

# THE STATE OF COLLECTION



A State Collection Service, Inc. Newsletter  
Volume 16, Number 1 • First Quarter 2011

## WHERE WE'LL BE

### **IL HFMA Winter Meeting**

January 20-21, 2011 – East Peoria, IL

### **HFMA Region 11 Symposium**

January 23-26 – Las Vegas, NV

### **IA HFMA Winter Meeting**

January 27-28, 2011 – Johnston, IA

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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

## WHAT EVER HAPPENED TO KNOCKING ON DOORS?

—Tom Haag, President and CEO



When my father, Hilding Haag, started State Collection Service, the debt

collection industry was quite different. First, the telephone was only used occasionally to collect debts and account information was written on a 3" by 5" card. A copy of the bill or contract was folded and stapled to the back of the card along with directions to the debtor's address. If you set out to collect debts, your best shot was face to face, door to door.

With a group of these cards in a shoe box along with a Field Receipt Book, the collector went on what was called the "Milk Run." The Milk Run got its name from the dairy business that sent a truck from farm to farm daily to collect cans of fresh milk. Interestingly enough, I think much milk is still collected that way. In those days, aggressive collectors would drive "Shame Cars". What is a Shame Car you ask? It was a brightly-painted car with the words "Bill Collector" painted on the sides. That, of course, wasn't Dad's way of collecting.

Unfortunately, there are still a few people in the collection industry who try to find a short cut to collect money. Likely they will go the same way as the shame cars of old. Why do I talk about the industry's checkered past? Because, over sixty years ago, Hilding Haag realized, "you collect more bees with honey than with vinegar," as he used to say. In this issue you will read about today's new automated methods and processes for collecting. Most importantly, however, you will understand some things just don't change. You still collect more bees with honey than vinegar.🐝



## Where we've been...



The fall started out busy as we headed to the Blue Harbor Resort in Sheboygan for the Wisconsin Clinic Credit Managers Association (WCCMA) meeting in October 2010!

*Pictured left to right: Shelly Dupee (UW Health), Tim Haag, Rita Lingen, Mary Dodd (UW Health)*

Rita and Ted are having a few laughs posing in the scarecrow face cut-out at WCCMA!

*Pictured right: Rita Lingen and Ted Witt*



Ted eagerly watches as a blindfolded Margi attempts to scavenge a few apples from our bobbing station!

*Pictured left: Ted Witt and Margi Newhouse (Neuro Spine Center of WI)*



The whole group in front of the booth, happily smiling after a successful and fun-filled night!

*Pictured left to right: Tom Haag, Tina Hanson, Steve Beard, Mona Sen, Tim Haag, Ted Witt and Rita Lingen*



## Where we're going...



We have a busy month of January as we visit Illinois and Iowa for HFMA meetings and then head to HFMA's Region 11 Symposium in Las Vegas!



# THE VALUE OF SCORING AND ANALYTICS

— Dave Hintz, Inventory & Production Support Manager



In today's world, and particularly in the current economic conditions, we are all seeking better ways to manage our receivables. In almost all cases, as managers of receivables, we are tasked with "doing more with less". To meet this challenge, we must dig deep to ensure we are getting the most out of the resources we have available, both in terms of quantity and quality. There are many ways to accomplish this objective, and most of us have engaged several of those strategies as the economy has been slow to recover. In this especially challenging time for our clients, many of whom are not in a position to deny service based on financial ability, it is even more important to analyze our receivables, fine tune processes and test methods to improve recoveries.

***"We must dig deep to ensure we are getting the most out of the resources we have available."***

Analysis comes in many forms ranging from the most simple of account reviews, to complex mathematical techniques such as regression analysis and beyond. Regardless of the methods used to analyze results and determine likely outcomes, we should set out to test our hypotheses and measure our results to determine the true cause of any short falls. By doing this, we can revise existing processes or install new solutions in such a way that we can replicate our successes and avoid any pitfalls going forward. In

addition, we must measure the benefit of installing a new process or tool and weigh it against the cost of installation and any ongoing costs.

As we look to implement new tools or techniques, we must ask ourselves, "What is the problem I'm trying to solve?". At State Collection Service, we are often asked for a better means by which our clients can identify the customers who can or cannot afford to repay their obligation. To answer this question, we have turned to scoring models and various internal data sets to determine the probability that a given customer can repay their obligation. While there is no one size fits all scoring solution to answer that question, scoring models paired with historical data and ongoing measurement do point the direction in a critical component of receivable management, that being resource allocation. While scoring models can point us to groups of customers that are more likely to pay than others, the true value of these models comes from using it to allocate limited resources to maximize recoveries. Through testing various strategies and measuring results against scored inventory, we can determine the production strategy that various segments of customers are more likely to respond to in a positive manner by paying the outstanding bill. By implementing the test process and comparing results of each test against the score model's built-in hypothesis of which groups are more likely to pay, we can determine which methods yield the best results in a fashion that we can replicate again in the future. Once we learn which resources to apply or not apply to a group of accounts, we can maximize the value of our receivables, thus maximizing the value of our scoring and analytical efforts for our clients. ❧



## ACA BETS ON ASK DOCTOR DEBT

State Collection Service President and CEO, Tom Haag, and Vice President, Tina Hanson, volunteered as dealers during ACA International's annual Fall Forum in Chicago. New heights in fundraising were to support Ask Doctor Debt with over \$56,000 raised to benefit ACA Foundation. ❧





# CUSTOMER SERVICE TRAINING

## THE SPECIAL EXTRAS

—Karen Downs, Training Manager



**B**ob Farrell is known for the popular “Farrell’s Ice Cream Parlour” and is one of the most outstanding Customer Service speakers in the country. His simple approach to Customer Service may be applied to virtually any service industry such as food service, hospitals, airlines and call centers. If you’re looking for a Customer Service course that incorporates the best practices of customer service enthusiasts, we recommend Bob Farrell’s, “Give ‘em the Pickle!”

Your business is not what you sell, it's who you serve. So...

### *Give 'em the PICKLE!*

PICKLES are those special or extra things you do to make people happy. It's a hand written thank you note with every order shipped. It's walking the customer to the item they're looking for rather than pointing... or maybe it's simply calling them by name. The trick is figuring out what your customers want and then making sure they get it. That's the message behind Give 'em the PICKLE!

Highly entertaining and motivational, the Give 'em the PICKLE! training video will inspire management and employees to do the most important thing they can do in business...take care of the customer.

Give 'em the PICKLE Key Learning Points...

#### Service

Make serving others your #1 Priority. You work in a noble profession, be proud of what you do.

#### Attitude

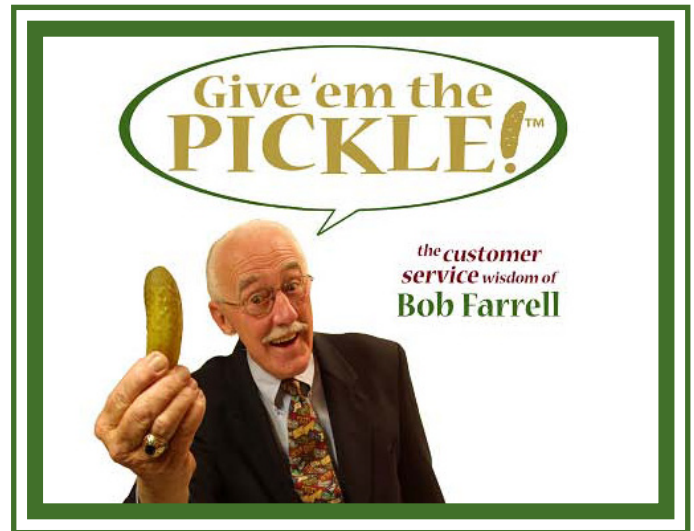
Choose your Attitude. How you think about your customers, is how you will treat them.

#### Consistency

Set high standards, and stick to them. Customers return because they like what happened last time.

#### Teamwork

Look for ways to make each other look good. In the end, everything ends up in front of the customer!



Recently, we offered this course to a client of ours and the course was a big hit! When we asked our president, Tom Haag what we should charge for this training, he said, "A smile". Well, we gave them a smile and real pickles too! 🥒

**To learn more about this class or to schedule a training class for your staff, please contact Karen Downs at 800-477-7474. We would be happy to pick a date and a pickle just for you!**



## TRAINING UPDATES

ACA's Professional Collection Specialist (PCS) Certificate was designed for collectors who complete training in professional and ethical collection practices. State Collection Service requires all of our collection staff to be certified within six months of employment.

**Congratulations, to all of our latest ACA Professional Collection Specialists!**

*State Collection Service's Certified Training Team is excited to announce  
our most recently certified ACA Professional Collection Specialists*



October:  
Dan Buzzell - Training Specialist

November:  
Kristina Uppenkamp - Beloit Collections  
Sherry Lumby - Madison Collections Supervisor  
Kelly Hutchinson - Beloit Collections

December:  
Tom Gerambio - Madison Collections  
Paul Davis - Madison Collections  
Rosalie Ducharme - Beloit Collections

The IACC Certified Commercial Collectors must pass a rigorous exam that consists of 60 industry specific questions relevant to commercial collections and focuses on the duties and responsibilities of commercial collectors. The exam has been designed and written by some of the top commercial collectors in the field. Congratulations to our newest IACC Certified Commercial Collectors!



Tracy Dudek - Director of Client Satisfaction  
Jason Wallin - Site Manager, Chicago  
Julie Johnson - Production Manager  
Ed Falco - Chicago Collections Supervisor  
Craig Koch - Madison Collections



## SAYING GOODBYE

After 16 years with State Collection Service, Ted Witt has decided to pursue a different career path by purchasing his own business. Ted will be missed by all here at State Collection Service as well as by his long time client base. On behalf of everyone at State Collection Service, good luck to you Ted, on your new business venture!



# STRATEGIES TO ACHIEVE BREAKTHROUGH RESULTS

— Steve Beard, Director of Revenue Cycle Solutions

**T**oday's healthcare climate is filled with uncertainty. Whether increasing denial rates, a decline in reimbursement rates, an increasing cost of delivery, the inability to staff appropriately, or the economy, the challenges that face healthcare providers are unparalleled.

In response to the needs of our healthcare partners, State Collection Service has put together a webinar series designed to provide revenue cycle best practices and strategies from industry experts, thought leaders, and your peers. Our goal in providing such a forum is to positively impact your bottom line. In our first session, Nelson Lowman of Wellspring-Stockamp looked at the process of developing an overall revenue cycle strategic plan and explored the considerations of outsourcing. In our follow up webinar, Jon Neikirk of Froedert and Community Health shared the impact of outsourcing. Our third webinar examined the scoring strategies and the impact on your bottom line.

Next, we attempted to answer the question, "How do you know how well you are doing?" As you think about your business office, how does your hospital compare to others in financial measurements? What measurements should be used in the evaluation? Do you know that another facility looks at the measurement the same way?

In our fourth webinar, Suzanne Lestina, HFMA's Director of MAP Revenue Cycle, examined the Key Performance Indicators that should be used to determine the financial health of your facility. Ms. Lestina provided an overview of the MAP initiative, which stands for Measure, Apply and Perform. She shared that the MAP Keys set a standard measure of performance and the definitions of that performance. She further shared that this is the first time the key performance indicators and their definitions have been agreed upon. The MAP Keys define the critical indicators of revenue cycle performance in clear, unbiased terms. The MAP Keys ensure consistent reporting across institutions, allowing users to track progress against goals and compare performance to peer groups and the industry as a whole.

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***"Our goal in providing  
such a forum is to positively  
impact your bottom line."***

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Using the MAP Keys, healthcare professionals can improve business intelligence, strengthen management and determine – using metrics – where to focus attention. Ms. Lestina also shared with the group success stories of some of the MAP winners.

In our final webinar, Wil Davis, author, keynote speaker, Board Member of Ball Memorial Hospital, and Chairman of Ontario Systems, shared his insights on the topic of leadership. As many are aware, the most important asset of any business office is its employees. As managers, how do we inspire our fellow employees to achieve their full potential? Davis believes the first step in inspiring others is in creating a vision for the business office. He asked, while the hospital has a vision statement, how many have a vision statement for the business office? Once the vision is in place, Davis walked us through some of its key components:

**Stewardship • Integrity • Service • Tolerance • Professionalism**

Davis expanded on each of these components and shared many of the concepts from his book, *Creating a Culture of Excellence: Changing the World of Work One Person at a Time*.

Each session has been recorded and is available at <https://stcol.ilinc.com>. We encourage you to listen to the sessions when you have a few moments and to join us for future webinars!🐼



## What Are Your Challenges?

After over 60 years serving the receivables management needs of clients throughout the nation, State Collection Service has seen how ups and downs in the economy can affect our partners. Often, these fluctuations have a more widely seen impact on our healthcare partners. Arguably, there has never been a more challenging time within the healthcare industry as now.

What challenges do you face that you would like to know more about? As we create the topics for our 2011's series of webinars, we would like to hear from you. As a reminder, State Collection Service has put together a webinar series designed to provide revenue cycle strategies from industry experts, thought leaders and your peers.

State Collection Service continues to serve the industry and believes that by promoting a forum that provides thought-leading strategies, you can positively impact your bottom line. ✎

Please let us know your thoughts, email us at [webinar@stcol.com](mailto:webinar@stcol.com) today!



**American  
Red Cross**

Last month in the spirit of the holidays, State Collection Service made a contribution to the American Red Cross in the name of our clients. This contribution has provided the Red Cross with various items including blankets, phone cards and comfort kits for our soldiers, vaccinations for children, hot meals for the elderly, emergency water containers, and cleanup kits for flood and hurricane victims. An average of 91 cents of every dollar the Red Cross spends is invested in humanitarian services and programs. We are proud that so much of our contribution makes it back to those who truly need it.

Since its founding in 1881, the American Red Cross has been the nation's premier emergency response organization. The American Red Cross distinguishes itself by not only offering humanitarian care to the victims of war, but also aiding victims of devastating natural disasters. Today, in addition to domestic disaster relief, the American Red Cross offers compassionate services in five other areas: community services that help the needy; support and comfort for military members and their families; the collection, processing and distribution of lifesaving blood and blood products; educational programs that promote health and safety; and international relief and development programs.







## GOOD OR BAD: DO WHAT IT TAKES

—Marc Soderbloom, Compliance Manager and In-House Counsel

Let me start the Compliance Corner with a legal disclaimer: What I am about to say is my opinion, not the opinion of my employer – regulation can be a good thing. Here's why: Laws can even the playing field. For instance, the Fair Debt Collection Practices Act sets forth standards of conduct for all collection agencies; we do not want agencies who do not comply with the law to benefit from being bad actors (Did you hear about the agency that constructed a fake court room to deceive consumers?). Bankruptcy laws also set a standard by attempting to treat all similarly situated creditors equally; no unsecured creditor is preferred over another.

Now, I said regulation can be a good thing. That is not the same as saying regulation is always a good thing. It just has the potential to be a good thing. And because it has the potential to be a good thing, it can be, well, a bad thing. And in the area of potentially good or bad things, we are watching two different laws and the regulations issued under those laws in the next year.

First, at the beginning of 2010, the Federal Communications Commission submitted proposed rules to amend regulations pertaining to the use of automatic telephone dialing equipment to place calls to wireless numbers. The FCC is the body that implements the Telephone Consumer Protection Act. The TCPA was designed to protect consumers from unsolicited telemarketing calls (a good thing), but has been stretched to attempt to include almost anyone using certain dialing technology (a bad thing). ACA International and others submitted comments to the FCC opposing those proposed rules essentially on the grounds that the regulations adversely affect those who are not telemarketers. At the same time, comments were submitted asking the FCC to clarify the use of technology like predictive dialers, which can be used to reach a defined set of consumers. We are still waiting to hear what the FCC will do with the proposed regulations.

***“Regulation can be a good thing. That is not the same as saying regulation is always a good thing.”***

Second, you may be familiar with the Consumer Financial Protection Act of 2010 enacted last year. The CFPA was drafted to enhance oversight and control of financial institutions and designed to prevent future financial crises. It appears that collection agencies will be subject to certain of the CFPA provisions. Among other things, the CFPA created a new federal agency – the Bureau of Consumer Financial Protection. The BCFP will have the authority to create regulations and issue orders and guidance, including the authority to promulgate rules under the FDCPA. Some may see this as a bad thing since there is the possibility of adverse regulation. On the other hand, this can be a good thing since there are provisions in the FDCPA that need updating and the BFCP can accomplish that with some thoughtful rulemaking and guidance.

Whether good or bad, we will continue to keep abreast of, and in compliance with, regulations. ☞

**Thank you to our FOCUS members who organized our 2010**

**Adopt-a-Family holiday drive, and thank you to all of our employees who participated!**

**“State Collection Service has been adopting a family at the holidays for over 15 years. Though the program has changed over the years, our employees continue to enjoy making the holidays a little happier for families who truly do not have much. We are proud to support this charity.”**

**– Becky Nethery, State Collection Service coordinator for Adopt-a-Family**





# “Who are you Thankful for?”

With the recent holiday season,  
we looked to the employees of State Collection Service  
to see who they are most thankful for!

Grant Deuel (Client Services): He always has a positive attitude, helpful on every level and has a smile while he does it.

Amber Parks (Compliance): She works hard always! Without Amber the compliance department would be very far behind. She is a hard worker that meets deadlines and goes above and beyond to help!

Deana Hart (Collector): She answers all of my questions no matter how mundane they may seem. She is always willing to help even if she is busy.

Chuck Beier (Information Systems): He takes time to answer questions and resolve issues even when he is in the middle of a project. He is very upbeat and a positive influence on his fellow workers.

Alice Reyna (EBO Representative): Alice always comes to work with a smile and is a wonderful person to work with. Thanks, Alice, for all you do.

Becky Nethery (Data Processing): Becky is always willing to help anyone in need. She is here early and will stay late to complete a job. Becky has a very large heart. She constantly goes out of her way for others. The world needs more people like her.

Tara Cook (Collector): She is always at her desk and waiting for calls. She is always keeping other collectors informed of what's happening in the Minnesota office. She makes my day easier by helping with everything that needs to get done.

Ric Dorr (Collector): Ric makes himself available to answer any questions new hires or other collectors may have. Ric works each account to the fullest and never gives up.

Monica Veum (Special Services): She goes above and beyond and always has the right answer. She is helpful and hardworking and does it with a smile. Thank you, Monica.

Michelle Naatz (EBO Supervisor): I am thankful for Michelle because of her kindness and genuine concern for her team. She is a real inspiration.



## LAST QUARTER'S BRAINTEASER

Margi Newhouse of Neuro Spine Center of Wisconsin is the winner of the last Brainteaser. **Congratulations, Margi!** We will be delivering a special prize within the next few weeks.

Janelle Borden (Associated Eye Care), Mike Everson (Froedtert Hospital), Thomas Coopman (Affinity Health System), Suzy McCoy (Bureau of Child Support), Tamara Bleck (Bleck & Alsahlani), Barb Crosby (Chartwell Midwest Wisconsin) and Vicki Lundeen (ABS Global Inc) also had correct answers! Good job!

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

## THIS QUARTER'S BRAINTEASER

All answers end in sting and the whole word is obtained in the clues below.

Example: A sting that cures fatigue

Answer: reSTING

1. A sting that cures hunger
2. A sting that cleans your room
3. A sting that makes you laugh
4. A sting that cooks your meat
5. A sting that spoils your tools
6. A sting that holds your attention
7. A sting that some observe in Lent
8. A sting that cooks are always using
9. A sting that browns your bread

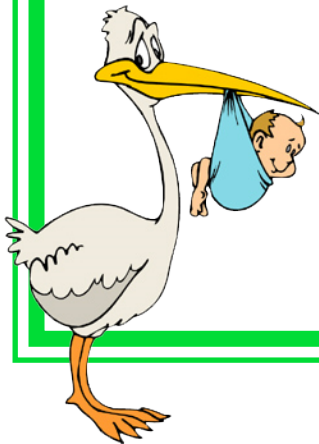
Please email your answers to [newsletter@stcol.com](mailto:newsletter@stcol.com) or fax them back to (608) 661-3001 (Attn: Jessica Taylor). Be sure to include your name, employer and email address with your answers.

4. Go for it
5. Diamond in the rough
6. Syrup

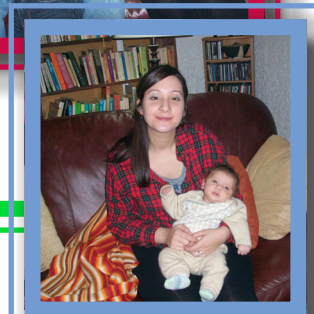
### Last Brainteaser Solutions

1. Make Maze
2. Quick Quack
3. Boring Boxing
4. Protect Project
5. Shallow Shallot

## Oh, Baby!



*Congratulations to Aaron and Erika Powers of the Madison location on the arrival of their second son! Maksim Dee Powers was born on October 1st, 2010. He weighed 7 pounds 8 ounces and was 19 and 1/2 inches long. Mom, baby and family are doing well! Congratulations Aaron and Erika!*



SERVICE. INTEGRITY. RESULTS.

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