

Collection Agency

A collection agency collects the amount owed to a medical practice by a patient when the practice has exhausted all efforts to collect the debt. Most practices will send the patient several statements and call the patient before "turning them over" to a third-party collector. Unfortunately, some patients will only pay when threatened with the prospect of having their credit affected by the attempt to collect. Most collection agencies assess a percentage of the collected debt (anywhere from 15% to 50%) in return for their services, however, practices may recoup that amount from the patient in addition to the original debt if the patient is informed of this practice before the service is rendered and agrees to the terms.

Some practices will discharge a patient from their practice upon turning them over to external collections, but some do not.