



The Collector Beat

April 2009



In This Edition:

Collection News

New HIPAA Rules

Medical Industry News

Improving A/R

Tip of the Month

Collector U. Updates

Growing Retail Clinic Industry Could Impact Self-Pay Collections Volume

By Cynthia Wilson

As more consumers become comfortable with and begin to use retail clinics, the trend could put a dent in physician practice self-pay collection volume and shift a growing number of receivable balances away from traditional health care providers to retailers.

According to the trade association that represents the nation's nearly 1,200 retail clinics, most private insurers now contract with retail clinics owned by or housed in pharmacy chains, grocers, big box retailers and corporate headquarters. And as the retail clinic services evolve, some industry experts think the relationships insurers have with retail clinics could broaden.

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New HIPAA Rules to Impact Health Care Transactions, Billing, and Collections

By Stanley Nachimson

On Jan. 16, two new regulations under the Health Insurance Portability and Accountability Act (HIPAA) were published by the Department of Health and Human Services (HHS). These regulations require significant changes in the HIPAA standard transactions and code sets, meaning that all electronic transactions will have changes in their format and data. More importantly, these changes will require changes in the way health plans, healthcare providers, billing services, clearinghouses and other support vendors collect, send and process information on these transactions.

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Improving Accounts Receivable Management to Increase Liquidity

From Khaleej Times

DUBAI - Companies must adopt a fundamentally different, comprehensive approach to accounts receivable management -- whether to win market share or survive the economic spiral and to build sustainable cash positions.

The approach must look across the entire order-to-cash process to root out payment problems early on and design flexible solutions that release more cash and permanently lower accounts receivable (A/R), according to a new report by Booz & Company.

Booz & Company is a leading global management consulting firm, helping the world's top businesses, government ministries, and organizations.

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THAT MONEY WE WITHDREW FROM OUR ACCOUNT - THE BANK WANTS TO BORROW IT BACK

Collection Agencies Find More Work but Fewer Rewards

By Patrick Peterson

The economy has battered collection agencies, whose client lists have grown, while the amount they collect has diminished.

"It's a struggle," said Tom Richcreek, 69, founder of Melbourne Recovery Services.

Richcreek has about 15 percent more clients, but makes 40 percent fewer collections. And he is seeing more collection accounts from the upscale beachside neighborhoods.

More often, he deals with broke and desperate people who face foreclosure, bankruptcy and financial ruin.

"I just talked to a lady today that just broke my heart," he said. "Those, we'll work with."

Richcreek is luckier than some in the collection industry.

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Medical Debt Collections from Self-Pay Accounts to Increase in 2009

By Cynthia Wilson

Medical debt collectors prepare yourselves. Patient-portion bad debt from insured workers will likely reach a new high in 2009.

According to a recent survey by Watson Wyatt, 50 percent fewer U.S. workers opted to sign up for higher-premium insurance plans to keep their deductible and co-pays lower and more predictable. The human resources consulting firm said only 19 percent of the employees in employer-sponsored plans enrolled in the higher premium plans during their company's open enrollment, compared to 38 percent who choose higher premium plans last year.

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A Rising Dollar Lifts US but Adds to the Crisis Abroad

By Peter S. Goodman

As the world is seized with anxiety in the face of a spreading financial crisis, the one place having a considerably easier time attracting money is, perversely enough, the same place that started much of the trouble: the United States.

American investors are ditching foreign ventures and bringing their dollars home, entrusting them to the supposed bedrock safety of United States Government bonds. And China continues to buy staggering quantities of American debt.

These actions are lifting the value of the dollar and providing the Obama administration with a crucial infusion of financing as it directs trillions of dollars toward rescuing banks and stimulating the economy, enabling the Government to pay for these efforts without lifting interest rates.

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Tip of the Month:

This month we are asking all of you to take a look at your patient statements. There are several things that should be on your statements and several things that should NOT be on your statements. Don't have words like "Payment\$" (with an S) or "Payment Arrangement\$." Words like these give the patients the idea that it is OK to make several payments toward their account, even if they could pay the amount in full. Instead, tell them the entire balance is due in full - today. Also, make sure that your office's hours of operation, the different methods of payment your office accepts, a toll-free phone number, Spanish language (or other prevalent language in your area), a website to make payments, and the address to send their payment are all listed on the statement somewhere.

On the back, there should also be a section for the patient to update their demographic or insurance information. (I have some sample statements that I can email you if you would like to take a look at a them.)

Finally, make sure to look over the final product before sending them out to your patients. Simple misspellings and grammatical errors take away from your credibility as an organization.

Get Control Over Your Bill Collection - Now

By Jake Krocheski

No one has to tell you that 2009 is going to be a tough year for every business. There will be plenty of challenges, and collecting your accounts receivables will surely be one of them.

If your firm has an accounts receivable management strategy, now is the time to re-evaluate that strategy -- from top to bottom -- in light of the economic climate. If you do not yet have a strategy -- how can I say this tactfully? -- what in the world are you waiting for?

It has been several years since we have been in a recession -- and decades since an economy as troubling as we are now encountering -- and most firms have not planned adequately for such hard times.

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Economic Crisis Throws a Lifeline for Generic Drugs

By Sajila Saseendran

DUBAI -- The economic meltdown can be a boom for generic drugs because of their cost-effectiveness, a local expert has observed.

Though the downturn has not impacted the pharmaceutical industry as much as it has affected several other industries, the day may not be far for patients to prefer generic drugs to patented and branded medicines, according to Dr. Ali Al Syed Hussain, the Director of Pharmaceutical Services Department at the Department of Health and Medical Services (DOHMS), in Dubai.

He was speaking after a press conference to announce the 14th Dubai International Pharmaceuticals and Technologies Conference and Exhibition -- DUPHAT 2009 -- to be held from March 29 to 31 at the Dubai International Convention and Exhibition Centre.

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Upcoming Seminars:

May: 12—Cuyahoga Falls, OH
13—Pittsburgh, PA

June: 17—Hunt Valley, MD

July: 15—Tysons Corner, VA

September: 14—Columbus, OH
15—Sharonville, OH
16—Louisville, KY

21—Indianapolis, IN
22—Oak Brook, IL
23—Chicago, IL



What you'll learn at each Collector U free seminar & luncheon:

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- 1) Avoiding small payments with long-term arrangements
- 2) How to set up a financial policy that improves cash flow
- 3) Collecting payments at the time of service
- 4) Individual laws for your state
- 5) Collection law updates
- 6) How to overcome objections from patients
- 7) Collection tools & techniques that will have you collect more money on your very next call!

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