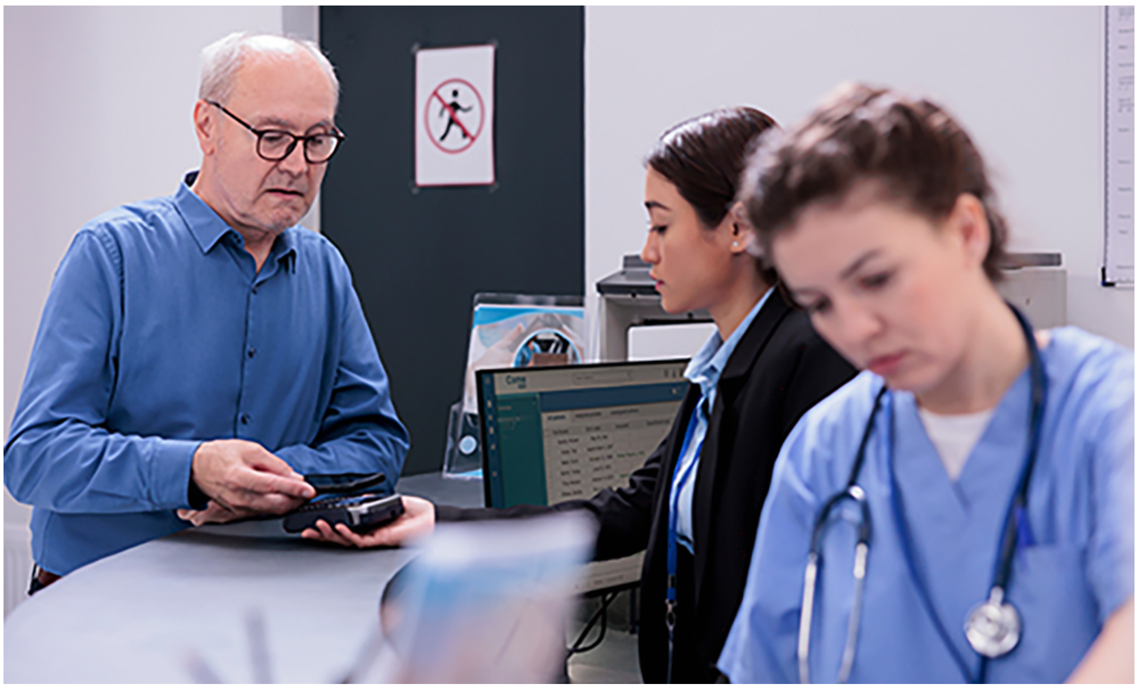
Patient Payment Plans: Seven Tips for Success



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Payment plans permit the patient to pay off the amount they owe for a service over a period, instead of requiring a lump sum payment. Offering payment plans to patients benefits your practice – and your patients; however, execution is key. Consider these tactics for success:

1. Put the ball in the patient's court: instead of leading with the parameters of the plan, ask the patient, "How much more time do you need?"
2. Set a minimum payment; for example, $25, and maximum duration such as 12 months.
3. Keep it simple by seeking the "odd" payment upfront – for example, if $231.53 is owed, collect $31.53 at the outset, followed by eight $25 payments due.
4. Always collect the initial installment upfront; don't set up a plan – and then let the patient walk away without paying anything.
5. Automate the process of reviewing for non-compliance: set your system to push the

accounts with two missed payments to a work queue and have a rigorous protocol for follow-up.

6. Integrate your plan with a text-to-pay option or collect a credit card upfront. (Be sure to follow federal and state laws regarding storing credit card information.)
7. Establish an insurance category for payment plans, which is separate from patient receivables; this distinction allows for better reporting, as your practice has agreed to maintain the balance on your accounts receivable.

Payment plans may ease the challenges faced by practices based on incurring bad debt. Patients bear a greater financial responsibility than ever before. It is an opportune time to offer payment plans for patients, but execution is essential for medical practices.
