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MANAGING YOUR DERMATOLOGY PRACTICE

Yes, You Should Accept Credit Cards

I continue to receive questions on the benefits of conventional mail billing versus keeping patient credit card numbers on file, an idea first proposed in this column almost 2 years ago.

(If you missed the original December 2005 column on the subject of credit card billing, or its sequel 3 months later, you can find them at www.skinandallergynews.com. Click on "Archive Collection" on the left-hand side.)

Many physicians, especially those of a traditional bent, continue to resist the idea of accepting credit cards—or even asking patients for payment at the time of service—because it smacks of "store keeping."

I often hear from physicians who feel more comfortable billing patients but complain that their bills are ignored.

It is much more efficient to collect payment at the time of service, while you still have the patient at hand. With each passing day after office treatment, the likelihood decreases that a patient will pay the bill.

Besides, billing is expensive. When you total the costs of materials, postage, and staff labor, preparing and mailing a bill can cost from \$2 to \$10. And every minute your office staff spends producing and mailing bills is a minute that could have been spent on more productive work.

Billing services are an alternative, but they are also expensive and those bills get ignored, too.

Credit and debit cards eliminate many of the problems associated with billing. They allow you to collect more fees at the time of service, while patients still think they are important.

An immediate credit or debit card charge reduces the chances of a balance falling through the cracks, getting lost in the mail, or getting embezzled. And they won't bounce like checks. If the patient is delinquent in paying the credit card bill, it's the credit card company's problem, not yours.

Card payments also improve cash flow, which is always welcome.

Credit cards offer more payment flexibility for patients. In the case of a large balance, you can offer the option of putting all the charges onto a credit card, which can then be paid in monthly installments affordable to the patient. Your practice gets reimbursed in full, even as the patient is paying it off at a pace that makes sense for his or her finances.

As described in detail in my December 2005 column, "How to Slash Accounts Receivable," you can also keep patients' credit card numbers and signatures on file, and use them to bill insurance balances that come in later.

This practice also comes in handy for patients who claim to have come to the office without cash, a checkbook, credit cards, or any other method of payment. In

such situations my office manager loves to say, "No problem, we have your credit card information on file!"

Many consultants feel that physicians will have to become increasingly flexible in how they accept payments as the population continues to age.

That flexibility will take on more importance as increasing numbers of patients rely on health savings accounts (HSAs). Many experts predict that the

number of HSAs will increase tenfold by the end of this decade. That's a trend you will want to accommodate in any way you can.

Some financial institutions have even begun creating medical credit and debit cards designed specifically to be kept on file at doctors' and dentists' offices.

Like it or not, your practice is a business, and your patients, like all customers, need to be offered every convenience your

competitors offer—including credit card services.

How do you go about acquiring credit card services for your office? That's the subject of next month's column. ■

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