

SUDDEN IMPACT SOLUTIONS
EXPENSE MANAGEMENT
**HOW TO HAVE IMMEDIATE IMPACT ON
YOUR COLLECTIONS**

By Amy Morgan, CEO, Pride Institute



When it comes to collections, there are the proactive steps you can take for prevention and the reactive steps to take when you already have the problem! In either case, these steps require focus, black and white guidelines for protocols and agreed upon benchmarks to monitor success.

FOR PREVENTION AND IMMEDIATE COLLECTION INCREASES, ASK THE FOLLOWING QUESTIONS:

1. Do we have a specific protocol that the entire team can collaborate with each other to accomplish for collecting the appropriate fees at the time of service?
2. Are we collecting 30-40% of our current monthly collections over the counter? Or through on-line bill pay? Or automatic credit card payments?
3. Do we offer a courtesy adjustment to inspire patients to pay in full for their orthodontic treatment?
4. Are we offering auto-debit, online or automatic credit card payments for patient portions versus sending statements and waiting for the paper check?
5. Do we have an effective e-claims system that turns around most insurance payments in 10 days or fewer?
6. Do we have an effective insurance information system that allows us to keep track of current benefits so estimates are accurate?
7. Do we have black and white guidelines on what we are willing to write off as credit adjustments when it comes to discounts, employee Orthodontics, trades, etc?

If you answered no to any or many of these questions, then, “the ship has sailed” so to speak and you may have a collections or accounts receivable challenge. The team needs to analyze the issue and take immediate steps to tackle the problem.

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TO HANDLE COLLECTION CHALLENGES, THE TEAM CAN REACTIVELY ADDRESS THE ISSUE BY DOING THE FOLLOWING:

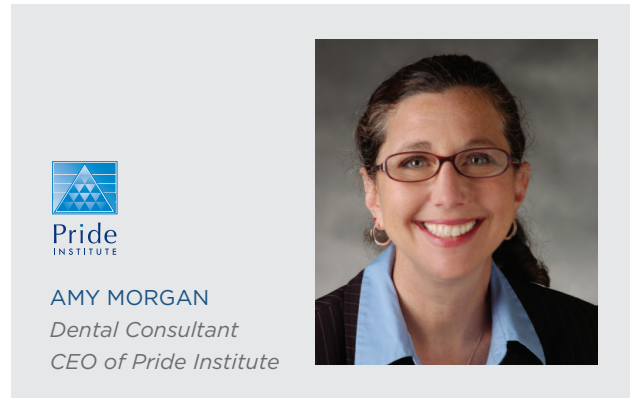
1. Run an accounts receivable report from 0 to 120+ days. Highlight the reports in 4 colors.
 - Insurance related receivables under 20 days (no apparent glitch or problem)
 - Insurance related receivables over 20 days (possible glitch)
 - Patient/Parent Portion, on a written financial arrangement and complying
 - Patient/Parent Portion, either not written or non-compliant

This helps the team to focus in on the area of concern so the issue can be addressed.

2. Once you identify an insurance or patient/parent portion issue, start with 10 names at a time (usually highest balances first) and create specific, customized plans to address one account at a time.
3. Analyze what created the challenges in the first place and adapt your proactive financial guidelines to address the problem.
4. Work with your Financial or Treatment coordinator to create black and white collections protocols. Include issues such as the number and frequency of phone calls or letters and how to handle an “uncollectible” account.
5. Make sure you have verbal and written templates for the most successful follow-up calls and letters so patients are inspired to WANT to pay the balance. And make sure you have had enough training and practice to address any and all obstacles that may arise from the calls or letters.

It takes hard work and effort to turn a collections challenge around. A “spray and pray” approach, during this difficult economy will create frustration for the team and the patients.

If you follow these suggestions, you will be able to successfully shout a la Jerry Maguire, “They showed us the money!”



Amy Morgan is a top dental consultant and CEO of Pride Institute, a nationally acclaimed, results-oriented practice management consulting company. Amy has revitalized thousands of dental and specialty practices using time-proven management systems, so they become more secure, efficient and profitable. Pride Institute is the premier consulting organization for dentists/specialists and their teams who want to acquire the skills necessary for running a successful practice. Pride Institute offers a nationally acclaimed, results-oriented management program, accredited continuing education management and marketing workshops, on-site training and telephone consultation support.