



Termination for Non-Payment

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PURPOSE OF RISK MANAGEMENT RECOMMENDATIONS

OMIC regularly analyzes its claims experience to determine loss prevention measures that our insured ophthalmologists can take to reduce the likelihood of professional liability lawsuits. OMIC policyholders are not required to implement these risk management recommendations. Rather, physicians should use their professional judgment in determining the applicability of a given recommendation to their particular patients and practice situation. These loss prevention documents may refer to clinical care guidelines such as the American Academy of Ophthalmology's *Preferred Practice Patterns*, peer-reviewed articles, or to federal or state laws and regulations. However, our risk management recommendations do not constitute the standard of care nor do they provide legal advice. If legal advice is desired or needed, an attorney should be consulted. Information contained here is not intended to be a modification of the terms and conditions of the OMIC professional and limited office premises liability insurance policy. Please refer to the OMIC policy for these terms and conditions.

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Recently a retina specialist called for advice. She treats many patients who need specialized long-term care for conditions such as diabetic retinopathy and age-related macular degeneration. A number of her patients have not responded to multiple invitations to make arrangements to pay their bills. As the only sub-specialist in her region, she wondered if she could discharge such patients from her practice.

Patient Abandonment and the Physician-Patient Relationship

Patient abandonment occurs when a physician fails to provide for necessary medical care to a current patient without adequate justification. In general, once a physician-patient relationship is established, a physician has an ongoing responsibility to the patient until the relationship is terminated. It is well established, however, that physicians can discharge a patient for a number of reasons, including non-payment, noncompliance, threatening behavior, and an ineffective physician-patient relationship.

Prior to termination, the ophthalmologist should resolve acute conditions, verify that alternative care is available, and provide written notice sufficiently in advance for the patient to secure the services of another physician. While most physicians know to send such a letter, many are not aware of the importance of including information about the

treatment plan, follow-up needs, and consequences of not getting the recommended care (see the sample letter). Finally, it is important to check the provisions of any contract with a health plan; at times, physicians may be required to go through the plan to end the relationship.

Investigate the Reason for Non-Payment

Failure to pay the bill could occur for a number of reasons, many unrelated to the patient's financial situation. Indeed, non-payment is often an early warning sign that a patient is unsatisfied with his or her outcome. It is prudent, therefore, to first determine why the patient is unwilling to pay.

These conversations can be difficult, so this responsibility should only be assigned to a staff member with excellent communication skills. Ask open-ended questions such as "I noticed you have not sent in your payment. Is there a problem we need to know about?" Patients with financial hardship appreciate being given the opportunity to make arrangements to honor the financial obligation. Those who are unhappy with their outcome need to be referred to the physician, who should seek risk management assistance from his or her professional liability carrier.

Patients often are confused or angry about their responsibility to pay co-payments and deductibles, and mistakenly feel that physicians can waive these at will. Ophthalmic personnel have an important educational role to play, which is discussed further in the following recommendations.

Risk Management Recommendations

PATIENT NOTIFICATION OF FINANCIAL RESPONSIBILITIES

- Notify new patients that it is their responsibility to pay for care.
 - Explain that if they have insurance of any kind, including from the federal or state government, you are obligated by law and contracts to collect any deductible or co-payment at the time of service.
 - Ask patients who need assistance in coordinating payment from an insurance company, making a payment plan, or who have difficulty making their co-payment or deductible to speak to your billing manager.
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- **BILLING PRACTICE**
 - Include in the bill information on who to contact with questions or who to notify of problems paying the amount by the due date.
 - Give the patient a reasonable amount of time to pay the bill. Consider offering to help make a payment plan.
 - Instruct your billing manager to notify the physician once the full billing cycle has ended without payment or a payment arrangement, so that the ophthalmologist can decide how to proceed.
 - Investigate the reason for the non-payment, as discussed above.

- Approve sending a patient to collections before any action is taken. Notify the patient that he or she will be turned over to collections by a given date unless the office is contacted and the patient agrees to pay the bill or make a payment plan.
- TERMINATION FOR NON-PAYMENT
- Ensure that acute conditions are stabilized, or that another ophthalmologist is willing to take over care.
- Send the patient the 30-day notice warning of termination if payment is not received (see attached sample).
- After 30 days, if the patient has not contacted the office and agreed to meet the financial obligations, send a confirmation of termination letter (see attached sample).

OMIC policyholders who have additional questions or concerns about this issue may call our Risk Management Hotline for confidential assistance at (800) 562-6642, extension 651 or 662.

These sample letters are provided as a guideline only and should be modified according to the situation. **Be sure to place a copy of the letter in the patient's chart.** If the patient's condition warrants a certified letter, send it both certified and through the regular mail. Place the letter and the signed return receipt in the patient's chart.

SAMPLE LETTER: 30-DAY WARNING OF TERMINATION IF NO PAYMENT

(On Physician's Letterhead)

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

(date)

Dear (Patient):

Our office has tried over a period of time to help you make an arrangement to pay your bill. I am writing to inform you that if within 30 days of this letter you do not contact our office and agree to meet your financial obligation, I will no longer be available as your ophthalmologist.

Continued care is essential to the health of your eyes. You have an eye condition which will worsen without proper care **(If the patient has a condition that requires specific care, state the care AND the consequences of no care in clear, patient-friendly language. If the patient has a condition that needs regular follow-up, state the frequency and urgency of the follow-up, AND state the consequences of not getting the follow-up at the recommended time in clear, patient-friendly language.)** Permanent damage may occur, resulting in visual loss or blindness. Kindly realize this letter is not meant to alarm you. We only wish to inform you of the seriousness of your condition, which we have explained during office visits, and of your obligation to pay your bill.

If we have not heard from you within 30 days, we will assume that you do not intend to pay your bill and have transferred your care to another physician. We will provide a copy of your medical records to your new physician upon receipt of a signed authorization to do so. An authorization form is enclosed for your convenience.

Sincerely,

(Physician's Signature & Name)

SAMPLE LETTER: CONFIRMATION OF TERMINATION OF CARE

(On Physician's Letterhead)

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

(date)

Dear (Patient):

Since you have not contacted us after receiving the certified letter dated (state date of letter), you have been terminated from our practice for failure to make arrangements to pay your bill.

If you have not already done so, I strongly urge you to make arrangements for the services of another ophthalmologist as soon as possible to maintain the continuity of your care. If you need a referral, you might contact your health plan, the local ophthalmological society (give number) or the (state or county) medical association (give number). My office will transfer a copy of your records to your new physician if you so desire. A copy of the authorization form is included.

I wish to remind you again of the importance of seeking regular eye care and maintaining the continuity of services by another qualified ophthalmologist. **(If the patient has a condition that requires specific care, state the care AND the consequences of no care in clear, patient-friendly language. If the patient has a condition that needs regular follow-up, state the frequency and urgency of the follow-up, AND state the consequences of not getting the follow-up at the recommended time in clear, patient-friendly language.)**

I appreciate your understanding and assistance in this matter and assure you we will do all we can to facilitate a smooth transition in your care.

Sincerely,

(Physician's Signature & Name)