

At this point in the article, one may have the impression that the best thing to do is simply write off the bill and forget about it. However, one obvious downside to doing that is lost revenue from the non-paying patient and from the paying patient who could have been seen. Another downside is that treating a non-paying patient can ultimately impact care which could give rise to a malpractice claim.

When faced with a non-paying patient, taking the following actions may minimize the possibility of an undesirable outcome. Provide patients with a financial policy at the outset of treatment and address non-payment of fees promptly. If a situation arises where use of a collection agency is being considered, the psychiatrist, as opposed to a staff member, should always make that determination. The psychiatrist has the training, experience, and personal knowledge of the patient necessary to determine whether or not collection is appropriate for a specific situation. Psychiatrists should be familiar with and adhere to state and federal laws, as well as the standards and requirements of the state medical board, professional organizations, and all relevant third-party payors concerning collections. Disclose only the minimum information necessary to the collection agency to avoid breaching the patient's confidentiality. Under HIPAA's Privacy Rule, covered providers must have a business associate agreement in place with the collection agency; non-covered providers should consider such agreements, as well.

In conclusion, as unfair as it may seem, a malpractice lawsuit or complaint to a licensing board or healthcare organization can arise simply because a provider chooses to collect on a patient's overdue bill. To minimize these risks, make your financial policy known to patients, address unpaid bills promptly, and approach the decision to pursue collection thoughtfully and professionally.

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