



# The 7 Biggest Traps to Avoid When Collecting Money:

## How to Turn Your Accounts Receivable Into Accounts Payable!

A Special Report by Debra Moorhead  
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How often have you heard the joke, “Dentistry would be so easy if it weren’t for the patients!”? Why do we feel that way? What causes us to lose favor with the people who have the power to help make our lives everything we want? What is wrong with people that they think they can get away with not paying their dental bill? And why do they always end up in our office?

Is it the Financial Coordinator’s fault? “If she would just work a little harder and call people more often, they would pay what they owe.” Is it the Scheduling Coordinator’s fault? “Well if she wouldn’t schedule those kind of people in the first place we wouldn’t have to deal with them.” Is it the Dentist’s fault? “I told him that patient couldn’t afford that root canal and he did it anyway. He needs to stop caring so much about his patients.”

The truth is, it’s no one’s fault, and it’s everyone’s fault. How’s that for double-speak? While it is true that it is ultimately the patient’s responsibility to pay for his/her treatment, it is our responsibility, as the dental team, to make sure they do. But how do we do that? While there are many factors that affect patient collections, anyone who sets out to collect money owed to a dental practice faces 7 major pitfalls.

**1 Trying to collect after the work has been completed.** Uh-oh! If no agreements have been made in advance with the patient, you are lucky if you get paid. Once you’ve given away your services, you’ve given away your services. It really is that simple. If the patient is a moral person with good values, of course they will pay you. But consider yourself lucky every time a patient pays you in this situation.

**2 Not informing patients of the cost before the work is started.** Picture this: You’ve scheduled your car at the dealership for a routine oil change. The attendant asks if you’d like to have your tires rotated and balanced while you are in today – saving you another trip. You agree – it makes sense. Then he informs you that your transmission is due for servicing and that if you don’t have the service soon, the engine could blow up. He offers to perform this service for you today as well – again, saving you another trip. Sounds serious, so you agree. He also lets you know that your wiper blades need to be replaced. That seems minor – might as well do that today as well. Three hours later your keys are handed to you and your car is practically good as new. You walk up to the window and the cashier says, “The total for your car’s treatment today comes to \$1,200. Will you be paying for that with cash or check?” How do you feel? What would you do? Collecting on accounts when this has

happened is a struggle at best and sometimes even impossible. By the time you pay someone to track the account, make phone calls, mail statements, send the account to collections and pay their fees, you might as well have performed the work for free. Again, consider yourself lucky when someone pays you in this situation.

**3 No system in place.** How do you go about collecting what is owed to the practice? Do you have a system in place that follows the structure of the office policy so that patients know what is expected of them? What will happen to patients who don't pay? Are you "winging it?" Not knowing what is expected of them is frustrating to both patients, and the dental team members in charge of collecting. Develop a system, update it when necessary, then stick to it.

**4 Poor customer service.** Have you ever been treated so well at a place of business that you were not only willing, but eager, to pay your bill? Have you ever thought to yourself, "These people work so hard, they deserve every penny they charge?" This might be a better question to ask: Has your dental team ever received that compliment from a patient? If your patients are not leaving your office singing your praises, do you really deserve to be paid? Most patients know there is a cost to good dentistry and are willing to pay a fair amount or a little above for what they perceive is a good value. But no one wants to pay to be treated poorly, have their appointments cancelled or rescheduled at the last minute, sit in the reception area for more than twenty minutes, or be ignored or talked down to while they are in the chair receiving treatment. Make their experience a pleasant one; everyone will have more fun – including your collections team.

**5 Poor training and support of the office team.** When was the last time you sat down, as a team, and established a collection process? How are new team members trained on quoting fees? How are existing team members trained on how and when to present fees to patients? Does everyone on the team know how to answer patients' questions regarding their dental care and the fees associated with procedures? While it's great to have one or two people responsible for the office collections, everyone needs to know and be able to quote the fee schedule and office financial policy.

**6 No insurance tracking.** Do patients' balances become old due to the insurance company taking longer than 30 days to pay? Is someone on the team tracking insurance payments and following up *daily*? This concept is absolutely critical to the overall collections process. Many patients won't pay if their insurance company doesn't pay their part. Your patients are tracking what the insurance company does and says – are you?

**7 Lack of good information or no follow-up of information on forms.** Who on your team is responsible for verifying the information the patient gave on his/her registration form? Does the address and phone number match up? Is the Social Security number, Date of Birth, Driver's License number, etc. complete? Are there any red flags around the information the patient has provided? People with willful intent to steal services from your practice know how easy it is to make up information. They also know that it is impossible for anyone to collect money from someone who does not exist. How are you catching these people? They've got your number, do you have theirs?

I hope you have enjoyed my article. What you have read is just a small part of the advice I give in my work consulting individual Dentists and their teams.

If you believe you are falling into any of the 7 Biggest Traps, you may be in the situation where you qualify to be one of the handful of new clients I will work with in the next 12 months.

But I've found through experience that there's only one way to be sure, and that is to have a short conversation on the phone.

In our conversation, I would ask you to tell me about your practice goals and experience, so I can assess whether this training is appropriate for you and your practice.

The initial conversation is no charge.

Just like you, my time is limited, but I would enjoy discovering if my advice can help you accomplish your goals and have the impact it has for my clients.

To find out about my availability for a no-charge, no-obligation conversation, please call my office at (606) 748-1570, or send me a short email at [Debra\\_M@alltel.net](mailto:Debra_M@alltel.net)

Thank you . . . I am looking forward to speaking with you.

Sincerely,

A handwritten signature in black ink that reads "Debra Maxhead". The signature is written in a cursive style and is underlined with a single horizontal line.