

SAVE THE SURPRISES FOR CHRISTMAS

Just Give Me The Bottom Line

By Marsha Freeman

I don't know about you, but I think surprises should be left for Christmas and birthdays—and not when you are presented with the bill after dental or medical procedures.

I recently submitted to one of those “age appropriate” medical procedures. Knowing that the procedure was sent to my insurance for predetermination, I kept asking the young woman at the front desk what my financial portion of the bill was going to be. She continually reassured me that I had excellent insurance coverage, that my portion was not going to be “much at all,” and that “they would work with me” regarding my balance. All I had to do was relax, take my pre-medication, and get a good night's sleep.

You know what happened next, don't you? The financial coordinator didn't get the message about “working” with me, nor was she the least bit hesitant to hit me with the bad news when I groggily appeared at her desk after my procedure. Forget the surprise part—I went straight into shock, as did my husband, who was full of questions as to why I wasn't informed of this ahead of time. Instead of feeling cared for, I felt blind-sided, insulted, embarrassed in front of my husband, and suddenly worried about everything. I would have preferred to feel a sense of control over my own destiny, having made financial arrangements ahead of time and truly only being concerned about getting through the procedure. Have you ever been in my shoes?

In my 28 years in dentistry, I have learned that money can be an extremely sensitive topic. Our patients expect us to employ intelligent staff that can explain their treatment choices, insurance benefits, and financial options, or at least be able to put them in touch with someone who can. Patients do not like surprises. They want to know that they are getting the best care and are making wise dental choices that will allow them to keep their teeth for a lifetime.

All too often, I hear staff “verbalizing” what fees are going to be instead of writing them down for patients. I hear language like “your insurance will take care of most of it,” a statement that lacks the specifics necessary to ensure that you get paid. If you do not have the time and/or tools to give patients specific information about their financial responsibility, then be honest and tell them that. Then give them the information they need to call their dental plan themselves.


The bottom line is that financial surprises hurt your patients and your practice. Surprised patients are often not able to pay their bill at the time of service. They typically end up sending small payments for several years. Some simply stop making payments after a few months and become a collection account. If patients are *not* concerned about their financial responsibility, this should actually be a red flag as it could mean that they do not intend to pay the bill anyway!

In the last issue of *Insurance Solutions* (October 2006), we began discussing the six critical steps that must be followed to successfully manage patient accounts:

1. Establish financial options for your patients (*Discussed in the last article*)
2. Make firm financial arrangements prior to treatment (*This article's topic*)
3. Collect the day of treatment (*To be discussed in the next issue...*)
4. Actively manage your A/R (accounts receivable)
5. Maintain a consistent billing cycle
6. Monitor your effectiveness

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Consultant's Corner

We are pleased to welcome back Marsha Freeman, President of Marsha Freeman & Associates, a company devoted to improving organization and system delivery in dental practices. Marsha has authored several books including *Standard Operating Procedures for All Dentists* and conducts workshops teaching dental teams how to create their own SOP manual. She is a member of the Academy of Dental Management Consultants and is a certified trainer for the Institute of Foundational Training and Development. Marsha can be reached at Marsha@fix.net, www.marshafreeman.com, or by phone at 800-253-2544. 

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In the last newsletter, we talked about how important it is to have **CLEAR FINANCIAL OPTIONS** for our patients. Externally, we should always refer to them as “options” instead of “policies” because the word “policies” subconsciously sets an adversarial tone with patients, which is exactly what we hope to avoid. Our goal is to **HELP** our patients, **not HASSLE** them. We want to **ASSIST** them with their finances, **not INSIST**.

We need to develop financial policies that protect the practice and give patients an opportunity to pay over time by using major credit cards or outside dental finance companies (e.g., Care Credit). I do not recommend extending in-office credit unless the patient is well-established in your practice and has a strong credit history with you. I would **not** put this option on the Payment Options Sheet even though it is understood by front office staff.

If you have not completed your assignment from the October newsletter, you need to first develop your credit policies and your Payment Options Sheet before you can effectively use the tips in Step 2 (Making Firm Financial Options). Once your credit policies have been determined, they should be printed on your stationery, welcome packet, and/or practice brochure. Create a sheet similar to the insert provided in the October newsletter with signature lines so patients can indicate their preferred method of payment.

STEP 2: Make Firm Financial Arrangements Prior to Treatment

Making firm financial arrangements prior to treatment can be straightforward and simple when you use the right forms and employ the right attitude. Your attitude needs to be one of service and professionalism. Be prepared, and do your homework. In the next newsletter we will discuss how to ask for money on the day of treatment and how to handle objections.

There are really only two reasons why staff members avoid discussing fees and obtaining a signed financial agreement prior to treatment: 1) they don't want to do it, or 2) they lack the necessary resources (e.g., time, privacy with the patient, the correct forms, enough training, education, the right equipment, or the natural ability).

When discussing fees, our goal is for every patient to know the total fee (or fee range) for his/her treatment plan, what we **estimate** the insurance will pay, and what the patient's **estimated** cost will be. The patient needs to know when payment is due and must sign a financial agreement prior to treatment addressing how that portion will be paid as well as how any unpaid insurance amount or treatment changes will be handled.

There are four essential elements involved in making successful financial arrangements.

1. The Treatment Plan

Ideally generated from a computer system, your treatment plan should state the total fee, estimate what the insurance will pay, and estimate the patient's portion. This form can double as your Financial Agreement Form if it allows the patient to select his/her preferred payment option(s) and allows space for signatures. If the treatment plan is not computerized, then consider a simpler version that allows you to write in only the necessary information on a carbonless duplicate form.

2. The Payment Options Sheet

This sheet allows patients to quickly review their options and indicate their preferred method of payment.

3. The Financial Agreement Form

This form can be generated by your practice management system or you can adapt the combined

Financial Options & Payment Arrangements form (see page 14).

4. Respectful Verbal Skills

Treat your patients with respect by putting them in control of their decisions instead of letting life just happen to them. That being said, we also need to take care of the dental practice that pays us. We cannot continue to use the best materials and equipment if we fail to properly manage patient accounts. Likewise, if we continually surprise people with unpleasant information, they will choose to go elsewhere. By handing the Payment Options Sheet to patients and providing adequate time to review it, we are respecting them by giving them control over how they want to proceed.

Now that we have identified the four elements required to make firm financial arrangements, let's talk about the two times when the patient is most vulnerable to financial surprises: emergencies and change in treatment. When a patient is lying flat on his/her back in the dental chair with a raging toothache, he/she is at our mercy. “Just get me out of pain” is the only immediate concern. However, once the pain subsides, the cost of care can become a concern, and there really is no inexpensive treatment.

You might be thinking that an extraction does not cost all that much. However, replacing a missing tooth with a bridge or replacing the tooth with an implant and crown is very expensive. If we try to save the tooth with an endodontic procedure, we also need to talk about possible failure and the importance of also crowning the tooth.

The patient is also vulnerable when the treatment plan changes unexpectedly. For instance—the large filling turns into a root canal and crown. The patient may not be in pain but will be when he/she learns of the fee.

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During these times you must come to your patients' rescue. If you won't be their advocate, who will be? Do whatever it takes to convince the rest of your team that it is worth the time to sit the patient up in the chair and review treatment and payment options with the patient. Respect the patient's right to be in control. If it adds another ten more minutes to the appointment, it is a small price to pay to get paid. You might want to post that sign in the break room: **"A financial agreement is a small price to pay to actually get paid."** Otherwise, many practices end up writing off fees when the patient says those ominous words, **"If I had known how much it was going to cost, I would not have had it done!"**

The following four-step process ties together all of the elements we have talked about to avoid unhappy patients and delinquent accounts.

Step One: The process of managing patient accounts begins by finding the quietest, most private place possible for you to talk with the patient. In some practices, you may need to opt for the treatment room or simply keep your voice quite low. Do the best you can. Offer to call the patient at home if privacy is an issue and the current situation is not appropriate.

Step Two: Review the patient's chart, financial record, and current treatment being recommended before you enter into the financial discussion so you can decide how to proceed. (We will discuss delinquent accounts in a future newsletter, so we will assume the patient is in good standing at this time.) Hopefully, the clinical staff has done an excellent job of presenting the treatment plan, so your job is only to inform the patient of the overall fees and his/her estimated dental benefits. If the patient has no insurance, the job will be simpler and the form straightforward.

Step Three: In stating what we anticipate the entire fee to be, we must carefully inform the patient of the finan-

cial consequences of any changes in treatment midstream (e.g., a large filling can turn into a root canal and require a future crown or the possible extraction of a tooth and the need for a bridge or partial). Remember, our goal is that there be **NO SURPRISES**—not in the treatment phase or in what treatment may cost. I am not suggesting that you go into every possibility. However, if the dentist has discussed it clinically, you should discuss it financially.

Step Four: Now it is time to hand the patient the Payment Options Sheet and have him/her choose which payment option(s) works best for him/her. Then complete the Financial Agreement Form and attach the Treatment Plan. Give a copy of all three forms to the patient, and put the originals in the patient's chart.

If the patient complains that his/her credit cards are maxed out and he/she does not want to open another one, use the **Feel, Felt, Found** technique. For example, "I can see you **feel** strongly about not wanting to open another charge card. Others have told me that they **felt** that way too. However, they have **found** that their Care Credit Card does not get away from them because it is only used for dental treatment and it is interest-free if paid off within 12 months. Would you like to at least look into that?"

In the next newsletter, we will discuss how to collect payment on the day of treatment, and we will address many of the objections you hear when asking for money.

In the meantime, my challenge to you is to have your **Treatment Plan, Payment Options, and Financial Agreement forms** in place by January 1st 2007. That way, you can begin the new year by offering your patients a higher level of service when it comes to their finances as well as their teeth. I also hope that you enjoy many wonderful surprises this Holiday Season! 📖

INSURANCE SOLUTIONS

Practice Name
Address
City, State Zip

Practice Phone #
Fax #
E-mail/Web Address

FINANCIAL OPTIONS & PAYMENT ARRANGEMENTS

Patient Name _____ **DOB** _____ **SS/ID #** _____ **Date** _____
Subscriber Name _____ **DOB** _____ **SS/ID #** _____ **Date** _____
Employer _____ **Employer ID #** _____ **Group #** _____

Taking care of you and your family is our highest priority. That is why, when it comes to talking about finances, our goal is to provide you with clear information regarding our dental fees and your payment options. At the onset of treatment, we will provide you with an *estimate* of the total fees expected. Please understand that this will only be an *estimate*. Treatment needs can change for a variety of unforeseen reasons. Whenever possible, we will inform you of any treatment changes that will affect your financial estimate.

When estimating insurance coverage, we must also stress the word *estimate* as dental benefits are determined by each patient's dental contract. Every patient's dental plan is different, and necessary dental services are not necessarily covered. Most dental plans are designed to assist patients with their dental expenses. Very few dental plans fully cover all dental services. If you bring in a copy of your dental plan, our staff will be happy to help you interpret your dental benefits. Without a copy of your dental benefit plan, only an estimate can be provided based on what a "typical" dental plan provides. If your dental plan pays more than expected, you will receive a prompt refund. If your dental plan pays less than expected, a balance due will be reflected on your monthly statement. If your dental plan later determines that you were not eligible for coverage, the balance becomes your responsibility.

Thank you for reviewing your payment options and indicating your choice of payment. We appreciate the confidence that you have placed in us in caring for you and your family. We are available at any time to assist you with your account. Please feel free to contact us with any questions you have regarding the payment options listed below.

PAYMENT OPTIONS

Total Treatment Estimate _____ **Insurance Estimate** _____ **Patient Estimate** _____
Patient _____ **Refer to Treatment Plan Dated** _____ **for** _____ (Type of Services)

PLAN A: Prepayment Courtesy

We offer a 5% bookkeeping courtesy for all treatment that is paid in full the day of treatment by check, cash, or credit card.
5% reduction - \$ _____ Adjusted total = \$ _____

PLAN B: Payment as Services are Rendered

You may use cash, check, credit or debit card to make payment at the time of service. If you pay in full, we gladly accept MasterCard or Visa and will apply the 5% courtesy to those payments as well.

PLAN C: Monthly Payment Plans

For our patients who want to make monthly payments, we offer short- and long-term financing through Care Credit. A business staff member will gladly assist you with the application process.

PLAN D: Insurance Coverage

Our goal is to help you maximize your dental benefits. As a courtesy to our patients, we are happy to bill dental plans for dental services. Please remember that the benefits available under the terms of your dental contract have been determined by your employer and your insurance carrier. We do not have access to accurate benefit information unless you provide us a copy of your dental benefit booklet. If you do not have a copy of your dental benefit plan, we can only estimate benefits based on other patients' experiences. Your estimated portion is due in full the day of treatment. Please check Plan A, B, or C to indicate how you would like to pay your estimated portion.

I, _____, **have chosen Plan(s)** _____ **above and accept full responsibility for this account.**

I understand that any insurance estimate given by this office is not a guarantee of actual insurance payment or coverage. I also understand that I am responsible for all charges incurred for dentistry performed upon me and my dependents. Any insurance claim not paid in full after 60 days will become my responsibility at that time. **Account #** _____ **Patients listed on this account include**

Responsible Party Signature _____ **Staff Signature** _____ **Date** _____



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