

What Doctors Must Know about Increasing Collections for Services Provided to Injury Patients – A lawyer’s view.

“It’s not just what you MAKE, It’s Also what you KEEP”, is a phrase you’ve doubtless heard from me before. Given current economic changes and compensation challenges Profit Retention measures are a more important part of your legal and financial planning as a Doctor than ever before. This strategy must include best practices in your collections efforts as well. For some front line knowledge in this area I turned to my friend Attorney Michael Troncellito, who has built his business in part by providing a system that increases the speed of collections and helps guarantee that caregivers can give the treatment the patient requires when they need it.

– Ike Devji, J.D.

Nearly every physician has encountered at least one patient seeking medical treatment as the result of a personal injury event. If you have yet to experience this patient, you can almost certainly expect to during the life of your career. Over the past ten years, physicians of all types have asked me how to achieve higher collection rates quicker and with less hassle than the system currently affords. The question involves a complex set of circumstances and considerations; but the answer is simple. Just like everything else in life, the answer primarily lies in “who you know”; not “what you know.”

There are a few simple methods by which you can increase your revenues while spending less on administration and overhead. Here’s how.

First, it is imperative that you create a working relationship between your office and a personal injury law firm that shares your values in providing patient/client care while maximizing recovery for the patient/client and the medical professional. Most law firms operate for their own financial gain first. So, finding the right fit and a firm with the right approach may take a little bit of time.

Make sure the law firms you work with agree, in writing, to do the following:

- Within 10 days of your involvement, if not sooner, the law firm must provide your office with a practical understanding of the available insurance proceeds and a reasonable estimate of the total medical bills. For instance, if there is only \$20,000.00 in available liability coverage, and the patient incurred a \$32,000.00 hospital bill before the patient walks into your office, you need to be aware of the same. In that situation, you may want to bill the patient’s health insurance. If you wait for payment on a lien in this situation, you will almost certainly get that dreaded call requesting reduction of your bills. Don’t accept an attorney’s answer that he or she cannot determine those things. Any attorney with more than two years of experience should be able to obtain a reasonable estimate of available coverage from the adjuster and provide your office with a reasonable estimate of expected medical expenses. Mandate communication on these issues as soon as you are involved. It provides you financial reassurance, allowing you to focus on providing the best patient care possible.

- The law firm must subscribe to a communications policy where only attorneys speak to you or your staff. Get written assurances that legal staff will only be under the most extreme circumstance. The firm must also subscribe to a “same day” return call policy. Mandate that your office’s inquiries be responded to the same business day or, at worst, the next business day.
- Require that the law firm only ask you to reduce your billings after it first reduces its own charges. Further mandate that the firm take a reduction of its fees proportionate to the reduction it requests from you. To ensure that the attorney you work with is actually doing this, and not just representing that it is being done, work with firms that, as a matter of course, have clients sign a waiver of the attorney/client privilege as it relates to financial issues. Without a signed waiver, attorneys can misrepresent their reductions and hide behind attorney/client privilege refusing to show you a written breakdown of how the settlement funds are disbursed.
- The law firm should affirm, in writing, its practice of making every effort to avoid requesting a reduction of your charges. In some cases, reductions are necessary. However, all too often, attorneys request reductions for the sake of requesting them. This is not a “team” approach and is often done to protect the attorney’s fees; despite what is said about the attorney’s alleged attempt to benefit the patient/client. Here, again, a law firm’s use of the financial issue attorney/client privilege waiver document will help protect your interests.
- The law firm should be willing to show you, in writing, its policy of never taking more money as a fee than the injured person ultimately receives. This is regardless of how much cases settle for. This practice often enables the attorney to have more money to pay the medical providers.

Too many attorneys ignore how important it is to keep the medical providers informed during the claims process. Run from these attorneys as fast as you can. Mandate communication from the outset. If you fail to set parameters concerning the medico-legal relationship, you and your staff will be “trampled” by the plaintiff’s attorney.

The second set of things you can do to ensure higher collections faster is to make a few minor, inexpensive changes in how you run the portion of your practice involving personal injury patients.

- Store personal injury patient charts and files in a different place. Whether you have a paperless office or a more traditional office, injury patients’ charts and files should be maintained in different folders on your computer system or in different physical locations (drawers, rooms, etc.) than your non-injury patients. This gets you and your staff thinking differently about the business side of your medical practice right from the get-go.
- Listen to the attorney (who met those criteria above) as it relates to what liability insurance carriers consider to be appropriate versus excessive treatment. Liability insurers define “medical necessity” much more conservatively than health insurer. Of course, you cannot

permit an attorney to dictate how you treat a patient. Nonetheless, having this dialogue with the attorney is essential to you making wise financial decisions relating to the amount of care you advance a patient without immediate or timely health insurance payment.

- Have all injury patients sign a statutory lien document and record the same with the appropriate county recorder or other recording agency in your state. This can be time consuming if you try to handle liens “in-house”. Farm this work out to the professionals. There are many reasonably priced service providers who only handle health care liens. Utilize their services. You will be happy when it comes to getting paid.
- Have all patients sign a contractual lien and have his or her attorney sign the same. The attorney (who meets the above criteria) will almost always have no problem with this. In fact, attorneys who meet the above criteria will review your contractual lien documents and make sure that they are compliant with the law; sometimes even free of charge.

These very basic and extremely inexpensive methods have increased collections for nearly every physician and office that has employed them. If you are tired of feeling like you waste time and money with personal injury patients, put these recommendations into action. Your receivables will increase; and so will your happiness in your practice.

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Attorney **Ike Devji**, an Asset Protection only attorney that helps protect a national client base including literally thousands of doctors and business owners. Learn more about Ike here: <http://awe.sm/5GGH8> and see why he is listed among WORTH magazines, “Leading Wealth and Legal Advisors”.