



# Improving Collections in Your Dental Practice

Proven techniques to get money off  
your books and into the bank

**DENTRIX**



## About the Author

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# Just Ask For Payment

## You Already Earned It

One of the many challenges a dental practice faces today is collections. It should be simple: your practice provides dental treatment, you charge a fee, and collect payment.

However, this is what usually happens: you provide dental treatment, charge the fee and DO NOT collect payment. Why? Possible reasons include:

- Awkwardness at quoting fees
- Pre-judging a patient's ability to pay
- Lack of training
- Poor communication skills.

Actually, the number one reason your patients don't pay at the time of service is that you haven't asked for the payment. You may be pleasantly surprised at your patients' willingness to pay for their dental treatment at the appointment—if you only ask. It sounds simple, but it's true (and worth repeating):

***If it doesn't occur to you to ask for payment, it won't occur to your patient to pay.***

Easier said than done, right? The scariest thing about collecting a payment at checkout isn't asking for it, it's THINKING about asking for it. Next time, don't think about it, just do this:

***Have the clinical team escort the patient to the front desk while saying, "We're going to stop and see Lois today, and she will get a receipt for you."***

Now you've planted the seed that your patient is going to owe money today. And, you did it in a friendly, non-threatening way. It's a simple technique that really works.

For more proven collection techniques, follow the steps in this eBook. It's time to get your money off the books and into the bank.

### ***How to Say It***

How you say something makes a huge difference in collecting payment. Here are a few tips on how to talk to your patients:

Don't ask your patient if they want to pay today. **Simply state your options** to them. Say, "How do you wish to pay today? Cash, check or credit card?"

**Be excited** about your new payment system. If your patient says, "Just send me a statement like always," reply with, "We're so excited—we can now take payment right here in the office by cash, check or bank card. Which would you prefer to use today?"

Discuss financial arrangements when scheduling appointments. Inform your patient of the estimated amount due and ask, **"How do you wish to pay?"**

Instead of asking, "Do you have any questions?" ask, "What questions can we answer **about the financial arrangements** we just discussed?"

# Step 1: Make a Plan

## Know Before You Grow

Create fee and payment guidelines for your dental practice, then write a plan for your team. Your plan should include:

- How and when you will quote fees to patients
- When you expect payment
- How to handle objections
- What payment options your practice offers
- When to send statements
- How patients can get financing
- What to do when treatment changes unexpectedly
- How and when to follow up on past-due accounts
- When to refer an account to a collection agency or to small claims court.

A financial arrangements plan gives your team confidence and reduces awkwardness during payment discussions.

### Give Your Patients Options

Depending on your cash-flow needs, consider offering these payment options to your patients:

- Partial payment prior to treatment, with balance due at time of service
- Cash, check or bank card at time of service
- Monthly payments via outside financing like CareCredit.

A choice of financial arrangements gives patients more reasons to agree to their needed dentistry.

### Dedicate a Financial Administrator

Identify someone on your team as the financial administrator. Their job is to maintain a positive collections status and reduce accounts receivable (A/R). Get them the training they need—in practice management software and in accounting principles—to fulfill their job description.

Your financial administrator makes collections a priority for your practice. Meet one-on-one with them to review monthly statistics. Hold them accountable and reward positive results.

## What to Avoid

Avoiding these common mistakes can help improve your collections:

- **Don't surprise your patients.** Quote fees prior to any treatment.
- **Don't let patients back you into a corner with,** "Doc, can't I pay monthly? You know I'm good for it." Refer them to your financial administrator.
- **Don't use your dental office as a bank.** Offer only outside financing options for your patients.
- **Don't talk money chairside.** All money discussions should happen outside the treatment room.
- **Don't pre-judge a patient's ability to pay** for their dental service. Be confident in your fees.
- **Don't allow patients to pay whenever they want.** If you send them a final notice and they don't pay, take action.
- **Don't assume your team knows the plan.** Review your fees and payment guidelines in monthly team meetings.

# Step 2: Inform Before You Perform

## Help Your Patients Plan

This is the information age and informed patients will make good decisions about their dental health. That's why carefully written financial guidelines and treatment plans are critical—for collections and for case acceptance.

***Not all patients listen in the same way—50 percent listen with their ears and 50 percent “listen” with their eyes.***

### Put Financial Guidelines in Writing

Be sure to completely inform both types of listeners. Print up financial guidelines for patients who need to see things in writing.

Also, post visually appealing signs in appropriate areas of your office. Make sure they are large enough for patients to easily notice and read, at least 8" x 10" in size. For example:

- “Ask about our flexible financial arrangements” sign in the checkout area or reception room
- “Payment expected at time of service” sign, with a list of credit cards your practice accepts, near the check-in counter or in the payment area

Always inform patients of your fees before performing dental treatment. Have your patient sign a truth-in-lending agreement that explains your fees and payment options.

### Train Your Team

A well-trained dental team is essential to collections, because they help patients understand your fees and financial guidelines. Patients feel in control of the process when they understand their options. They appreciate having a choice.

To make sure everyone on your team understands your financial guidelines, create an internal document that outlines payment options, outside financing options, and what to do if the account becomes past due.

## Who Does What

Dental team members play a crucial role in collections. They can all help patients make informed, healthy decisions.

The **receptionist** gives copies of financial guidelines to your patients and is often the first source of payment information.

The **clinical team** serves as trusted advisors. They must be able to answer the tough financial questions to keep your patients' confidence in your practice.

The **scheduling coordinator** must also know the payment options available for patients who are making appointments.

The **financial administrator** helps patients make the necessary financial arrangements. They must be sensitive to your patient's budgetary needs.

The **dentist** must lead by example and support the financial guidelines in the practice, referring patients to the financial administrator for payment details.

# Step 3: Always Follow Through

## Consistent Communication is Key

The most common problem dentists have with collections is lack of follow-through. Without it, collections become a losing proposition:

- Once an account ages beyond 90 days, you lose 7 percent of the value of that balance every month.
- Once an account has aged 12 months, you've lost more in labor, stamps and supplies than what your patient owes.
- You lose credibility when you repeatedly send statements and never follow through.

A dedicated financial administrator can lead your follow-up efforts and help you meet your financial goals.

### Use the Four-Notice Technique

After you've trained your team and educated your patients on your new payment guidelines, start using the proven Four-Notice Technique to collect account balances.

1. Send a current statement.
2. In 30 days, send a gentle reminder that the account is past due.
3. In 60 days, send a more firmly worded letter (second past-due notice) and follow it up with a phone call.
4. In 90 days, send a final past-due notice (90-day reply).

Finally, if necessary, refer the account to a debt collector.

### Be Aware and Be Fair

State and federal laws (such as The Federal Fair Debt Collection Practices Act) may prevent you from using certain collection methods. Make sure you and your financial administrator are aware of debt-collection regulations that affect your dental practice.

### When to Act

Ideally, your practice collects payment at the time of service. Here's what to do if that doesn't happen:

- **At checkout**, print a statement and give it to your patient with a stamped envelope and a copy of your new payment guidelines. Ask them to put their payment in the mail as soon as they get home. Follow up with a phone call if they haven't paid **within five days**.
- Call every patient with a balance **over 30 days** past due.
- If you don't call after 30 days, you **MUST call after 60 days**. Don't send another statement without calling your patient.
- Once an account ages **90 days**, the likelihood of you getting paid goes down by 50 percent. This is when you send a final notice statement.
- **After 120 days**, follow up the final notice with a phone call to inform your patient their account is going to a debt collection agency.

# How to Collect More

## Leverage Your Dental Software

The more you use the collections tools in your dental software, the more money you'll collect. Dental software such as Dentrrix can help you monitor collections and help your practice achieve its financial goals.

Dental industry best-practice goals for collections include:

- Collect **50 percent** of your daily collections over-the-counter (payment by cash, check or credit/debit card).
- Collect at least **98 percent** of your adjusted gross production (gross production minus adjustments, discounts and insurance write-offs).
- Make sure accounts more than 90 days overdue are less than **5 percent** of your total A/R.
- Allow no more than **5 percent** of your total A/R to be outstanding insurance claims.

### Get Professional Help

To quickly improve your collections and A/R, you may need professional help from an experienced dental consultant like Lois Banta. She can train your financial administrator or your entire team remotely, without interrupting patient flow. She also offers seminars and personal consulting. For more information, visit [www.bantaconsulting.com](http://www.bantaconsulting.com).

### Rely on the Industry Leader

Dentrrix provides software solutions for greater productivity and profitability in your practice. That's why more than 35,000 dental practices rely on Dentrrix today.

In addition to full-featured clinical tools, Dentrrix includes financial analytics, accounting and billing tools, innovative eServices, training seminars, profitability coaching and more. Only Dentrrix offers many compatible solutions from third-party dental technology providers. And, only Dentrrix is backed by Henry Schein, the most respected solution provider to office-based healthcare practitioners worldwide.

## Dentrrix Tools

Dentrrix practice management software helps you improve collections with these tools:

- **Collections Manager** allows you to filter A/R data by balance, aging, amount outstanding to insurance, and more.
- **Provider A/R Totals Report** shows the effectiveness of your collection efforts.
- **Aging Report** displays patient balances by age (current, 30, 60 and over 90 days).
- **Insurance Aging Report** shows which claims are outstanding by insurance carrier.
- **Practice Advisor Report** helps you analyze your performance statistics, including collections and A/R aging.
- **PowerPay** allows your practice to efficiently process credit and debit card payments.
- **QuickBill** lets you create and send electronic statements on demand.
- **Audit Trail Report** alerts the practice owner to excessive editing and deleting of transactions that might indicate fraudulent activity or costly mistakes.

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