

# Collecting the Patient's Responsibility – At the Appointment or After?

**Joe Lessard** has been with PBM since 2009 and a Principal of PBM since 2020. He attained designations as a Certified Public Accountant (CPA), Health Practice Advisor (HPA), and as a Certified Healthcare Business Consultant (CHBC). He is actively engaged as a member of the National Society of Healthcare Business Consultants (NSCHBC) where he works with other consultants across the country to help medical and dental professions. He oversees the Retirement Plan and Payroll Departments at PBM.

Medical and dental professionals who own their practice are faced with many questions about the best way to conduct business. One of the more common areas of concern is whether or not collecting patient responsibility, or copays and deductibles, is most appropriate at the scheduled appointment or after. Let's take a closer look at understanding the potential challenges that each of these solutions may cause for the practice and which option may be best for your situation.

## Reasons for Collecting Copays at the Time of the Visit

There are many advantages to collecting patient responsibility at the time of the visit. One of the most attractive benefits is that it offers better cash flow for the practice. This can make it easier to keep your financials current.

Not to mention, collecting copays and deductibles at the time of the appointment typically ensures a higher collection rate. Waiting until after the visit may increase the chances of late or missed payments for the patient, and your practice bears the burden of that cost.

If a patient doesn't make the payment, then it will cost you even more to collect it, including the costs associated with the billing or collection service, down to the cost of stamps and envelopes.

You can avoid unnecessary fees simply by making it your policy to collect copays and deductibles at the time of the service. This straightforward solution ensures that everybody is on the same page about billing, and you can dodge many potential issues in the future.

## Reasons for Collecting Copays After the Visit

The other potential choice is to simply collect the copays after the visit. There are some reasons that you may currently use this method, even if it's not the most streamlined approach.

For example, your front desk may be too busy to take a payment. If your front desk is charged with answering calls, fielding questions, and other clerical duties of a busy practice, then they simply may not have the ability to precisely identify the patient's responsibility and then render the payment process. It may feel too burdensome to ask your staff to start taking in payments, too.

Additionally, if your practice can only accept certain payment types, then it may appear less customer-friendly to your patients. For example, if your office only takes checks and the patient only brings a card, this would be considered an inconvenience to the patient. Mailing the bill allows the patient to see all of the payment options from the comfort of their home and choose the one that is most convenient for them.

Sometimes, it may be helpful to consider the patient's deductible, and you may want to give them more time before billing so that they can work down their deductible responsibility before paying their bill.

While some of these ideas may seem helpful to the patient and even less work for your staff, it does put your office at risk for non-payment. It is a balancing act to determine which solution is right for your practice. If you aren't requiring patients to pay, then you may want to consider why so that you can implement any necessary changes.

## Is it Difficult to Start Collecting Patient Responsibility?

Some practices avoid collecting copays and deductibles at the time of the visit simply because it requires a new payment process, which may feel overwhelming to implement. Changing your collection process may require changes in management or restructuring of your staff, but ultimately, it can be financially beneficial for your practice and streamline the process for you and your staff. Fortunately, there are solutions out there that can be implemented easily so that you can require at-visit payments.

## Our Recommendation

It has always been our recommendation to collect the patient's responsibility at the time of service. A patient is more likely to pay for those services when you "fix" their problem. That problem won't seem as big 2-3 months down the line so paying for those services is not as big of a priority for them.