Your receivables management partner should be monitoring and adapting to the ever-changing regulations in both the health care and debt collection industries on your behalf. However, there are a few reporting best practices you should follow to ensure that your agency, and your practice, can maintain compliance. In this article we will discuss the most important information you should be sharing with your medical collection agency or RCM partner on a regular basis.

Updated Patient Information

The Fair Credit Reporting Act (FCRA) and Fair Debt Collection Practices Act (FDCPA) have strict regulations in place for protecting patients from unfair collection practices. One of these regulations requires the timely reporting and updating of patient information, especially when a derogatory mark is being placed on their credit report.

The three major national credit bureaus – Experian, Equifax, and TransUnion - are now requiring at least a date of birth and/or a social security number as a unique identifier for every patient account being reported to ensure the wrong person is not being affected. It is critical that your agency has the most current demographic information for each of your patients. This is not only important if your practice credit reports, it will also ensure they are following up on the proper patient accounts and can help avoid HIPAA and Telephone Consumer Protection Act (TCPA) violations.

Payments

It is not uncommon for a patient who has been contacted by a debt collector about their bill to reach out to your practice or hospital to settle their balance. To ensure your agency is attempting to collect the right amount, they must have the most up to date balance on all accounts. This is particularly important if your agency credit reports. New credit scoring models and initiatives remove paid accounts from consumer credit reports, and if payments are not promptly posted and subsequently removed it could result in a dispute.

Even if your practice does not credit report, failure to report payments to your agency can still result in improper billing, which could certainly affect patient satisfaction and their relationship with your practice.

Credit Disputes

The FCRA also requires data furnishers to conduct an in-depth investigation of all credit report disputes within thirty (30) days. This review must include any supplemental information provided by the bureau as well as all information provided to your office by the patient since the date of service in question. In order to comply with this mandate, it is essential to develop a policy for communication with your agency in the event of a dispute to ensure investigations are conducted thoroughly and in a timely manner. An open channel of communication and proper documentation sharing will also result in the timely removal of any inaccurate or incomplete data furnished to the bureaus.

For your agency to be able to assist in these investigations, your practice must provide all available information within the allotted time frames to ensure the investigation is completed properly.

Bankruptcy Notices

When a patient files for bankruptcy an automatic stay is immediately placed on all creditors. This stay bars all collection efforts against the patient until the case is resolved. Any collection activity by your practice or your agency can be considered a violation of the court order.

Your agency should scrub accounts for bankruptcies before beginning any collection efforts, but it is still important to provide them with any notices you receive. Doing so will ensure they are not improperly reaching out to a protected patient.

Past-Due Accounts

One of the most important reporting tips we want to share is not about compliance, but about recovery. The cost to collect a past-due balance only increases as accounts age. Best practices suggest that you should be sending accounts to your agency no later than 120 days after delinquency, so long as that is line with your practice's financial policy. Regardless of the age you choose, your practice should decide when to send collection accounts to your agency, share that timeline with patients in your financial policy, and strictly adhere to it.

In addition to collecting more of your past-due balances, agencies will also typically charge a smaller fee on younger accounts. Consistent reporting to your collection agency will help to improve their recovery and lower your costs for a much healthier revenue cycle.

Establishing solid lines of communication and policies for reporting any activity on accounts that have been sent to bad debt can help to ensure that both you, and your agency on your behalf, are in compliance with these strict federal regulations. Proper reporting will also ensure the smoothest account handling and can help to maintain the relationship that you have built with your patient by avoiding errors and disputes.

Click here for a free downloadable guide of these best practices.

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