

THE STATE OF COLLECTION

A State Collection Service, Inc. Newsletter
Volume 19, Number 4 • Fourth Quarter 2013



WHERE WE'LL BE

IL AAHAM Annual State Institute

December 5 - 6, Bloomington, IL

HFMA Region 11 Healthcare Symposium

January 19 - 22, San Diego, CA

Mega Healthcare Conference

January 29 - 31, Wisconsin Dells, WI

HFMA Dixie Institute

February 24 - 28, Mobile, AL

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LOCATIONS

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Madison, WI

Beloit, WI

Milwaukee, WI

Chicago, IL

PREPARATION

—Tom Haag, Chairman and CEO



When I was very young I remember one of my father's favorite sayings was "Great are the Preparations".

Whenever he said it, someone - usually a friend or family member - had not prepared and made a mistake. I'm not sure I understood the saying at the time.

As I got older and began to bring home less than stellar report cards, he began using that same saying on me. Soon I understood what his point was. Preparing for a test in school really made life much more pleasant - if only I had learned that a little sooner.

Today I realize success in business usually comes as a result of preparation. Regardless what your role in your organization is, preparing for the day's work is critical to both your organization and you personally. Another of my father's favorite sayings was "Well begun is half done". Of course, if you spend time preparing for the next project, or customer, or interview to get a good start, the rest of the event tends to fall into place.

In this issue we hope to demonstrate to you how we prepare for our work and the future. In this case hopefully you will understand we listened to my father. "Great ARE the Preparations". ✎



ARE YOU READY?

—Terry Armstrong, President



There are many changes taking place in the healthcare industry today that affect the revenue cycle area. As a company we need to be knowledgeable of these changes in order to assist our clients with being prepared.

The Affordable Care Act is in the forefront right now because of the October 1 sign up start. Of course, non-profit healthcare organizations have felt some of the changes as well with the requirements of Regulation 501(r). While the final regulations have not been published yet, the projected guidelines for charity have been floating around for two years now and it seems like the implementation is getting closer. In any case, we are staying up to date on this and will complement and support any of our client's efforts to be compliant with the final regulations. In our last newsletter, Tina Hanson discussed her work on the HFMA/ ACA International Bad Debt Task Force and how they are addressing the regulations in the self-pay flow through the revenue cycle process. In this issue,

she continues talking about the progress of the medical debt collection best practices task force, feedback from membership, and the concerns being addressed.

In addition to Regulation 501(r), many of our clients ask what others changes our business has experienced since the implementation of the Affordable Care Act. We have seen an increase in higher deductible health plans, but this is not based on the implementation of the ACA, rather the offering of ala carte plans by employers in preparation of the plan and an effort by employees to reduce monthly premiums. This increase in out-of-pocket costs will likely rise as the prediction that most consumers who enroll in exchanges will elect the bronze plan.

The consumer is given the choice of a bronze, silver and gold plan from the exchange. All of these plans are tied to the deductible and coinsurance with the bronze having the highest deductible/coinsurance and lowest premium. To confuse the situation, while consumers can get subsidies to help pay for the plan in all groups, only the silver plan allows for subsidies for the deductible and coinsurance. Confused? We think the misinformation about ACA, the complexity of plans and subsidies, whether it's a federal or state plan, and - to top it all off - glitches with the sign-up website have created confusion within the general population. To add to this problem, we expect average self-pay balances to increase because not only will participants elect higher deductible plans, an increasing number of employers who adopt plans that shift more of the healthcare premium costs on employees as those premiums rise.

The glitches in the sign-up portal have been unfortunate, but they also highlight the government was ill-prepared for the implementation; it could also signify more problems to come. We believe that the general population is very confused over the Affordable Care Act and that this will continue for some time. In order to be better informed, some of our employees have completed the Navigator training and are well prepared to answer basic questions patients may have. We are also providing companywide informational training on the Affordable Care Act so that our collectors and representatives can answer general consumer questions. We will also provide our staff with the names of resources that consumers can contact in their specific state. Because we operate in all 50 states we have to be aware of the 27 states that have opted to let the federal government set up an exchange, the 17 states that have state sponsored exchanges, and the 6 states that have a joint plan.

We will continue to proactively learn about changes and work to support our clients' efforts. Being prepared is key in this changing environment. In a later article, Tracy Dudek will explain how our Speech Analytics tool, CallMiner, provides the ability for us to ensure we are compliant with regulations but equally importantly, we ensure patient satisfaction; we just don't talk about being compliant with the rules or patient satisfaction, we can prove it. While we may not know how all these changes will play out, we will always strive to BE PREPARED! ✦

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UPDATE TO THE MEDICAL DEBT COLLECTION TASK FORCE

—Tina Hanson, Executive Vice President & Chief Strategy Officer



The progress continues on the medical debt collection best practices task force. ACA International and HFMA have provided feedback from their respective memberships. That feedback has been incorporated into a second draft. One item that continues to be a topic of discussion relates to credit reporting and possible full file reporting by the creditor. This item has been placed on hold pending additional task force review. Conference calls are being held with the experts to further discuss the idea and process and identify the roadblocks. In addition, the white paper has been modified to include that all parties, including the provider, the third party vendor, if used in a first party environment, and the patient, are equally responsible in the financial eligibility process.

REMAINING TIMELINE

- Week of November 17, HFMA will compile all comments from interested parties
- November 21 an updated document will be circulated to the committee members
- November 27 committee members will approve the best practices

As a reminder, the goal of this process is to influence the proposed IRS rule relating to maintaining eligibility for tax exempt status.

The next step for this document is for both board of directors to approve and roll out pending any further modifications. If you have not yet seen the white paper and are interested in receiving a copy or for more information, please contact me at tinah@stcol.com. or download our recent webinar on the topic at www.statecollectionservice.com/webinars.

2013 STRATEGIES TO ACHIEVE Breakthrough Results

ICD-10 PREPARATION- WEBINAR EXPLORES TWO CASE STUDIES

— Steve Beard, Chief Business Development Officer

If you missed our webinar on August 22, “Avoid the ICD-10 Fiscal Cliff with Early Adoption”, I encourage you to log on to www.statecollectionservice.com/previous-webinars/ and listen to the recording. Elaine Lips, President and CEO of ELIPSe, Inc, a consulting firm dedicated to transforming health information management, has spent more than thirty years in HIM consulting. Elaine has been providing consulting and strategy on ICD-10 implementation since 2010.

In the webinar, Ms. Lips shared the case study of two organizations of differing size and HIS platforms. The case study contained the preparation steps each organization took to become ICD-10 compliant before the October 2014 deadline. The common thread between both organizations was the realization that ICD-10 will indeed be a massive undertaking and it is impractical to plan on any further delays in its implementation. With a unique early adoption strategy, this seemingly impossible undertaking becomes possible.

This strategy addresses their goal of mitigating cash flow impact while also minimizing the cost and need for hard-to-find temporary coders. The coders at both facilities will start coding exclusively in ICD-10 up to nine months prior to the October 1, 2014 compliance date. There will be no need for dual or double coding when they go live. They will be using computer-assisted coding while implementing improved processes and technology to accommodate both code sets since ICD-9 codes must be on the claims. Coders at these facilities will have gone through the learning curve well ahead of the compliance date. Any need for ICD-10 help will be minimized as the plan includes the outsourcing of ICD-9 coding prior to the go-live date as a means of maintaining the billing process while completing the readiness for ICD-10.

These two organizations will realize cost savings while minimizing cash flow disruptions before the actual compliance date. In addition to cost savings estimated in the millions of dollars, early adoption of ICD-10 will assist these organizations in achieving meaningful use.

Go to www.statecollectionservice.com/previous-webinars/ to learn more on the specifics of these two organizations’ preparation plans.





LEVERAGING SPEECH ANALYTICS FOR COMPLIANCE READINESS IN OUR CHANGING ENVIRONMENT

— Tracy Dudek - Vice President of Operations



The impact of a positive patient experience during the patient's customer service interactions with your facility or our customer service center cannot be underestimated! Survey scores measure patient satisfaction with various parts of the revenue cycle process, including, but not limited to, the patient's overall billing experience. These surveys are predominately used to measure the patient's reaction to their customer service experience during telephone conversations, face to face interactions, and about the value of the correspondence they receive.

Where there is an extreme issue we measure the compliance aspect of how the patient was handled, otherwise the compliance pieces of the patient interaction should never be a concern. That is why you have processes built to prevent compliance issues, right?

The State Collection Service team believes that compliance, although not directly measured in most patient satisfaction surveys, has a direct correlation that "goes without saying" - we should be compliant with HIPAA, FDCPA, TCPA, state laws and other regulations. With that said, how do we sleep well at night knowing compliance is being proactively monitored?

The CallMiner speech analytics tool we have employed is working whenever we are making calls. The tool analyzes 100% of all calls made at State Collection Service and scores each call. There are compliance components of a customer service representative's quality assurance scorecard, including the proper identification of the consumer, compliance with call recording notification requirements, mini Miranda verbiage on third party collection calls, and individual client requirements, to name a few. Key features State Collection Service uses in the CallMiner Eureka! product include the following:

- Presence of risky or prohibited language
- FDCPA procedural adherence issues
- Cease and desist language
- "Do Not Call List" notifications
- Customer satisfaction issues (dissatisfaction/understandability)

Knowing where you may have compliance concerns or where you may have patient dissatisfiers is the first step toward making improvements. Through the custom scorecard each customer service representative is scored on the compliance/risk aspect of the call along with general call courtesies and negotiation. Call agitation levels and risk language are identified on each account, making it very easy for a supervisor to find the calls with coaching opportunities or trends that need to be addressed. We know there is a balance between collecting the payment, limiting the risk on any call, and building rapport with the consumer, and that level of desired balance is taught not only in new hire training sessions, but also in ongoing sessions. When you teach someone to build rapport first, you naturally are limiting risk and are able to talk with the consumer about their account.

Seeking first to listen and understand allows the agent to have a relationship that makes a financial conversation much easier for both the patient and the agent.

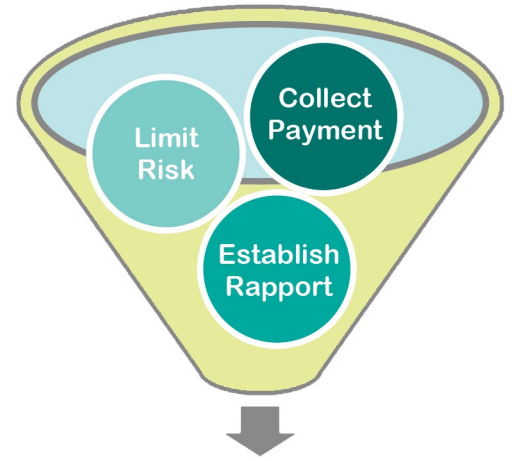


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The goal is to resolve the patient account in a compliant manner, preserving patient dignity. Accomplishing this is done with training the three elements of customer service representative objectives on each call: Building Rapport, Limiting Risk, and Collecting Payment.

Finally, when the agent is able to see their CallMiner scorecard and measure their call success against the three goals, they will learn and improve with each call.

There is no end to compliance and managing risk on calls, but rather a continuous improvement cycle which can be measured for success when supported by a speech analytics tool. 🎧



Successful Collections Process

An excerpt from: "The Delicate Balancing Act: Using Speech Analytics to Optimize

WOW AWARDS

During the past quarter State Collection Service gave away six WOW Awards! The latest WOW award recipients are Catrece Benton, Len Nicolosi, Diane Johnson, Helene Jones, Kelly Hutchinson and Stephanie Larson!



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!"



Thank you for all of your hard work!



Helene Jones (top left), Len Nicolosi (2nd row left), and Diane Johnson (2nd row right) all with Bad Debt Production Supervisor, James Reed. Top Right: Kelly Hutchinson with Matt Baierl (EBO Supervisor), Right Second Row: Stephanie Larson, Catrece Benton.



TCPA UPDATE

AND THE IMPORTANCE OF CELL PHONES

— Dave Hintz, Inventory & Production Support Manager

We have shared several articles on the prevalence and importance of cell phones in our billing and collection efforts in the past. Many of them focused on the ever changing legal challenges facing all of us as we try to resolve outstanding receivables. We wanted to readdress the topic because of the importance of getting valid contact information to use in the recovery process.



As we wrote in prior articles, 66% of Americans had a cell phone as far back as 2004. By 2010, as many as one in six American households had chosen to use cell phones instead of more traditional landlines and that trend continues to change in favor of cell phone use. The balance of cell phone versus landline use has changed so much in the past few years that it is hard to find accurate statistics to measure the true rate of households only utilizing cell phones at this time.

“Patient sentiment around use of cell phones is changing and asking for that information and permission to use it is becoming more accepted by patients.”

One thing however, is certain - the ability to contact customers by phone to recover money owed is a critical component to our success. Patient sentiment around use of cell phones is changing and asking for that information and permission to use it is becoming more accepted by patients. That said, as the regulatory environment continues to change the best thing we can all do is to capture consent at all points of contact with the patients. Getting our systems and patients agreements modified to carry the correct consent language and tracking that consent when obtained is the best way all of us can prepare.

At State Collection Service we continue to strive for efficient means by which to recover your receivables and in doing so feel there is more education that needs to take place with patients and within all of our processes and systems to gain and retain permission to contact patients on their cell phone. Should you desire more information on how to update your registration intake forms to obtain cell phone numbers and the consent to use them, please give us a call. If you are currently obtaining the information and consent, thank you, and keep up the good work - you'll be glad you did.



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Connect with State Collection Service today!



PREPARING FOR THE AFFORDABLE CARE ACT THROUGH TRAINING

— Michelle Naatz - Training Specialist

The training department's job is not only to train newly hired staff, but also continue development of existing staff and assist employees with changes in the collection and insurance industries so that we can better meet today's growing challenges. State Collection Service also offers specially designed trainings to help assist the needs of our clients.

To better prepare for the changes that we are facing with the implementation of the Patient Protection and Affordable Care Act (PPACA), Denise Phelps and I recently attended a two-day seminar and became Certified Application Counselors (CAC) passing an exam to complete the process. The course addressed the topics of principles of insurance, insurance law, the purpose of health insurance and the mandated benefits, an overview of the Affordable Care Act, market wide reforms, essential benefits, tax penalties, tribal considerations, the Health Insurance Exchanges and Market Places as well as the Wisconsin Public Assistance Programs. With the CAC designation we will be able to assist our staff and patients who have questions about the PPACA and how to choose and apply for insurance benefits using the Exchanges.



In addition to actively seeking specific training opportunities, State Collection Service actively participates in trainings offered through ACA International so that we are well prepared to answer questions and assist our clients, patients and staff. We continue to stay abreast of changes that affect our industry to ensure that our staff is current with these changes.

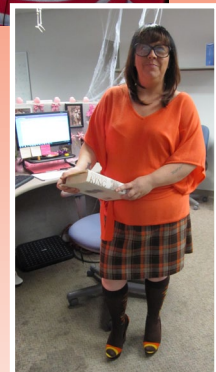
The training department has a vested interest in the development of our staff. Through continued education offered by the training department and ACA International, we are able to develop our staff and ensure partnerships for a lifetime. ☞

Welcome BILL

State Collection Service has welcomed over 20 new health systems this year, as such, we are pleased to announce the recent addition of Bill Lindala to our training department. Bill comes to State Collection Service with 23 years of experience in the collection industry, and plays an integral role in the training of new staff as well as the continued development of our existing staff.



HALLOWEEN AT STATE



Oh, Baby!

Congratulations to Naisha White (EBO, Madison) and Amanda Enders (EBO, Madison) on the births of their daughters. Also congratulations to Steve Beard (Sales, Muncie) on becoming a grandfather!

Jackson Moser, grandson of Steve Beard, was born September 5, weighing 7 lbs, 6 oz, and was 19 inches long. Avah Emani Pruett, daughter of Naisha, was born September 14, weighing 6 lbs, 14 oz, and was 19 inches long. Amelia Enders, daughter of Amanda, was born November 3, weighing 7 lbs, 8 oz, and was 20 inches long.

Congratulations Steve, Naisha and Amanda!

