

Frequently Asked Questions: Treating Patients in a Difficult Economy

This article answers questions that our regional patient safety/risk managers address about the serious problems that are occurring when patients become unable to or don't pay their co-pays or when they refuse to pay their doctor charges.

Q: When a patient is dissatisfied with care, can he or she dispute the charge with the credit card company?

A: A credit card customer can always request that a charge be questioned. Normally, when this situation occurs, the credit card issuer will open an investigation into the disputed charge. In the meantime, the card issuer may also withhold paying the credit charge amount to the doctor.

Q: What is the appropriate response when an established patient comes in but is unable to pay?

A: Talk to the patient first. Investigate why the patient isn't paying the bill; e.g., is he or she unhappy with the care? After that, you can consider alternative financing options, including bill collection.

It is helpful to have a written policy summarizing the practice's policy on financial matters that you give to each patient at the initial visit. A doctor has the right to expect payment for services rendered. The practice should have a policy and apply it consistently in a nondiscriminatory fashion. When you can, "remind" a patient that he or she received a copy of your policy at the time of the first visit. It makes handling this type of difficult situation easier.

If you decide to terminate the patient relationship for non-payment, you must follow a formal process that includes giving the patient proper notice and treating emergencies in the interim. For more information, read our article "Terminating Patient Relationships" under Practice Guidelines at www.thedoctors.com/patientsafety.

Q: Can the doctor refuse to establish a patient-doctor relationship based on the patient's inability to pay?

A: Yes, as long as the patient is not seeing you based on a referral from an Emergency Department where you were on call when the patient was seen. If that is the case, determine the requirements of the particular hospital as established in the hospital's medical staff bylaws and rules and regulations. You must follow those requirements.

At a minimum, you will likely be required to see the patient at least one time to determine the patient's status and whether he or she has an emergency medical condition under EMTALA. If the patient is in need of emergent treatment, you will likely be required to provide the care regardless of his or her ability to pay, although you can ask for payment or payment arrangements.

If the patient did not come to you as a result of an ED call and you have an established policy of not accepting patients who cannot pay, you can refuse to establish the relationship. Potential patients should be given some indication of your practice's financial requirements when they make an initial appointment for treatment.

If the potential patient is not aware of your financial requirements, he or she may delay making other arrangements for care while waiting for an appointment with you. If the patient then arrives for an appointment and you decide not to accept him or her for financial reasons, your decision can appear questionable in retrospect if the patient is injured by the subsequent delay in receiving medical care.

A process in which the biller checks the status of coverage before the patient comes in can expedite your decision on whether to accept him or her as your patient.

Q: When a patient is dissatisfied with the result of an elective procedure and demands a concession (a free revision, a refund, a discount, or refuses to pay credit card charges), what recourse does the doctor have?

A: Selecting the correct patient, providing very thorough informed consent, and keeping the lines of communication open are your best defenses against patient dissatisfaction. However, once a patient who is dissatisfied asks for compensation, contact your patient safety/risk manager, who will help you evaluate the situation from professional liability and compliance standpoints. In some situations, making a concession may be viewed as a "courtesy" gesture and may

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be a positive factor in the defense of a claim. Other situations may warrant the use of a Release of Claims form.

Q: What factors should I consider in choosing a commercial credit company to provide a line of credit to my patients? Where can I find a reputable company?

A: Some commercial credit companies hold the doctor responsible if the patient defaults on a payment. Before using a commercial credit company, read the contract carefully to make sure you won't be liable for a patient's outstanding balance.

You should also be aware of your state's consumer protection laws regarding lending and disclosure and make sure that your patients understand the terms and conditions of the financing.

Your bank, local medical society, or professional society can help you locate a commercial credit company.

Patient Safety Tips

- A credit card company will notify the doctor in writing about an inquiry into a charge that is being challenged. It is very important that you respond to the letter. If you don't clarify the dispute, the charge will be disallowed. Educate your office staff so that they recognize these letters and they bring them to your attention. Be sure to respond to any letter related to charges that are in question.

- If you accept a credit card for payment, you may want to consider a limit on allowable credit card charges. The limit can be a percentage of the total treatment charge or a dollar limit, e.g., \$3,500, \$5,000, or not more than 50 percent of the procedure cost.
- Payment plans should be in writing and signed by the patient.
- Be sure to obtain a reference for credit applications. This will ultimately assist you in locating the patient if the account needs to be sent to a collection agency.
- Put a time limit on any adjustments or revisions to the original procedure (such as 60 or 90 days from the procedure date). Otherwise, a patient could come in years later and request a revision that was discussed when the procedure was first done.
- Identify poor payers early on and deal with the problem. Do not wait until the situation reaches a crisis point and puts your doctor-patient relationship at risk.
- Make sure you select a reputable collection agency. There are very specific state laws dealing with fair debt collection. A doctor who selects an agency that violates state laws could face liability for negligent selection.

For more patient safety/risk management tips, articles, and information, please visit www.thedoctors.com/patientsafety.

By Susan Shepard, MSN, RN, Director, Patient Safety Education.

The guidelines suggested here are not rules, do not constitute legal advice, and do not ensure a successful outcome. The ultimate decision regarding the appropriateness of any treatment must be made by each health care provider in light of all circumstances prevailing in the individual situation and in accordance with the laws of the jurisdiction in which the care is rendered.
