



The fruits of your labour often take a long time to ripen

GPs and specialists are more than just doctors. They are also businesspeople who must finance their practice and employees through revenues and income.

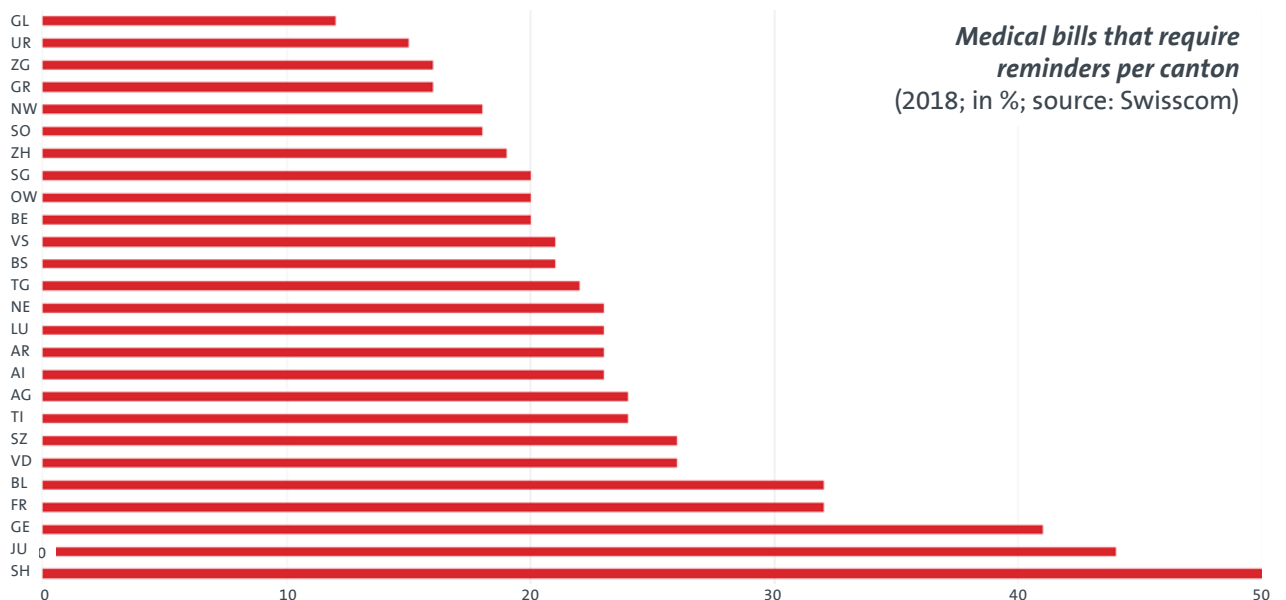
The payment practices of your patients often play an underestimated role in this.

From a legal point of view, anyone who receives treatment or advice from a doctor enters into a contract – called a simple agency contract. Under the law, the amount due is payable immediately after the contract is completed; that is, at the end of the consultation. Of course, doctors, therapists, and laboratories typically give their patients longer payment deadlines. However, it is not unusual for these not to be met.

Every fifth bill requires a reminder

Many Swiss medical practices and laboratories have outsourced their accounting and reminders to third parties to make their day-to-day work more efficient. In 2018, Swisscom Health, a provider of receivables management, investigated how punctually patients pay bills that they have to settle (up front) themselves. The sobering result: out of 250,000 bills from general practitioners, paediatricians and gynaecologists, more than 20% required reminders.

This figure was substantially higher in some parts of the country – as high as 50% in regions near the border.





Delinquent payers are a risk

These figures for Switzerland track with findings from other European countries. According to the European Customer Payment Report 2018, only 67% of those surveyed pay their medical bills by the stated payment deadline.

This has serious consequences for service providers. Aldo Kramis, doctor and president of the cantonal medical society of canton Lucerne, assumes that practices in urban areas and agglomerations lose 2%-3% of annual revenue due to delinquent payers.

Some health insurers pay only after three weeks

When health insurance companies settle medical bills, they usually do it faster than patients. But in this case, too, practices often have to wait some time for the money they are owed. According to a study by Moneyland.ch, 62% of health insurance companies initiate payments six or more business days after receipt of invoice, and 28% of insurers even wait 15 or more business days.

Pre-financing for doctors and labs

Swisscom Health offers doctors and therapists in outpatient care and laboratories a pre-financing service. The amounts billed are immediately transferred to the customer by Swisscom Health. Health insurers and patients pay the amounts due to Swisscom Health by the usual payment deadlines.

Harvest the fruits of your labour earlier

Payment practices are not much better outside the healthcare sector, either. According to a study by Intrum AG, 71% of Swiss companies have problems with customers who pay only after the stated due date.

They complain of liquidity squeezes and consequently write off just under 4% of their revenue each year due to bad debt losses. For this reason, every fifth company plans to obtain some form of security for customer payments. They may rely on pre-financing by partners. Many doctors do this as well by now – and so harvest the fruits of their labour straight away.