

# Getting More from Self-Pay: 7 Tips for Improving Patient Payments



# 5 Essentials for Surviving and Thriving as an Independent Practice

## Executive Summary

As health care costs continue to rise, patients are being required to pay more and more of those costs out of their own pockets in the form of higher premiums, deductibles and copayments. Consumer-directed health care plans are also becoming more popular. This means that health care providers must derive a growing portion of their revenue from direct payments by patients, an often aggravating process that involves significant work, hassle, and cost. Many practices hesitate to employ aggressive patient collections practices for fear of damaging their clinical or personal relationship with patients. They're more willing to writeoff a balance than pursue aggressive tactics. This paper presents practical tips on how to deploy a self-pay strategy that makes it easy and comfortable for patients to pay the balances they owe without overtaxing your staff, using a collection service as the last resort:

1. Develop and communicate a self-pay policy.
2. Alert your patients about self-pay collection balances and obligations.
3. Make self-pay collection an integral part of your practice workflow.
4. Collect what you're owed on the spot.
5. Consider policies and measures to encourage prompt and full payment.
6. Follow up on self-pay obligations early and often.
7. After you've done all you can, employ a collection agency.

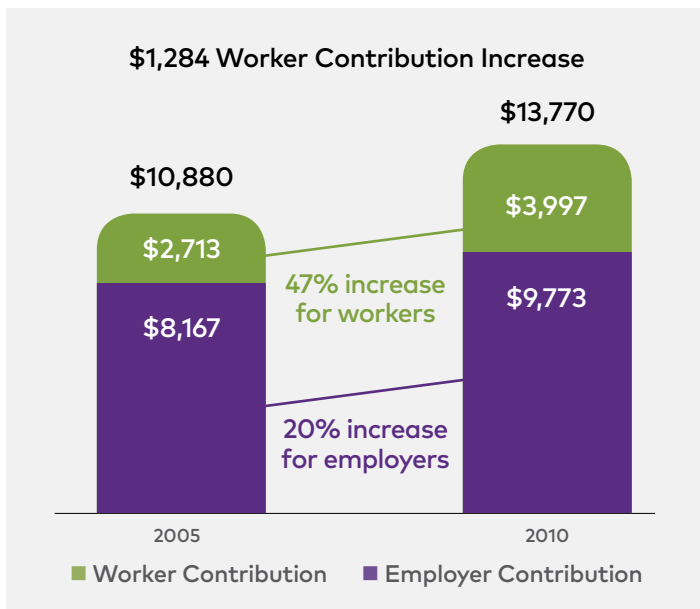
Many practices are finding that the patient collections workflow functions more smoothly, and can be more successful, with third-party patient communication and collections tools and services. When properly designed and integrated into a practice's regular routine, these tools and services relieve the staff of excess workload, make the self-pay process more efficient, and help boost revenue and speed of payment.

## Higher costs for patients. More headaches for your practice.

Everyone is aware that health care costs are rising dramatically, and that health care plans are sharing these increased costs with their members in the form of higher premiums and larger copayments and deductibles.

In addition, the growth of unemployment, self-employment, and consumer-directed health care plans (CDHPs) means that more individuals are shouldering the burden of health care costs themselves.

### Figure 1. Average Annual Health Insurance Premiums and Worker Contributions for Family Coverage, 2005–2010

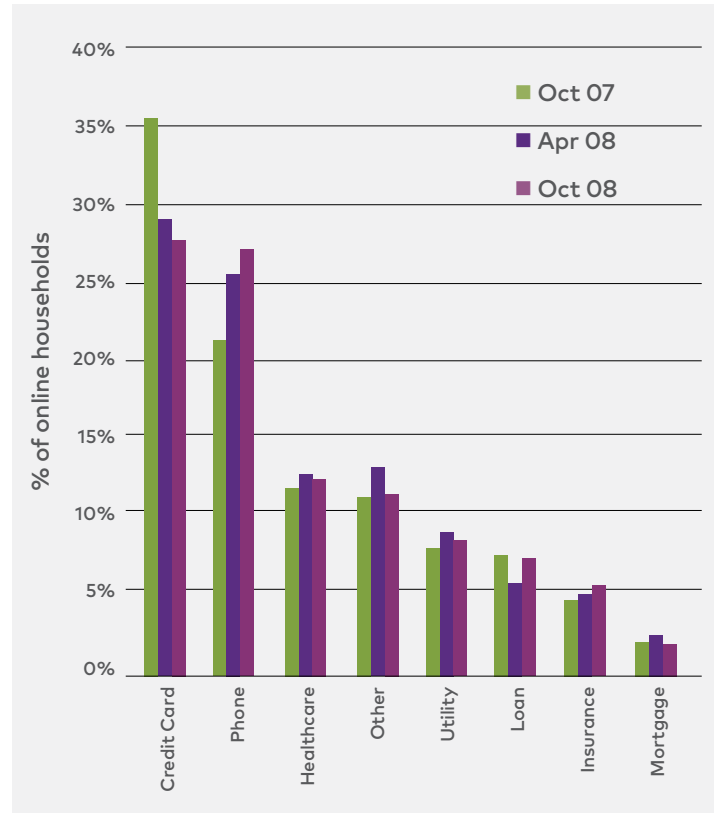


Note: The average worker contribution and the average employer contribution may not add to the average total premium due to rounding.

Source: Kaiser/HRET Survey of Employer Sponsored Health Benefits, 2005-2010.

What this means for health care providers is that an increasing proportion of their revenue is being derived from direct payments by their patients. In fact, patient receipts now account for 19 percent of the average practice’s accounts receivable.<sup>1</sup> Unfortunately, as Figure 2 illustrates, studies show that consumers view the payment of health care bills as a lower priority than other bills they receive.

### Figure 2. Bills Consumers are Least Likely to Pay if Lacking Funds to Pay All Bills



Source: Online Resources Corp. (ORCC), “Short on Money, Will Your Customers’ Pay Your Bill?” December 2008

Statistics show that for medical practices self-pay collections are a source of rising concern, increasing costs, staff time, and lost revenue. Fifty percent of overall patient responsibility goes uncollected.<sup>2</sup> And a recent study found that bad debt due to uncollected deductibles runs practices about 18%, with a self-pay default rate of 30% or more,<sup>3</sup> and that 81% of self-pay net revenues go unrecovered.<sup>4</sup> Administrative costs for collecting from a patient are twice that of collecting from a payer.<sup>5</sup>

As bad as this situation is, there are ways to remedy it. The reasons patients give for non-payment of health care bills suggest that making it easier to pay and reminding patients to pay can increase payments. A 2008 McKinsey consumer healthcare payment survey determined that about 80% of the reasons that patients gave for late or nonpayment of health care bills are addressable.<sup>6</sup> The major ones were:

- “I forgot to pay or was confused about what I owe.”
- “I just received my statement.”
- “Lack of financing options.”

These reasons can be addressed by getting as many patient payments up-front as possible and by making payment convenient. For example, in a recent Physician's Practice article<sup>7</sup>, Robert Hill, Jr. of Health Strategies and Solutions notes that people are used to swiping their credit cards to pay for other services on the spot, and that doing so at a doctor's office makes it easier for them to pay. In the same article, accountant and business adviser Reed Tinsley remarks on the obvious benefits to practices of easing patient payment: "The more money you collect upfront with patients and their families, the better your receivable cycle and the more money you'll generate for the practice."

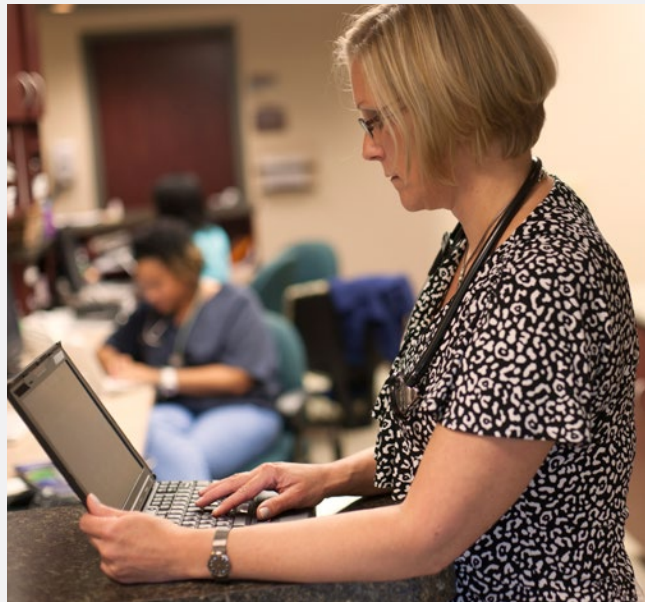
## Making Self-Pay Work for Patients and Practices

In light of the highly personal relationships health care providers have with their patients, handling self-pays can be dicey. Some practices choose to defer self-pay issues by outsourcing their billing entirely. But this adds a significant cost for the practice at a time when every dollar counts. And the impersonality of this approach may not mean the best customer service. Instead, using a variety of discrete methods for reminding patients of their financial obligation can be effective while keeping this function, like the patient relationship, "in house."

Handling self-pay issues within the practice has its own challenges, however, and many practices find that the complex patient collections process functions more smoothly — and is more successful and less timeconsuming — with the help of electronic patient communications and self-pay reminder services. When properly designed and integrated into a practice's workflow every day, these tools and services relieve your staff of much of the self-pay workload and make the process more efficient and effective. Figure 4 summarizes an effective patient collections workflow, delineating how electronic communications and self-pay reminder services can help reduce the staff time and expense required for successful collections.

This whitepaper provides seven practical tips for establishing and maintaining a successful patient collections process that will not overtax your staff. It outlines how to establish a self-pay policy, communicate it to patients, make it as easy as possible for them to pay you, encourage prompt and full payment, and handle overdue payments. It also delineates what a practice management vendor can do, and should be doing, to make your self-pay process better and easier.

## More convenient self-pay, lower self-pay DAR



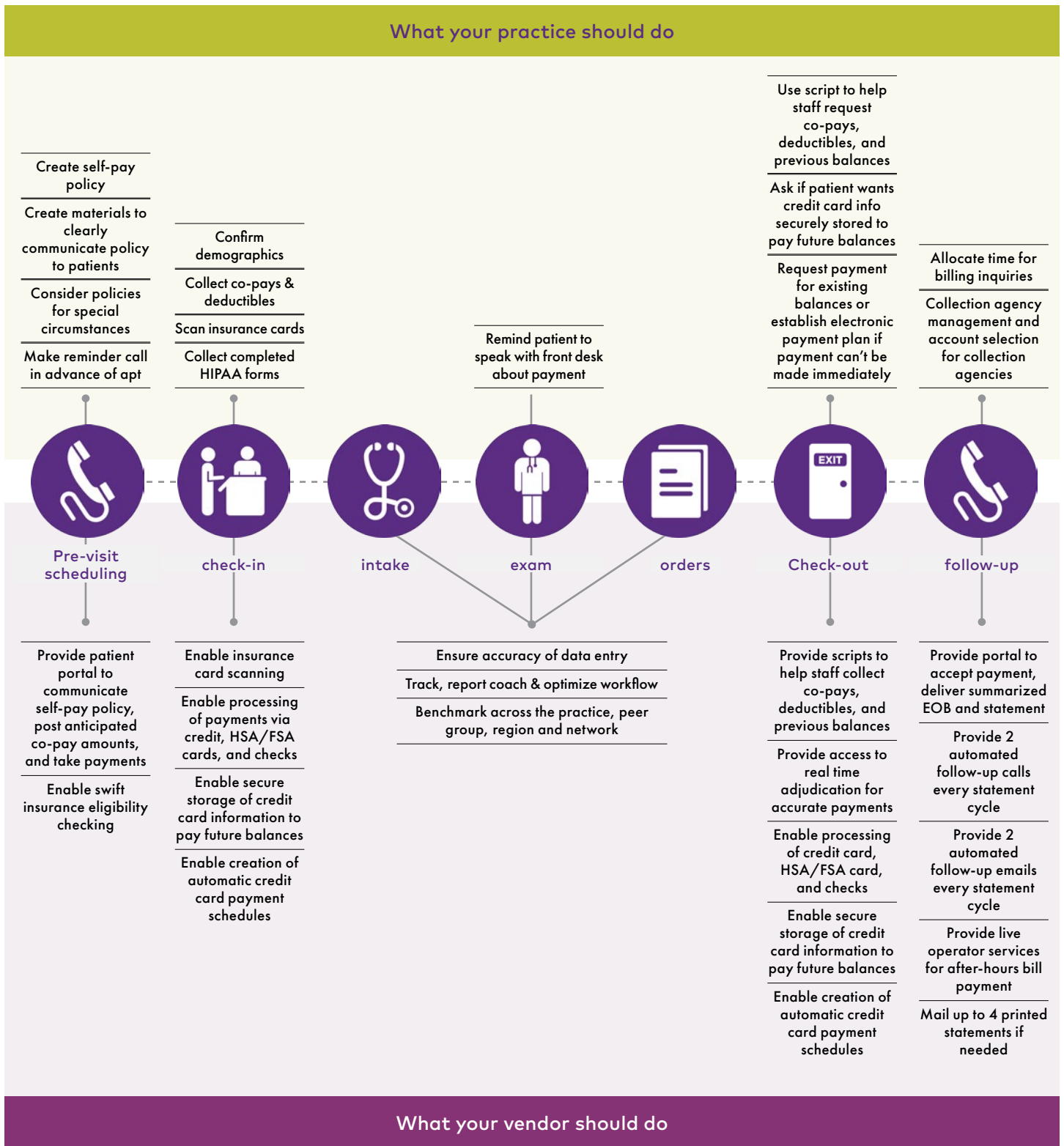
**Deerpath Primary Care**  
Libertyville, IL

Deerpath Primary Care is a 15-provider practice in Libertyville, Illinois with almost 6,000 active patients. It uses athenaCommunicator<sup>®</sup>, patient communications software and services that enable the practice to bill patients more easily and patients to communicate with the practice and review and pay bills online. Half of Deerpath's patients have registered on the Patient Portal and the practice has achieved a 32.9 days in accounts receivable rate for self-pay.

This success was achieved by using athenaCommunicator to make more than 7,000 automatic self-pay ReminderCalls to patients over the first eleven months of 2010, and enabling patients to pay online via the athenaCommunicator Patient Portal. In response to those 7,000+ payment reminder calls, Deerpath patients made a payment within 72 hours 16.25% of the time, a total of 1,160 payments, which comprised 14.6% of accounts receivable, or \$88,059).

"The Self-Pay functionality is great in itself, and the way athenaCommunicator and Self-Pay work together, integrated into our workflow, is even better," says Phyllis Buries, Billing Manager. "It helps us perform better, makes us more productive, and contributes to the growth of our practice."

# Figure 3. Optimal Patient Collections Workflow



## Tip #1: Develop and communicate a self-pay policy.

If you don't have one already, create a well-thought-out self-pay policy for your practice. Communicating clearly with your patients about financial responsibilities and working openly with them to resolve outstanding balance issues establishes practice expectations and patient accountability. Saying nothing can create ambiguity and dread for everyone, so commit to firm guidelines, consistent follow-through, and clear communication. Knowing exactly what your practice expects, patients will be more likely to plan ahead and be ready to pay for their medical services, with cash, debit card, or checkbook in hand, when they arrive for their appointment.

A well-written policy can help your practice:

- Maintain clear communication with patients about fee issues
- Promote better patient relationships
- Make sure all staff handle fee issues consistently
- Provide support for collection efforts
- Avoid legal pitfalls in patient billing and collection

Your practice management vendor should be able to advise you about what to consider when creating your

policy, but here are a number of considerations. (See the Appendix for a step-by-step process for building a self-pay policy.)

**Keep the policy short and simple.** Try to make it one page of easy-to-understand language. Much of your policy's value will be lost if patients cannot, or will not, read and understand it.

**Keep the policy broad enough to apply to virtually every patient.** A policy that makes sense for a fully self-pay practice (e.g., one that requires 100% upfront payment) may create more confusion and problems than it solves when applied to HMO patients. Having different policies for different populations is possible but may be tricky to administer. It may also be more trouble than it's worth, because payers may think you are discriminating against one population or another.

**Make sure staff and providers are on board with the policy.** Empower your staff to talk about patient balances. If your practice doesn't have a patient accounts representative, assign a team lead to create your self-pay policy and implement it. Educate your physicians about the impact of self-pay on your bottom line — how much your practice writes off to bad debt or collections.

**Communicate your policy in all relevant languages/media.** Some state licensing boards have rules about communicating with patients in their primary language or by means accessible to non-sighted and other disabled populations. Check your local requirements in light of your patient population.

## Streamlined process, faster collections

### The San Antonio Orthopaedic Group

is an 85-provider Texas orthopaedic practice with an active base of more than 35,000 patients. Since they began to use athenaCommunicator, athenahealth's patient communications software and services, in February, 2010, the practice has seen significant improvement in self-pay collections. In less than a year, San Antonio Orthopaedic has cut its self-pay days in accounts receivable (DAR) to less than half what it was — from 147.1 days to 70.9 days!

"Once the statement is available, athenaCommunicator sends an e-mail message to the patient, who can then review the statement and pay on our Patient Portal — which they access directly from a link in the reminder e-mail. This has improved our ability to collect and has streamlined the billing process for our practice and patients."

San Antonio Orthopaedic has also made good use of automated reminder calls. Over the first eleven months, using athenaCommunicator, the practice made nearly 14,000 self-pay reminder calls and received nearly 600 payments within 72 hrs, a response rate of 4.3%, totaling \$55,842.

**Have patients review your policy.** Prominently display your financial policy, have educational information about it in your office, and distribute information to patients — ideally providing it to them for review at each appointment. Be sure to include upcoming changes to the policy and distribute letters to update patients about changes to the policy.

**Decide if you want to ask patients to sign off on your policy.** A signature reinforces the patient's understanding of financial responsibility, gives you a record that the patient has seen your policy, and, in some states, may give you a legal advantage if there are disputes about responsibility for fees.

However, keep in mind that, in some states, contracts that patients must sign before getting care lose a lot of their legal force, since patients



may not feel free to walk away. Also, if you intend to offer prompt-pay discounts or charge fees for late payments, a signature requirement may increase the chance that the policy will be seen as a credit agreement or some other legal instrument that can subject the situation to further government regulation. Consult with your legal advisor.

**Create a separate ABN process.** Don't forget that Medicare requires that patients receive an Advance Beneficiary Notice (ABN) in advance of care in order for them to be personally responsible for the costs of uncovered services, and that such notices cannot be given routinely to all program beneficiaries. Put a process in place that ensures patients will get ABNs only when they are appropriate.

### **Tip #2: Use automated reminder calls to alert patients to self-pay balances and obligations.**

Most people feel better about making payments at the time of service if they know in advance that payment is expected. If your practice makes appointment reminder calls, include a message that:

- Confirms that the patient insurance information on file is still accurate, and ask patients to inform you of any changes prior to the appointment.
- Reminds patients that co-pays and previous balances are due at time of service.

Your practice management vendor should enable you to set up automated reminder calls that include such a message, saving staff time. In 2010, for example, athenahealth's client practices made 223,023 automated self-pay reminder calls and received 11,511 payments from those calls, totaling \$817,875 — not to mention the savings in staff time from having the calls made automatically. Your vendor should also offer live operator services to field off-hours patient calls in response to your reminder calls, extending your office hours.

Robert Hill, Jr. of Health Strategies and Solutions advises practices to communicate to their patients that, "when you come here, we want to provide the best service possible, but there are fees for those services...it should be an expectation and part of the professional business culture as it is critical to the success of the practice."<sup>8</sup>

### **Tip #3: Make self-pay collection an integral part of your practice workflow.**

Successful practices find that integrating self-pay into their workflow is the crucial step in the self-pay process. Hill emphasizes that working with staff on best practices for communicating and collecting self-payments "is critical and essential" because "the economics of physician practices are probably worse now than they've been at any time in history that we can recall."

Discuss your practice's approach to self-pay with your staff and help them understand the importance of collecting self-pay amounts. In order to ensure proper and accurate communication with patients, provide scripts for your front desk staff to help them ask for co-pays, deductibles, and previous balances. Your practice management vendor, which has experience with a wide range of practices, should be able to provide you with examples of such scripts and help you develop your own.

Work with your front desk staff to create a comprehensive self-pay workflow that includes:

- Confirming insurance eligibility — always read the entire message!
- Obtaining authorizations for each appointment, when necessary
- Following your practice's policy for credit card storage or pre-authorization
- Scanning insurance cards at each visit to capture current copay and deductible amounts
- Collecting copays and previous balances at the time of service
- Collecting pre-payments for procedures or other ancillary services

It's important to note that self-pay best practices put the collection "ace" on the front lines, in a client-facing role. This person should be located in a highly visible spot in your practice's workflow, easily accessible by patients. Asking for money is a talent. Keep this in mind when you're recruiting new staff or reorganizing your patient workflow, and be sure to recognize and reward this talent.

### **Tip #4: Collect what you're owed on the spot.**

Making it as easy as possible for patients to make accurate payments at the time of service will best serve both your patients and your practice. As discussed above, the main reasons patients don't pay have to do with communication and convenience: "I forgot to pay or was confused about what I owe," "I just received my statement," "Lack of financing options." These are areas where your practice can help your patients and improve results.

The likelihood of receiving payment for your services declines over time. Getting full or partial payment in advance or at the time of service, or capturing credit card information to ensure a future payment, will positively impact practice revenue. Here are several ways to ensure timely payment:

**Implement a pre-authorization or card storage policy to bill clients immediately.** Some businesses make it possible for customers to store their credit card information, so it is easily accessible each time the individual wants to pay for a service or make a purchase. Your practice management vendor should be able to give you this capability for your patients. While some patients may be resistant to

pre-authorization or card storage, others — especially those who make regular visits — will appreciate the convenience. Make pre-authorization more appealing by enabling patients to set maximum charge amounts, clearly and quickly informing them when charges will be made and for what amount, and making it convenient for them to cancel the authorization at any time.

**Employ technology that lets patients pay the way they want to pay.** People are used to being able to pay for services by credit card or check. And health care consumers often have a third option through the health savings account (HSA) or flexible savings account (FSA) card. Your practice will collect more self-pay revenue at the time of service if you can accept all three types of payment. Your practice management software should make it convenient for you to do this, enabling you to process payments via credit cards and HSA/FSA cards. And when patients prefer to pay by check, your system should enable integrated check scanning while the patient is in the office. Funds are available more rapidly and staff spends less time than with manual check deposits. Moreover, by scanning with the patient present, your practice can collect a different form of payment if the patient's checking account has insufficient funds.

**Use real-time adjudication.** If your practice management software and the payer make it available, use real time adjudication to accurately estimate deductibles and coinsurance amounts. This will help allay patients' confusion over their share of charges that are only partially covered by insurance.

**Put payment plans to work for your practice.** We live in a culture where people are accustomed to paying off bills over time. Establishing a payment plan, where a specified monthly amount is remitted, provides a financing option for patients who are stretched thin. Here are several strategies for using payment plans:

- Identify patients with no insurance or high deductible plans and establish a payment plan before they leave your office. The first payment should be deducted at the time of service.
- Consider payment plans for patients who receive statements but can only make partial payments.
- Employ technology — which your practice management vendor should be able to provide — that makes it possible to establish an automated credit card payment plan; this takes the "I forgot" excuse out of the equation.

Do note that the use of payment plans, and especially their frequent use, may make your practice subject to laws, such as the FTC "red flag" data-handling rules, federal regulations concerning equal credit access, or state regulations regarding credit. You should consult with your legal advisor to make sure that any proposed payment plan policy will have the intended effect without subjecting your practice to obligations you do not want. If you want to implement such a policy, it should be for internal use only and not part of your patient-facing self-pay policy.

**Consider establishing a pre-payment policy.** For high dollar value self-pay charges, it makes sense to have a policy that requires pre-payment. This ensures that the investment in time and materials for high-cost services will not go to waste. If your practice performs many procedures and ancillary services, a pre-payment policy can have a big impact on your self-pay balances. Pre-payments can be the full self-pay amount, a percentage, or a set portion of the patient's deductible.

### **Tip #5: Consider policies and measures to encourage prompt and full payment.**

Think about the advisability of implementing additional financial policies for special circumstances. Here are some policies you might consider:

**Time-of-service payment discount.** As an incentive for payment, you could offer a modest discount for payments at the time of the visit. If you offer this discount to private-pay patients, you may be required by terms of participation agreements with third party payers to offer the same discount to their patients. This raises another problem, since government programs generally do not permit waivers or reductions of copays and deductibles, except in unusual cases of financial need, and many private payers forbid them, unless the bill to the payer is likewise reduced. If you want to offer a discount, do so only as approved by your legal advisor, keep any such discount small, disclose the discount to all relevant payers, and make sure that the amount has a documented, reasonable relationship to your potential costs of collection if payment is not made immediately.

**Cash discount.** Another type of modest discount can be offered if patients pay in cash, rather than by credit card. This type of discount shares many of the attributes of a time-of-service payment discount and should be treated the same way. You should, however, consider that, the additional consideration that, if you accept credit cards for some payments your card processing agreement may forbid you to discriminate against those who choose to pay by card.

**Extra charge if bill is not paid at time of service or by a certain deadline.** You could assess an extra charge if self-pay fees, deductibles, and copays are not settled at the time of service. This avoids the long self-pay accounts receivable cycle and minimizes the potential for patients to forget payments.

However, in most cases, you and the patient can only estimate the deductible and any payment from a secondary payer. This carries the risk that an erroneous failure to square accounts later may be seen as fraud. This kind of upfront payment with later refund also violates government program requirements and is prohibited under the terms of most private third-party payer plans. Even with respect to amounts that you do know for certain at the time of service, such as copays or instantly adjudicated deductibles, imposing a surcharge on later payments may have legal implications under your state's laws—for example, as a "credit" charge.



Do not adopt such a surcharge practice unless you do so under conditions approved by your legal advisor, after disclosing that practice to all relevant payers, and after notifying and receiving confirmation from your practice management vendor that appropriate safeguards and rules have been accepted and applied to your system.

**Separate policy to cover fee waivers, discounts, and write-offs.**

It is an excellent idea to have a policy that defines in advance when and under what conditions you will waive, discount, or write off fees. Such a policy, if properly defined, can help protect you against allegations of kickbacks to other providers to whom you give professional courtesy and against allegations of illegal inducements when you give hardship discounts to patients covered by government and other programs.

NOTE: If you have such a policy, it is important that you make sure it is internal-only and is not part of your patient-facing self-pay policy. Otherwise, it could be interpreted as an illegal inducement for needy patients covered by various government programs to come to your practice for care. Consult your legal advisor about the correct content of this separate policy.

**Tip #6: Follow up on self-pay obligations early and often.**

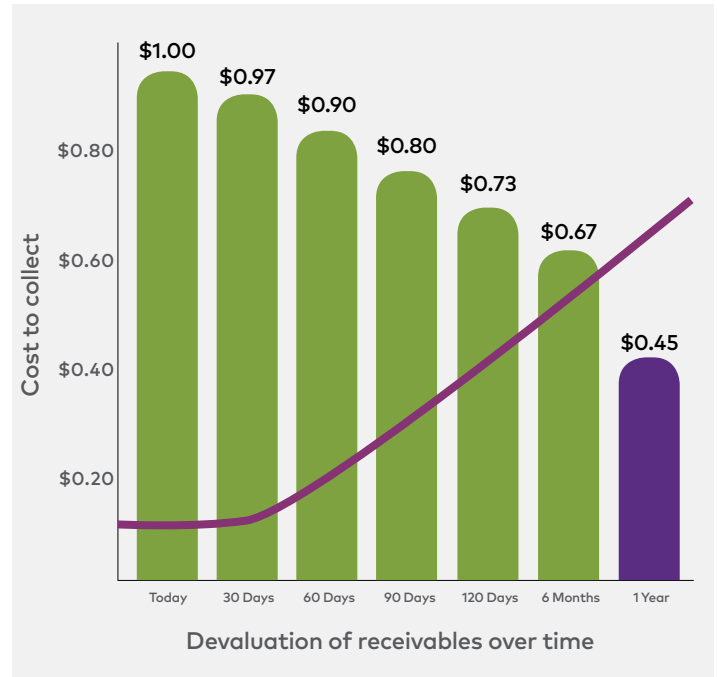
Rapid follow-up on unpaid patient balances is essential for financial success. The likelihood of collecting unpaid balances decreases rapidly as balances age and, as Figure 4 shows, the cost of collecting those balances increases.

**Fewer self-pay calls, lower costs, faster revenue**

**Harbin Clinic of Georgia** has 260 providers and more than 130,000 active patients, and earns significant revenue from self-pay. In 2010, Harbin patients logged onto the athenahealth's Patient Portal nearly 50,000 times, and Harbin received 2,716 payments via the Portal, totaling \$218,569.

"With athenaCommunicator we can interact with our patients in a variety of high quality, low cost ways," says Kenna Stock, Harbin Clinic's Chief Operations Officer. "The number of daily phone calls that our staff has to make and take have been diminished, our expenses associated with costly mailings and postage are on the decline, and we've given patients a new way to pay their balances online with their credit or debit card."

**Figure 4. The Increasing Cost of Collections**



Source: 2008 McKinsey consumer healthcare payment survey

There are a number of ways to ensure that your patients are aware of their obligations and are able to pay you conveniently.

**Call on the day of service to remind the patient to make payment.**

If a patient leaves your office without paying for the service, have a staff member make a reminder call that day, while the memory of the appointment is still fresh in the patient's mind. As the bill ages, and as the patient must deal with other bills, your bill becomes a lower priority. (See Figure 3, above.)

**Make two reminder calls per statement cycle.** Reminding patients of their financial obligation yields better results. (For example, over the first eleven months of 2010, one Texas specialty practice had a 4.3% response rate within 72 hours of reminder calls<sup>9</sup> – a much higher rate than normally achieved with paper billing alone. Having staff members make such calls is not cost effective, but your practice management vendor should be able to provide an automated reminder call service. Have an automatic call go out with the first patient billing statement and follow up on patient balances no later than the second statement.

**Send two reminder e-mails per statement cycle.** Augmenting your reminder calls with e-mails will make it easier for patients to remember their financial obligation to your practice amid a myriad of bills. Again, burdening staff members with this ongoing task is wasteful; your practice management vendor should provide you with the capability to set up and send these e-mail reminders automatically.

**Establish a patient portal to post balances and take electronic payment.** A recent survey of a small sample of patients found that 53% were “extremely comfortable” with the idea of paying bills on a practice’s website.<sup>10</sup> As more and more people grow accustomed to paying online, this percentage is likely to increase. If you establish a patient portal, you will be able to post statements securely online, so patients can view them at will and pay them conveniently (for example, when they’ve just received a reminder). Your practice management vendor should be able to provide your practice with a patient portal that enables the secure posting and payment of patient bills.

**Employ a live, off-hours operator service to receive billing calls and payments.** Another way to make it highly convenient for your patients to ask questions about their bills and pay them is by using a live operator when your practice is closed. It may not be cost-effective for your practice to employ dedicated operators, but your practice management vendor ought to offer such a service at a reasonable cost — a cost that is likely to be allayed by increased collections.

**Tip #7: After you've done all you can — and only then — employ a collection agency.**

Some patients are more difficult to collect from. Accountant and business adviser Reed Tinsley says practices should send a 30-day notice to pay, then a letter saying there is a 10-day window during which the patient must call the practice and discuss the outstanding debt. Only then, he advises, if there is no contact from the patient, should the debt be sent to collections. “Anybody who doesn’t give a courtesy phone call is not going to pay in a timely manner, so send those people to collections and be done with it,” Tinsley says.<sup>11</sup>

This is a difficult step to take, but once a patient balance has been overdue for four months, more aggressive action is necessary. Therefore, once a month, review all patient balances that have aged over 120 days and send those accounts to your collection agency. You also need to monitor your collection agency’s recovery rate and customer service skills in order to make sure that they are being both courteous and effective.

As your patients assume more and more of the cost of their own health care, your practice will need to be increasingly vigilant about collecting patient payments. The way the economics of 21<sup>st</sup> century health care are shaping up for private practices, this is not just important, but may be necessary for survival. Your practice management vendor should be an active partner in this process, providing technology, tools, services, and advice about how make your patient collections process more efficient and cost-effective.

## athenahealth: A Better Way to Handle Self-Pay

Collecting self-payments requires consistent policies and procedures — and a tremendous amount of your staff’s time. athenahealth takes that work off your hands. athenaCommunicator, with its Self-Pay Reminder Service and Patient Portal, helps your practice make self-pay collections more efficient and effective. When you sign up for athenaCommunicator, you will never pay for another paper statement again. At our expense, we’ll create and mail paper statements on your behalf while we help you to move patients to your Patient Portal to receive financial updates and make payments electronically. We’ll also initiate a self-pay reminder service that delivers a series of phone calls, text messages, emails and electronic “soft” collection letters at key moments in the self-pay revenue cycle to ensure secure self-payments faster than ever.

In addition, athenahealth’s Credit Card Plus service lets your practice process all credit card payments directly through athenaNet<sup>®</sup> with the easy swipe of a credit card. Office staff no longer need to process cards on a stand-alone device or website and then record the payment separately into a software application. With Credit Card Plus, office staff use a desktop check scanner and athenaNet to deposit check payments without leaving their desks. With a quick check scan, athenahealth immediately verifies the check validity and availability of funds (when possible) before the patient leaves the office, so you can be confident of receiving full and prompt payment. Credit Card Plus also enables you to securely store patient credit card information to pay future balances and to establish automatic payment plans for large existing balances.

**To learn more about how athenahealth can help your practice, visit [athenahealth.com](https://athenahealth.com) or call 800.981.5084.**

## Appendix: Building a self-pay policy

**Title:** Announce the policy to the reader. Consider the following possible titles:

- Financial Policy
- Policy on Patient Responsibility for Fees

**Section 1:** Tell the reader what the policy covers, why you have it, and with whom the patient should speak, if they have questions or problems. Consider the following possible language:

Thank you for coming to [practice name]. We believe that good care for you and your family starts with good communication, and we have created this policy to help our patients understand the responsibilities that they and their families have for payment of our fees. If at any time you have questions or problems with our fees or payment process, please don't hesitate to talk to [name specific employee(s) or department(s)] at [contact information].

**Section 2:** Describe generally to the reader that you hold patients responsible for the fees that they properly owe. Consider the following possible language:

We require that our patients promptly pay all charges that we present to them. In some cases, our fees may be adjusted, based on whether we participate in or accept insurance or government program payments, allowances, or limitations. But, if we present a charge to you, it means that we have taken any such adjustment into account and that you must still pay the amount remaining. If you are reimbursed directly by a program for the cost of your care, you must still pay our charges promptly, whether or not you have received that reimbursement.

If you do not agree with patient responsibility amounts or reimbursement amounts set by your insurance or government program, this is a matter between you and that program. We are happy to provide you with factual information about your care and billing to help you discuss this with them, but we still require you to promptly pay the entire charge we present to you, even if your issue with the program is not resolved.

**Section 3:** Tell the reader when you expect payment. Consider the following possible language:

Payment for our services is due at the time that those services are provided to you, and we expect that all charges we present to you at a visit will be paid at the time of the visit. This includes, among other things, copay amounts, program deductibles, earlier charges that remain unpaid, and charges for services that we believe are not covered by, or are left over as your responsibility to pay after coverage by, insurance or government programs. We may also present charges to you by written statement via the mail [and specify any other method used] following a visit. If we do this, we expect that each charge will be paid in full by return mail [and specify any other method permitted and the time for payment] the first time it is presented to you. We or our agents may send you statements and reminders of charges made and amounts that we believe must be paid, or may call you about the same. By accepting our services, you are consenting to receive these communications.

**Section 4:** Clearly and precisely describe any late payment charges or any discount plan you may offer, making sure that you communicate all conditions and limitations recommended by your legal advisor. Because the advisability of such plans varies widely from state to state and depends on the payer programs in which you and your patients participate, athenahealth does not provide possible language for this section.

**Section 5:** Consider describing the consequences of non-payment (e.g., possible referral to a collection agency or an attorney), but be sure to confirm with your legal advisor that your language in this section will have the intended effect, given your actual collection procedures and relevant law.

**Section 6:** Patient acknowledgment. Consider the following possible language:

I understand the above information, and I will be financially responsible for the following patient:

Name: [print name of patient] \_\_\_\_\_

Signature: [also print name, if different from patient] \_\_\_\_\_

Date: \_\_\_\_\_

## Endnotes

1. Stampiglia, Tom. "Maintaining Profitability in the Era of Consumer-Directed Health Care." *Group Practice Journal*. May 2009.
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# Notes

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