

# It's in the Cards:

## 3 Must-Haves for Client Credit Card Processing

by Erez Lirov

Expert commentary by  
Reuven Lirov and Jonathan McAlees

### Pick a Card

*Accepting “plastic” often comes with pros and cons*

Alex was cooking when he heard the door open.

“Oof!” said Laura. He heard her drop onto the sofa and he could just see her kicking off her shoes. Yep, there was the sound of one and then the other hitting the floor.

Alex covered the skillet and went to greet his wife.

“Is that fried chicken I smell?” she asked. “You’re definitely a keeper.”

“I got home earlier than you for once, so I figured I’d dazzle you with my cooking.”

“Well, I hope you can also offer me a little advice. The bookkeeper was in today and it turns out that we have a lot of receivables out.”

“That’s not new, is it?” Alex asked. “You’ve said before that a lot of the parents at the preschool are slow to pay their tuition.”

“That’s it—they drop off the kids on the first of the month and it’s always, ‘Oh, I didn’t realize it was the first’ or ‘Hey, I forgot my checkbook.’ Tuition is due on the first, but it actually sort of dribbles in for the first couple of weeks of the month.”

“I hear you. Those parents know you’re devoted to their kids, so they’re relaxed about paying. They know you’re not going to kick the children out.”

Laura agreed. “I think you have some of the same issues with your patients. But I was thinking that part of the problem might also be the way we’re taking payments. Who carries a checkbook around any

more? Some of the parents might be manipulating the situation, but I bet a lot of them honestly don't think about writing a check for us when they're getting ready for work."

"So you want to accept credit or debit card payments at the school?"

"Why not? You do at the practice, right?"

Alex frowned. "We do, but accepting credit cards has its own problems. Credit card processing fees can really take a bite out of your income, for one thing. It can be worth it for a monthly balance, but once you start accepting credit cards, parents will want to use them for lunches and T-shirts and whatever else you have there. I don't think you have a point of sale system, either."

Laura admitted they didn't.

"So your payments will still have to be manually posted," Alex pointed out. "If a card is declined or there's a chargeback, you don't really have anyone whose job it is to follow up on that stuff."

"True," Laura agreed. She sat up and tucked her feet under her. "You have people whose job it is to take care of billing, basically. And you still have issues?"

"Medical billing is more complicated than what you're talking about, but yeah, we still have issues. Things fall through the cracks, and I sure wish I could reduce those fees."

"It still might be better than having thousands of dollars uncollected," Laura said. "Right now, I think that chicken is calling to us."

Alex jumped up and uncovered the frying pan. "A few minutes now to get crisp."

"I bet I can make a salad before the chicken is ready," said Laura. "I still think taking plastic might make sense for the school, though. You wouldn't give it up, right?"

Alex cautiously flipped the chicken pieces. Would he give up credit card processing? Probably not. Patients expected it. But now that he thought about it, that was certainly an area of the practice that could be improved.

*Could Alex's mental health care practice handle credit cards better?*

## The Age of Plastic

*Credit cards are an essential, but costly part of doing business*

Dr. Alex Friedman had a look at the schedule for the day. A custody evaluation was coming up that afternoon, but he had half an hour free. "I love being able to check the day's schedule no matter where I am," he told Luisa cheerfully.

"Like at my desk?" came the answer. "Never mind—I'm joking. You go right ahead and use my computer. I'm so glad to have the new system in place that I will never complain again."

"Good!" Alex perched on the edge of Luisa's desk. "I'm pleased to hear it, because I think I have identified the next opportunity for



improvement. I have some time right now, if you can take time for a conversation about it.”

“Fire away.”

“I wonder whether we have the best possible system for credit cards.”

“Well,” Luisa began, “there are things that go wrong. For example, when we manually key in credit card information to make a payment, we could make a mistake, or sometimes that information is taken over the phone and the person taking the info makes a mistake. That actually happens pretty frequently. And with those phone calls, it’s possible to lose the paper we write it on or to forget to put it in. I guess we could even put it in twice—two

different staff people might put the information in, for example, because they don’t realize that it has been done. I don’t think we’ve ever done that, but it could happen.”

Alex nodded. He was about to ask for more examples, but Luisa was on a roll.

“We keep patient credit card numbers on file, too, so sometimes a patient has moved and their zip code has changed or something like that. In those cases, if the person running the card doesn’t check, there can be a mismatch that leads to the card’s being declined.”

“How often does that happen?”

“We don’t get any notice of why a card has been declined,” Luisa explained, “so I don’t really know

how often we make errors. It can be anything from typing it in wrong to the patient’s being over limit or the card having expired. When it happens, we can try it again, especially if it was manually entered, just in case we miskeyed. Otherwise, we have to contact the client and make sure we have the right information, or ask for another form of payment.”

Alex frowned. “You say you have to contact the client, but wouldn’t the client usually be there?”

“Not always. As I say, we keep some payment information on file. And sometimes the payment comes up because the client’s insurance didn’t pay, so we call them and try to arrange a payment over the phone.” Luisa glanced around to make sure they were still alone. “Plus, sometimes clients are crying when they leave and they just sort of sneak out if there’s anyone else around.”

Alex knew that could get in the way of taking payments; it was one reason that they tried to get that part of the visit taken care of when clients checked in. On a busy day, there could be a time gap between taking the information and running the card. “I guess it can be uncomfortable to talk to clients about a declined credit card,” he suggested.

Luisa agreed. “I do it anyway, but it’s true that this is a task people often try to push off onto someone else. And a couple of





uncomfortable conversations about money can sometimes be the end of the client's relationship with our practice. If we made a mistake, of course, it's even worse."

The phone rang and a family walked into the waiting room, putting an end to the oasis of calm in the day. Alex had food for thought, though—it was clear that there was room for improvement in the credit card system.

*Could a better system for credit cards make a difference in the practice's profitability?*

## Seeing Stars

*Astronomical fees signify dark skies for businesses*

The fire was going in the fire pit, the sun was setting behind the

trees, and Alex and Laura were lounging on their deck, savoring the evening.

"This is wonderful," Laura observed, "but the things I learned about credit cards weren't so wonderful."

"Have you decided not to take them at the school, then?"

"I haven't decided one way or the other, but I learned that we have to be PCI compliant, and it's not as easy as you'd think."

"I wouldn't think it would be easy."

"I would," Laura retorted. "I'd have thought it would be on the credit card companies, but it's not. Apparently, we're expected to keep up with that ourselves, and there are hefty fines for failing to stay current with the ever-changing rules. We're

also supposed to keep up on whether or not the cards are declined, and we have to go after the payments if they are. Plus, the fees depend on volume—if just a few of the parents use credit cards, we'll pay way more than I'm willing to."

Alex nodded sagely. "That's a problem for small practices like mine, too. Plus the cost of integrating and automating. If small businesses like ours even have a point-of-sale system, it's a separate system."

Laura nodded, her hair bouncing. "We don't even know how to use a terminal, and that kind of work doesn't really fit into anyone's position. I don't even have a bookkeeper—I just take everything to my CPA a couple of times a month."

"We have people for billing, of course, but the POS doesn't fit into our workflow."

“I love the phrase ‘workflow.’ It sounds so intentional and organized!”

“It is,” Alex assured her. “We’ve worked hard to get our systems under control and it has really made a difference. But it’s hard to see how credit cards fit in.”

“I still think it would probably be worthwhile over the long run, but I’m not sure the school can afford it right now—or at least, I’m not sure I’m willing to give up the other things I could invest in with that money.”

Alex sighed. “I’m already taking credit cards at the practice,” he said, “but I’d like to be able to make it more cost-effective.”

The two fell silent, listening to the birdsong and the rustling of the trees.

“You know how you see people in magazine ads sitting together like this in some beautiful setting?” Laura said quietly. “Do you ever think they’re talking about credit card processing?”

Alex laughed and reached for his wife’s hand.

*Can Alex be confident of the ROI of changing his credit card system?*

## Delectable Ideas

*Finding the right recipe is key to a credit card solution*

“Thank you so much, Dr. Friedman,” the young woman said, offering a hand to shake.

Alex saw the last patient of the morning out and turned to his office manager.

“Oh, no,” she said. “I know that look. You want to talk about some issue with the office, and I’m sure it’s important, but it is also my lunch hour.”

“I respect that,” Alex assured Luisa, “but I’m booked solid for the rest of the day, so this is the only time I can talk with you about it. What if I make it quick?”

“I don’t think you realize how tiring it can be to be nice to people all day. I need a little space.”

“What if I also buy you lunch?” Alex offered. “And you don’t have to be nice. In fact, I think in this case I’d appreciate it if you were brutally honest.”

“Okay, I guess I can do that,” Luisa agreed. “What’s the issue?”

“Credit cards,” said Alex. “We talked about the issues we’re currently facing. Say I could find another payment processing system that would save us money on credit card processing. What would make such a system perfect, from your point of view?”

Luisa sat back in her chair and considered. “I’d want it to work with the systems we’ve just learned and put in place. ‘Fully integrated’ is my new favorite phrase.”





that could be automated! Sending out invoices, posting the payments to the right accounts when we take them—maybe people could just pay us electronically the way we all pay the rest of our bills. “

“It would be like having another part time clerk,” Alex suggested. “That could be a real savings for the practice.”

“So where are you going to find this paragon of a system?” Luisa asked.

“I’m not sure,” Alex admitted, “but at least now I know what I’m looking for.”

“I’m looking for my lunch,” Luisa reminded him. “Wasn’t that part of the bribe?”

*Will Alex be able to find a satisfying credit card processing system?*

Alex nodded.

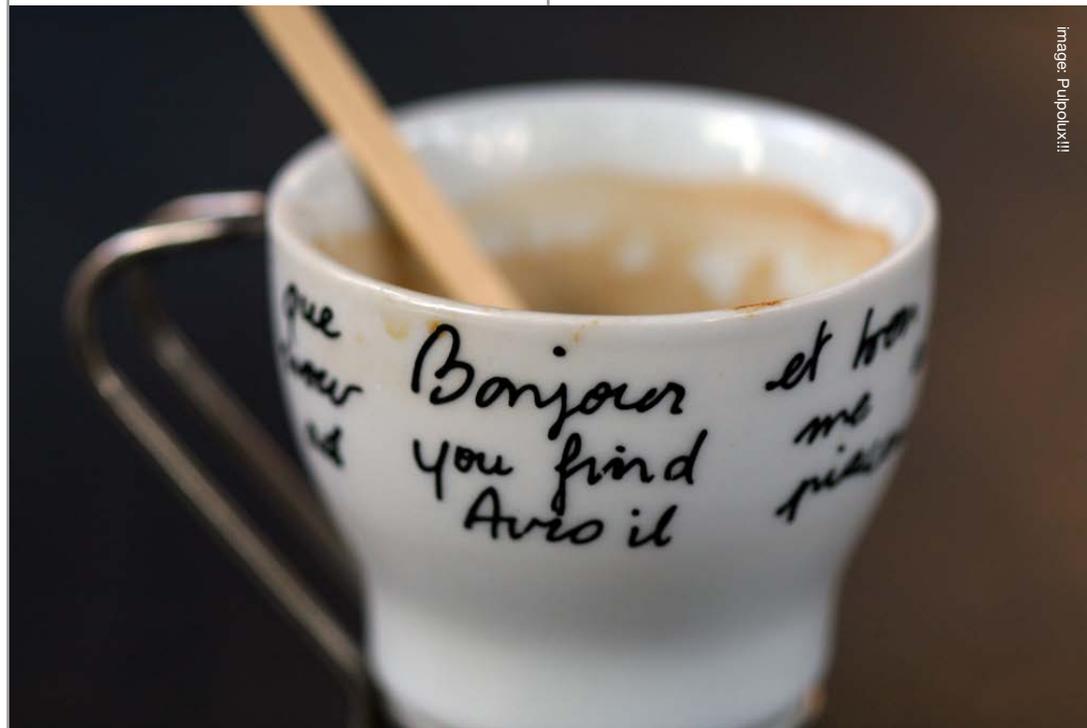
“It should be real-time and in the cloud—two more new favorite phrases of mine. I want to be able to update it here at my desk and be sure that someone in the back office won’t call the client later that afternoon about their overdue balance.”

“We’ve gotten used to that level of efficiency, haven’t we? It probably makes it all the more difficult to work with old systems.”

Luisa agreed. “Since we’re talking about a computerized system, it should be able to do a lot of things automatically. With declined cards, for example, it should alert me and automatically put the declined amount back into the patient balance. In fact, if it would let a patient know their card was about to expire, it would cut down on the recurring payments that get declined. I’ve heard that an office our size can lose nearly \$10,000 a year just on those.”

“Automating that kind of task would reduce the number of uncomfortable conversations we have with clients, as well as helping us avoid just missing things.”

“If I could just get a report at the end of the day that told me what got paid, what got declined, who was late, and whose card was about to expire, it would save me a lot of time and stress.” Luisa was beginning to sound excited. “In fact, there’s so much





# The Experts Respond

**Reuven Lirov** holds advanced degrees and certifications in psychology and leadership. He currently heads a team of Practice Success Coaches, where he is responsible for the practice success of over 250 practices and over 1,000 practice staff. Reuven is also Vice President of Sales for Vericle, Inc., where the leading Practice Success Coaches consult with practices outside of the company's network to help them build their dream practice.

“The last thing mental health patients want to think about is paying their bills. They need help and mental health providers are supposed to be there to help and comfort them. Getting better at collecting patient money is a must, and failure to improve can destroy practices from the inside out.”

“There are three key elements to successful credit card management: cost, patient confidence, and PCI compliance. I recommend Fortis to my clients because it keeps them PCI compliant while being the most cost-effective option I've seen out there. By preventing those uncomfortable conversations Dr. Friedman talked about, it also helps patients keep focused on their care, not their wallets.”

**Jonathan McAlees** Senior Account Manager, Fortis Payment Systems, has three generations of doctors in his family. Growing up in his father's clinic, he learned the ins and outs of what it takes to run an office, which allows him to have detailed knowledge of your business and payment processing needs. His goal is to help medical offices spend less time worrying about credit card processing and payments posting and more time caring for patients. practice, his patient retention improved,

“Dr. Friedman is thinking about cost and convenience. He doesn't seem to realize that he's putting himself and his practice in real danger. Taking sensitive credit card information over the phone, writing it down and leaving it on a desk where staff members can find it and possibly run a payment twice—that also leaves him open to serious privacy concerns.”

“He's lucky that this slapdash system hasn't landed him with a lawsuit yet. His wife may have the luxury of thinking about credit cards strictly from the point of view of ROI, but Dr. Friedman has to change his ways immediately just to protect himself.

HIPAA and PCI compliance should be top of mind for this practice right now.”

## What Would You Do?

Some advice from the ICD-10 community

Collecting money from your patients can be a difficult task. With manual postings and payments over the phone the chance of errors is very high. Dr. Alex needs a credit card company which is integrated with his Practice Management System, one that will automatically post one-time payments or scheduled monthly payments and alert him of declined transactions. This addition to his workflow will save a lot of time and frustration.

—Michelle Corrigan

Collecting money from patients can be more difficult than collecting from insurance companies due to the delicate nature of the relationships. Patients will enjoy the convenience of paying with a credit card, but a follow up plan is essential. Dr. Alex needs to research and review the companies integrated with his practice management software that offer auto posting to the patient accounts and notifications to Dr. Alex of any issues to minimize higher fees moving forward.

—Jason Barnes

Can this practice really afford to use such an antiquated approach to credit card processing? Personally, I would not allow a practice to write down my credit card number, because they are clearly demonstrating that they don't follow PCI guidelines which have been in place for more than 10 years. That would make me wonder—How can I trust them with my medical records?.

—Naomi Perez

# Attend the webinar

Clinic Mind offers a complete solution for credit card processing. Visit <http://tinyurl.com/qcdn8ua> to view the recorded credit card presentation or visit [www.clinicmind.com](http://www.clinicmind.com) to check out our other webinars.

