

In-house patient plan: yes or no?

Simon Reynolds discusses key considerations in managing a patient membership plan 'in-house'

Often the rationale for a DIY project is the perception that doing 'it' ourselves is likely to be lower cost and will enable us to achieve our desired outcomes in line with specific objectives. We adopt the mind set of 'how hard can it be' and get to work.

In some instances, with the right planning and commitment, a successful DIY project can be highly rewarding. However, in other cases we can be left to reflect on blood, sweat, tears and challenges that were far greater than we had anticipated. In hindsight, perhaps it may have been a better option to have turned to professional support in the first instance.

When it comes to patient membership and capitation plans, many practices may have considered administering their own patient plans 'in-house'. When stripping back to its bare bones the work involved in administering a patient plan isn't rocket science. The basics being: determining the care and benefits included in your plans, setting plan prices, collecting regular payments and promoting your plans effectively to encourage uptake.

However, as with many things in life, the devil can often be in the detail and there are important considerations that may be overlooked.

Direct debit versus standing order

Often mistaken as the same thing, there are significant differences between standing order and direct debit payments – the most likely means of managing plan payments. A standing order is an instruction set up by the payer, which can limit the ease of patients joining your plan in practice. If a patient cancels their standing order you will not be notified, instead you'll have to perform manual checks every month. Moreover, managing

periodic plan price increases can prove somewhat challenging as a change to the value of a standing order requires each patient to amend their standing orders.

Managing plan payments by direct debit on the other hand offers your practice greater control. This is an instruction by the payer giving permission for your practice to collect a regular amount, which can be amended with advance notification to the payer. However, obtaining sponsorship in to the direct debit scheme via your bank can be a lengthy process and thereafter you'll have to utilise some form of BACS approved platform to manage collections.

Admin: time versus real cost

Time is money. The reality of managing a patient plan in-house can be more demanding than you may think. Preparing and submitting collection files, identifying payment cancellations, managing plan-related communications, creating promotional material, training your team and so much more can be a real bind on your time.

No matter who takes on the role of managing an 'in-house' plan, there's every chance this time could be better spent elsewhere.

When you come to sell your practice

In consideration of the complexities that can be involved in managing a plan in-house, when you come to sell your practice potential buyers may be put off. Moreover, in some instances if you have your own sponsorship in to the direct



debit scheme, it is not a given that the new vendor will be able to obtain their own sponsorship via their bank. Finally, historical records of plan collections via a third party can prove more favourable throughout any due diligence processes.

In summary

For some practices, managing their patient plans may be the most effective means. However, for many, utilising the services of a trusted plan provider

is much more likely to be more time and cost efficient.

Working with a plan provider does not have to mean huge administration costs and overheads. There are more plan providers than ever before to choose from, each offering their unique service proposition, support and fee structure. It is simply a case of taking the time to discover each provider and working out which is the best fit for your practice. **D**



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PATIENT PLAN DIRECT is a membership plan provider recognised for its low-cost admin fees and is also the winner of the 2016 Dental Industry Awards – Outstanding Business of the Year (under 25 employees). For more information visit www.patientplandirect.co.uk, email info@patientplandirect.co.uk or call 0844 848 6888.