Financial policies lack resolve

By Sally McKenzie

Early in the New Year, many of us lament the speed at which the last one passed, but resolve yet again to amend our lifestyles, to improve, to trim down, to bulk up, to eat better and to reduce stress. All of those meaningful life changes are important, but as you resolve to lose the jiggle, commit to increase the jingle, specifically the jingle of cash in your accounts.

Start the new year with a solid financial policy. Next, make certain you assign the right person to implement the policy. Financial policies are only as effective as the person in charge of collections is at upholding them. Certain people just cannot bring themselves to ask for payment from patients no matter how low the fee. They simply are not cut out for the position. Effective collections require someone who is assertive, tactful, confident, and goal oriented. Nicole may be loyal, kind, and a wonderful member of the team, but entirely too pliable when it comes to collections. If Nicole is your only option, train her. If Meredith is better suited for the position, assign the responsibility to Meredith and train her.

A trained financial coordinator is well prepared and fully comfortable explaining to loyal patient Joe that, as a small business, the dental practice cannot extend long-term credit to him, even though he has been a patient for 10 years. This person is also consistent. She/he can resist the temptation to allow Mr. Jones to just slide by after he brings in a fresh batch of holiday cookies. Mrs. Smith, Mary Jane, and even the doctor’s tennis pal aren’t awarded any special exceptions either.

A well trained financial coordinator is prepared not only to politely and diplomatically educate the patient about what the practice cannot do, and more importantly, what it can and will do to help the patient proceed with necessary and desired treatment. Moreover, this person makes sure that patients are versed on their financial options well before treatment is scheduled.

She/he is at ease collecting at the time of service and requesting payment in full for procedures that are less than, for example $250. And for more costly procedures, this person can clearly explain the office’s payment options, which might include the following:

- Offering a slight adjustment in the fees, such as 5% percent, for higher dollar procedures paid in full.
- Partnering with a patient financing company, such as CareCredit in lieu of allowing patients to carry balances on their accounts.
- This person is well aware of the advantages of treatment financing and can clearly explain the option to patients, as well as, answer any questions.

With a well-trained financial coordinator, you can expect many things, not the least of which is more money. But, like New Year’s resolutions, financial policies often fail because the practice doesn’t have the willpower to stick with them.

So as you proceed through 2007, resolve to establish a financial policy that is clearly articulated and distributed in writing to patients. Resolve to ensure that your policy is implemented with expertise and finesse, by a trained collections coordinator. And finally, resolve to stay out of her/his way. Don’t undermine your own policy, or your collections staff, by engaging in financial negotiations with patients or making special exceptions here and there. Mr. Jones may make the very best holiday treats, but he’s expected to pay for his care within a reasonable amount of time, just like everyone else.

About the author

Sally McKenzie is CEO of The McKenzie Company, Inc., a nationwide dental management, practice development and educational consulting firm. McKenzie Management provides knowledge, guidance and personalized systems. She can be reached directly at 877.777.6151 or sally@thedentistnetwork.net