

Tips for Long Term Care Collections Policies

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Many long term care providers (including skilled nursing, assisted living and personal care homes) may have a written collections policy. If yours doesn't- why not? And if yours does have such a policy- have you evaluated whether it is really working for you?

Written policies are important. This industry can have a lot of turnover at times, and a written policy should clearly define who is responsible for what task, and in what time frame it should be completed.

If you have a written policy, every now and then it is good to have a "check up" to determine if your policy is meeting your needs. Where is your policy failing you? Are there parts of the policy that are unclear?

Your collections policy should contain:

- Clear, targeted measures and steps.
- Specific time frames.
- Identity of the individuals responsible for each task. Examples- the executive director shall call the responsible person; the business office manager shall send a past due letter.
- Require documentation of all collections communications and actions taken.
- Control the message. Have a basic script for a phone call, or a form demand letter.
- Define when to escalate or how to handle disputes.

Benefits of a strong collections policy:

- Makes collections less overwhelming because the process is outlined.
- New employees can read policy and understand their role right away.
- Inclusion of required deadlines prevents procrastination and a back up of collections.
- Keeps AR from aging.
- Keeps AR from growing.
- Staff will be clear in their duties.
- Control your message.

One of the services that I offer my clients is to review their collections policies and work with staff to determine where their policies are falling short. This process has helped to greatly decrease the number and amount of unpaid accounts. For one such client, a year after implementing a new policy, the client went from 19 outstanding accounts down to five. Please contact Mike Cassidy if you are interested in this kind of assistance.