

Administration Fee Sample Letter

Dear Patient:

These are trying times economically for all of us. We at _____ want to continue to provide quality medical care in _____. As I'm sure you are aware, the cost of living and working in _____ continues to rise. As our expenses have continued to go up our revenue has decreased. The reimbursement rates from insurance companies have decreased an average of 3.5% per year and continue to decline. Like most other medical practices, we submit insurance claims on behalf of our patients. This results in our fees being influenced and ultimately capped by the insurance contracts. We charge all our patients these "set rates" whether they have insurance or pay out of pocket.

An annual administrative fee allows for a nominal increase to the equitably billed to all patients, it is not covered by insurance. Annual fees of this nature are becoming common practice for medical offices in order for them to meet overhead costs in _____.

So that we may continue to be here to provide you care when you need our services, we will be charging an annual administrative fee to all our patients effective _____. We will be charging a \$____ **per patient** annual administrative fee, and \$____ **per family**, (3 or more people per household).

Payment is due in full by _____. This fee is for the period of _____ to _____. **If payment is received in full by _____, we will take 10% off the total fee.** For new patients whose first appointment is after _____, we will reduce your annual fee based on a quarterly pro-rated amount.

Our goal is to continue to offer all our patients the best care in _____. Thank you in advance for your cooperation and understanding and for your prompt payment of this administration fee.

Sincerely,