

Don't Forget: Register Now for our Starting a Credit Card on File in Your Practice Webinar!

For anyone interested in implementing a credit card on file program in your practice – to increase collections, improve cash flow, and eliminate sending statements altogether – you'll want to [register now](#) for Manage My Practice's Webinar: Starting a Credit Card on File Program in Your Practice.



Tuesday March 5th, 2013 at 1 p.m. EST 10 a.m. PST join Mary Pat and I for a 60 minute session that will prepare you to plan, prepare, negotiate, and execute your Credit Card on File Program. Your patients and your staff will be happier – and so will you!

Register [here](#) for Tuesday's Webinar.

Also, special thanks to Brandon Betancourt of [Pediatric Inc](#) for his [very kind words](#) about our webinar. Check out his blog!

And if you are interested in learning more about core practice operations, or just want to increase your knowledge and understanding of medical practice management, **be sure to check out our new [Revenue Cycle Management Webinar Series](#)** – a great way for anyone to strengthen and refresh their skills!

Back By Popular Demand: Starting a Credit Card on File Program in your Practice

Update: We have moved the session
up one week! Please note the new
date!

With registrations piling up we are moving the Credit Card on File Webinar up to Tuesday, March 5th at 1 p.m. EST. If you want to improve your practice's cashflow in just one hour sign up now as seats are going fast!

We had such a great response to our Credit Card on File Webinars that we are running another session, in addition to the [Revenue Cycle Management Series](#) that will start next month. We hope you will join us! [Click here to register!](#)

How to Cut Your Medical Practice's A/R and Collection Costs in Just 60 Minutes.

We know patients are bearing more of the financial burden for healthcare, particularly in the form of High Deductible Health Plans (HDHPs), so it falls to the provider to collect the deductibles. How can you collect deductibles, co-pays and co-insurance, as well as electronically manage patient payment plans while reducing the associated labor and resource expense? Register for the Manage My Practice webinar that teaches you everything you need to know to spend less and collect more at time of service by implementing a Credit Card

on File Program in your practice.



What is a Credit Card on File Program?

A Credit Card on File (CCOF) Program facilitates the collection of a credit or debit card from each patient and requires this card to be used for co-pays, co-insurance and deductibles. You have the option of collecting an estimate of what is due at time of service, and/or charging the credit card when the payer pays the claim.

What are the benefits of a Credit Card on File Program?

- Reduced days in accounts receivable.
- Improved cash flow.
- Elimination of statements.
- Electronic management of payment plans.
- Elimination of bounced checks.
- Elimination of the manual refund process and refund check expense.
- Reduced labor in daily reconciliation process.
- Elimination of cash drawers and change issues.
- Reduction or elimination of deposits.
- Facilitate faster check-in and check-out.
- Elimination of paper receipts.
- Elimination of collections expense.

This one-hour webcourse with accompanying

materials is an incredible value at \$59.95

What will I learn if I take this webinar?

1. Understand how a credit card on file program differs from traditional payment options offered by practices.
2. Learn the terminology and protocols of credit card processing – it's not as mysterious as it seems!
3. Compare credit card processing fees and choose a vendor based on an informed analysis.
4. Utilize handouts to train staff and educate patients on the credit card on file program.
5. Successfully implement a credit card on file program.

What does the program include?

Purchase of this program for only \$59.95 includes the live webinar, slide handouts, and a complete Action Pack of forms and templates in Word, including:

1. Worksheet for Credit Card on File Program Return on Investment (ROI)
2. Staff Script & Role Playing Suggestions for Staff Training
3. Sample Security Policy to Comply With PCI Guidelines
4. Credit Card on File Program Timeline Worksheet
5. Credit Card Program Comparison Worksheet
6. Patient Handout #1: Information About Our Credit Card on File Program & Discontinuation of Statements
7. Patient Handout #2: What is a Deductible and How Does It Affect Me?
8. Sample Patient Agreement for the Credit Card on File Program

Register Now!

- March 5, 2013 at 1:00 p.m. Eastern/ 12:00 p.m. Central/ 11:00 a.m. Mountain/ 10:00 a.m. Pacific – [Click here to register!](#)
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Starting a Credit Card on File Program

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The Webinar will be offered live at three different sessions for your convenience.

- February 5, 2013 at 10:00 a.m. Eastern/ 9:00 a.m. Central/
8:00 a.m. Mountain/ 7:00 a.m. Pacific – [Click here to register!](#)
 - February 6, 2013 at 1:00 p.m. Eastern/ 12N Central/
11:00 a.m. Mountain/ 10:00 a.m. Pacific – [Click here to register!](#)
 - February 7, 2013 at 4:00 p.m. Eastern/ 3:00 p.m. Central/
2:00 p.m. Mountain/ 1:00 a.m. Pacific – [Click here to register!](#)
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[Video] – The Manager’s Minute Episode #9 – Charging a Fee for Payment Plans

In Episode #9, Mary Pat answers one of the questions she gets most often on the site: Can You Charge Patients a Fee for Payment Plans?

Rethinking Your Back-End Patient Collections: Give

Your Patients a SMAC

✘ Please welcome MMP's newest sponsor: SmartFund Medical Acceptance Company, LLC aka "SMAC"

When I first heard about SMAC I thought they were a collection agency. But SMAC is not a collection agency in the traditional sense and I interviewed President Samara Keaton to find out what exactly SMAC is.

Manage My Practice: SMAC's ad on Manage My Practice features a mermaid alternately kissing and smacking a handsome young man. What's going on there?

Samara: We thought the SMAC (kiss or slap) approach to patient balance recovery was very appropriate. You love your patients, but sometimes you have to bring them a dose of reality – that there is a balance due for a service they received.

Manage My Practice: If you're not a collections agency, what are you?

Samara: SMAC is the solution to the ever-present anxiety in healthcare over sending patients to collections. **No one** wants to send patients to collections, so we work with and help patients who want to pay. SMAC is a patient balance recovery company, and we do what you would do if you had unlimited resources to manage your patient collections.

Manage My Practice: And what is that?

Samara: SMAC bridges the gap between in-house patient collections and a third party collection agency. SMAC increases patient collections with customized precision according to the needs of the practice. First, the practice or hospital exports the account detail to SMAC, then SMAC opens the communication with the patient. We focus on:

- (1) **Educating** the patient on “why” they owe the money
- (2) **Resolving** insurance and other issues
- (3) **Working** with the patients on timing of payments relative to their budget

Manage My Practice: What is SMAC’s collection approach?

Samara: We believe that every account has a story. We want to hear that story and help patients who want to pay make the payment or set up a payment plan. We resolve every account every time, which means that either the account is paid or SMAC is making a recommendation for credit impairment or legal action. It is the practice’s decision at that point.

Manage My Practice: When are accounts transferred to SMAC?

Samara: Most clients end up transferring accounts to us at around 61 days, but this is totally flexible. We can take accounts as soon as insurance pays and the patient balance is established, or we can take them after your in-house collections program has worked them, or we can take them when you want to impair credit or take legal action. Regardless of when you give us the account, we pay the practice \$.50 for each account, then the practice recoups 70-80% upon collection of the account.

Manage My Practice: My memory of working with a third-party collections agency is the confusion over the patient payments at the practice and who owes whom what. How do you handle payments?

Samara: Patients can make payments to the practice or to SMAC. All payments are logged to an online account which shows who owes money to whom. SMAC makes payments to the practice/hospital weekly.

Manage My Practice: Your site says “Doctor Directed, Administrator Approved, Patient Preferred.” What does that mean?

Samara: It means that the physicians set the course for collections activity they are comfortable with, administrators approve the work of the SMAC collectors, and the patients prefer speaking to someone who can interpret the account activity to explain the reason why the balance is owed.

Manage My Practice: Why have patient collections become so important in healthcare?

Samara: In the past, the patient balances relative to the overall A/R balance of a medical practice was a much smaller number than it is today. Medical practitioners were conditioned to live off of co-pays and whatever they could get from the insurance companies, and tended to ignore and/or write off the unpaid patient balances. Today, Physicians have come to realize that they can no longer simply write-off the unpaid patient balances and expect to stay in business. 80% of the physicians interviewed said the A/R portion of their overall receivables has gone up more than 12% in the last 5 years. We expect this trend to continue as patients are moving more and more to catastrophic plans with \$5,000 to \$10,000 deductibles. Therefore, there could be an even greater shift in the revenue stream in the near future.

Manage My Practice: How can readers get in touch with you?

Samara: We invite medical practices, hospitals, billing companies and consultants to a very short (10-minute) demo of what SMAC can do. Contact us at 1-888-531-6406 or schedule an online demo [here](#).

Disclosure: SMAC has paid a sponsorship fee to advertise on Manage My Practice. Sponsors are chosen for this blog based on usefulness to readers, product quality and authenticity.

Free Webinar “Front End Patient Collections: The Why, Where, What, When and How”

I am very pleased to be the speaker for a free webinar sponsored by [Integrated Healthcare Systems](#). The webinar will be on one of my favorite topics – front-end patient collections – and will air live on Tuesday, May 11th, at 2:30 Eastern time.

Topics I will address include:

”¿ WHY would a practice move from a back-end collections strategy to a front-end strategy?

”¿ WHERE does patient education fit into the patient collections program?

”¿ WHAT can be collected at the time of service: co-pays, co-insurance, deductibles, estimates and deposits?


”¿ WHEN should a practice use technology to improve time-of-service collections?

”¿ HOW can managers train staff to overcome their fear of talking to patients about money?

Attendees will have the opportunity to purchase my book, “30 Days to a Front-End Patient Collection Program” for a special promotional price.

Register [here](#) for the webinar.

Patient Collection Question #1: How Do I Know What to Collect at Check-Out?

[My book on front-end collections](#) has been doing really well  and I'm pleased that a number of people have called me or emailed me with questions. Here's one question that a number of people have asked – "Can you tell me more about knowing what to collect from the patient at check-out"?

Hopefully, you have followed my advice and collected co-pays and previous balances before the visit. The portion that you collect after the visit is the co-insurance and the deductible.

The guideline on collecting after the visit is directly related to the allowables on the services the patient received. Allowables are the amount that payers consider payment in full. Of the total allowable, a portion will come from the payer and the balance will come from the patient. Knowing that percentage is the secret to collecting at the check-out desk. **The percentage of the allowable that the patient will pay is the critical piece of information you need to successfully and accurately collect after the visit.**

Allowables fall into three categories:

1. The Medicare allowable for your area of the country, or state, for the current year. If you participate with Medicare, you have an allowable, if you do not participate with Medicare, you have a limiting charge that you must use for Medicare patients.
2. The allowables for the payers with whom you have contracts and have agreed to accept their rate for their subscribers.
3. The rates paid by payers with whom you do not have a

contract. Their payment for out-of-network services (non-contracted physicians) will determine the amount owed by the patient.

How Do You Collect This Information – Medicare

Medicare allowables are published every year, both in the federal register and online at the CMS (Centers for Medicare and Medicaid) website. If you are fortunate enough to have a practice management system that loads this information automatically for you, you are golden. If not, you will need to enter these manually. The good news is that very few practices need to add more than 50 – 100 allowables to get started.

You can also use a paper cheat sheet to fill in your top 50 – 100 codes. Make a chart with your fee, the Medicare allowable, and the 20% of the allowable that Medicare patients must pay at every visit. A note of caution – many Medicare patients have secondary coverage and it can be difficult to know what the secondary coverage will pay. Most practices will not collect anything for patients with secondary coverage because it can mean a lot of refunds have to be written when the secondary payments come in.

How Do You Collect This Information – Payers You Have Contracted With

If you have a contract with a payer, they must furnish you with a full allowable fee schedule, or with a payment model. For example, their payment model may be 150% of the 2007 Medicare schedule. You will need to go to the [CMS lookup page here](#) and get these allowables for your services for 2007 and multiply it out.

Example: the 2007 allowable for 99213 established patient office visit is \$56.98 for North Carolina (use your locality)

If the payer is paying 150% of that allowable, it will be

\$85.47, and if the patient has to pay 20% of that allowable, they will owe \$17.09. Don't forget to include the deductible in this equation, as the patient will need to satisfy the deductible before the payer will pay you 80% of their allowable.

Some practice management systems will have the ability to take that information and calculate it for you, so be sure to ask your vendor about this before you do the work.

If you are constructing a manual cheat sheet, you'll have your fee (even though it doesn't come into play, I suggest practices always keep their fee on cheat sheets, so staff can bring anything unusual to the administrator's attention. Also as you increase fees, you have a handy visual.) Add the payer's allowable, and calculate the percentage the patient will owe.

Use this same sheet for your payment posters to make sure you are getting paid the correct amount if your practice management system doesn't do this for you.

By the way, if an insurance company that you have contracted with refuses to give you a schedule of allowables or a payment model, contact your state medical society, your state insurance commissioner, or your state legislators for help.

How Do You Collect This Information – Payers You Have Not Contracted With

If you do not have a contract with a payer, getting information on their allowables can be tough. Some practices will have the patient pay in full and either file the claim for the patient, or give/mail the patient a claim form for them to submit. In this case, you do not need the allowables. If your specialty has higher in-office fees due to tests, etc., it may be difficult for a patient to pay \$250 – \$500 in full at time of service. You may want to consider one of these strategies for collecting at time of service:

1. Collect a deposit based on the total charge. Let the patient know it is an estimate and that more or less may be owed. I do not believe in sending statements. In my book I recommend using a payment portal to securely store patient credit cards, and adjust the remaining balance up or down according to the actual payment. As payments come in you can develop a knowledge base for what different payers and plans will pay. This will assist you in estimating the patient's portion more accurately over time.
2. You can give patients information about the services they most likely will receive at their visit and ask them to call their payer and get information on payment. This is a great strategy. If patients are shocked about their portion, they may want to reconsider becoming your patient. The last thing you want is a patient who is surprised by the payment due after they have received the services. Some payers supply subscribers with allowable information on their website.
3. You can usually get the allowable information by phone if you have the subscriber's information, or if you have the subscriber on a three-way conference call, or in the room with you. This is more typically done when the subscriber is contemplating surgery or an expensive procedure and you are working on a payment plan, or outside financing with them.

Knowing what the patient owes and making arrangements for payment in full at time of service is one of the most significant things you can do to increase your receipts and decrease your accounts receivable. No practice can afford to "wait and see what insurance pays" and bill the patient months after the service has been rendered.

[Click here to view "The Smart Manager's Guide to Collecting at Check-Out."](#)

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."](#)