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 picked” 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.

Recognize the signs of early default to increase collections.

Invest in your practice with HSFS

Henry Schein Financial Services (HSFS) business solutions portfolio offers a wide range of financing options that make it possible for you to invest in your practice for greater efficiency, increased productivity and enhanced patient experiences.

HSFS helps health care practitioners operate financially successful practices by offering complete leasing and financing programs. HSFS can help obtain financing for equipment and technology purchases, practice acquisitions and practice start-ups.

HSFS also offers value-added services including credit card acceptance, demographic site analysis reports, patient collections, patient financing and the Henry Schein Credit Card with 2% cash back or 1½ points per dollar spent.

For additional information, please call (800) 443-2756 or send an e-mail to hsfs@henryschein.com.

About the author

Keith Drayer is vice president of Henry Schein Financial Services, which provides equipment, technology, practice startup and acquisition financing services nationwide.

Look for a regular column on financial matters courtesy of Henry Schein Financial Services.

Henry Schein Financial Services can be reached at (800) 443-2756 or hsfs@henryschein.com.