

5 Simple Ways To Improve Medical and Dental Practice Cash Flow

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If you're like most practitioners, you entered the medical and dental field to help people and make a difference. While you spent endless hours studying and dreaming about your future practice, cash flow management probably wasn't in the picture.

Unfortunately, cash flow management determines the success of your organization, with over 60% of businesses struggling to make ends meet due to lagging procedures and policies. The good news is that there are ways you can improve your practice's cash flow.

Here are five simple ways to improve medical and dental practice cash flow.

#1: Improve Collection Times

Speeding up the collection of your receivables gives your practice access to cash sooner. Instead of billing after-the-fact and waiting months to collect payments, consider collecting payments at the time of service.

Billing at a later date increases your risk of bad debt. In fact, the [Consumer Financial Protection Bureau](#) found that the amount of unpaid medical bills increased 20% in older adults in a one year period.

In many cases, you can quickly compute the patient's responsibility at the time of service. Encouraging payment upfront reduces your risk of extended collection periods or dismissing the amount as bad debt. Even if you don't have enough information to know the exact amount of the patient's responsibility, at least collect the co-pay.

#2: Schedule The Next Visit During The Current Visit

Procrastination is a trait that many patients have, especially when it comes to scheduling visits with dental and medical practices. Your patients might not schedule appointments for months, or even years, hindering your cash flow.

By scheduling the next visit during the current visit, you ensure that appointments aren't lapsing and you are collecting your scheduled cash flow. Make sure all regular maintenance, like annual physicals and cleanings, are scheduled after the appointment that just finished, while the patient is still there.

It's best to get an appointment on the books that can always be rescheduled if there are conflicts or the patient can't attend. Not only does this help you generate accurate cash flow forecasts, but you can actually increase revenue from consistent visits.

#3: Schedule All Appointments in Treatment Plans

Many medical and dental practices have patients that require treatment plans with multiple visits. Like regular maintenance, you should schedule all appointments in treatment plans right away.

Many patients want to delay treatment until they are in pain. Figuring out the timing and coverage of their insurance can help you piece together a treatment plan that minimizes out-of-pocket costs for your patient, but maximizes your cash flow.

Go through the tentative treatment plan with your patients during their first visit and encourage them to schedule each one right away. Although they can change the date and time if something comes up, upfront scheduling keeps your practice on track with cash flow and your patient receiving the proper treatment.

#4: Offer Multiple Payment Options

Patients are more likely to remit payments when your medical or dental practice offers convenient options. Do you have a payment portal that patients can access? How about accepting electronic payments?

A study by McKinsey found that nearly 90% of Americans now use some form of digital payment. Your payment methods should include electronic checks, third-party payment processing apps, wire transfers, debit cards, credit cards, and regular checks.

Improving your practice's cash flow relies on infusing convenience into the payment process. If you aren't already leveraging practice management software payment options, now might be the right time to consider the benefits.

#5: Make the Review Process Simple and Worthwhile

Did you know that reviews can help your medical or dental practice improve cash flow? When patients are looking for a new medical or dental provider, one of the first places they look is at reviews. Recent research found that over 70% of patients will analyze online reviews before choosing a new provider.

Having stellar reviews can attract new patients and increase your cash flow. Be sure your team asks current patients to leave reviews. Incentivizing reviews can make it worthwhile for patients. Maybe each patient that leaves a review gets entered into a raffle or you offer a service at a discounted price.