

How to handle 'no-shows' and those tricky 'did not attend' fees

Figuring out a system for responding to no-show patients will help to minimise their impact on your practice

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Several years ago, it was calculated that the cost of hospital outpatient 'no-shows' in Queensland was running at about \$4 million a month.



This was equivalent, as the then-health minister put it, to “171 knee replacements, 172 hip replacements or 89 cochlear implants”.

The costs of missed appointments in general practice is unknown, but apparently sufficient to trigger a trend of charging patients for failure to turn up.

Nicky Jardine, a medical practice management consultant on Queensland’s Sunshine Coast, stresses that most practices are small businesses with overheads to pay when there is a no-show.

“If you have three or four patients not turn up in one day, this can cause a loss in the region of \$200. Lost costs include staff wages,” she says.

A no-show patient prevents other patients from seeing the GP that day, leaves a gap in the doctor’s schedule and may adversely affect their own health by not turning up.

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So what kind of recompense are GPs seeking? Ms Jardine says practices generally charge patients who don't cancel appointments with sufficient notice anywhere between \$30 and \$80.

She agrees it's likely that a lot more people skip appointments at bulk-billing practices in the mistaken belief that 'it doesn't matter' if Medicare is meeting the full cost.

According to David Dahm, CEO of Adelaide healthcare accountants Health and Life, many GPs are reluctant to impose fees, believing such a policy is draconian.

He insists it should be seen as a matter of common courtesy.

"It's important to let patients know that everyone's time is valuable, including your own as a GP," he says. "Many practices also worry that patients are going to get really upset, but it's up to your practice as to how you deal with it. And you can always waive the fee if you want to."

Sean Dwyer, a director of Curve Accountants in Brisbane, agrees doctors usually have an altruistic approach to medicine.

"They are not in it for the money. However, practice managers are responsible for the finances," he says.

"Letting patients get away with not showing up continually will send the message that it is okay because the doctor 'will understand'."

Mr Dwyer says introducing policies to charge a 'did not attend', or DNA, fee requires buy-in from all staff and practitioners, otherwise it won't work.

And it's a good idea to explain to patients why you are charging a cancellation fee.

"Websites are a good medium for that message."

He adds that it's only fair to give a warning first.

"A template letter can be stored in the Best Practice software, for instance, and generated when patients cancel late or do not attend."

The letter should state that if this occurs again, the patient will be charged a fee according to the terms they agreed to when signing the new patient form.

"When patients call for the next appointment, they should also be verbally warned that they need to settle the outstanding amount prior to seeing the doctor."

Of course, clinical issues may be behind the patient's failure to turn up.

Medical defence organisation Avant stresses that doctors need to make assessments about the probability that the patient will be harmed if adequate follow-up does not occur, the likely seriousness of the harm, and the burden of taking steps to avoid the risk of harm.

Practices also need to consider legalities associated with charging cancellation fees.

For example, Australian law protects consumers from being charged when a business tries to make them liable for something outside their control, such as a bushfire or a flood.

How to warn patients about cancellation fees

When a practice has a policy to charge a cancellation fee for missed appointments, patients must be informed in advance. This can be done by:

- Displaying your no-show policy in waiting rooms and consultation rooms
- Including the policy in the new patient information form that is signed by the patient and scanned into their history
- Advising patients of the policy when they book appointments
- Including the information on the practice website and in any online appointment apps
- Adding a brief note to any SMS going to patients
- Phoning a patient who has not turned up and informing them directly

The information should include the amount that will be charged for cancellation, the cut-off time, and whether there is a limit on the number of cancellations by individual patients.

So it's important to allow staff discretion in demanding 'did not attend' fees.

Consumer law also prevents a practice from charging a patient's credit card without giving them notice or an opportunity to dispute the charge.

Mr Dahm reminds practices that a 'did not attend' charge is not GST-free.

"There is no provision of a medical service, but you still have to add 10% GST on the fee. That often gets overlooked and the practice or GP will have to pay it. Because of this, you must be clear on who is actually billing the patient."

Mr Dahm believes that it's vital to train staff on how to warn patients about no-shows and late cancellations.

"Once you get the processes right, it becomes second nature," he says.

"Just be careful if patients are not paying the DNA fee. They could be unhappy with your service. Don't shoot first and ask questions later. Ask them why they aren't paying."

Cancellation charges are meant to be a deterrent for missed appointments.

But what about prevention — what is the most effective intervention?

In a meta-analysis of 21 studies from around the world — including two from Australia — UK researchers found electronic text notifications reduced no-shows.

Published in 2016, the study found the 8300 patients receiving electronic SMS notifications about their appointment were 23% more likely to attend the clinic than the 7700 patients receiving no notifications.

"Those receiving notifications were 25% less likely to 'no show' for appointments," the authors wrote.

"Multiple notifications were significantly more effective at improving attendance than single notifications."

Further, voice notifications appeared more effective than texts at improving attendance.