

THE STATE OF COLLECTION



A State Collection Service, Inc. Newsletter
Volume 18, Number 2 • Second Quarter 2012

WHERE WE'LL BE

Iowa HFMA Summer Meeting

July 19-20, 2012 – Johnson, IA

Show-Me HFMA Summer Conference

July 25-27, 2012 – Johnson, IA

2012 HFMA Mid-Atlantic Meeting

August 1-3, 2012 – Louisville, Kentucky

First Illinois HFMA Golf Outing

September 12, 2012 – Lemont, IL

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LOCATIONS

Madison, WI:	608-661-3000 800-477-7474
Beloit, WI:	608-365-6654 800-477-7474
Minneapolis, MN:	651-264-9848 800-616-9695
Chicago, IL:	630-232-2545 800-232-2546

SO YOU THINK YOU'RE PRETTY GOOD, DO YA?

—Tom Haag, Chairman and CEO



These comments are about "Excellence". Unfortunately, I must start out by telling you about a recent comment we heard from a customer. He said, "I thought you were intending to be a "World Class" organization. Well I'm sorry to say you are not living up to that in my eyes." Ouch...that is not what you want to hear from anyone.

An investigation demonstrated he was correct. We had found a problem created by a software bug and operator error. We had collected the information to fix it and...yes...dropped the ball.

If our intent is to be a World Class organization - and it is - we must never allow this to happen. This is why we have maintained our certification under the ACA International sponsored - PPMS quality program for the past ten years and why we continue to add service and technical support along with every additional collection specialist we hire.

When we hire people, our goal is to add only the best and brightest; it's also why we offer a quality bonus to more than just the collection staff. When we visit our customers, we leave with them a survey asking, "How are we doing?" We really want to know. Our goal is to be the best; excellence is our passion.

In closing, I must quote a familiar name to most of us, Vince Lombardi; Vince too had a passion for excellence. He put it this way, "Our goal is perfection. One seldom achieves perfection but on the way we might just happen to find excellence." We hope that you will continue to help us get there. ✎



QUALITY CALLS = A POSITIVE PATIENT/CUSTOMER EXPERIENCE

—Tracy Dudek, Vice President of Operations



A common question asked of our organization is, “What processes do you have in place to ensure a positive patient/customer experience?” For me, the answer always starts with the Telephone Monitoring process.

At State Collection Service, we record all outbound and inbound calls, following applicable regulations around consent. The calls are easily accessible and available to provide coaching for our Early Out Account Representatives and Third Party Professional Collection Specialists. Each month a series of calls is chosen at random by our Quality and Training team members. This group listens to the calls, grading each according to the monitoring checklist applicable to that work group, and then conducting a listening session with the supervisor and representative. These coaching sessions normally last about an hour and we typically find

the representatives open to the feedback; often, they have more thoughts on how to improve the calls or strategy ideas for how to increase recoveries than what was initially identified by the trainer.

Our representatives also appreciate the quality assurance bonuses tied to achieving top scores on their monthly telephone monitors. There is a high degree of satisfaction in knowing that the call was handled within company standards and at the end of the call the client and their customer would be happy with how it is handled. Calls that follow the guidelines established lead to positive experiences.

"There is a high degree of satisfaction in knowing that the call was handled within company standards and at the end of the call the client and their customer would be happy with how it is handled."

“Through the coaching process we get to hear how the collector interacts with the patient and the level of empathy provided during each unique situation that comes up. There is coaching on adapting the talk-off to each patient and guiding them to proper resolution of the debt, while making sure the patient feels comfortable working with our staff members. Having a positive experience with our collectors is a top goal for our team,” stated Mike Paumen, Site Manager at our Madison location.

Key elements measured during the monitoring process include, among others:

- Compliance with Fair Debt Collection Practices Act and HIPAA requirements
- Proper identification of the right party
- Negotiation skills
- Closing the call
- Would the client be happy with the call?

According to Jeff Voss, a five-year tenured healthcare collector, “The value of the phone monitoring process is that it ensures I am in compliance with collection laws and following company guidelines. When I’m in a monitoring session, one thing I listen for in my calls is that I help the patient come to the best possible resolution for them and the client regarding their account.”

We recently made an investment in a proven solution that allows us to control the quality of 100% of our calls. This new solution also provides us with strengthened call and speech analytics, providing added value for our clients.

Our call monitoring process is time-tested and proven effective in developing some of the best employees in this industry. Our ultimate goal is to ensure overall satisfaction of our clients and our clients’ customers – we know that managing the quality of our calls ensures that your customers have a positive experience with us. ✎



MR. HAAG GOES TO WASHINGTON

On May 1st, State Collection Service's CEO, Tom Haag, was invited to participate in an executive summit hosted by ACA International in Washington, DC. Of the over 3,000 agencies in the nation, only 20 organizations were invited to participate and share their views on the important issues in the Credit and Collection marketplace. Among the topics discussed was the Telephone Consumer Protection Act and legislation regarding leaving messages on answering machines.



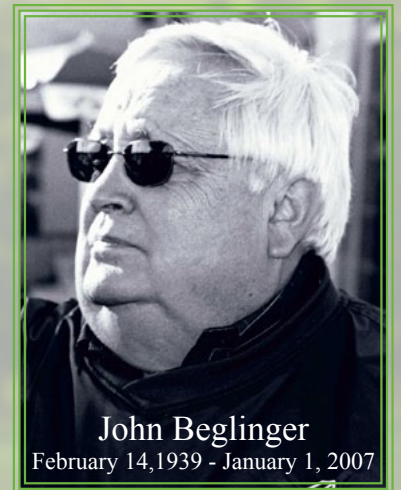
State Collection Service has long been an active participant within ACA International. Our company's expertise in industry matters is second to none and this recent summit is yet another example. 🌿

Remembering John



On January 1, 2007, State Collection Service and HFMA's Wisconsin Chapter lost a good friend in John Beglinger. John showed an extraordinary ability to make everyone around him feel special. He was a natural at creating a bond with his clients and fellow employees through his giving and caring personality.

John's unique persona gave him a very special title, Director of Schmooze. His positive impact on Wisconsin HFMA and the annual spring golf outing will remain forever. State Collection Service is very proud to sponsor this event in John's memory.



Members of the winning foursome: Kerry Kravik and Chris Brady. (Not pictured: Pistol Pete Nelson and Tony Peterson)

State Collection Service and the Wisconsin Chapter HFMA hosted the 6th Annual John Beglinger Golf Classic on May 24th at The Bull at Pinehurst Farms. We had 14 foursomes or 56 golfers attend. It was a beautiful day for a tournament, sunny and warm just as JB would have ordered it. JB had the reputation for it never raining during his golf outings. Thank you to everyone who participated, for sharing the fond memories and good cheer!

The winning four-some shot 64, eight under par, well done!



A CONTINUING COMMITMENT TO QUALITY

— Marc Soderbloom, Chief Compliance Officer and In-House Counsel



In 2001, State Collection Service made a commitment to establish a meaningful quality assurance program. In making that commitment, we worked in conjunction with the Association of Credit and Collection Professionals (ACA) to establish the Professional Practices Management System (PPMS). State Collection Service became, in 2001, the third agency in the world to obtain the PPMS certification and has attained re-certification every year since that time. This year's internal audit was recently completed and we were notified on June 7, 2012 that we met all the requirements for continued certification. Since PPMS certification is important to us, we want to share with you the commitment required to obtain certification.

At a high level, PPMS certification involves auditing, training, logging and tracking of issues, management review and submission of evidence of all of these items to an independent accounting firm for review. On another level, the certification process is actually a daily activity, requiring a commitment by all State Collection Service employees to actively work within and abide by our processes and business practices.

"Each employee is responsible for maintaining a high standard of quality on a day-to-day basis. In addition, each employee is responsible for informing management and others of any issues that do not meet those standards and to review practices to take advantage of continuous improvement opportunities."

Each employee is responsible for maintaining a high standard of quality on a day-to-day basis. In addition, each employee is responsible for informing management and others of any issues that do not meet those standards and to review practices to take advantage of continuous improvement opportunities. We want to ensure that all client issues are handled promptly and effectively, that all internal processes are working as planned, that proper training is occurring and tracked, and that all technical support issues are addressed. All these types of issues are logged and tracked by us daily.

As mentioned, PPMS certification requires a routine audit of all our processes and business practices. The audits are performed internally on an annual basis and externally on a regular basis. The annual audit involves employees from all departments and various levels of the company. The audits occurred this year over the course of four months. This year, 18 diligent individuals performed audits of 56 written procedures.

Each auditor is responsible for reviewing the procedure being audited and determining whether the procedure is being followed. The auditor is given the authority to ask any and all questions and review all documents necessary to complete a thorough audit. Once completed, the auditor determines whether the audit was satisfactory, needs improvement or is unsatisfactory. Any procedure that is determined to be unsatisfactory by the auditor is logged into our PPMS software. After it is logged, the fixes are made and a re-audit is performed to ensure that the procedure is being followed.

In addition to performing the audit, annual training is required in order to

obtain certification. The annual training provided to each employee includes such topics as: the Fair Debt Collection Practices Act, Health Insurance Portability and Accountability Act, Fair Credit Reporting Act, Security Awareness and ACA's Code of Ethics. Management is also provided with a legal review, a security review and an update on disaster planning.

Alongside the audit and training detail, we provide a log of all client issues, non-conformities and continuous improvements handled during the certification year to the independent accounting firm reviewing our certification documents. It is important in submitting these logs to ensure that all issues opened are appropriately tracked and handled.

Finally, we submit evidence that management is tracking the necessary and appropriate measurements to ensure that State Collection Service is meeting our internal standards and therefore meeting our commitment to our clients to provide service that is second to none.

We believe it is important to have both internal and external review in order to improve our procedures and business practices. We are pleased to continue to participate in ACA's PPMS certification process for that reason and welcome any questions you may have concerning PPMS. ☞





Where we've been..

The April **Indiana Spring Institute** in Indianapolis started off a busy couple of months at tradeshows! Booth visitors were encouraged to "Play the Slots" on our very own slot machine to win one of our top three fabulous prizes!

May began by exhibiting in our own back yard at the **Wisconsin Joint Revenue Cycle Coop** in downtown Madison. Again, our slot machine was a big hit. Attendees were excited to test their luck for a number of prizes, but the real gems were the "moooooing" cow stress squeezies! Even Bucky Badger wanted in on the action!



One quick week later we were in Las Vegas attending the **Amerinet Member Conference**. It was a wonderful opportunity for State Collection Service to show other Amerinet members what we bring to the table.

While some staff were attending Amerinet, others were attending the **Missouri HFMA Spring Workshop** at the Harrah's Resort and Casino in St. Louis. Once again, it seemed most appropriate that we bring our slot machine to entertain conference attendees!



In the last week of May, we helped host the John Beglinger golf classic at The Bull at Pinehurst Farms in Sheboygan, kicking off the **WI Chapter HFMA Spring Meeting**.

In June, we attended the "grand kahuna" of them all, **HFMA ANI 2012**, located inside the beautiful Mandalay Bay Resort and Casino in Las Vegas. The State team enjoyed entertaining and conversing with old friends and new at the Minus 5 Ice Lounge where we hosted a party of "way cool" proportions! This year's show was a lot of fun and a great success!



Where we're going...

Late summer, going in to fall, State will be busy attending the **Iowa HFMA Summer Meeting, Show-Me HFMA Summer Conference, along with the Region 4 Mid-Atlantic Meeting, and the First Illinois Chapter HFMA Golf Outing.**





MEET OUR SITE MANAGERS



Madison

Mike Paumen

Time with State: 1 year
Years in Industry: 15 years
Certifications/Specializations: ACA Certified, PTCT and FDCPA training certificates
Number of Supervisors at your Site: 3
Number of Collectors at your Site: 36

Hometown: Ramsey, MN
Family: Married with 2 daughters (18 and 4), and a son (2).
Hobbies: Boating and Golf
Favorite Sport/Team: MN Vikings and UW Badgers
Favorite Food: Anything on the BBQ
Major Accomplishments: Manager of the year, Rookie of the year and Achieved a \$1,000,000.00 invoice from a client. I have been successful in getting clients to a number one ranking on the majority of the clients I have worked.
Goals for State: To help grow the company 20% this year (2012), get 95% of my clients into #1, increase revenue per head by developing the collectors and supervisors, have the highest fee's produced per head over the other sites, continue to drive revenue thru strategy changes.

Beloit

Mark Holcomb

Time with State: 9 years
Years in Industry: 9 years
Certifications/Specializations: ACA Collector Certified / Michigan Collection Manager Certified
Number of Supervisors at your Site: 3
Number of Collectors at your Site: 30

Hometown: South Beloit, IL
Family: Son (19), Sister, two Brothers
Interests: History / Sports
Hobbies: Golf
Favorite Sport/Team: NFL / Dallas Cowboys
Favorite Food: Prime Rib
Major Accomplishments: 2011 Exceptional Results award
Goals for State: Expand my knowledge on the trends and impact of predictability indicators (credit scoring etc).



Minneapolis

Lee Palmer

Time with State: 4.5 years
Years in Industry: 14 years
Certifications/Specializations: Professional Collection Specialist, FDCPA Certified
Number of Supervisors at your Site: 1
Number of Collectors at your Site: 13

Hometown: Forest Lake, Minnesota
Family: Wife, and 2 sons
Interests: Basketball, Golf, spending time with family and friends.
Hobbies: Collecting Sports Cards
Favorite Sport/Team: Minnesota Vikings
Favorite Food: Juicy Lucy Burgers
Major Accomplishments: Rookie of the Year 2008
Goals for State: To make this office the most productive site of all the offices, To show our company values to each of my employees each and everyday.

Chicago

Jason Wallin

Time with State: 2 years
Years in Industry: 23 years
Certifications/Specializations: IACC Certified Commercial Collector, ACA Professional Collection Specialist
Number of Supervisors at your Site: 4
Number of Collectors at your Site: 28

Hometown: Chicago, IL
Family: Wife and 2 sons
Pets: St. Bernard (Sophie), Dachshund (Ruby), Pug (Maddie)
Interests: Spending time with family and friends
Hobbies: Enjoy Auctions & Antiques
Favorite Sport/Team: Chicago Bears
Favorite Food: American Cuisine
Major Accomplishments: My family
Goals for State: Continue to contribute to the growth and success of the company as a whole and to have the Chicago office maintain and exceed its performance.





STRATEGIES TO ACHIEVE BREAKTHROUGH RESULTS – OUR POPULAR WEBINAR SERIES RETURNS

— Steve Beard, Chief Business Development Officer

Each of you would certainly agree that today’s healthcare climate is filled with challenges and uncertainty. Whether it be the significant shift in payer responsibility due to high deductible health plans, a decline in the reimbursement rates coupled with increases in the cost of delivery, or the inability to staff appropriately, the challenges that face today’s healthcare providers create the perfect storm.



In response to these challenges, we have developed a webinar series to provide revenue cycle best practices and strategies from industry experts, thought leaders and your peers. Our goal is to assist in providing strategies and insight that will positively impact your bottom line. 2012 marks our third year in providing a webinar series focused on the healthcare revenue cycle.

In our first session held in April, Nelson Lowman of Berkeley Research Group shared his insight into industry trends. Sharing his knowledge of healthcare reform, he provided the audience with practical strategies to prepare for this changing environment in his session titled “Healthcare Trends and the Impact on the Revenue Cycle”.

May’s session, “Customer Service and the Impact on the Revenue Cycle,” was led by Steve Levin, CEO of Connance. Steve shared the patient satisfaction results related to a two-year study conducted by Connance based upon business office operations. He further compared those results to the overall patient satisfaction of the facility. Mr. Levin provided specific strategies that could be implemented based upon understanding the patient and how they would prefer to be contacted.

Tina Hanson, Executive Vice President of State Collection Service and an ACA Instructor of the Year, took the concepts of the previous two sessions and applied them in a practical way. Strategies and processes ultimately rely upon people; within any organization, your most important asset is your people. Many of you invest heavily in training, but does everyone in your office learn the same way? In her session, “Tailoring the Training to the Learner,” Tina provided insight into the different ways in which people learn and shared best practices to identify the best training method for the student.

If you were unable to participate, each of the sessions is available for download on our website – www.statecollectionservice.com/events/. We’ve had several great sessions already and hope you will join us in the upcoming months!

As we prepare for 2013, send us your ideas at steveb@stcol.com.



2012 STRATEGIES TO ACHIEVE **Breakthrough Results**

Mark your calendars for the next webinars in our series!

July 19: “A case study in improving results and satisfaction”

Led by Jon Neikirk, Assistant Vice Present of Revenue Cycle - Froedtert Health

Jon Neikirk, Assistant Vice President of Revenue Cycle for Froedtert Health, will share his results in not only improving bottom line results but in also improving patient satisfaction. Jon will walk us through his process improvements, from pre-scheduled services to access to post discharge. In addition to process improvements at each step of the revenue cycle, he will discuss the role of education and training, the use of analytics, and staff utilization including outsourcing.

August 9: “Effective communication to improve Patient Satisfaction”

Led by Tina Hanson, Executive Vice-President - State Collection Service

You have heard the expression, it is not what you say, but how you say it. Tina Hanson will provide communication tools and techniques which can be implemented as your staff interacts with patients AND each other. The result- improved results and improved patient satisfaction.

September 20: “Revenue Cycle Benchmarking”

Led by Dave Harris, Partner - PricewaterhouseCoopers

What are the key metrics for revenue cycle performance and how does your facility compare? PwC recently updated the statistics of their analysis and will share the results of high performers. Dave Harris will provide an update based on his recent study.

Visit statecollectionservice.com to register today!

THIRD-PARTY DEBT COLLECTION IMPACT

- ACA International commissioned Ernst & Young (Fall 2011) to measure the annual impact of third-party debt collection on the national and state economies.
- Nationally, \$55 billion (gross) were recovered for creditors in 2010. Of this, \$44.6 billion in net debt was returned, representing an average of \$396 per American household.
- In addition to directly employing over 148,000 individuals, the collection industry indirectly supports another 153,000 jobs in industries that sell goods and services to collection agencies and their employees.

Sources: Ernst & Young, 2011 www.acainternational.org/impact & U.S. Government

LAST QUARTER'S BRAINTEASER

Susan Erdmann of Affinity Health System is the winner of the last Brainteaser. **Congratulations, Sue!** We will be delivering a special prize within the next few weeks.

Tamara Bleck (Bleck and Welker), Barb Crosby (Chartwell Midwest Wisconsin), and Margi Newhouse (NeuroSpine Center of Wisconsin, S.C.) also had correct answers! Good job!

Be sure to send in your Brainteaser entry – you could be our next winner!

THIS QUARTER'S BRAINTEASER

1. A clerk at a butcher shop stands five feet ten inches tall and wears size 13 sneakers. What does he weigh?
2. Before Mt. Everest was discovered, what was the highest mountain in the world?
3. How much dirt is there in a hole that measures two feet by three feet by four feet?
4. If you were running a race and you passed the person in 2nd place, what place would you be in now?
5. In British Columbia you cannot take a picture of a man with a wooden leg. Why not?

Please email your answers to newsletter@stcol.com or fax them back to (608) 661-3001 (Attn: Newsletter). Be sure to include your name, employer and email address with your answers.

Solution to the last Brainteaser

1. Give 4 kids apples and the 5th kid an apple in the basket
2. The two babies are two of a set of triplets
3. She was walking.
4. The letter M.
5. Why should a living man be buried?

Oh, Baby!

Congratulations to Richard Eith (EBO, Madison) on the birth of his beautiful baby boy!

Patrick O'Brien Eith was born on May 21, 2012, weighing 4 pounds 2 ounces and was 17 inches long.

