

## Texas ACOFP



### Article; How the Psychology of Money can Affect Your Practice

For some of us, asking for money is simple and effortless. For others, just the thought of asking gives us hives. In this article, we will briefly touch on the Psychology of Money and how our attitude toward it can affect your practice.

Dr. Brad Klontz, Psy.D., CFP and Founder of the Financial Psychology Institute at Creighton University Heider College of Business says that, "Just about everyone has a complicated relationship with money."

For physicians, collecting fees for services rendered can feel particularly uncomfortable. Your primary role is that of care-giver, meeting the medical and emotional needs of your community. Asking for payment is typically a secondary role for most physicians.

In her article, "[Why Asking for Money Is So Hard](#)" author Kathy Caprino writes, "Very few people like asking for money, and no one finds it easy - we universally hate it. Why? Because asking for money brings up thousands of insecurities and doubts. Asking for fair compensation means putting a formal stake in the ground about where we stand in a value equation. And most are simply too unclear about their own worthiness to do that."

Intellectually however, most of us would agree that quality medical care is essential to leading a healthy, satisfying life. Why then would so many physicians struggle over asking for payment? There are a number of reasons for this; perception of patient's economic status and guilt over the rising cost of healthcare for starters.

As with most attitudes and behaviors, ours toward money is mainly a learned behavior. How we perceive money is heavily influenced by our childhood and the environment we grew up in. For more on this interesting subject, consider reading, "[What Did Your Parents Really Teach You About Money?](#)"

So if asking for payment is a struggle for you, what can be done to overcome this challenge? The answers are surprisingly simple. Not necessarily easy, or comfortable, but simple.

- **Create a financial policy for your practice.** This document should outline and clarify the essentials of when payment is due, who is responsible for payment, what forms of payment are accepted and the practice policy regarding non-payment. Be sure each patient reads and signs this document. For more information and a sample policy, view, "[Getting Paid: Why Every Practice Needs a Payment Policy](#)"
- **Prepare yourself mentally.** There are any number of tasks we find unpleasant, yet we do them anyway. Collecting payment is no different. And, with practice, it really does become easier.
- **Have a Plan and Script a Dialog.** Consider having staff collect copays at check-in. "Hi Mrs. Smith, we're so glad to see you today. May I go ahead and collect your \$25 copayment?" At this point, your staff might cease eye-contact with Mrs. Smith and pursue another task of some sort. Handing writing a paid receipt is quite effective here. If Mrs. Smith has forgotten her checkbook, remind her of other accepted payment methods, "This is not a problem, we also accept cash and credit/debit cards." Allowing Mrs. Smith to squirm feels uncomfortable for both her and your staff, but holding your ground (politely and respectfully) usually produces good results. After all, who leaves

home these days without a cell phone and debit or credit card? Adopting this technique as a habit trains patients to come prepared to pay their portion.

- **Have a Plan and Script the Alternatives.** If Mrs. Smith is unable to pay her copay, your Practice Payment Policy should address this. "According to our Practice Policy, we can bill you this time for your copay Mrs. Smith. Please be aware however that payment in full is due within thirty days to avoid a \$5.00 service charge of any future statement."
- **Service Charges and Penalties.** These days, many practices are opting to charge for missed and late-cancel appointments. Some are also turning to small service charges on unpaid balances after the first statement cycle. Rather than harm your practice or patient/doctor relationships, it protects both. How? Because service charges and penalties safe-guard patient's from building up large balances, then leaving your practice out of guilt. They also weed-out non-paying patients, leaving more room for those who pay and do it promptly. Service charges also off-set the cost of billing patients for what, in most cases, was due at the time of service.
- **Financial Hardship and Payment Contracts.** It is inevitable that your practice will have patients who fall on hard times or perhaps need expensive services they cannot afford to pay all at once. Therefore, it's a good idea to address these situations in your Payment Policy. **Financial Hardship**; clarify the terms, perhaps a specified percentage discount based on income, for a specified period of time. Determine in advance the number of financial hardships the practice will offer at one time. **Payment Contracts** are easily guaranteed by credit or debit cards. Set the terms in advance and draft a document for patient's to sign. Hold them accountable.

In closing, I hope this information has been helpful and thought-provoking. In our next article, we will address techniques for soft collections. If you have questions or comments, please email me at [krisb.txacofp@gmail.com](mailto:krisb.txacofp@gmail.com).

Sincerely yours,  
Kris Beavers  
Executive Director, Texas ACOFP

## Family Practice Review

Texas ACOFP wants to connect with you! To provide you, our member with the services that matter most.

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## Regional CME



Texas ACOFP wants to connect with our members and provide the services that matter most.

We believe that quality, affordable CME is something we do best. Therefore, we are working diligently to expand and increase the number of small, regional meetings we offer.

Our goal is to ensure that all Texas physicians have annual access to at least 24 hours of Category 1A CME without hotel or excessive travel costs.



Look for us soon in your corner of Texas!

Sincerely yours,

H. Sprague Taveau, D.O., MBA, FACOFP - President, Texas ACOFP

Texas ACOFP

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