Taming the AR monster

By Pat Rosenzweig

One of the many areas I look at when evaluating an orthodontic office is the outstanding accounts receivables (AR), and I’m often amazed at how large and out of control this monster has become.

Out of control AR is one of the most common complaints I hear from doctors, and it’s also one of the most difficult and time consuming to correct.

If your orthodontic office AR has jumped to more than five times your average monthly production, it might be time to take a good, hard look at your collection and insurance procedures. Let’s look not only at how we work to correct the problem, but also how we got there and how it could have been avoided.

I recently sat at the front desk of an office and listened to an exchange between a patient’s mom and the receptionist. Our patient had completed his appointment, and after scheduling the next appointment, the receptionist very politely mentioned to mom that this month’s payment was due and that last month’s payment had not yet been received either. The mom responded with a lovely smile followed by, “My husband takes care of the bills; I’m sure he’s handling that.”

Now, as if the mom’s cavalier attitude toward payment due (and overdue) wasn’t enough, the receptionist’s response was just as relaxed. “OK, see you next visit,” as mom and child sailed out the door. I was actually speechless. “See you next visit?” We just discussed an account that’s one month overdue and two months due and yet the mom left with no payment made, no commitment as to when she would pay and no request for a discussion with the financial coordinator.

I began to wonder if this mom thought her approach might work with credit card or mortgage payments. Could that mom just respond to a call from a financial institution regarding an overdue balance with a cheery tone and an announcement that “My husband handles that.”? Of course she couldn’t! But unfortunately, this is happening in orthodontic offices way too frequently.

The inability of front-desk staff members to ask patients for money is an issue that invariably makes doctors crazy, and yet doctors continue to set up scenarios that perpetuate this problem.

When we choose staff, especially for front-desk positions, we always try to find sensitive, kind and caring individuals who will develop a great rapport with the patients. This is definitely as it should be. The problem arises when these very nice people are given no training or scripting to handle financial issues.

When this occurs, collections drop and doctors start to wonder if they chose the wrong staff. What they should really be wondering is why they didn’t set the wheels in motion properly for the new hires.

By setting up clearly defined procedures and properly training staff, the collection of payments can be much easier for the staff and patients.

Let’s look at a few of the areas we need to discuss to head off and correct AR problems:

• Be sure all staff members are clear and onboard about the value of treatment. A staff member who thinks of orthodontic treatment as purely cosmetic cannot be successful when it’s time to ask the patient for payment. Train all new staff members completely regarding the functional and self-esteem benefits derived from orthodontic treatment, the rationale for the office fee schedule and its comparison to fees in surrounding offices.

• Get all the staff members involved in understanding that great patient care, and the ability of the entire team to provide that care, is not diminished by expecting patients to manage their financial obligations. Make the staff aware, by reviewing collection percentages on a regular basis and holding them accountable for collections, that they are in the business of dentistry as well as the profession of patient care.