
10 THINGS ABOUT: BILLING & COLLECTIONS

1. Patients should be provided with written information about fees, billing, payment responsibilities, and collection procedures at their first visit, as well as an opportunity to discuss this information with appropriate office staff and/or you. A copy with the patient's signature should be kept in the medical record.
2. If a patient's bill will be paid by another person (e.g., the parent of an adult child or the non-custodial parent of a minor child) the patient or the person presenting with the minor child, should be made to understand that they themselves are responsible for the payment of your fees and it is up to them – not you – to obtain payment from the other individual.
3. If the patient agrees to having a credit card kept on file, make certain that the patient specifically agrees to when it may be charged and that this agreement is in writing. Either have the patient sign an authorization at each appointment where the card is used or provide the patient with a receipt upon the spot – a copy of which you keep. In the event a patient refutes your charges with their credit card company, without such documentation, you will have very little information that you can provide to support the validity of the charge.
4. Avoid letting balances get out of hand. Tactfully address billing and payment problems with patients as they arise to minimize potential conflicts. In a very practical sense, treating a patient who does not pay results directly in negative financial consequences for the psychiatrist and the practice. Indirectly, the loss of revenue and the loss of time spent on non-revenue generating patients can compromise the level of care provided to both paying and non-paying patients. If a psychiatrist's resources are stretched too thinly and he or she became unable to provide adequate care, the situation could give rise to a malpractice claim.
5. Should you reach the point where you feel that you are owed too much money to continue to treat the patient unless the balance is paid, you cannot refuse to treat the patient until you are paid the money owed. As long as the person is still your patient, you have a duty to treat them. Bear in mind, however, that a patient's repeated failure to paid your agreed upon fees, is a perfectly acceptable reason to terminate the treatment relationship. Treatment should be formally terminated before beginning aggressive collections actions.
6. Do not send an account to collections until the patient has been informed in writing that the bill will be turned over to a collection agency if the balance is not paid within a specified period. Make certain also that your staff does not send patients to collections until you have had an opportunity to review the patient's chart to determine whether there are circumstances that would make such actions inadvisable.

7. Many physicians are reluctant to turn a patient over to a collections agency for fear that the patient will retaliate with a lawsuit or a board complaint. Indeed, many an angry patient or patient's family member has made this very threat. They often make allegations of negligence in order to put more pressure on the physician to resolve the matter before a lawsuit is filed. While lawsuits are rare, sending a patient to collections often does result in a complaint to the physician's licensing board. These claims are the most likely to occur because they are the easiest for the patient to make.
8. If you are a "covered provider" under the Health Insurance Portability and Accountability Act (HIPAA), you will need a "Business Associate Contract" whereby the collection agency agrees to abide by the federal privacy regulations regarding confidentiality of health information. Do not send clinical information to a collection agency. Provide the minimum amount of information necessary to carry out the collections – demographic information, dates of service, and amount owed. Ensure that the diagnoses, diagnostic codes, procedures, and procedure codes have been redacted prior to turning over the record. Non-covered providers should consider such agreements, as well.
9. When disclosing information to a collection agency, weight and consideration must be given to patient confidentiality. Only the minimum information needed in order to collect should be disclosed so as to avoid breaching the patient's confidentiality. Covered providers under HIPAA's Privacy Rule should also have Business Associate agreements in place with the collection agency to comply with HIPAA's requirements.
10. If you decide not to pursue collections, you should determine the requirements of all involved third-party payers. The government and other payers may limit or prohibit a physician's ability to write-off outstanding balances under some circumstances and may have specific documentation requirements should the physician choose to do so.

Compliments of:



Call (800) 245-3333
Email TheProgram@prms.com
Visit us www.psychprogram.com
Twitter [@PsychProgram](https://twitter.com/PsychProgram)

Professional Risk Management Services ("PRMS") provides the information contained in this article for general use and information. Information provided is intended to improve clarity on issues regarding psychiatry services and insurance coverage, and related issues regarding those services. This information is intended, but not promised or guaranteed, to be current, complete, or up-to-date. PRMS is neither a law firm nor a provider of professional medical services, and the materials in this article do not constitute legal, medical, or regulatory advice. You should not act or rely on any legal or medical information in this article without first seeking the advice of an attorney, physician, or other appropriate professional. PRMS, The Psychiatrists' Program and the PRMS Owl are registered Trademarks of Transatlantic Holdings, Inc., a parent company of Fair American Insurance and Reinsurance Company (FAIRCO).

©2019 Professional Risk Management Services[®] (PRMS[®]). All rights reserved.

RM-TTA_09 (7/2018)