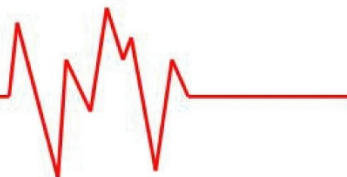




The Collector Beat

February 2009



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Hospitals Dealt Blow by Credit, Economy Woes

by Karen Pierog

CHICAGO (Reuters) – The tough U.S. economy is forcing hard choices on health-care managers around the country, such as those at Swedish Covenant Hospital in Chicago, which is closing its skilled nursing unit to cut costs.

"We just can't afford to operate that any longer," said Mark Newton, the chief executive officer of the hospital, established nearly 123 years ago by a Swedish evangelical group to serve immigrants seeking to build new lives in America.

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Hospitals Seek to Turn Patients, Insurers into More Reliable Payers

By Jay Greene

With the jobless rate in Michigan hitting levels not seen in two decades and people losing their health insurance or reducing coverage to save on premium dollars, hospitals are overhauling their billing and collection systems to stem the rising tide of bad debt and charity care that is chipping away at already slim and declining profit margins.

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*Happy Valentine's everyone!
I trust everyone had a good first month of 2009, and will have a good second month to follow!*

Hospital Charges Patients 18% Interest Rate on Medical Debt

By Mike Adams

Minnesota's Attorney General is suing *Allina Hospitals & Clinics* for charging patients 18% interest on medical debt.

Health care in America is a profit-centered business, of course, and that involves extracting as much money from patients as possible. Allina Hospitals likely would have liked to charge even more for financing medical debt, but state law limits the interest rate to 18 percent.

The Minnesota AG wants the hospitals to issue refunds to patients who paid the 18 percent interest rates.

The U.S. health care system is a perfect recipe for bankruptcy at all levels: Families, businesses, cities, states and even the entire nation. Unless we reform the health care system to focus on prevention and nutrition education instead of the business of treating symptoms with expensive pharmaceuticals, it almost doesn't matter who pays how much for what. There isn't enough money in the whole world to fund a population trapped in a sick-care system based on corporate profits instead of patient health.

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The Big Question: Is It Time To Get Tough On Late Payments?

From *BusinessZone*

Among the many issues that face small business owners at the moment, late payment is one of the most contentious, and it was voted the top gripe by small business owners in a poll by UK Business Forums. According to research conducted in November 2008, 40% agreed that setting a limit of 20 days for settling bills would be the one measure which would most help them survive the recession.

A key issue raised by respondents was that of unfair payment terms imposed by large corporations, which are negatively impacting small business. In many cases, it is companies with the largest pots of cash that are keeping the small suppliers waiting the longest. Faced with spiraling costs and mounting debts, what can small business owners do to make sure they don't become the victim of tardy payers, and how should they act if a client or customer simply refuses to pay up?

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"I believe they're a debt collection agency."

Bad Check Charges are Increasing

From the *Montgomery Advertiser*

With many banks seeing income from loans and investments buffeted by the economy, some of them are turning to non-sufficient fund and overdraft protection fees to increase their income. The result, according to a new study, is that the average household in Alabama with a checking account paid almost \$257 last year in such fees.

While that sounds high, Alabama households actually paid less than the national average, which was \$368 per household with a checking account.

The study indicated that Alabamians as a whole paid \$409 million in overdraft-related fees in 2008.

The study by Bretton Woods Inc., a bank strategy consulting firm, indicates that banks and credit unions are becoming more dependent on such fees for income.

"It's becoming very clear that banks are increasingly reliant on fees resulting from overdrawn checking accounts for income," said researcher G. Michael Flores. "Nationally, the average household now has more than 12 overdraft transactions per year."

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Is Britain Facing Bankruptcy?

By Angela Balakrishnan

From Credit Crunch to Debt Disaster

As Britain's slides further down the global debt league, and sterling goes into freefall, many papers are asking whether the UK could go bankrupt like Iceland did last year?

The Guardian's Nils Pratley said a debt crisis isn't a "wholly wacky notion" but also called for some perspective.

"Let's not announce catastrophe before it has arrived," he writes. "Having been wildly overvalued during the boom, sterling is in the midst of a correction that will make us feel poorer for years to come. But talk of bankruptcy is overdoing the gloom."

David Wighton of the Times echoes this sentiment: "The City is not Reykjavik on Thames. British banks did grow too big for the economy, which makes us more vulnerable to the banking meltdown than the Americans. But it is nowhere near as extreme as in the case of Iceland." he writes, adding that many euro-zone countries like Germany and Spain are in a similar, if far worse state.

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February's Tip of the Month

Since this month's issue of The Collector Beat is dealing a lot with late payments and interest rates, we decided to make February's Tip of the Month also about late payments:

If a patient sends a payment to your office that is less than a balance due, accept the payment, but make sure to follow-up with a letter to the patient containing language similar to this:

"Thank you for your payment. It has been applied to your account and your balance has been reduced. However, this payment does not meet with our financial policy. Please contact our office promptly to discuss a mutually acceptable payment arrangement."

The absence of this letter will illustrate to the patient that any payment is accepted by your office, and they have the option to pay anything. Doing so will quickly increase your office's receivables.

February's Office Contest

The Berks Credit employees are partaking in a "Biggest Loser" contest this post-holiday season, and we urge all of your offices to try it too! It is a healthy and entertaining way to create unity between employees in the office as well as spark that competitive edge in everyone!

Anyone who would like a copy of the rules/regulations we used to create the contest, feel free to email me and I will gladly send you a copy to use in your office! Good luck to all who chose to compete!

My email is: lmclaine@berkscredit.com

North Carolina/Virginia Collection Seminar Update

In January 2009, Collector University's team hit the road and traveled to Charlotte, NC, Cary, NC, and Richmond, VA. In Charlotte, NC, we held the seminar at the BEAUTIFUL Duke Mansion, where attendees enjoyed a mix of old North Carolina charm, Southern hospitality, and Northern flair. Tony and I entertained everyone with funny stories, yummy food, and a little learning here and there.

In Cary, NC, Tony and I met everyone at the very exotic, very chic Embassy Suites. Here attendees saw the sassy side of the Pretentious Princess—who I'm sure they know all too well!

Finally, in Richmond, VA, we were introduced to the charm and class of the Virginia Crossings resort. All I have to say is: Wow, was that breakfast something! A great ending to a lovely trip South of the Mason Dixon. Tony and I would like to thank each and every one of you who joined us at these seminars, we hope you all enjoyed yourselves and learned a lot!

Upcoming Collector University Seminars:

Keep an eye out, we'll be in your town again soon!
Check our website for specific locations, and future dates/times!

February 17, 2009 Columbia, SC – The Columbia Marriott
February 18, 2009 Roswell, GA – The Holiday Inn, Atlanta/Roswell
February 19, 2009 Marietta, GA – Crowne Plaza – Atlanta Perimeter NW

February 24, 2009 Orlando, FL — The Hampton Inn & Convention Center
February 25, 2009 Orlando, FL — The Hampton Inn & Convention Center
February 26, 2007 Tampa, FL — The Tampa Marriott Westshore
February 27, 2009 Jacksonville, FL — The Radisson, Butler Boulevard

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