

THE STATE OF COLLECTION

A State Collection Service, Inc. Newsletter
Volume 21, Number 2 • Second Quarter 2015

PRIOR EVENTS

WI AAHAM Revenue Cycle Co-op, Wis. Dells, WI
May 6-8

ACA Joint Spring Conference, Eau Claire, WI
May 18-20

WI HFMA Spring Conference, Sturgeon Bay, WI
May 20-22

UPCOMING EVENTS

HFMA ANI, Orlando, FL
June 22-25

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LOCATIONS

8 0 0 . 4 7 7 . 7 4 7 4
Madison, WI Beloit, WI
Milwaukee, WI Chicago, IL

OPTIMIZATION FOR YOUR LIFE!

—Tom Haag, Chairman and CEO



Given that the theme around this quarter's newsletter is "Optimization", it only makes sense that I speak to the topic. But, as many of you may know, I've never been very good at following direction.

My message in this issue has little to do with optimization as it relates to our organization. Instead, I'd rather discuss optimizing for a more fulfilled life outside the office. For most of my working years, I'm sorry to admit that weekends got in the way of work. What I mean to say is that rather than take the weekend off and spend it with friends and family, I found a reason to do something for or even at the office.

Trust me when I say that you really do have time for both. If you enjoy sports, go play or take the time to cheer on your favorite team. Fish, boat, bike, garden, or just relax; it's really the best thing you can do for yourself. The best you will feel is when you have spent a day or two enjoying life – your body will be tired, but your mind will be clear.

So my take on "optimization" is to "Optimize Life". Sure, work hard. But play hard too and enjoy time with your friends and family. Have a great summer! 🌻



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OPTIMIZATION TO GET THE BEST RESULTS

—Terry Armstrong, President



The word Optimization became ingrained in my brain several years ago when DRG's were implemented. At that time, many providers were trying to maximize coding to improve DRG reimbursement rates, but CMS discouraged such actions. So the phrase "optimizing DRG rates" was born. In other words, using the right (appropriate) codes to determine the right (appropriate) DRG became the best practice. In this newsletter, we too address optimization in several areas. When I refer to optimization, I am really just referring to utilizing the right resources, along with the right processes and technology, to get the best results. Of course, all of that must continue to happen within the constraints of regulations, government, and the like.

We are fortunate to have Jon Neikirk, Executive Director of Revenue Cycle at Froedtert Health, the 2014 MAP Award winner for High Performance, author an article for this quarter's newsletter on how the Revenue Cycle industry must optimize performance at every stage. It is amazing how changes over the last several years (with 501r and the Affordable Care Act being the latest) have put pressure on the revenue cycle areas to become more efficient and effective in all that they do. Unfortunately we don't see the environment changing. Delivering the best quality care with the best patient experience at the best price

will continue to challenge healthcare providers. As service partners, we must be sensitive to these changes and support our clients.

"When I refer to optimization, I am really just referring to utilizing the right resources, along with the right processes and technology, to get the best results."

Other articles in this newsletter address our support of these optimization efforts. Our quality control system, PPMS, is a cornerstone of State Collection Service and is addressed in this issue by Nikki Schneider. Our use of PPMS ensures that we provide the best service to our clients.

Of course, you cannot provide the best service unless you hire and train the right people. We truly believe that our people are the key to our success and enable us to delivery the best results. Tina Hanson discusses optimizing employee performance to achieve those results. Dave Hintz, leader of our Business Intelligence team, discusses how we optimize scoring while Tracy Dudek shares how optimized KPI's drive success.

Our hope is that this issue of The State of Collections provides you with the type of information that will help you optimize some aspect of your job or organization. Of course, we are always here to help if you want to discuss any of these items further or have other issues that require a more optimal approach. ✂



Attending HFMA'S ANI?

Stop by BOOTH #1442
and say Hello!

So are we!

See you in Orlando, June 22nd - 25th!



OPTIMIZING EMPLOYEE PERFORMANCE

—Tina Hanson, Executive Vice-President, State Collection Service, Inc.

Race car drivers do it all the time! Think about how the Crew Chief coordinates the team to shave just a second off the time it takes to change the tires, or add the fuel, or perform a repair. We are all being asked to do more with less. How do we accomplish this impossible task? It all comes down to, “How do you eat an elephant...one bite at a time.”



Let's try this method: Expect, Encourage, Enforce, Enlighten.

Expect:

Employees want to know what they should be doing. It is important that we set expectations. Setting expectations can be tricky. You need to set realistic, and achievable goals, with a stretch built in to get progress and movement in the company. If you fail to set expectations, people will live up to them and you won't be happy with the result. If you are new to the race track and don't have any history with the new course (process), start measuring performance to set a benchmark and then increase that benchmark over time by a percentage or a number. Communicate those expectations clearly, often, and face to face. It is important to explain the “why” of these expectations. The need to know “why” has not changed in us since we were toddlers exploring and learning about our world around us. Everyone wants to know why. If you have experienced setbacks during this step, more than likely, the “why” of the reason behind the expectation was not explained clearly or understood completely by the employee. Earn their buy in! Do it yourself! Show your staff that it can be.

Encourage:

Remember the first time you drove a car? The first time you parallel parked? Who was there to encourage you to use the brake and gas pedal just right, turn the wheel a certain way? Today, those are basic almost automatic skills you have learned, but it took someone else in the car to help you on your way. We need to encourage and provide feedback to our staff continuously. When you encourage someone, you are giving them personal attention which we all deep down need and crave, but often are too proud to admit it. Encouragement reinforces the expectations and reminds everyone of the goal. It gives an opportunity for you to see progress and give praise for those little steps along the way. If you look at the reasons why many employees become disenchanted with a company/position, it's because they have lost their enthusiasm for achievement. Regular encouragement and public recognition of what the individual has accomplished drives them further towards their goals.

Enforce:

We all have to live by the rules of the road. If we do not enforce the rules consistently, what prevents everyone else from breaking the rules as well? Without enforcement, consistently and evenly, we end up with employee behavioral issues, resentment and unprofessional leaders pitted against one another. Being the police officer is a difficult but important hat that must be worn or the result is mayhem. How do you enforce the rules? There needs to be penalties for failure to follow the rules. Communicating the rules and the penalties and enforcing them consistently is the key. If you let one person get away with not following the rules, and enforce the rules on others, how do you keep the respect for leadership and motivation in your team? Respect and motivation will be the first to leave your team. How do you successfully lead when your team is no longer behind you, “buying in”? No one to change the tires. No one to refill the fuel.

Enlighten:

We have up to this point, set our expectations, we have encouraged our team to meet their goals, we have provided the feedback and enforced the rules to achieving the goals, now is the time to communicate the results and celebrate the big victory! Just like the race car driver spins the car's wheels and takes the winning lap with the checker flag out the window looking at the crowds in all their excitement, you need to do the same with your team when they accomplish their goals. Show them how it feels and celebrate what success is all about. Give out awards, have recognition lunches, set aside your time to be with those being recognized. How someone likes to celebrate and be motivated varies from person to person, how is it for your employees? Is it the checkered flag? Is it the spinning of the wheels? Is it pouring the drink over their head and acting goofy? What is it? Appeal to them and show them what success feels like so they have the drive to win all their future races.

What is the next step? You start all over..You set new expectations and the race goes on! 🏁



OPTIMIZING REVENUE CYCLE PERFORMANCE TO MEET TODAY'S GROWING CHALLENGES

—Jon Neikirk, Executive Director of Revenue Cycle, Froedtert Health, 2015 MAP Award Winner for High Performance



As we all know, healthcare is changing at a rapid pace. At the heart of this change, healthcare organizations can no longer simply deliver healthcare. Rather, we must deliver value. We are to improve clinical outcomes at lower costs while improving the patient and family experience. Of course, this must also be done profitably so that we can continue to support our overall mission of caring for the population we serve. To add to it, the challenged reimbursement rates (Medicaid and Medicare) are declining.

To address this challenge, Froedtert Health has embraced a Value Based Care Initiative, which is aimed at reducing cost and improving revenue in several key areas:

- Labor
- Non-labor
- Clinical Documentation Improvement
- Clinical Operations
- Physician Operations
- Human Resources
- Revenue Cycle

"To put it plainly, as Revenue Cycle professionals, we must optimize our performance and gain efficiencies in everything we do."

To put it plainly, as Revenue Cycle professionals, we must optimize our performance and gain efficiencies in everything we do. One such measure within the Revenue Cycle includes implementing technology to obtain electronic claim status (276/277) transactions. The transactions replace the manual staff effort necessary to place phone calls or check claim status via websites. The 277 responses that require further efforts are routed to queues for follow-up, while responses that indicate no manual effort is needed, such as claims for which payment has recently been issued, are not touched by the follow-up staff. The follow-up staff now can focus their time on resolving the most difficult accounts. These electronic transactions were a contributing factor to Froedtert Health's drop net day's revenue; we have seen an outstanding decrease from 49.6 days in May 2012 to 37.2 days as of April 2015.

Additionally, to ensure claims are coded properly, we recently completed a Charge Capture Assessment. The assessment addressed all of the key areas that were coordinated through our Revenue Integrity Team and included:

- Analysis of CDM CPT/HCPCS and UB codes
- Identification of new charge line items to be added
- Analysis of key coding functions and processes
- Analysis of charge capture tools
- Walk-through of department specific charge capture and reconciliation processes

The team developed a methodology to track revenue, along with the associated work plans and education of department leaders and staff. Froedtert Health has seen a significant increase in net patient revenue as the result of this assessment, which has been sustainable.

No doubt, we live in challenging times. Given payment pressures, the increasingly complex regulatory environment, shifting technologies, and demands for improved customer service, revenue cycle management is difficult for even the most driven organizations. We must continually look for innovative ways to optimize our performance in all areas of the revenue cycle while exploring ways to cut costs and ensure we are managing declining reimbursements. What are you doing to meet the challenge head on? ❁



UTILIZING KPIs IN A BLENDED CALL ENVIRONMENT TO DRIVE PATIENT SATISFACTION

—Tracy Dudek, Vice President-Operations

Managing the inbound and outbound call experience is key to patient satisfaction. In a blended environment, a telephone representative will be available for answering inbound calls, and when not already on the phone, the representative is available to manage either an inbound or an outbound call. The distinct advantage of a blended calling model is efficiency of the representative and reduced wait times for the patient. At State Collection Service, our Dialer Manager monitors call campaigns and continuously adjusts the pacing of calls by managing the lines per agent. Further, teams can be established by client, but still be available as a secondary group for another portfolio. By having primary and secondary teams in the blended environment, the average speed to answer calls is improved, along with abandonment rates and representative efficiency.



Low speed to answer calls (in the range of 30 seconds or less), low abandonment rates and strong representatives availability all work to create a positive patient experience. By maintaining these factors, the patient does not have a long wait time to speak with a representative, not only ensuring that the patient is satisfied, but also that the call center representative is able to stay engaged in their call handling. Our experience tells us that such engagement often translates to self-motivation.

Recently, our leadership team challenged our Site Managers to ensure that productivity was at an all-time high. The goal was to have 87% of our paid hours be productive hours, measured by agents logged in and available for calls. We know that time away from the phones is spent on training, meetings and scheduled breaks, but we wanted to maximize the teams we have in each day. Not unexpectedly, the Site Managers proudly reported that ALL of our teams exceeded this goal, with the top team finishing at 91% of paid hours available to speak with patients! Certainly, this validated the phrase, "You get what you inspect, not what you expect."

Having representatives available when patients call in is the first key to achieving a low average speed for answered calls along with low abandonment rates. All of these lead to a positive overall patient experience, which is what we strive for every day at State Collection Service! 🌟



During the past quarter State Collection Service gave away two WOW Awards! The latest WOW award recipients are Jamie Wolff and Sven Hansen!

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!"

Jamie and Sven thank you for all of your hard work!

Left to right: Sven Hansen (Third Party) with Mike Paumen (Third Party Manager).
Not Pictured: Jamie Wolff.





VARYING DEGREES OF OPTIMIZATION

— Dave Hintz, Inventory & Production Support Manager



In previous newsletters, we have shared articles showing the utilization of scoring models with several levels of measurement and somewhat layered degrees of accuracy and difficulties within each. There are mathematical processes built to measure each model's ability to segregate positive and negative outcomes based on the desired results. A very common measurement of a scoring model's accuracy is known as the Kolmogorov-Smirnov, or KS, score.

The KS score measures the success of the model itself in its ability to accurately predict the desired outcome and to separate accounts with the highest probability of positive and negative outcomes while leaving as few accounts in the middle as possible. This separation of accounts is key to a successful model. Beyond the KS score and measurement of the model's ability to predict the desired outcome, we need to measure how effective we are at applying the model

into our workflows to increase recovery rates and/or reduce the cost of servicing various types of accounts receivables.

There are many score models available on the market today and we see a wide variety of them in use by our clients and consulting groups. These models help isolate accounts that are most likely to pay or are in need of some financial assistance. Often, we are asked for reporting that measures our results against the various scored segments of inventory. We check on those results frequently to optimize the effectiveness of our collections processes and to assist with charity write-offs. It is not uncommon to find liquidation rates ten to twenty times higher in the highest scored segments when compared to accounts within the lowest score segments. These additional recovery results greatly assist in deciding how to apply scores and resources to your AR, in order to maximize results.

Of course, it is important to keep the use of scoring models in perspective. Recognizing that there are certain minimum required actions, particularly with healthcare recoveries and newer regulations, is important when integrating scoring into the workflow for your accounts. Beyond those requirements and as resources become available for additional recovery efforts, it is wise to apply more resources to the accounts most likely to provide a return on that investment or direct you to those accounts most in need of financial assistance. Be sure to check your internal policies and auditors before implementing such changes around financial assistance. ✎

2015 STRATEGIES TO ACHIEVE Breakthrough Results

LISTEN TO OUR RECENT WEBINARS ON STATECOLLECTIONSERVICE.COM

The Finalized 501r Regulations and the Medical Debt Advisory Task Force Revisited (May 2015)

Tina Hanson, State Collection Service, Inc.

Tina Hanson, HFMA Medical Debt Advisory Task Force Member and Executive Vice President of State Collection Service, will present the guidelines established by the HFMA/ACA International Medical Debt Advisory Task Force and how the final 501r regulations impact these best practices in the overall collection process, patient experience, and financial performance from patient discharge to final account resolution.

The New Self Pay Reality...6 things you need to know (April 2015)

Brian Graves, Connance

Healthcare reform and the growth in high deductible insurance are making patient-pay collections and financial assistance processes an increasingly important component of healthy cash flow and regulatory compliance. Connance's Brian Graves will share insights to help hospitals and health systems find a way to focus their patient-pay efforts on the right opportunities in the right way to reduce low/no-value efforts. This session covers ACA and HDHPs increasing patient-pay, Point of service and Post Discharge follow-up, Pre-emptive charity, Patient engagement, Prioritizing collection efforts, Predictive analytics driving workflow, and vendor management.

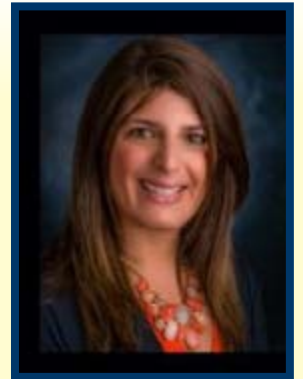


Welcome Nikki Schneider, *State's new Director of Quality Process*

Nikki comes to us from the Chicagoland area with 7 years of collection industry experience. She has successfully led continuous process improvement roles as Client Relationship Manager, Process Improvement Analyst, and Project Manager. Nikki is currently undergoing the Credit and Collection Compliance Officer designation coursework through ACA International where she is recognized as a scholar.

Nikki's home office will be in Madison. She will work directly with our Process Owners and Coaches along with the entire State family on process improvement initiatives.

Please join us in welcoming Nikki to the State family!



USING PPMS TO DRIVE AND MEASURE PERFORMANCE

— *Nikki Schneider, Director of Quality Process*

Every company has their own strategy for measuring performance. At State Collection Service, if it moves, we measure it. ACA International's Professional Practices Management System, or PPMS, is the quality assurance program we have been using for more than a decade to ensure we are adhering to specific standards and continuously improving the level of service we provide to our clients. PPMS affects the behavior of everything we do and provides us with the tools to translate Service. Integrity. Results. into specific measures.

Since the beginning my career in the accounts receivable industry, I have been continuously impressed by State Collection Service and the emphasis the company places on quality assurance. In an age where consumers are exposed to so many choices, companies must uphold the highest quality and customer satisfaction standards to maintain a competitive edge. Clients want products to perform better, cost less and function properly. They want quality. Many companies struggle, however, to connect the dots to leverage their QA program. The key is to measure behaviors that impact key performance, enhance the customer experience, and help make better business decisions.

Our utilization of PPMS provides us with a framework for innovation and continuous improvement. The system is based on a documented, orderly and functional platform where every client concern is documented, corrective action is taken, and business practices are altered to prevent reoccurrence. The system provides a concise set of quantitative and qualitative data to paint a clear picture of the organization's progress in achieving its mission and strategic goals.

As State Collection Service continues to experience growth, PPMS remains essential for tracking performance and navigating our way to success. I am so excited to be a part of the State Collection Service family and look forward to building "Partnerships for a Lifetime" with both our employees and clients. 🌟

STATE AWARDS BANQUET IN PICTURES

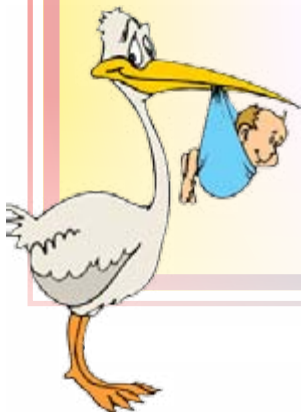


Oh, Baby!

Congratulations to Steve Beard (Sales, Muncie) on becoming a grandfather again!

Sophie Jo Moser, granddaughter of Steve Beard, was born April 26, weighing 6 lbs, 6 oz, and was 19 inches long.

Congratulations Again Steve!



PARTNERSHIPS FOR A LIFETIME

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