

THE STATE OF COLLECTION

A State Collection Service, Inc. Newsletter
Volume 16, Number 2 • Second Quarter 2011

WHERE WE'LL BE

WCCMA/WMCA/AAHAM/WAHAM Revenue Cycle Coop

April 27-29 – Wisconsin Dells, WI

WI HFMA Annual Meeting

May 25-27 - Wausau, WI

HFMA ANI

June 26-29 - Orlando, FL

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LOCATIONS

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

*HFMA staff and volunteers determined that this product has met specific criteria developed under the HFMA Peer Review Process. HFMA does not endorse or guaranty the use of this product.

GOOD NEWS TRAVELS

—Tom Haag, President and CEO

Many of you know that there are a host of associations that represent those within the healthcare revenue cycle, both locally and nationally. Most would agree that the preeminent organization is HFMA (Healthcare Financial Management Association).

State Collection regularly participates in their programs, both nationally and through many state chapters. As part of that participation, we took a look at the national Peer Review program and noticed that only one bad debt collection company had been so recognized. You may recall that it was a similar finding that caused us to submit an application in 2008 for the BBB Business Ethics Torch Award.

The HFMA Peer Review process is a lengthy one. We submitted our information over nine months ago. The result if approved is designed to provide healthcare financial managers with an objective third party evaluation of products and services in the healthcare financial workplace. The evaluation includes - Effectiveness, Quality and Usability, Value and Customer Support. We were approved. In fact, based on the survey results, a whopping 96% of the respondents said they would recommend us to their colleagues. To learn more about the HFMA Peer Review program visit the website www.hfma.org or ask one of us at State Collection Service. Ten years ago we received ACA PPMS Agency Certification. Three years ago we received the BBB Business Ethics Torch Award and now the HFMA Peer Reviewed designation. We have done this for you, our customers. Thank you for caring. 🌟



PEER REVIEWED
by HFMA*



Healthcare Bad Debt Recovery

SERVICE. INTEGRITY. RESULTS.



Where we've been...



The year started off with a bang as we headed to HFMA's Region 11 Symposium in Las Vegas. Attendees enjoyed taking a chance on our slot machine!

Tim Haag (L) and Steve Beard (R)

Where we're going...

We will end the month of May with our annual WI HFMA Spring Golf Outing in honor of the late John Beglinger. We're expecting another year with no rain, thanks to John!



The next couple of months will be sure to keep us on our toes as we head off to WCCMA/WMCA/AAHAM/WAHAM Revenue Cycle Co-op in Wisconsin Dells, followed by WI HFMA's Annual Meeting in Wausau! We will round off the the month of June with a trip to HFMA ANI in Orlando, FL!



THE IMPORTANCE OF KNOWING YOUR STAFF

— Mark S. Neill, Director of Production



The importance of knowing our staff is a very critical aspect of our business, and one I take personally. I believe many companies have forgotten why this is important and now, due to the economy, they are feeling the side effects of their inaction. As I grow each day with State Collection Service, this principle becomes even more sustaining, and I am convinced that a successful company is one that is familiar with itself internally.

In our current business climate, we must focus not only on the people who are doing the work on the collection floor, but also those in the front office, the back office, client services, cash applications, I.T., sales and marketing, “all” of our offices. I am a big believer in team. I’ve played sports my entire life and learned some valuable lessons along the way, one of which is pulling together when times get tough. As many of you know, the collection industry has many rewards, but can also be challenging at times. It is during those difficult times that we need to “pull together” and overcome whatever obstacle comes our way.

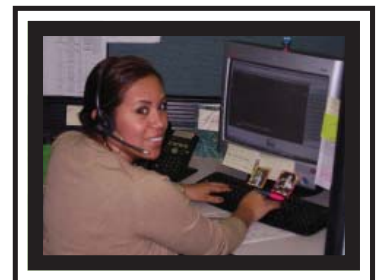
We all have our own specific gifts and it’s my job to understand who *you* are as valuable staff members, as well as understand your strengths and areas to be improved. We are only as good as our weakest link, so I want us all to be the best we can be. Anyone who is in a leadership position has an obligation to continue to inspire both his and her teams and to inspire themselves by asking questions, identifying areas of opportunity and being independent and creative thinkers. What is your contribution?

“...it takes a wide variety of professional personalities to make a company successful.”

Getting to know your staff seems so basic a notion that I am always surprised when it is debated within professional circles, especially in the world of collections. All of us that are in the industry know that it takes a wide variety of professional personalities to make a company successful.

I am excited about State Collection Services and everything the future here holds. I am honored to be here and proud of all of the company’s accomplishments, but nothing could happen without “real” people doing real work. We have birthdays and families, and we have good days and bad days. We will experience everything as a team and we will support and inspire each other to be better. We must all be vested in the success of our company and willing to take a team approach to realize our goals and be the best we can be.

Years of experience have taught me that when managers make a sincere effort to get to know their staff, employees work harder for clients. My door is always open and when I ask employees, “what are you doing to be better than you were yesterday,” I genuinely want to hear what they have to say. 🐾





DEBT COLLECTORS RESOLVE 84% OF CONSUMER COMPLAINTS

MINNEAPOLIS - (March 29, 2011) – According to the Council of Better Business Bureaus (BBB), debt collection agencies are among the nation's leading industries in resolving consumer complaints.

"Debt collectors take consumer complaints very seriously and agree with the significant importance of protecting consumers against any business that engages in deceptive, unfair or abusive practices," said ACA Interim CEO Ted Smith.

In its annual report on consumer complaints, released in March 2011, debt collection agencies resolved 84 percent of the complaints received compared to an average of 75.8 percent for all industries tracked. Collection agencies rank 19th in the number of inquiries and fifth in the total number of complaints.



Overall, the BBB received 535,224 inquiries about collection agencies in 2010. Of these, 14,966 were complaints and 12,568 were resolved based on BBB standards. Since 2002, collection agencies have been above the national average in resolving more than 80 percent of the complaints filed with the BBB.

ACA International members are working with regulators, Congress and state leaders to ensure a balanced debt collection system that allows for legitimate debt collection to function and protects consumers.

According to Smith, "We will continue to provide educational and training resources to help our members, and their employees, prevent, manage and resolve consumer complaints. However, consumers shouldn't avoid debt collectors or dismiss being contacted as a scam without verifying it first. The vast majority of debt collection activity is legitimate and it's imperative to address a debt collection inquiry head-on."

ACA International members have created www.AskDoctorDebt.com, a valuable, free consumer website to help provide answers to debt related questions. AskDoctorDebt.com, available in both English and Spanish, features straightforward answers, links to resources and helpful tools for consumers.

ACA International is the comprehensive, knowledge-based resource for success in the credit and collection industry. Founded in 1939, ACA brings together more than 5,300 members in the United States and abroad, and their more than 150,000 employees, including third-party collection agencies, asset buyers, attorneys, creditors and vendor affiliates. ACA International establishes ethical standards, produces a wide variety of products, services and publications, and articulates the value of the credit and collection industry to businesses, policymakers and consumers. For more information about ACA International, visit www.acainternational.org.



NAVIGATING THE PEER REVIEW PROCESS

— Mona Sen, Marketing Associate



As mentioned by our President and CEO, Tom Haag, in his President's Message, State Collection Service was recently awarded the Healthcare Financial Management Association's (HFMA) Peer Reviewed designation for our Healthcare Bad Debt Recovery service. This, in combination with our Better Business Bureau Torch Award for Business Ethics and Integrity and our PPMS quality assurance certification, distinguishes the services we provide our clients from those available by other vendors in the marketplace.

Having found myself intimately involved in the Peer Review process, from application to approval, I can say with complete honesty that it is one of the most thorough evaluations I have ever been a part of. From an in-depth application to determine if a company is eligible to move forward through the process, to surveys of dozens of clients and prospective clients and a series of presentations, attempting to become a Peer Reviewed agency took us nearly nine months and was anything but simple.

To better understand what is required of a company to get a product or service approved for Peer Review status, here are the criteria:

- The product or service has demonstrated that it provides a return on investment; can improve productivity or process effectiveness; meets its promoted benefits; and is accurate, effective and easy-to-use.
- The vendor has demonstrated superior customer service and technical support of the product or service.
- The vendor delivers excellent customer relations to effectively and efficiently resolve customer issues as they relate to the product or service under consideration.
- The product or service is based on practical industry knowledge and proven experience.
- The vendor and the product or service maintains a reputation of integrity in the healthcare field.

By meeting each of these criteria, earning the Peer Reviewed status provides you with an objective third-party evaluation of our bad debt collection service. As survey respondents made clear, over 96% of participants would recommend State Collection Service's bad debt recovery service to others within the industry. Knowing that the approval rate for this specific service is only 25% should give you further confidence that we are able to meet your collections needs like few others in the industry.

Again, we are extremely proud of the newest designation we have received and what it means to our current and prospective clients. As HFMA points out so clearly, "If dozens of your colleagues had already surveyed, tested, reviewed, and assessed healthcare financial products and services, wouldn't you want to know which ones met their demanding standards of excellence?"

We thought so too. 🌸



Healthcare Bad Debt Recovery



WEBINAR SERIES PREVIEW

— Steve Beard, Director of Revenue Cycle Solutions

In response to the needs of our healthcare partners, the Strategies to Achieve Breakthrough Results Webinar series, which premiered in 2010, returns for a second season.

Today's healthcare climate is filled with uncertainty. Whether, increasing denial rates, a decline in the reimbursement rates, an increasing cost of delivery, the inability to staff appropriately or the uncertainty of Healthcare Reform, the challenges that face healthcare providers create the perfect storm.

State Collection Service has designed the series to provide the best revenue cycle practices and strategies from industry experts, thought leaders and your peers. Our goal is to assist in providing strategies and insight to positively impact your bottom line.

In our April 21st session, "Developing a Strategic Revenue Cycle Plan," Nelson Lowman of Wellspring+Stockamp will explore the challenges that face today's providers and offer the key elements in the creation of a strategic plan to address those challenges.

"Our goal is to assist in providing strategies and insight to positively impact your bottom line"

Lowman, who is the Managing Director of Wellspring+Stockamp will draw upon his 20 years of extensive healthcare experience in revenue cycle performance improvement, operations improvement, management and integration, organizational redesign, strategic planning, and clinical information management

In our May 26th session, "The Changing Dynamics of Self Pay and the Role of Consumerism," Lori Szymonowicz of Thomas Jefferson University Health System of Philadelphia will walk through the strategies they have implemented in the face of the rising self pay populations. She will share the challenges they face as a large urban facility and walk through the process improvements implemented in all areas of the revenue cycle including Access, Financial Screening, Community Care and Bad Debt.

Additional sessions will occur each month, concluding in October with David Harris of PricewaterhouseCoopers providing a "Quantitative and Qualitative Analysis of Revenue Cycle Operations." Please join us for thought provoking sessions each month. Registration information will be emailed to you.✿

CONGRATULATIONS JASON, SUE AND CANDICE!

During the months of January and February, State Collection Service held a production competition for our collection managers and supervisors, for which the winners would be extended an invitation to attend ACA's Spring Forum. The goal was to hit 100% of the monthly goal or higher. Jason Wallin and Sue Bishop of the Chicago office as well as Candice Young of the Madison office were winners.✿

"The ACA seminar was very informative and the experience was indefinable. I am very lucky to have had the opportunity." -Candice Young, Collections Supervisor

"This was an incredible opportunity to network with others in the industry and share knowledge and best practices." -Jason Wallin, Site Manager of Chicago Office





HOW SHOULD ACCRUING INTEREST BE DISPLAYED ON A COLLECTION NOTICE?

— *The Pulse Newsletter, March 2011*

If a health care provider elects to charge interest or additional fees to health care debts, care should be taken to ensure the fees are properly disclosed in collection letters sent to the consumer.

The Fair Debt Collection Practices Act (FDCPA) requires debt collectors to accurately state the amount of the debt in the validation notice, which is typically the first written notice sent to the consumer from a debt collector. Ambiguity remains over how debt and interest or other fees should be presented in a collection letter to comply with the Act.

Health care providers attempting to collect accounts in a name other than their own and third-party debt collectors collecting on behalf of a health care client are subject to the requirements of the FDCPA. The Act generally will not apply to the in-house collection efforts of a health care provider collecting accounts in their own name. However, by knowing what is required of collectors under the FDCPA, clients are better positioned to provide their collection partners with the information necessary to comply with the Act.

The requirement under the FDCPA that a validation notice correctly state the amount of the debt has produced conflicting judicial opinions. Some courts have held a validation notice fails to satisfy the statute unless the notice states the total amount due, as of the date the letter was sent, and includes a statement disclosing the debt will increase due to interest. Other courts have held a validation notice satisfies the FDCPA if the letter states the total amount of debt, itemizing interest and any other charges, as of the date the letter was sent.

In 2005, the Federal Trade Commission (FTC) proposed an expansion of the validation notice requirements of the FDCPA, which would require the notice to inform a consumer she could request an itemization of all charges added to the balance after the collector obtained the debt. This recommendation was directed toward ending the practice of bundling the total amount of the debt owed into one figure.

Additionally, in its 2009 FTC Collection Workshop Report, the FTC recommended the FDCPA be amended to also require debt collectors obtain and provide in a validation notice an itemization of the principal, the total of all interest, and the total of all fees and other charges that make up the debt. Although the proposed amendment was not codified, it is important to understand the FTC's intent to require itemization and notification of accruing interest or charges.

It is important health care providers engaging the services of an outside collection agency clearly disclose rates of interest and other fees to the collection agency handling the account so the agency can provide proper notice of the charges to the consumer. In determining how to state the amount owed in collection letters you should consult with legal counsel and have the letters reviewed. ❧

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Congratulations!

A congratulation goes out to Dan Buzzell, who successfully passed the ACA's Trainer Specialist Program to be a Certified Trainer! ACA's Trainer Specialist Program (TSP) recognizes and supports individuals responsible for training in their organization. TSP is specifically designed for professionals in the credit and collection industry.





THE VALUE OF CRCR

—Luann Longtine, Director of Extended Business Office

Since beginning my career at State Collection Service in October of last year, I have been continually impressed by the emphasis and resources directed to providing continuing education and job related certification opportunities to our staff. With that being said, I am pleased to announce State Collection Service's commitment to and its HFMA (Healthcare Financial Management Association) professional credentialing program that recognizes healthcare billing staff who have reached a national level of achievement by meeting a defined standard of knowledge and proficiency in the revenue cycle field. Employees who meet the requirements of the program earn the designation "Credentialed Revenue Cycle Representative," or CRCR for short.



The revenue cycle encompasses all of the processes used by medical providers to describe the financial progression of their accounts receivables from the very beginning to the very end. Due to the ever changing medical billing rules, evolving processes and increased payer regulations, to be effective, today's Extended Business Office (EBO) staff must have a broader understanding of the entire revenue cycle and how it influences the financial outcomes of the healthcare organization.

The CRCR program is a comprehensive on-line study course that will assist our EBO staff in preparing

***"Today's EBO staff
must have a broader
understanding of the entire
revenue cycle..."***

for the proctored exam. The study course consists of multiple modules that take approximately 12 to 15 hours to complete followed by a 3 hour credentialing exam. The program includes topics on Compliance, Patient Access, Claims Processing, Account Resolution, Cash Functions, Financial Management and other Support Departments. Both the content and exam are updated by HFMA annually.

State Collection Service believes that by providing a high level of continuing education to our EBO staff we will maintain our staff proficiency standards and provide our EBO Representatives with the knowledge necessary to successfully meet the challenges of their role.

Our EBO Department is committed to continue providing our customers with the exceptional service they have come to expect from us, and this is one more step toward meeting that responsibility.🌸

COLLECTOR CHALLENGE MONTH!

April is Collector Challenge Month! Throughout the month of April, State Collection Service will be holding a variety of fundraisers to support the work of the ACA Education Foundation including:

Go Casual: Employees have the opportunity to purchase casual stickers all month long.

Hot Dog Lunch: Employees get to enjoy hot dogs, soda and chips with a small donation.

Pie Throw: Employees are able to purchase raffle tickets for the chance to throw a whip cream pie in the face of the manager, supervisor, process owner, or coach of their choice. One raffle ticket for every 10 tickets in the jar will be chosen at the designated date, and the lucky winner(s) gets to throw the pie. Employees are also able to purchase a guaranteed throw for a higher price; it's a \$10 donation to toss a pie at Tom Haag!🌸

"State Collection Service is excited to support the ACA Education Foundation by participating in its Collector's Challenge program. Throughout the month of April the Company is hosting fundraising events that not only provide financial support for the ACA Education Foundation, but also give our staff opportunities to participate in some fun events for the workplace." -Doug Spaete, Human Resources Manager

LAST QUARTER'S BRAINTEASER

Linda Sponem of Group Health Cooperative is the winner of the last Brainteaser. Congratulations, Linda! We will be delivering a special prize within the next few weeks.

Michael Everson of Froedtert Health and Liz Lund of Black River Memorial Hospital also had correct answers! Good job!

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

THIS QUARTER'S BRAINTEASER

Add together each of the defined words to get a whole new word.

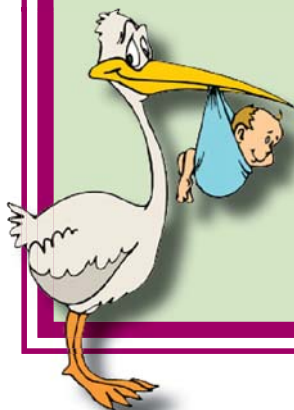
Example: to shout + what you say when you feel pain = a color = yellow.

- 1) A vehicle + an animal pal = a floor covering.
- 2) The ocean + a father's boy = part of the year.
- 3) Another name for dad + a yellow veggie = a white fluffy snack.
- 4) A light brown color + to leave = a dance.
- 5) A store's announcement + a type of women's clothing = a building's location.

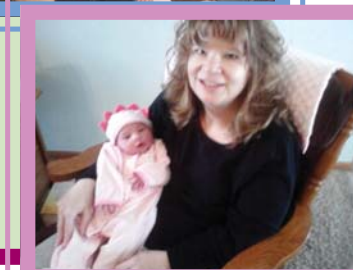
Please email your answers to newsletter@stcol.com or fax them back to (608) 661-3001 (Attn: Jessica Taylor). Be sure to include your name, employer and email address with your answers.

Last Brainteaser Solutions	
1.	FeaSTING
2.	DuSTING
3.	JeSTING
4.	RoaSTING
5.	RuSTING
6.	IntereSTING
7.	FaSTING
8.	TaSTING
9.	ToaSTING

Oh, Baby!



Congratulations to Kayla Ortiz-Ferguson of the Madison office and Lynne Sumpter of the Beloit office on the new additions to their families! Kayla gave birth to twins, Becca and Isaac on January 5, 2011 (top), and Lynne gave birth to Sheridan Carol on April 8, 2011 (bottom). Both moms and all three babies are doing well!



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