

Making Collection Calls the Right Way

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There is a difference between a debt collector and a creditor. The medical practice would be considered a creditor, as the money is owed to the practice. A debt collector is a third party attempting to collect debts on the creditor's behalf.

As a creditor, the medical practice has every right to attempt to collect any owed money from a guarantor. A guarantor that owes you money is now a debtor. You must always keep in mind; however, that the debtor has rights too.

Following the Fair Debt Collection Practices Act will protect the practice as well as the debtor's rights. You may contact the debtor in person, by mail, or telephone. You are limited to contacting the debtor by phone or in person to the hours between 8:00am and 9 pm, unless the debtor has authorized you to do so. You may contact the debtor at work unless the debtor has informed you not to do so or if you know the employer disapproves or prohibits personal calls.

The debtor can also request in writing that you cease contact with them. Should they do so, you still have other avenues to collect such as a lawsuit. Should you in any way violate the debtors rights they also have the right to sue you under the Act. Your state may also have additional protections for both the creditor and debtor.

Should your debtor inform you they have an attorney then you must deal only with the attorney. Without debtor consent or court order, you are not allowed to contact other third parties, friends, neighbors, and employers, except to locate the debtor.

What you can do is contact other individuals in order to locate the debtor, phone number, or employer. This contact is normally restricted to one time. You may not misrepresent that this is a medical emergency or violate the debtor's privacy by releasing information or discussing the debt with other third parties with the exception of the debtor's attorney.

You are not allowed to harass, threaten, or abuse the debtor.

Examples:

- Say you will turn them over to collection if you have no intention to,
- Threaten violence, or say they have committed a crime and will be arrested,
- Excessive calls, contact outside of legal timeframe,
- Use a false name,
- Use obscene, profane, or abusive language,
- Publish a list of non-paying debtors,
- Misrepresenting who you are (saying you are an attorney or from the sheriffs office).

Collection calls must be planned to be successful. The collector should be familiar enough with the account to be able to discuss last payment, total balance, previous letters or calls, etc.

The collector should:

- Identify they are speaking to the debtor
- Identify themselves and the reason for calling
- Ask for FULL payment (suggest credit or bank card)
- Negotiate if full payment not possible, set a specific dollar and time frame
- Follow up with a letter substantiating the agreement if a large amount of money is involved or if debtor fails agreement and account will be sent to collection agency.

The focused collection call should take one to two minutes maximum. Debtors will try and manipulate the discussion around, taking longer than necessary. One way the collector can get back on track is to say something like:

- "We understand Mr. Smith, emergencies do happen. That is why we need to work out the payment arrangements on your outstanding balance.
- "I understand that you are having a difficult time right now. "What we need to do now Ms. Jones is to work out a payment solution for this outstanding balance."

Offering a credit card option is as simple as saying something like:

- I understand Mrs. Brown; you need to make smaller monthly payments. Unfortunately, our office is not set up for small payments. I know you understand. Now, do you have a bankcard, credit card, debit card? Let's use that and you can make those smaller more convenient payments for you.

Successful collections mean a trained collector going after the right accounts. It is not starting at the A's and go through the Z's every month. Go after the big dollar accounts, not the alphabet or the 120 accounts first. Make the calls that will bring in the biggest dollars.

Source: www.pmimd.com

Publications related to this topic on website www.practicesupport.com include:

[Billing & Collecting Tools for the Physician Offices](#)

[Insurance Handbook for the Medical Office](#)

[The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid](#)

[Get the Money in the Door - Physician Billing Basics](#)