

**Termination of Care for Financial Reasons**

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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. Consult an attorney if legal advice is desired or needed. 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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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. A comprehensive ophthalmologist called to report that his patient opted for a high deductible health insurance plan, but now feels she cannot afford to pay the deductible and is declining care. He asked how to handle the situation. This document provides guidance on how to evaluate the reasons for non-payment and the steps needed to terminate the relationship if deemed necessary.

Investigate the Reason for Non-Payment

Patients don’t pay their bills for many reasons. Some may be confused or angry about their responsibility to pay co-payments and deductibles, and mistakenly feel that physicians can waive these at will. It helps to explain to them that you are usually required by contract to collect these fees at the time of service. Other patients may report that they are unable to pay their deductible and/or co-pay, and choose to delay or decline care. Review the health insurance plan contract to understand how this should be addressed by the practice and also encourage the patient to contact the health plan to discuss the issue. Finally, with some patients, non-payment may be an early warning sign of dissatisfaction.

It is prudent, therefore, to first determine **why** the patient is not paying the bill. 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.

Avoid Allegations of Patient Abandonment

Physicians have many questions about their right to discharge a patient and how it should be done. In general, once a physician-patient relationship is established, physicians have an ongoing responsibility to provide care until the relationship is terminated by one of the parties. Patients may end the relationship for any reason, and are not required to give notice. Physicians also have the right to terminate the physician-patient relationship, whether for non-payment, noncompliance, threatening behavior, or an ineffective physician-patient relationship.

Unlike the patient, however, physicians must both provide notice and take other steps. To avoid allegations of patient abandonment, treat acute conditions to minimize the patient safety risk of delayed care. If you know of available care alternatives, inform the patient. Provide information about the treatment plan, follow-up needs, and consequences of not getting the recommended care (**see the sample letter** at the end of this document). Send the notice in writing and give the patient sufficient time—30 days is customary—to secure the services of another physician. Finally, check the provisions of any contract with a health plan to see if you must go through the plan to end the relationship.

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 to speak to your billing manager if they need assistance in coordinating payment from an insurance company or making a payment plan, or have difficulty making their co-payment or deductible.

BILLING PRACTICE

* Include information along with the bill 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.
* Obtain physician approval before sending a patient to collections. Notify the patient in writing 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 has agreed to take over care.
* Send the patient the 30-day notice warning of termination if payment is not received (see attached sample).
* Send the letter certified, and by regular mail as well, in case the patient is not home or refuses to sign for the certified letter. Add the words “Address Service Requested” on the front of the envelope (either below your return address or above the patient’s address). This signals the Postal Service to forward the letter if needed, and to notify you of the new address. You may either have this printed on your envelopes, or buy a stamp with this wording from a stationary store.
* Place a copy of the letter and the return receipt in the medical record. Place the post office notice that the mail was either undeliverable or not accepted in the record to show that delivery was attempted.

PATIENTS WHO CANNOT PAY DEDUCTIBLE

* After exploring deductible and co-pay issues with the patient and the health plan, the patient may still not be able to afford to pay for care. Send the patient a letter that confirms their decision to forgo care and let the patient know he or she is welcome to return when the financial situation improves.

**OMIC policyholders are invited to contact our confidential Risk Management Hotline for assistance. Please call 1.800.562.6642, option 4 or email us at** [**riskmanagement@omic.com**](mailto:riskmanagement@omic.com)**.**

This sample letter is provided as a guideline only and should be modified according to the situation. Send the letter certified AND through the regular mail with the words “Address service requested” on the front of the envelope either below your address or above the patient’s address. **Be sure to place a copy of the letter and the certified mail receipt in the patient’s chart.** Place the post office notice that the mail was either undeliverable or not accepted in the record to show that delivery was attempted. To have OMIC review your letter, please fax it to 415-771-1810 or email it to [riskmanagement@omic.com.](mailto:riskmanagement@omic.com.)

# **Sample notice of termination for non-payment**

# (On Physician’s Letterhead)

(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. I only wish to inform you of the seriousness of your condition, and of your obligation to pay your bill. To facilitate the transfer of your care to another physician, we will provide a copy of your medical records upon receipt of a signed authorization. We have enclosed an authorization for your convenience; please sign and return it.

This is the only notice of termination for non-payment that you will receive. If we have not heard from you by **[insert the day the 30 days ends]**, I will not be available for care. We may at that point pursue efforts to collect the amount due through a collection agency.

Sincerely,

(Physician’s Signature & Name)

**Sample Letter to Patient Unable to Pay Deductible or Co-pay**

This sample letter is provided as a guideline only and should be modified according to the situation. Send the letter via regular mail, and add the words “Address service requested” on the front of the envelope either below your address or above the patient’s address. **Be sure to place a copy of the letter in the patient’s chart.** To have OMIC review your letter, please fax it to 415-771-1810 or email it to [riskmanagement@omic.com.](mailto:riskmanagement@omic.com.)

# CONFIRMATION OF DECISION TO DISCONTINUE CARE

# (On Physician’s Letterhead)

(Date)

Dear (Patient):

On (date) you informed our practice that you will not continue care with (name of doctor) because you are unable to pay the deductible (or co-pay) associated with your insurance plan. We hope that when your financial situation improves, you will contact us so that we can resume our role as your eye health care provider.

As you leave our care, we must remind that 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 warning is not meant to alarm you. We only wish to inform you of the seriousness of your condition, and encourage you to seek proper care.

Please contact our office when you are able to resume care with us.

With best regards,

(Physician’s Signature & Name)