# IDEGAL BRIEFS

### Avoiding (preferably) or Terminating the Non-Paying Client

By Gregory E. Scallon, Esq., DeWitt Ross Stevens S.C.

A recent Legal Briefs article discussed whether you can withhold patient records until the client pays the bill (we recommend that you don't do so). That article led to some follow-up questions about the recommended procedure for terminating the veterinarian/client/patient relationship in the event of payment problems. Please note, while it may be appropriate to terminate the relationship for other reasons (e.g., refusal to follow treatment recommendations), in such case, further actions may be recommended.

We suggest that the first step should be to implement procedures to avoid ever creating a relationship with the "bad client". At the time of the initial in-take for a new client, look for the indicators of a likely problem client (I would have used the term "red flags", except that term has been somewhat pre-empted by the rules, discussed in an earlier Legal Briefs, relating to extensions of credit. Hopefully you have gotten the word that it has been decided that those "red flags rules" are not applicable to veterinary medicine practices.)

Be wary of the client who frequently changes veterinarians. This could be a sign of a client who is a collection problem, and could also be indicative of a client who does not accept a diagnosis and recommendations for treatment. There is no obligation that a veterinary medicine practice agree to provide medical services.

It's important that you clearly communicate with the client, at the time you undertake to provide any service, the extent of the services which you will provide, and the estimated cost for the services. Just as you must be careful that the client does not have a basis to assert that you have "guaranteed" the results of treatment, you also need to

be careful that the client does not have a basis to assert that you have assured the client that you will continue treatment beyond the client's assurance of payment.

Provided that you have clearly communicated, and documented, the service(s) that you will provide, and the terms for providing those services, at the conclusion of the services, or earlier consistent with the stated terms, you can terminate the relationship.

If there are no on-going treatments, we suggest that you write the client giving notice that you are no longer willing to provide services to the client. The advance notice eliminates any argument on the part of the client that the client had a reasonable expectation (i.e., a reliance) that you would provide future services.

The notice to the client should be very short and direct. While human nature may cause you to feel a need to provide an explanation for the action, that explanation really doesn't serve any purpose and can be counter-productive. At this juncture, you have decided to abandon any efforts to maintain the relationship. Any explanation merely serves to invite a continuing dialogue. On the other hand, if your intent is not to preclude future services, but to emphasize that you require prepayment for future services; clearly state such in your notice.

If the patient is under a course of treatment, additional steps are suggested. Notify the client that you have arrived at, or are approaching, the point at which your contracted services will end. Review with the client the options available (e.g., referral to a different practice, return home, euthanasia, etc.). Document the client's decision.

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