

# How to Develop a New Financial Policy For Your Practice: A Short Course

✘ I've had lots of questions about financial policies since I did a webinar on patient collections last year. Here's a short course on developing a new financial policy for your practice. The topic is addressed more comprehensively in my book.

I dislike financial policies that are long and wordy. I prefer a simple format that everyone can understand and use.

The format I recommend is one with three columns titled:

1. Your Plan
2. What You Do
3. What We Do

Here's an example of how the three columns would read:

## **Your Plan**

Medicare

## **What You Do**

Pay your deductible (\$155 for 2010) and co-insurance (20% of the allowable.)

## **What We Do**

We will file Medicare for you.

I use the front of the financial policy to list all the variations of plans that the practice accepts. For instance, the Medicares might include:

- Medicare
- Medicare/Medicaid
- Medicare/supplemental policy
- Medicare Advantage Plan (HMO/PP0)
- Medicare Advantage Plan (PFFS)
- Medicare secondary (MSP)
- Railroad Medicare

Lump together any like plans that you will treat the same. Then decide what you will expect from the patient at time of service or after, and what the practice commits to doing. Don't forget to address patients being seen out-of-network and self-pay patients.

I use the back of the policy to cover everything that you would like the patient to sign off on. This could include:

- Receipt of Notice of Privacy Policies
- Receipt of Advance Directives/Living Will info
- Agreement to Financial Policy
- Assignment of Benefits to Practice
- Guarantee of Payment

When you put a new policy in place, you have a number of options to educate patients. Here are some:

- Put the policy on your website.
- Send a copy of the policy to all new patients.
- Discuss the policy when you call patients to remind them of their appointment.
- Discuss the new policy at check-in and/or check-out and let patients know it will be in effect at their next visit.
- Circle the patient's plan on the front, have the patient sign the financial policy on the back, and give them a copy to take with them.

How you decide to educate the patients will depend on how much time you have between making the appointment and seeing the

patient and the type of practice you have – primary care versus sub-specialty.

Also, don't forget to educate your staff. If they have not had to discuss money before, they will need some coaching and some practice.

If you'd like a free copy of my sample financial policy, shoot me an email at [marypatwhaley@gmail.com](mailto:marypatwhaley@gmail.com).

---

## **Announcing My First Book: “The Smart Manager’s Guide to Collecting at Check-Out”**

I took last week off to complete a project I've been working on since early this year – my first book!

It's really a workbook and it guides the reader through a program to move their practice from a back-end collection process to a front-end collection process. What is the difference? A back-end program collects the majority of patient-owed balances after the payer has adjudicated the claim and has submitted payment to the practice. A front-end program takes all the available information about the payer/plan and collects payment or arranges future electronic payments with the patient at the time of service.

The book has step-by-step instructions for implementing the program in any practice, and more than a dozen worksheets and templates are included. Some examples are:

1. Patient Collections Benchmarks
2. 30-Day Project Calendar

3. Responsibility Assignment Worksheet
4. Budget Template
5. Sample Job Description and Hiring Worksheet
6. Product Evaluation Forms
7. Sample Financial Policy and Financial Policy Template
8. Patient Frequently Asked Questions (FAQ)

You really can implement a program like this in your practice. It's hard work, but well worth the effort.

**Click here to view "The Smart Manager's Guide to Collecting at Check-Out."**