the patient's portion that needs to be collected at time of service is...
- E) must tell the patient that once the claim resolves, there might be more that the patient owes.....
- F) the insurance estimated payment is not a guarantee and is based on prior history of payment, the

insurance will determine what the patient will owe and what the insurance will pay after the claim is submitted....Therefore, it is impossible to guarantee 100% for the estimate to be accurate. The goal is to provide the patient with an amount to be collected at time of service that is configured based on information available to your office. Patients need to understand that the insurance determinations can change after the claim is submitted and this is out of our control. The agreement is signed by the patient, patient gets a copy, and the team scans a copy to the patient's digital chart in the dental software. (see our website for a sample financial form: www.dentalclaimscleanup.com/files)

2. You must collect at time of service whatever was stated in the financial agreement. We try to collect the copy before the procedure is done. Mr Jones, while we are waiting for the Doctor to come in, why don't we settle the amount due today for this procedure. The assistant can collect cash, or take a check, or run a credit card just like the front office team does. Or the assistant can call the front desk to settle the bill while the patient is waiting to be seen. We print the scanned financial agreements and have them ready for the AM huddle so we can review with the Doctors what treatment is expected to be done today and what needs to be collected today by the team. Someone is responsible to report in the AM huddle overdue account balances to be collected on patients seen today at time of service. Therefore, not only do we try to collect the amount due for the procedure today, but

also any previous account balance from other family members or the patient being seen. Remember, it is easiest to collect prior balances from patients when they are in the office.

3. Review in the AM huddle balances to collect for each patient. This should include the prior account balance and today's portion owed by the patient. Review with the team the next day what was anticipated amount to collect and what the team actually collected. If they did not collect 100% of what was expected, the Doctor needs to know the reason why. You might find out that it is a trend with one team member managing your money. Immediate training needs to occur to correct the issue. Once your team sees you are reviewing expected collections, they will be more inclined to collect.

4. As soon as the EOB is entered into dental software, call the patient stating that the claim resolved and the insurance determined that the patient owes \$_____. Tell the patient that you are calling to collect the balance over the phone, to settle the account, and avoid the billing process, and sending statements. If you do not reach the patient on the phone a statement is sent to the patient. Therefore, because we enter EOBs/ETFs everyday, and claims resolve everyday, there should be collection calls everyday, and STATEMENTS SHOULD BE GOING OUT DAILY.

5. Follow this collection process in the event you did not collect enough at time of service or insurance underpaid:

- a) call patients after the EOB/ETF is entered to collect patient balances, if you don't reach the patient...
- b) send out a "balance due letter" with a 10 days response demand.
- c) if you don't hear from the patient, send a "1st notice overdue" balance letter with a 10 day response demand (14 days from balance due letter)
- d) if you don't hear from the patient, send a "final notice" with a 10 day response demand (14 days after 1st notice letter)
- e) if you don't hear from the patient, call the patient as a last recourse. You can tell the patient that you are calling to interfere with an automatic collection agency process. The collection agency automatically takes over overdue accounts unless the patient settles the balance right now with you on the phone. You certainly don't want this matter to interfere with the patient's dental care or relationship with the office. So you are calling as a courtesy to a long standing good patient of the office. If they don't settle over the phone, tell them to mail the check to the office within 3 business days.
- f) if you don't hear from the patient, send the account to a collection agency and allow the collection agency to follow through with their collection protocol.

6. Run your AR reports weekly. Review with your entire team, the unpaid patient balances over 30 days aging and unresolved dental claims over 30 days aging. This supervision task is your "checks and balances" and it allows you to monitor that the team is resolving money owed to you. It sets accountability and motivation for the team to perform for you. This protocol also ensures that your current systems are executed daily and are effective. Obviously, if you can not supervise, then you need to outsource dental billing.
Hope This Helps!

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