Modernize your collection system for maximum profit

By Keith Drayer

In today’s economy there are many dental professionals who are faced with the challenge of their accounts receivable. Uncollected receivables turn into pure losses. Yet embracing a systematic approach to collections can help practices collect more funds and on a more timely basis.

One mistake providers make is not recognizing the signs of early default. When a patient doesn’t pay a bill within 60 days, hasn’t set up or is not following a payment plan, the patient is telling you that he/she is not going to pay.

Should you use your staff’s time trying to collect these accounts? As a dental provider, you are implementing state-of-the-art methods to treat your patients’ dental needs. You also need to employ the most up-to-date methods to keep your practice fiscally healthy.

In the past, collection agencies were the only “act on the block” and viewed as the last resort to collecting your money. They can be expensive and often care little about your relationship with your patients. You had no control over how they treated your patient and you never knew if they collected your money or not.

Often the collector, who is paid on a commission basis, “cherry picks” over your accounts and attempted to collect only the larger ones and did not work the smaller ones. In addition, many of your accounts that were collectable were deemed too small to work. Thus, you lost money when you didn’t need to.

What is needed is a proactive, systematic business model that will work all of your delinquent accounts equally.

Providers must take an approach that will reduce losses as well as speed up cash flow from past due accounts. You need to work with your patients quickly and effectively.

Outsourcing your collection problems to a service bureau can be much more cost effective than working them in-house — and certainly more effective.

Utilizing a third-party collection method that will keep you in complete control of the collection process is a must.

The third-party system should be respectful but firm, and utilize every possible legal tool to collect your money.

The provider who utilizes a systematic third-party approach to collect his/her money will see an increase in the bottom line.

Recognize the signs of early default to increase collections.

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About the author

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