

# THE STATE OF COLLECTION

A State Collection Service, Inc. Newsletter  
Volume 19, Number 1 • First Quarter 2013

## WHERE WE'LL BE

### **HFMA Dixie Institute**

February 24 - 27, Naples, FL

### **WI HFMA CFO Forum**

April 3, Wauwatosa, WI

### **HIPAA COW Spring Conference**

April 12, Waukesha, WI

### **HFMA McMahan**

April 18 - 19, Bloomington, IL

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## LOCATIONS

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Madison, WI

Beloit, WI

Minneapolis, MN

Chicago, IL

## MORE RULES TO FOLLOW

—Tom Haag, Chairman and CEO



I have written past articles sort of poking fun at the rules we must live by. Debt collection is one of the most regulated industries in the country. Licensing and regulation takes place at all levels of government from local to state to federal. Perhaps that is as it should be, given there have been some egregious activities uncovered. At State Collection Service, to say we take compliance seriously is an understatement. When our national trade association, ACA International, developed a certification program for compliance, both Tina Hanson (Executive Vice President) and Marc Soderbloom (Chief Compliance Officer and In-House Counsel) became Certified Credit and Collection Compliance Officers (CCCO).

Two years ago, Congress created another agency to deal with consumer credit in addition to the Federal Trade Commission. The Consumer Financial Protection Bureau (CFPB) is now in the process of prescribing behavior for all financial activities including, of course, debt collection. Again, we are closely involved as State Collection Service's own Tina Hanson has been appointed to a special task force created by HFMA regarding CFPB's involvement in medical debt; she is also working with ACA international to develop and train collection agencies on CFPB compliance. Even more recently, the City of Chicago has created the need for a license to collect in the city of Chicago. As you can imagine, most collection agencies even far removed from Chicago will need to consider licensing because possible violations carry with them heavy fines and penalties.

I think it's important that you understand our absolute commitment to following all laws and managing compliance. In fact, several of the articles in this issue will demonstrate that. Have a great year ahead. 🍀



## INDUSTRY TRENDS THAT IMPACT YOU

—Terry Armstrong, President



As we look at trends within the healthcare industry, the most obvious place to look are those associated with the Affordable Care Act (healthcare reform). Unfortunately, as you likely know, many of those trends are yet undefined or are still taking shape. There is still much uncertainty around the various state exchanges and unfinished legislation as well as clear definition on the impact to your current patient population.

Keeping that in mind, it may be better to discuss two trends that are clearly emerging in the industry. The first is a shift to guarantor-centric billing or the concept of “one family, one statement.” This is a trend that will become even more defined as state exchanges and Accountable Care Organizations (ACOs) gain acceptance. Producing a family statement not only saves cost, but more importantly, improves satisfaction.

The second trend is a growing acceptance of the use of business analytics. The most common form is through the use of data. By better understanding the patient populations and segmenting patients into categories, the data allows better handling of follow-up and collection activities. Many providers also use this tool to determine those patients who are eligible for charity. While using data to drive activities may sound “rather cold and number-like”, it actually supports doing a better job of handling patient accounts and improving patient relations. Also, since costs are a real issue for all of us in healthcare today, we want to utilize the right resources at the right time to do the right things. It is just as important to not overspend collection dollars on patients who won't pay no matter what tactic we use as it is to handle those patients appropriately who will pay every time we send a first statement. All of this will improve patient satisfaction.

An emerging trend within this field is the use of voice analytics. While analyzing the data allows us to place an account in the appropriate segment for follow up, the use of voice analytics improves our effectiveness while we have the patient on the phone by enabling us to fine tune our methods in order achieve the best possible resolution. As we've shared in previous issues, State Collection Service utilizes an industry-specific analytical tool called CallMiner. By analyzing 100% of all calls and assessing the information we obtain, we can be assured that we not only handle all calls according to legal requirements and within compliance parameters, we ensure that patients are treated in a courteous manner. We can also conform to and support any client-specific requirements related to patient satisfaction or other criteria. With such in-depth analysis of our calls, we have accurate and comprehensive data that allows us to make immediate decisions and changes, if necessary. All of this supports an overall increase in patient satisfaction.

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So how are these seemingly unrelated trends actually related? Both items drive us to improved patient satisfaction AND improved bottom line results. For State Collection Service, we have found that CallMiner definitely enhances our company goal of helping clients improve patient satisfaction. Producing a single statement that includes all billing and/or charge information for every family member and includes all providers visited during a specific period time is another trend where we are at the forefront. We continue to see first-hand how this trend is gaining acceptance within the marketplace and, utilizing our Artiva Healthcare platform, we are easily able to support it within our Early Out division. We have found that patients are much happier and certainly more satisfied with one concise, comprehensive statement. This concept of “one family, one statement” is one I believe will become even more desirable as ACOs become more prevalent. Also it appears that the new healthcare reform legislation will speed up the move to the concept.

We will discuss other patient satisfaction concepts, including a more in-depth look at guarantor-centric billing, in future issues. What trends are you seeing today? 🐦



# LEGISLATION LEVELS THE PLAYING FIELD

—Marc Soderbloom, Chief Compliance Officer



As I write this, in the last week, the City of Chicago worked on and will be enacting an ordinance requiring the licensing of debt collection agencies; reports of the Consumer Financial Protection Bureau (CFPB) auditing collection agencies that fall within their auditing jurisdiction are rolling in; and, the new Health Insurance Portability and Accountability Act (HIPAA) regulations, it was announced, were to be published in the Federal Register on January 25, 2013, the preview of which I reviewed a bit last week. I say "a bit" because the preview is 563 pages long. It is an inauspicious start to a new year for some of us.

It strikes me, and I have mentioned this before, that legislation can be a good thing. It can level the playing field; it can let us all know what is expected of us and what we can expect from others. But, legislation has other, perhaps intended and maybe unintended, consequences. The City of Chicago, for instance, will require the licensing of debt collectors. The state of Illinois already requires licensing of collection agencies, although, depending on the state in which the collection agency is located, a

collection agency may be exempt from licensing in Illinois. The City of Chicago will have no such exemption it seems. So, will a collection agency that is currently exempt, decide it will obtain an Illinois collection agency license since it will be required to obtain one in the City of Chicago? If they do, they need to expect to spend some time, money and effort doing so. There are forms to complete and, of course, money to pay. These are costs (including the internal, soft costs) the collection agency may not have incurred before. Of course, not only will the agency be licensed in Illinois, they'll be subject to another layer of regulation. The agency will need to comply with City of Chicago rules, state of Illinois rules and laws, and, of course, federal law, which governs all debt collectors.

Which brings us to the CFPB. When it comes to legislation, the law creating the CFPB is a monster. The CFPB will be the watchdog for all things financial services-related. The intent is to ensure that consumers, which include you and me, are not harmed when dealing with those in the financial services or products industry. Collection agencies are included, but not all collection agencies will be subject to an audit; only those agencies with sufficient revenue derived from financial services. However, all collection agencies can be subject to regulation. The CFPB will be something that all agencies, large or small, involved in financial services or not, will be watching. Most of all, we'll be watching what our internal costs of complying with the new oversight will be and the time expected to be spent if an audit is to be performed.

And that brings us to the new HIPAA regulations. Thankfully, the regulations address certain open issues, like the definition of "breach," although the objective standard being touted can leave you a little less comfortable than the interim rule's more subjective analysis (that's for a different article, after we've all had some time to review the regulations). The new regulations did not provide business associates, like us, much guidance in the application of the "minimum necessary" standard, but at least we all get some time (appears to be September 14, 2014) to revise the business associate agreements we have all spent our time fine tuning over the last two years. So, those of us in the health care arena are all going to be digesting the new regulations and revising our policies and procedures (more internal and external cost).

I am told that novelists, when writing their stories, often find that the character takes charge of the story and that the author is simply along for the ride. As I was writing this legislative piece, I found that the main character, legislation, has, as it always will, taken charge, and we are along for the ride, indeed. ☞

## Tim Haag receives Kurt Swersky Award from peers

At ACA's annual Leadership Symposium in Vail, CO, Tim Haag (Client Services Manager) was named the winner of this year's Kurt Swersky Award, given to the participant whose dedication and enthusiasm best reflect the spirit of the conference.

This meeting helps the association identify up-and-coming leaders and help them build their leadership skills. This year's event had 36 attendees.

Congratulations, Tim, on a well-deserved honor!



Left: Pat Morris (CEO of ACA International), Tim Haag (Client Services Manager, State Collection Service, Inc.), and Bill Hopkinson (ACA Board of Directors)



# CONTACT ANALYTICS WILL POSITIVELY IMPACT QUALITY ASSURANCE AND PATIENT SATISFACTION RESULTS...RIGHT?

— Tracy Dudek, Vice President-Operations

The answer is YES! Contact Analytics, when provided through a technology platform such as CallMiner's Eureka! product, will provide "actionable insights directly to the people who need and can act on the data", according to [www.callminer.com](http://www.callminer.com). By having data at the fingertips of call center leadership team members, behaviors that indicate a representative's positive or negative call can be tracked and readily available for coaching.



The representative scorecard delivers call results in a summary format for all calls recorded and provides the supervisor with data to coach a representative on key points in their call sequence that require improvement, as well as, showcase calls that are above the standard. Contact Analytics allow the supervisory team to:

- Ensure agent procedural compliance with a health system's right party verification practices and specific financial assistance/charity language expected on appropriate calls
- Automatically score agent performance and demonstrate scores for each call, pointing to the exact place within call where key scorecard elements are achieved or bypassed
- Optimize quality monitoring efforts via a consistent process for which to measure representative performance compared to the peer group
- Identify representatives who need monitoring/training on politeness and the ability to follow approved call guidelines
- Improve sampling for call monitoring by analyzing calls that are recorded
- Identify process issues and knowledge gaps that assist in a higher percentage of first call resolutions

Patient satisfaction scores can be improved by knowing what is discussed on each call that causes a patient concern, analyzing the frequency of those concerns and feeding that information back to the healthcare provider for discussion around possible process improvements. By identifying process improvements and implementing changes over time, patients will see their concerns are addressed proactively and actual changes can be made to the overall patient experience. It is our responsibility as your business associate partner to provide data regarding what occurs on the calls we handle for your facility and how we can work together to improve patient satisfaction. We look forward to continued partnership discussions about the overall improvement of the patient experience! ✎

## 2013 STRATEGIES TO ACHIEVE Breakthrough Results

### A PREVIEW OF OUR POPULAR WEBINAR SERIES

— Steve Beard, Chief Business Development Officer



Declining reimbursement rates, increasing patient responsibility and increases in the cost of delivery are among the challenges that face today's healthcare providers. With these challenges in mind, State Collection Service is pleased to once again bring you our webinar series, *Strategies in the Midst of the Perfect Storm*. Through this webinar series, our goal is to assist you by providing strategies and insight that will positively impact your bottom line in 2013 while improving the overall patient experience.

Our first session, "Using Voice Analytics to Improve Patient Satisfaction", will look at the tools available to measure call quality and provide an insight into our own use of the CallMiner product in measuring patient satisfaction. This session is scheduled for Thursday, March 28.

On April 18, industry experts from Connance will discuss the various strategies surrounding the administration of charity and provide insight into the process of adopting a presumptive charity model in their session titled, "Charity Administration Made Simple." On May 16th, we evaluate the process that providers can utilize to analyze patient complaints in "Driving Patient Satisfaction through Complaint Analysis Tracking."

All sessions are available for registration at [www.statecollectionservice.com](http://www.statecollectionservice.com) so be sure to sign up today. We look forward to your participation in this year's webinar series!



# CONTINUING TO UTILIZE CREDIT REPORTS

— Mark Neill, Director of Production



Credit Reports have been a tool utilized by the professional collector in the Account Receivable Management Industry for years. Today there are three major credit bureaus and each organizes data about consumer credit history and public records. Although the bureaus have been around for a while, the advent of the internet made credit reporting easy. With the use of the internet, requesting of credit reports became faster and more commonplace.

By the 1990's, legislation (Fair Credit Reporting Act) required that lenders report all credit activities (on-time payments, default, write-offs, account openings and closures and the all-important available credit, etc.) for private persons and corporations.

Credit Reports provide the professional collector with the most up-to-date demographic and financial information about the consumer's behavior. Credit Reports are divided into six main sections: identifying information (name, address, birth date and Social Security Number),

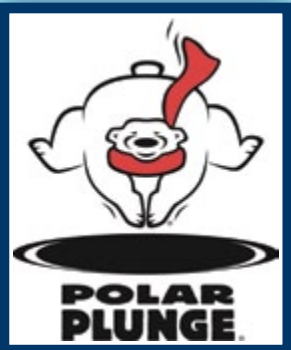
employment, consumer statement, account information, public records and inquiries. Credit reports are updated with new information from creditors approximately every 30 days, to reflect current account balances and payment activity.

Collector's Credit bureau analysis and skip-tracing applications are critical to the professional success and are extremely effective tools when used together. Credit Bureau information reveals a consumer's financial blue print and is the perfect complement to the skip-trace process. As we review a consumer's credit history we see the movement needed to plug in skip-tracing. Where does the bank exist? What about property history? As the professional collector knows, it's important to establish a profile "snapshot" of the consumer quickly as the collection effort goes forward.

The collector's role in collecting debt has evolved. The relationship between the collector and consumer is now more of a sales dynamic. Customer service tools serve us better in the long run when communicating with consumers. Gone are the days of the "Hard" collector as we have seen the evolution of both Federal Laws surrounding this approach and a more savvy consumer due to greater online resources.

In recent years, the use of credit reports and the information contained within them has evolved to consolidated data sets or models such as consumer "scores" and "credit attributes". Our industry is utilizing this new data to prioritize and sort inventory so that the collector is presented with the best accounts to collect upon. Dialing campaigns and workflows are designed to leverage the information so that the collectors are equipped to overcome all objections and negotiate the best possible arrangement for our clients and the consumer. The traditional credit report is being utilized less and less, but it very much has a role in our industry. Knowledge is power! 🦄

*"Credit Reports provide the professional collector with the most up to date demographic & financial information about the consumer's behavior."*



Diving head first into the new year, employees of State Collection Service raised money for the 2013 Polar Plunge, benefiting Wisconsin's Special Olympics.

Ten of the company's bravest weathered the cold by jumping into the waters of Willow's Island in Madison, raising \$2,500 in the process! Thank you team, for "Freezin' for a Reason"!



## MAKING THE HOLIDAYS A LITTLE BRIGHTER FOR THOSE IN NEED

In Beloit, Wisconsin, the general poverty rate for 2011 was 25 percent, higher than the statewide average of 12 percent (US Census Bureau). Beloit is also home to one of State Collection Service's four sites; State Collection Service is a nationally-recognized receivables firm with a strong focus on the healthcare industry. Within the Beloit location, staff has been collecting a record amount of money for 2012, but this is a different kind of collection, one that is near and dear to their hearts. These employees, in addition to working their day jobs for State Collection Service, have been working together tirelessly to raise funds for families in their local community.

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*"... The employees of State Collection Service have all lived up to one of the company's core values – Stewardship – by participating fully in the communities we serve".*

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The office's employees conducted and took part in a variety of fundraisers throughout 2012, planning creative, team-building opportunities to bring in more donations to add to their "kitty". These events included two breakfasts, four pot lucks, aluminum can collection, cup and lid sales, a "Change a Life" change jar, and individual donations, totaling nearly \$1,500 raised.

With all of the money collected, the staff was able to put their "kitty" to use this holiday season. The group purchased nearly \$600 worth of holiday gifts for a single mom with two boys and had the opportunity to hand-deliver those presents on December 7. Another \$500 gift card was given to a local family of six as well. And when a local charity, Hands of Faith, needed help raising extra funds for

two families in need, the State Collection Service's Beloit staff stepped up and contributed \$150 to each without a second thought. At the company's annual holiday luncheon in December, the director of the Hands of Faith program was in attendance to congratulate and thank the group for their large fundraising efforts. While there, he was given an additional \$300 by State Collection Service employees to help make the holidays brighter for two additional area families.

Just south of Beloit in the Western suburbs of Chicago, is the city of Geneva, home to State Collection Service's Illinois office. Equally worth mentioning for their efforts, the Geneva employees worked together through 2012 to raise \$1,500 for their local charities, Moosehart (a charity that cares for orphaned children), Mutual Ground (a domestic violence center) and Anderson Animal Shelter. They too, put together many events for staff to get involved in. "Some of the fund-raisers consisted of an ice cream social, a carnival, dunk tank, basket raffles and cookie grams. In addition, the office held a coat drive which benefited the Salvation Army & public schools in the Chicagoland area. We also held our second annual food drive this year and collected 172 pounds of food which was donated to the Northern Illinois Food Bank," says site manager, Jason Wallin.

Employees from the company's other two sites also collected monetary donations and gifts for their local charities. Additionally, State Collection Service made a substantial donation to the American Red Cross this past year.

"We are all truly proud of and thankful for the many employees who have selflessly given to their communities. The employees of State Collection Service have all lived up to one of the company's core values – Stewardship – by participating fully in the communities we serve," noted State Collection Service President, Terry Armstrong. ✎



# The Holidays at State Community Outreach

Woodbury employees volunteered their time to work at a local food pantry.



Beloit raised money to purchase gifts for many less fortunate families in the area.

Chicago held coat and food drives, as well as fundraisers benefiting local charities.



Madison held a food drive and employees volunteered their time at a local soup kitchen.



## Office Celebrations





# WOW AWARDS



Left (left to right) - Terry "Santa" Armstrong (President) and Christine Rowlett (Collection Specialist).  
Right - Tanya Ball (Collection Specialist).

State Collection Service gave away two WOW Awards during the past quarter! The WOW Award was created to recognize those employees who go above and beyond in their role, provides a great example for others, and make us all stop and say, "WOW!"

Congratulations to **Christine Rowlett** and **Tanya Ball!**  
Thank you for all of your hard work!

## CRCR certifications

A big Congratulations goes out to **Diane Virnig, Denise Phelps, Kathy Lukens, Jennifer Barlow, Kelly Gransee** and **Matthew Baierl** of our Early Out Division on passing the CRCR exam!

HFMA's Certified Revenue Cycle Representative (CRCR) program helps set standards of performance for revenue cycle staff. By becoming certified in the CRCR program, an individual has the designation that proves a high level of revenue cycle knowledge and expertise has been reached.

This is a tough exam and they all did a great job! We are all so proud of you!



## fundraising

## for hurricane sandy victims

In November, Judy Lytle (Madison office), started a grass roots fundraiser to help the families affected by Hurricane Sandy with all of the proceeds going to the American Red Cross. There was an overwhelming show of support! Thank you for putting this together Judy!





## LAST QUARTER'S BRAINTEASER

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

Barb Crosby (Chartwell Midwest Wisconsin) also had the correct answers! Good job!

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

## THIS QUARTER'S BRAINTEASER

1. What does this mean?

N  
A  
E  
L  
C

2. How can you take 9 toothpicks and make ten without breaking the toothpicks?

3. What question can never be answered yes?

4. Scientists have proven that one side of a cat has more hair. Which side is it?

5. You have a 4 gallon and a 7 gallon jug of water. How can you measure exactly 6 gallons of water using these two jugs?

**Solution to the last Brainteaser**

1. The shadow
2. High five
3. They are all married
4. Short
5. Tomorrow

Please email your answers to [newsletter@stcol.com](mailto: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.