

FORGIVENESS LETTERS

Background:

In cases where you are considering sending the patient to collections, send one of the two “Forgiveness” letters instead. The Forgiveness Letters let your patients know that you appreciate them and that you are going to “forgive” their overdue balance. The type of letter provides closure, promotes good will and, amazingly, in some cases, has the ability to cause the patient to pay up. Often, when confronted with the idea of you forgiving their balance (as in the “We’re Cancelling Your Debt” letter, their sense of pride kicks and an they pay anyway – even after months of ignoring your requests.

Similarly, some patients want the closure but they need an incentive to reach it – that’s where the “My Holiday Gift To You” letter comes in handy. This letter offers a discount for a patient bringing their account current. Sure, the discount means that you are not going to collect their full balance; but in many cases, these overdue accounts are never going to be paid in full anyway – especially if you consider the hefty fee that a collection agency would charge.

Using the Letters

As you read the examples of these letters, you will realize that you are attempting to preserve the relationship you have with these patients – even as you sacrifice their overdue balance.

So, the Cancelling Your Debt letter is best used when balances are relatively small and it no longer makes financial sense to chase them down. In other words, don’t send this letter to someone who owes you \$7000 after they ran off with their Auto Accident settlement! Instead, use it for those pesky \$12 balances that you are wasting more time on than they are worth. Obviously, you can set the balance limit for this letter wherever you want, but that’s the intention.

The “My Holiday Gift to You” letter is better utilized for larger balances that you don’t want to completely forgive. The psychological appeal behind this letter is to stimulate the desire for “closure” for patients who simply don’t have enough money to pay their balance in full and/or are not organized enough to setup a payment plan structure. So, these patients actually would like to pay, but they are not able to do so in full. Often they are heavily in debt and have many people clamoring for their money. So, your offer to give them a discount for paying off their balance may be the happy medium they are looking for and it may allow them to get one of their debts settled so they can move on.

One Last Motivation to Use These Letters

Several studies have revealed that patients with balances are less likely to return for treatment and more likely to sue their doctor for mis-treatment. These two letters help you remove the risks of either of those situations and promote the possibility of future care. {The letters are below...}

We're Cancelling Your Debt!

Dear {Patient Name} --

We've contacted you previously about your outstanding balance, but perhaps it's slipped your mind or maybe you are having financial difficulties.

Because you have been a valued patient in our practice, we're eliminating the {enter past due balance} that we show you still owe from the care you received previously.

As we cancel this outstanding debt, please accept our most sincere wishes for continued health and happiness. We look forward to seeing you soon and serving you again in the future!

Sincerely

{Have Doctor sign this}

Suggestions:

1. Use the title "We're Cancelling Your Debt!" on the outside of the envelope for greater opening rates. This headline definitely gets their attention and gets the envelope opened.
2. Use the title "We're Cancelling Your Debt!" as the headline of your letter. It immediately alerts them to the intention of this letter, which should be attractive to them.
3. For easier bookkeeping, make a note to Zero out their past due balance 1 month after you send the letter. Most patients who respond in reverse to this letter and pay their balance, do so within 2 weeks of receiving the letter. By delaying your bookkeeping, you avoid extra steps of taking away their balance, putting it back on the books, registering their payment and zeroing it out again. Or worse, posting a credit to their account!
4. Have one person handle all the bookkeeping and tracking for the Forgiveness Letters. This keeps everything on the same page. By tracking, you can see how effective the letters were and tweak them (if necessary) to send again.

THE STRATEGIC CHIROPRACTOR

Work Smarter, Not Harder.

Your Past Due Balance and Our Holiday Gift To You!

Dear {Patient Name} --

Keeping with the spirit of the holidays, we have a special gift for you!

We've contacted you previously about your outstanding balance, but perhaps it's slipped your mind or maybe you are having financial difficulties.

Because you have been a valued patient in our practice, we are going to offer you a special {Amount}% discount if you pay your balance off by {due date}! So instead of owing your present balance of {past due amount}, you would simply pay {discounted amount} and we erase the rest!

That's right – we will literally cancel the remainder of your debt if you pay just {amount}% of what you presently owe.

There are three ways to take advantage of this limited time offer:

- 1. Call our office to make your payment over the phone today!** (Be sure to mention the Holiday Gift Letter so we apply your discount)
- 2. Mail in your payment by {due date}.** Our office address is: {your mailing address}.
- 3. Make your payment in person on your next visit (or by {due date}).** If you have a scheduled appointment soon, bring your payment in then and be sure to mention the Holiday Gift letter.

We hope that you take advantage of our “gift” and we look forward to seeing you soon and serving you again in the future!

Sincerely

{Have Doctor sign this}

Suggestions:

1. Use the title “Your Past Due Balance & Our Holiday Gift” on the outside of the envelope for greater opening rates. This headline definitely gets their attention and gets the envelope opened.

THE STRATEGIC CHIROPRACTOR

Work Smarter, Not Harder.

2. Use the title “Your Past Due Balance & Our Holiday Gift as the headline of your letter. It immediately alerts them to the intention of this letter, which should be attractive to them.
3. Keep a list of those to whom you send this letter, their past due balance and the discounted amount that you offer. We have found that patients call or come in to pay their balance without their letter in hand. That way, if a patient calls or comes in, you can quickly give them the correct amount if they don’t have the letter handy.
4. For easier bookkeeping, create a “Holiday Bookkeeping Discount” code as explanation of the reduced amount. This way, you can track how much money came in and how much you wound up forgiving with this special.
5. You can run the same letter campaign at other times of the year as well! We have found that linking the letter to a holiday really works well. We have had similarly good results with other holiday gifts (Our Valentine’s Day Gift to You) or even oddball holidays such as “Our Groundhog’s Day Gift to You”