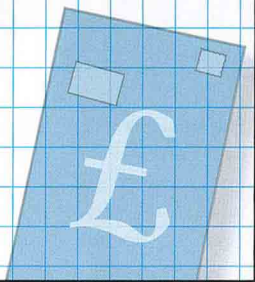


THIS MONTH: BILLING TO AVOID DEBT



ONE OF the most common problems for private practitioners is bad debt or outstanding fees, writes Alison Ryan.

There are several ways that such outstanding monies can be recovered. But, rather than have to resort to one of these each time the problem arises, it is a far better use of your or your practice manager's time to establish a billing process. This will go a long way toward eliminating the risk of bad debt in the first place.

These steps should help you to put a professional and efficient billing process in place:

- 1 Following clinics, issue invoices quickly.
- 2 Clearly state who the invoice is for, what it is for, how much it is for, and payment terms.

- 3 Ensure a written reminder is scheduled on expiry of the payment terms.

- 4 Ensure all payments are logged and any preplanned future reminders are cancelled.

- 5 Send all reminders promptly and explain that payment is due immediately.

- 6 Schedule a second reminder by phone.

- 7 If payment is still not received, when speaking to the patient try to obtain a 'promise to pay' by a certain date by cheque. Better yet, take card payments by phone.

- 8 If the 'promise to pay' is not honoured, make another call to the patient and assess whether

there really is any intent to pay. If not, you may at this point refer the invoice to a third party to collect on your behalf.

- 9 Ensure the billing process is as quick as possible. If the patient can't be contacted, the earlier you involve a third party the better. Most third parties will only charge for invoices they collect on a sliding scale – which increases with the age of the debt.

- 10 Whatever system you adopt, ensure it is all documented and that the process is clearly understood and robust.

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