The Careful Art of Collection Letters

The use of collection letters has long been a necessary, but challenging process for many medical practices. Managing delinquent accounts and properly contacting patients can be a tedious and time-consuming process that proves very difficult. You need to collect the money that is owed to you, but appearing too aggressive may sometimes hurt your practice’s image and potentially cause a loss in business. The following guidelines will help you effectively use letters to collect on past-due accounts.

1. **Be Proactive**: Sending a "past-due" letter before an account becomes a collection risk is one of the most effective methods medical practices can use to increase cash flow and reduce past due payments. This first letter should be sent shortly after the original payment was due and simply inquire as to whether a problem exists. It’s possible that the patient may have just missed the first statement or has forgotten about it, and a nicely written letter can provide a gentle reminder.

2. **Gradually Increase Directness**: If the patient does not respond to the first letter, gradually increase the assertiveness of your message to create a greater sense of importance and urgency. Initial correspondence is generally positive and encouraging while subsequent collection letters should become more insistent in nature.

3. **Utilize a Third Party**: The use of a third party demonstrates that you are serious and willing to take extra steps to collect your money. By introducing a third party such as Transworld Systems, a reputable collection agency, the patient will know that this process is being handled professionally and that all legal means will be used to collect on the past due account.

4. **Comply with the FDCPA**: Laws and regulations as to how aggressive one can get when it comes to collecting debt are increasing. While primarily designed for collection agencies, these guidelines are helpful in establishing professional methods for anyone collecting past due invoices. For more information on the FDCPA, click here.

5. **Send a Thank You (when payment is received)**: Sometimes the collection process can be a frustrating and embarrassing experience for your patients. Sending a thank you letter after you have received payment can help repair any ill-will and add a professional touch, letting your practice keep its image intact.

6. **Turn over to a Collection Agency (if not received)**: After numerous collection letters have been sent, it can become clear that even more aggressive tactics will be necessary. This is a good time to consider bringing in a collection agency such as Transworld Systems to help you recover on these delinquent accounts.
Profit Recovery by Transworld Systems was designed to help medical practices of all sizes more effectively manage the debt collection process. Our proactive approach delivers the power of 3rd party intervention while allowing our clients to maintain their valuable patient relationships. Our proven system complies with FDCPA guidelines and has been thoroughly tested to achieve optimal results. Plus, our web-based system stores a record of all collection activity for each account that can be viewed and managed 24/7.

Transworld Systems collected over $6 billion in the past decade for more than 60,000 clients. Our proven techniques will help your practice get the money it’s owed without losing its patient base from overly aggressive techniques.

To see a free sample collection letter, click here.