

It's Not Too Late to Launch CCOF on January 1st



High Deductible Plans and CCOF Are Becoming Mainstream

When we first starting teaching practices how to implement credit card on file (CCOF) in their practices in 2010, only a few practices had ever heard of it. Today, we get calls weekly from practices who need help collecting patient balances, especially from patients with high-deductible plans, many whom do not understand how their plan works. Note that almost 25% of persons covered by employer health plans are enrolled in

high-deductible plans, and almost 90% of enrollees in the healthcare exchange (Affordable Care Act Marketplaces) have a high-deductible plan!

The time-honored tradition of sending patients monthly statements and allowing them to pay on their own timetable has increasingly become untenable for medical practices, especially small practices that have limited financial resources to wait out patient payments. Physicians are paying their staff, medical supplies, utilities and rent monthly while waiting for insurance plans to pay in 30 to 45 days and patients to pay anywhere from 60 to 120 days or more past the date of service.

Having the Talk With Patients

Credit card on file opens the patient payment dialogue by changing the conversation from ***“We’ll send you a bill when insurance pays their portion”*** to ***“Once we receive the insurance Explanation of Benefits (EOB), we’ll charge your card for the patient-responsible balance. If the balance is over \$____, we’ll call you to discuss your payment.”***

On January 1st, the deductible starts afresh for most plans, and any practice not using credit card on file to collect those deductibles is in for a particularly tough quarter – what I’ve always called “The Black Months”. With the size of deductibles however, many practices are in for another tough year. Contrary to plans of the past that applied the deductibles only to very high-priced services or hospital events, many deductibles apply to office visits, medications, labs – essentially every healthcare service one can have. Some patients will never meet their deductible and will be paying your practice out of their pocket for every service all year long.

Is 2017 the year you streamline and improve patient collections?

It's not too late to get it together to launch your program now to be ready for the new year. Here are the steps:

1. **Integrate software** that allows you to keep patient credit cards on file on an offsite, secure, third-party server as an add-on to your current merchant services (credit card processing). Call your current credit card processor to see if they have CCOF, but be careful – there is a lot of confusing language around the CCOF part and CC processing charges. My recommendation for [CCOF software is here.](#)
2. **Educate patients** on the change. Inform and educate patients about your new policy between now and when you launch.
3. **Rewrite your financial policy** to include CCOF. If no one ever reads your financial policy, now is the time to make it simpler and clearer.
4. **Educate the staff.** Explain why you're making the change, how it works and how to communicate with patients that might have questions.
5. **Change your patient scripts** to include CCOF language when you schedule and confirm appointments.
6. **Get rid of patient statements.** Decide how you will handle current patient statements to clear those balances. You eliminate statements when you implement CCOF.
7. **Determine your philosophy.** How are going to deal with patients who say they don't have a credit or debit card, or refuse to give you their card to place on file? Most practices will lose a few patients, but it is always less than you expect. Most patients who refuse are patients who never intended to pay you anyway!

I ask physicians this question:

If you collected the same amount of money each month whether you saw 500 patients who paid you part of what they owed, or 350 patients who paid you everything they owed, which would you prefer?

Of course, every physician would love to see less patients, having more quality time with each patient! What's wrong with having a practice full of patients who agree to pay you what they owe? FYI, CCOF does not mean you cannot also serve patients who need help with medical expenses – that's a different conversation!

For more information and help, see our [CCOF page here](#), or watch this 30-minute [YouTube video here](#).

NOTE: I use the term “credit card” in this article, but you can accept, if you so choose, debit cards, health savings account cards, flexible spending account cards – even gift cards.