



The Collector Beat

May 2009



Happy Spring, everyone!

April's showers should be passing soon, and we can all begin to enjoy the warmer weather! With Spring Fever in the air, I hope you all LOVE this month's *The Collector Beat*!

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When It Comes to Healthcare, the US, Britain and Canada are Hurting

By Ezra Klein

When asked by the New England Journal of Medicine to detail his healthcare vision during the campaign, John McCain concluded with a rousing denunciation of "new government bureaucracies that will translate into higher taxes, reduced provider payments and long waiting lines."

Long lines come up frequently in the American healthcare discussion, the symbol of all that is to be feared about a government-run system. And it's true that in Canada and Britain, the two countries most often cited in discussions of what nationalized healthcare might mean, some patients report having to wait months for some elective treatments. Sometimes.

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Healthcare Reform Battlegrounds: Where the Uninsured Are

By Dante Chinni

Swine flu may seem like the only healthcare story in Washington right now, but a potentially much bigger story is coming to town.

Last week, the Obama administration got its wish as Congress passed the president's budget plan and included language allowing for the use of "reconciliation" on this year's healthcare reform bills in the Senate. Reconciliation allows bills to be brought for a vote with a simple majority, rather than 60 votes.

The meaning? The chances for healthcare reform in 2009 officially just jumped.

The debate in our 11 Patchwork Nation communities will not all be the same. In some places, the fight will be about expanding coverage. In others, it will center on maintaining benefits, while still others will probably be about immigration.

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World Health Day 2009 Focuses on Safe Health Facilities

From KUNA

KUWAIT -- The world will mark the World Health Day on Tuesday, April 7, under the slogan, "Save Lives - Make Hospitals Safe in Emergencies," focusing on the resilience and safety of health facilities.

The World Health Organization (WHO) always takes the opportunity with this event to raise public awareness of key health issues.

This year's activity gives attention to the safety of health facilities and the readiness of health workers who treat those affected by emergencies. Health centers and staff are critical lifelines for vulnerable people in disasters - treating injuries, preventing illnesses, and caring for people's health needs.

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Paper Records are 'Incomplete, Inaccurate and Inaccessible'

By Richard Pizzi

CHICAGO – There is a great deal of resistance to healthcare reform because industry players make so much money from the current system, said George Halvorson, chairman and CEO of the Kaiser Foundation Health Plan and Kaiser Foundation Hospitals.

Speaking Monday at HIMSS09, Halvorson said the current fee-for-service payment model generates \$2.5 trillion worth of revenue, but merely sells "pieces of care" to consumers because the system is not efficient.

Healthcare is the fastest growing segment of the U.S. economy, moving toward 20 percent of the Gross Domestic Product, but Halvorson said the United States is on a dangerous path and must lower the costs of the system and improve outcomes.

"We need to fix the delivery of healthcare and move to full (health insurance) coverage," he said.

Halvorson affirmed that only a "systematic" approach to changing U.S. healthcare would succeed. He called for an emphasis on best practices, an increase in coordination between caregivers and a more consistent follow-through on patients.

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Prison Health-Care Provider Cushioned in Recession

By Kelly Nolan

In the midst of a deep recession, prison health-care company America Service Group Inc. seems to have most things going in its favor.

The only major publicly traded player in the \$9.3 billion prison health-care market, America Service Group looks well positioned in the near term, with no debt on its balance sheet and major government contracts locked in until 2011.

Still, ASG has some challenges. Its key contracts, which include New York City's Rikers Island facility and the Pennsylvania Department of Corrections, will eventually come up for renewal or rebidding, a highly competitive process with no guarantees.

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Recession Now Hits Jobs in Health Care

By Avery Johnson & Kelly Evans

Employment in health care, the only major industry outside the federal government still adding jobs, is succumbing to the recession.

In the latest sign, the president of New York City Health & Hospitals Corp. wrote Friday to community organizations as well as employees and unions at its 11 hospitals and four nursing homes, saying the agency will lay off more workers even after slashing 400 jobs last month.

"We now project that HHC's deficits will worsen, even if we are spared further state cuts," Alan Aviles wrote to the staff of 39,000. "The challenges will deepen." He blamed the job losses on state cuts in Medicaid payments to the public-health system.

Across the country, hospitals are taking financial hits. They are seeing losses in the portfolios that they rely on for investment income. The number of uninsured patients is rising. Elective procedures -- which reap big profits -- are down at a third of hospitals nationwide.

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May's Tip of the Month

With the economy and job market in the shape that it's in, I'm sure your offices are receiving more and more bankruptcy notifications than you can remember. This month we want to share some insight into the US Bankruptcy Court system, so that you know what to look for. Each of the 94 federal judicial districts handles bankruptcy matters, and in almost all districts, bankruptcy cases are filed in the bankruptcy court. Bankruptcy cases cannot be filed in state court. Bankruptcy laws help people who can no longer pay their creditors get a fresh start by liquidating their assets to pay their debts, or by creating a repayment plan.

Bankruptcy laws also protect troubled businesses and provide for orderly distributions to business creditors through reorganization or liquidation. These procedures are covered under Title 11 of the United States Code. The vast majority of cases are filed under the three main chapters of the Bankruptcy Code, which are Chapter 7, Chapter 11, and Chapter 13.

If your office ever receives a "Notice of Chapter (7, 11, or 13) Bankruptcy Case, Meeting of Creditors, & Deadlines," collection efforts to the patient must stop immediately. For more information on the bankruptcy process or for a list of sample bankruptcy forms, please visit www.uscourts.gov/bankruptcycourts.html.

May's Contest Idea

April Showers Bring May Flowers! In honor of the new blooms, our office is running a Spring Fever contest, and I think it would be beneficial for your offices to try as well. Each collection rep. gets certain points for certain payment scenarios. Each collection rep has a list of rules & guidelines regarding the scenarios, such as: 8 pts for a payment in full (PIF) for the current week, 7 pts for a payment plan (PPA) and 1st payment in the current week, 6 pts if a PIF is postdated 1 week, 5 pts if PPA and 1st payment is post dated 1 week, 4 pts if PIF is postdated 2 weeks, 3 pts if PPA and 1st payment is postdated 2 weeks, 2 pts if PIF is postdated for 3 weeks, 1 pt if PPA and 1st payment is post dated 3 weeks, & 0 pts for any payments dated after the last day of the month. The collector with the most points at the end of the week gets to pick a flower out of the flowerpot. Each flower is marked with a prize of either \$25, \$50, \$75, or \$100. In order for payments to qualify for points, a PIF must be at least \$75 and a PPA must be at least \$100 a month. Adding initiative like this may improve collector's numbers. Good luck!

Tight Times, New Strategies

By Diana Kruppstadt

Before gas prices soared to nearly \$4 per gallon, self-pay accounts were on every hospital's and agency's top list of concerns, according to Allan P. DeKaye, MBA, FHFMA, president and chief executive officer of DeKaye Consulting Inc. in Oceanside, N.Y. Now, add the rising price of gas along with soaring food prices and foreclosures, and you have a large population of consumers who can't pay their bills. Collection agencies and hospitals are adjusting their strategies to adapt to today's market.

Mark Neeb, president of *The Affiliated Group* in Rochester, MN, said his agency is more careful in assigning staff to accounts because collectability has decreased while the number of placements has increased. Neeb's agency assigns staff based on the revenue potential of the account rather than the amount of debt. "We tend to run a little leaner in terms of staffing as a buffer against the potential higher costs of collection," he said.

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ACA Launches Consumer-Focused Web Site to Help Answer Tough Financial Questions

by Phil Britt

ACA International today unveils "Ask Dr. Debt," a new Web site from its ACA International Education Foundation arm that will provide free, confidential information for consumers with debt and credit questions.

ACA, the association for credit and collection professionals, hopes to raise overall consumer awareness of the collection industry and show how agencies can actually help people in financial trouble.

"The financial illiteracy of folks and government is unbelievable," said Bill Wilcox, chairman of the ACA International Education Foundation. "There are so many different charge and credit plans out there...60 days no interest, two years no interest, adjustable rates..."

The confusing array of debt, credit and investment choices is more than even many experts can handle, Wilcox said.

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April's Seminar Overview:

Well, April's Seminars in Exton, PA, Newark, DE, and Allentown, PA, sure were a hit! I don't know how we continue to do it, but we actually find a way to make a seminar about patient receivables entertaining! Tony, Bruce, and I would just like to thank all of the attendees that came out to laugh, learn, and lunch with us this past month!

We're heading out west this next time around, and I'm sure we'll have as great a time as always! Here we come, Cuyahoga Falls & Pittsburgh!

Collector University's Upcoming Seminars:

May 12: Cuyahoga Falls, OH (FULL)

May 13: Pittsburgh, PA (FULL)

June 17: Hunt Valley, MD

July 15: Tysons Corner, VA

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

"Collecting from Patients in a Difficult Economy"

- 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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