Solution: credit recommendations provide insight to patient’s ability to pay

by Marla Merritt

Let's face it, patient trends are changing. Whitening used to be just for the super-wealthy and braces were just for teenagers. Today, the average American adult is willing to spend thousands of dollars to improve his or her smile. These changes in patient trends have allowed dental professionals to increase revenues by offering a wide variety of costly treatments to a new generation of appearance-conscious consumers.

Just as patient care preferences are changing, so are patient payment preferences. Cost-conscious patients are exploring their options, literally “price shopping” costly dental procedures, by obtaining several quotes and researching payment options offered by various providers. As a result, consumers with good credit ratings expect no-interest financing—even on their dental treatments.

The problem is that most dentists do not offer office payment plans because they do not want to assume any risk. This often means patients are sent to look for third-party financing or are required to pay the full treatment amount up front. Either of these options can send today’s savvy consumer around the corner to your competitor.

A payment model that works for dentists too

For years, orthodontists have offered in-office payment plans while keeping delinquency rates low. They do this by scheduling the payment plan to end before treatment is completed or by assessing credit risk prior to offering a payment plan. By adopting these guidelines, your practice can confidently offer payment plans to your patients with very little risk to the practice.

The current economy has even the best paying consumers in a cash crunch. Coming up with “cash up front” for costly procedures may prohibit them from proceeding with treatment. Many of these consumers could afford treatment if the payment was spread out over time. By determining credit risk and extending a no-interest payment plan to credit-worthy individuals, your practice can see improved case acceptance and increased patient loyalty.

Here’s how it works

First, determine the treatment period and credit risk. If the treatment is limited to one or two office visits, it is crucial that you assess the risk associated with that patient. Because doctors aren’t typically trained in evaluating credit reports, consider a company like DentalBanc that will analyze the information and give you a concise assessment of the findings. DentalBanc’s credit inquiry does not affect the patient’s credit score—a notable advantage over third-party financing.

Once you know the patient has an acceptable credit level, offer an affordable monthly payment plan. Ask for a down payment that will cover most of your up-front costs then spread the remaining balance over three to 24 months. This is a great way to win the business of a patient that is a low credit risk, but doesn’t have the cash to pre-pay for a costly procedure.

If the treatment is going to be spread out over several months or years, ask for a 25 percent down payment and offer a payment plan for the remaining balance. The payment plan should end before the final treatment is completed. This payment option is perfect for Invisalign, braces or any other treatment that requires multiple office visits over time.

Beyond risk assessment

Once your payment plan has been established and accepted, you will need an efficient and profitable way to manage that payment. Be sure to check out Marla Merritt’s article in the next issue of Dental Tribune to learn how to offer payment plans without creating extra work for your staff.

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