RESOLVING A PATIENT’S DEMAND FOR COMPENSATION

A disgruntled patient may request that a practice issue a refund for the treatment rendered. This can be in the form of waiving the co-pay for an office visit or the out-of-pocket expense for treatment. The manner in which complaints are handled can have an impact on the practice’s malpractice risk. Studies of patient satisfaction suggest that patients value the communication skills of a medical office’s staff even higher than the technical skill of the doctor. When working with dissatisfied patients we recommend the following steps:

• Determine to the best of your ability why the patient is unhappy (for example, excessive wait time, failure to notify of test results, etc.).

• Apologize for any system-type failures and let the patient know that the process will be re-evaluated so that any future, similar situations can be prevented.

• The decision to issue a refund for care is a business decision that varies from physician to physician. While some physicians worry that giving a refund will be seen as an admission of guilt, others view giving a refund as a customer satisfaction action. If you feel the patient should be refunded some or all of their treatment fees, make sure to document the refund in the patient’s medical record. When sending a refund, be sure to include a brief cover letter that states what is being refunded (for example, “Dear Mr. Smith, Enclosed with this letter you will find a check for $50.00 to cover the co-pay for your two office visits of 02/14/07 and 02/18/07. We appreciate you bringing the issues you encountered with our scheduling system to our attention”).

» Be careful to consider whether any contracts you have with healthcare insurers prohibit refunding a co-pay to a patient. Medicare and Medicaid prohibit refunding of co-payments, and many private insurers take the position that if the patient’s co-pay or deductible is waived or refunded, the insurer does not have any obligation to pay the provider for the remaining fee for the services rendered. Alternatives to such refunds include reducing the total bill (although even if you do this, insurers may require you to report any discounts to them and then will discount the amount they pay to you for the services rendered), zero-interest financing of patient balances, and gift cards in nominal amounts (for example, less than $30).
The National Practitioner Data Bank Guide Book states that patient refunds that are made by an entity - including a medical practice or an incorporated sole practitioner - are reportable to the Data Bank. However, such refunds are reportable only if they are made following receipt of a written “complaint or claim demanding monetary payment for damages.” Note also that a waiver of a debt - which occurs where a patient agrees to accept waiver of a fee as settlement - is not reportable to the Data Bank.

Depending on the individual situation and amount of refund, at some time in the process of providing a refund for a patient, you may want to consider obtaining a signed Release of Claims form from the patient. In such instances, you should contact your Medical Mutual Claims Representative for assistance.

If the patient’s request for a refund turns into a formal demand for money, contact your Medical Mutual Claims Representative.

If it is your opinion that the patient’s dissatisfaction with the practice and the physician has irreparably impaired the physician-patient relationship, start termination procedures immediately.

Refer to the Risk Management Handbook or contact Medical Mutual for further advice.