The dental industry has undergone a large transformation in recent years. And for most dental practices, this transformation has not been for the better. The economic crisis of 2008 left the majority of America's dentists with fewer patients, decreased practice revenue, lower net income, and rising bad debt. Patients are coming in less often, and when they do, they pay their bills slower and in smaller amounts.

So what do all of these changes mean for your dental billing and collection practices? They mean changing the way you manage patient payments – and your expectations! We’ve outlined three simple ways your dental practice can adjust to the changing times in dental collections and prosper during a period when most dental offices are struggling to maintain a healthy bottom line:

**Adjustment #1: From Debtor to Consumer to Customer**

What term does your administrative staff (or collection agency partner) use to refer to patients with unpaid debts? Do they call them debtors? Consumers? Customers? A growing trend in dental collections (and in all forms of debt collection) is a shift away from referring to individuals with unpaid bills as debtors, to using a more respectful and friendly term like consumer, or even customer. We believe the term or name you give delinquent patients can both psychologically and practically change the way your patients are treated during the bill pay process. The term “debtor” will instantly define a slow-paying patient (in the minds of your collectors) as someone who habitually doesn't pay his or her bills and does not deserve to be treated decently during the bill pay process. In reality, healthcare-related debts are commonly forgotten or paid after other debts (like mortgage, car payments, student loans etc.) have been settled – when the patient still has the full intention of paying off the bill in full, despite falling slightly behind. For this reason, it is important to encourage your collection agency partner to refer to your delinquent patients as “consumers” or “customers.” By doing so your valued clients will be represented in the proper light. By using a more patient-friendly term to refer to those patients with unpaid bills, an outside collection agency will be reminded to handle the account with the interest of patient satisfaction and patient retention in mind. And after all, happier patients are more willing to pay their bills than patients who are alienated during the collection process. So make a small adjustment to your collection terminology and put your outside collectors in the right mindset when making those difficult collection calls. It can make a huge difference in converting your first-time patients into the loyal, long lasting clients your practice needs to remain profitable in today’s economy.
Adjustment #2: From Quantity Collections to Quality Collections

As we’ve discussed in previous white papers and blogposts, changes in the healthcare regulatory environment has changed the way dentists do business. More specifically, increased regulatory oversight has changed the way your internal collections staff and 3rd party collectors approach the debt recovery process. In response to more regulations and increased emphasis on patient-protection, collectors have begun focusing on quality collections, as opposed to the traditional focus on quantity collections. The days of simply achieving the highest possible recovery rates are over. In fact, many dental practices today now see financial results as a secondary objective of the patient bill pay process. Patient satisfaction and patient retention have become the primary goals of the debt collection process as more and more dental practices are relying on repeat customers as their main source of revenue. In an industry once ruled by numbers and recovery rates, it seems that quality has ironically begun to trump quantity when it comes to successful dental debt collection.

Adjustment #3: From PIF to Payment Plans

Like we said earlier, the goal of the collection call has evolved in recent years. And along with the collector's goals, collector's expectations have had to adjust as well. It is no longer reasonable (or realistic) to expect every patient to pay his or her bill in full when it comes due. The economic collapse has left many of your patients underinsured or not insured at all, and as a result patient responsibility is at an all time high. Consequently, payment plans have now become a popular tool for recovering delinquent patient debt and for getting slow-paying patients to settle their unpaid accounts. Payment arrangements such as installment plans, partial payment plans, or deferred payment plans have become effective ways to not only help lighten a patient's financial burden, but to get dentists paid in full as well. And while payment plans such as these may take more time than initially agreed upon, they are effective for maintaining (and enhancing!) a patient relationship and keeping control of your accounts receivable.

So make the proper adjustments listed above and position your dental practice to prosper in today's economy. By doing so you will not only increase recovery rates and your practice's profitability, but will improve the patient experience and overall patient satisfaction as well! For more information on how to maximize recovery and minimize dental bad debt, visit IC System online at www.DentistCollect.com!