

Patient Collections Optimization Toolkit

Elevating patient collections performance requires the right blend of clear policies, consistent patient communication, and objective financial analysis. This toolkit packages all three, ready for immediate use by your revenue-cycle or finance team.

What's Inside

1. **Early-Out vs Collections Policy Template** – Define thresholds and hand-off timing clearly.
2. **Sample Patient Notices** – Friendly early-out letter and final pre-collections reminder.
3. **Breakeven Calculator Worksheet** – Compare internal efforts to third-party collection costs.

Early-Out vs Collections Policy Template

Purpose

To maximise net collections while preserving patient satisfaction and regulatory compliance.

Scope

Applies to **all** self-pay and after-insurance balances across clinic and hospital services.

Definitions

- **Early-Out Period** – 0-120 days from first statement; handled by MSB's Early-Out team.
- **Collections Period** – 121 days +; referred to a third-party agency under a bad-debt fee model.

Transition Criteria – advance an account to collections when **any** is true

1. 120 days have elapsed **and** no active payment plan.
2. Three (3) statement cycles with no patient response.
3. Mail returned, and no valid phone/email after skip-trace.

Patient Protections

- No credit reporting or legal action within the Early-Out window.
- Honor financial-assistance approvals at any stage.
- Always comply with the No Surprises Act, HIPAA, and FDCPA.

Reporting & Review

Monthly KPI review: % collected **Early-Out** · % collected **Post-Collections** · Avg days to placement · **Patient-complaint rate**

Sample Patient Notices

Early-Out Courtesy Letter

Dear <Patient Name>,

Our records show a balance of <Balance Amount> for services on <Date of Service>. We're here to help—you may qualify for a payment plan or financial assistance. Please call us at (555) 123-4567 within 30 days to discuss your options.

*Sincerely,
Early-Out Patient Accounts Team
Midwest Service Bureau*

Final Reminder — Prior to Collections

Subject: Final Notice – Action Required to Keep Your Account in Good Standing

Dear <Patient Name>,

Despite previous reminders, your balance of <Balance Amount> remains unpaid. If we do not hear from you within 15 days, your account may be referred to a professional collection agency, which could affect your credit.

Please contact us at (555) 123-4567 or visit pay.msbureau.com to avoid further action.

*Thank you,
Patient Accounts Department*

Breakeven Calculator Worksheet (enter data in a spreadsheet)

Metric / Input	Early-Out	Collection	Notes
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Average Account Balance (\$)			Avg. patient balance
Projected Gross Recovery Rate (%)			Historical recovery %
Agency / Early-Out Fee (%)			Fee on amounts recovered
Net Recovery per Account (\$)	<i>(formula)</i>	<i>(formula)</i>	Balance × Recovery % × (1 – Fee %)
Breakeven Volume (# accounts)	<i>(formula)</i>	<i>(formula)</i>	Volume at which net dollars are identical

Tip: Copy the formulas from your existing breakeven calculator (Volume × Recovery × (1 – Fee)) into Excel or Google Sheets; then share the worksheet during team discussions.