# The State of Collection

A State Collection Service, Inc. Newsletter
Volume 19, Number 2 • Second Quarter 2013

## Where We've Been, Where We'll Be

**Revenue Cycle Coop Spring**
May 8 - 10, Wis. Dells, WI

**MO HFMA Spring Meeting**
May 15 - 17, Maryland Hts, MO

**Amerinet Member Conference**
May 19 - 22, Las Vegas, NV

**Annual John Beglinger Golf Classic**
May 22, Elkhart Lake, WI

**WI HFMA Spring Conference**
May 22 - 24, Elkhart Lake, WI

**IL AAHAM Spring Meeting**
June 6, East Peoria, WI

**HFMA ANI**
June 16 - 19, Orlando, FL

## In This Issue



## Locations

800.477.7474

Madison, WI
Beloit, WI
Minneapolis, MN
Chicago, IL

# Promoting a Healthy Lifestyle

Healthcare costs continuously rise. As do gasoline, food, rent and utility costs. It's still unknown what the impact of the Affordable Care Act will be. Most of the new plan becomes effective next year; businesses, however, are already feeling the effects.

This year our employee premiums have shown double digit increases. After taking a deep breath and accepting higher premiums, higher deductibles and co-insurance, we realize we must look for other solutions.

We can't place blame on the healthcare providers or insurance companies because the price of our health insurance is based on the company's experience with our group. As an organization, we have determined that we need to start placing more emphasis on promoting a healthy lifestyle and creating a culture of change in order to help minimize future increases in our premiums.

Health incentives for employees will include discounted health club memberships, weight loss programs, counseling and smoking cession programs. We intend to focus our future fundraising efforts on health related opportunities. With a strong focus on bettering ourselves and bettering our business relationships, we thought it only appropriate that our 2013 theme be "Show You Care Be Aware".

# Industry Trends That Impact You

*—Terry Armstrong, President*

In our last newsletter we spent a lot time discussing industry trends. One trend that certainly will change how we do things in the revenue cycle is the ICD-10 transition. While the transition was originally postponed, the Centers for Medicare & Medicaid Services stated in a February 6, 2013 letter that the mandated transition throughout the health system to the more complex ICD-10 diagnosis codes will go forward without any further delays. If this remains true, everyone will transition to ICD-10 by October 1, 2014. By now, most providers should be well into the planning phase, preparing themselves for this transition. Most now understand that this will not simply be a map of ICD-9 codes to ICD-10 and that all areas of the healthcare system will be affected. Within ICD-10, the codes will be much more specific in nature. For instance, ICD-9 codes consist of three to five digits while ICD-10-CM codes consist of three to seven alphanumeric characters. ICD-10 also boasts a dramatic increase in volume – ICD-9 maintains 13,000 diagnosis codes and 4,000 procedure codes while ICD-10 consists of over 140,000 codes, made up of about 68,000 diagnosis codes (ICD-10-CM) and 72,000 procedure codes (ICD-10-PCS).

Under ICD-10, all areas of the healthcare system will be affected, from HIM, Coding, Billing, Clinicians, Reimbursement, and all IT/Service vendors that support the healthcare system which is key. For those people who have memorized codes over the years, all of that knowledge goes out the window because it's a new age, with a more specific way to categorize patients, which will likely lead to a different way of reimbursing for services.

*"Under ICD-10, all areas of the healthcare system will be affected, from HIM, Coding, Billing, Clinicians, Reimbursement, and all IT/Service vendors that support the healthcare system..."*

Later this summer, Elaine Lips, well known HIM and ICD-10 expert, will present a session during our free webinar series, Strategies to Achieve Breakthrough Results. Her session, entitled "Avoid the ICD-10 Fiscal Cliff With Early Adoption", will review two case studies of clients' ICD-10 early adoption strategy. Head over to our website for more details and to register today.

Organizationally, we will continue to prepare ourselves for this change as we support our clients. As our revenue cycle partners learn the new system, we too will be learning the new way of getting bills out and receiving payments. At any time during this transition, if you have questions or need help, please do not hesitate to reach out – we're here to help!

# Attending ANI? Join State's own!

**Monday, June 17, 10 am - 11:15 am: Selecting Collection Agency Partners to Maximize Recovery and Maintain Patient Satisfaction (A13), presented by Terry Armstrong (State Collection Service, Inc.)**

**Wednesday, June 19, 7 am - 7:50 am: Special Update Medical Debt Advisory Task Force, presented by Tina Hanson (State Collection Service, Inc.)**

***Steve Beard will be moderating the Mon. and Tues. morning Revenue Cycle Networking Breakfast, be sure to join him!**

# Are you aware of what the Consumer Financial Protection Bureau is up to?

*—Tina Hanson, Executive Vice President & Chief Strategy Officer*

Are you aware that The Consumer Financial Protection Bureau (CFPB) is becoming very active in regulating debt collectors? The agency was created in 2010 to regulate banks, credit unions, credit lenders, debt buyers and collection agencies with more than $10 million in annual receipts. Until recently the CFPB's focus did not include the healthcare market however. The CFPB now maintains full regulatory authority to investigate activities as they relate to consumer rights in credit-lending transactions, credit reporting, debt purchase, and the collection of a debt. Recent investigations have been made into credit reporting of medical debt, which is of great interest by the CFPB and the Washington Regulators.

In order to work proactively with the CFPB, ACA International (The Association of Credit and Collection Professionals) and HFMA have joined forces to create a task force that would identify a common set of medical debt collection practices that can be standardized for widespread industry adoption. This change will lead to improvement in the overall collection process, the patient experience, and financial performance, while ensuring a fair collection process for all involved. The 20-member task force is comprised of a cross-functional team made up of numerous providers, consumer advocates, debt collectors, and non-profit providers, all bringing to the table their expertise related to medical debt collection, billing, and consumer focus. The task force's goal is to create a best practice flow chart for medical debt collection starting from the initial patient visit, followed by write off, and finally to placement with a third party debt collector.

The task force met in Chicago and has successfully generated a first draft of a proposed flow chart that would incorporate not only the best practice for medical debt collection, but also how a patient is provided information related to their bill throughout the process.

Look to HFMA's Annual National Institute in Orlando for more information about the task force and the outcome. Stay tuned!

## 2013 Strategies to Achieve Breakthrough Results

# A Recap of Our Popular Webinar Series

*— Steve Beard, Chief Business Development Officer*

Our webinar series, Strategies in the Midst of the Perfect Storm, has once again gotten off to an excellent start! With the challenges of declining reimbursement rates, increasing patient responsibility and increases in the cost of delivery in mind, we continue to bring you thought-provoking sessions geared toward helping you find beneficial solutions. Our goal has been to assist you by providing strategies and insight that will positively impact your bottom line in 2013 while improving the overall patient experience.

During our first session, "Using Voice Analytics to Improve Patient Satisfaction", Tracy Dudek looked at the tools available to measure call quality. Specifically, she provided insight into our own use of the CallMiner product in measuring patient satisfaction.

Connance's John Moroz discussed the various strategies surrounding the administration of charity during our next session, providing insight into the process of adopting a presumptive charity model in their session titled, "Charity Administration Made Simple."

We still have several more sessions lined up through the summer, so be sure to register right away by heading to www.statecollectionservice.com so be sure to sign up today. Recordings of previous webinars can also be found by going to our website. We look forward to your participation in future sessions!

# Using an Effective Management Solution to Minimize Denials

*— Steve Quayle, Director of Extended Business Office*

No doubt, you understand the impact of denials on the revenue cycle. Re-billing andappeals take time and energy away from an already taxed business office. Using an effective denial management program can improve the effectiveness of your revenue cycle by minimizing denials.

Denial management is typically associated with "denials after the fact." A denial may be the result of a lower-than-expected reimbursement or no insurance payment at all. Denials may also be the result various other factors including incomplete or inaccurate insurance information, lack of pre-certification or authorization, diagnoses and procedure coding errors or omissions, or past filing limits submission of claims. Even a lack of meeting medical necessity can result in a denial.

To truly minimize denials, rather than simply reacting to them, the revenue cycle leader must truly understand why claims are denied. The best practice is to utilize the information found on the 835 to trend and track the denials at the time of payment posting. Denials should be tracked by category and subcategory to determine the nature of the denial – Clinical or Technical. Codes should then be tracked at the type or CARC code (Claim Adjustment Reason Code). The denial type should further be sorted by payer, provider, and biller.

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By knowing what the denials are by payer, provider or biller, you will be able to establish trends. As trends are identified, you can work to determine the root cause of the denial. This information should then be shared throughout the organization to establish processes and training protocols to avoid such denials in the future. The key to this exercise is getting to the root cause.

So where do you start? First – sort your denials by occurrence and dollar amount. Next, look at your top payers and select their top ten denials. Once the information has been gathered and analyzed, it is important to share the details throughout the revenue cycle.

As you work the denials, remember how important it is to work them in a timely manner. Communication with the payer is important in the process. Third-party payers have specific instructions for appealing denials and their instructions should be appropriately followed. Those who specialize in the re-billing and appeals process should develop a relationship with provider representatives at high-volume payers. Reimbursements generated from successful appeals can be tracked to demonstrate the value of monitoring and working denials. Being aware of the type of denials by payer enables the provider to take the appropriate action and potentially avoid similar denials going forward.

Are you interested in a strong denial management solution? State Collection Service recently invested in Artiva Healthcare, a platform designed to track denials, create the appropriate workflows for rebilling and appeals, and follow up with the appropriate payers at the appropriate intervals. Contact State Collection Service, Inc. today for more information!

# DEBT COLLECTORS CONTINUE TO BE A NATIONAL LEADER IN RESOLVING CONSUMER COMPLAINTS

MINNEAPOLIS (March 12, 2013) – ACA International, the Association of Collection and Credit Professionals, today applauds the exceptional effort of America's third-party debt collectors in resolving consumer complaints. According to the Council of Better Business Bureau's 2012 report on inquiries and complaint statistics, United States collection agencies resolved 86 percent of the consumer complaints received in 2012; exceeding the national average of 77 percent for all industries.

"While the goal is to avoid complaints, this year's rate of resolution tops 2011's 83 percent showing how serious debt collectors take consumer complaints and how committed they are at working with consumers to find solutions," ACA International CEO Pat Morris said. "Since 2002, collection agencies have consistently been above the national average in resolving more than 80 percent of the consumer complaints filed with the BBB."

*"While the goal is to avoid complaints, this year's rate of resolution tops 2011's 83 percent showing how serious debt collectors take consumer complaints and how committed they are at working with consumers to find solutions"*

*- ACA International CEO Pat Morris*

Overall, the BBB system received nearly 1.5 million inquiries about collection agencies in 2012 and of these, approximately 24,500 (1.6 percent) were recorded as complaints. The total number of consumer inquiries and complaints for all industries as tracked by the BBB continued to rise in 2012, now topping 117 million inquiries and 950,000 complaints. In 2011, the organization received a more than 97 million inquiries and 895,000 complaints for all industries combined.

According to Morris, "We will continue to provide educational resources to help our members, and their employees, prevent, manage and resolve consumer complaints. It's imperative that consumers not avoid debt collectors because, in many cases, the matter at hand can be effectively resolved through communication with the collector making contact."

ACA International members continue working with federal and state regulators, lawmakers and enforcement authorities to ensure a balanced debt collection system that allows for consumer protection and the legitimate recovery of rightfully owed consumer debts. The non-profit ACA International Education Foundation created www.askdoctordebt.org as a free resource to help ensure consumers contacted about these debts know their rights and better navigate the often confusing world of personal finance. No registration or sharing of a consumer's personal information is required.

Third-party debt collection is essential to the national and state economies, which are built on the foundation that those who provide credit, goods and services expect to be repaid. Recovering these assets helps businesses survive, prevents layoffs, keeps cost down and ensures that credit, goods and services are available to consumers.

ACA International (www.acainternational.org) is the comprehensive, knowledge-based resource for success in the credit and collection industry. Founded in 1939, ACA brings together 5,000 members in the United States and abroad, and their more than 300,000 employees, representing third-party collection agencies, asset buyers, attorneys, creditors and vendor affiliates. ACA supports members through state and federal advocacy, training and resources.

# WOW AWARDS


Michelle Jeschke (EBO Representative)


Rita Lingen (Client Service Executive)

State Collection Service gave away four WOW Awards during the past quarter!

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!"

Congratulations to **Michelle Jeschke, Rita Lingen, Naimah El Amin** and **Helene Jones**!

Thank you for all of your hard work!

Left - Naimah El Amin (Collection Specialist), Mark Holcomb (Beloit Site Manager)

Right - Helene Jones (Collection Specialist). Mark Holcomb (Beloit Site Manager)

# Last Quarter's Brainteaser

Tom Coopman (Affinity Health System) is the winner of the last Brainteaser. **Congratulations, Tom!** We will be delivering a special prize within the next few weeks.

*Be sure to send in your Brainteaser entry – you could be our next winner!*

# This Quarter's Brainteaser

1. Six years ago, Beth was half as old as Terry is now. In six years, Terry will be four-fifths of Beth's age then. How old are they now?

2. Randy bought 135 stamps over five days. Each day after the first day, he purchased 5 more stamps than he bought the day before. How many stamps did he buy on each day?

3. What two words, formed from different arrangements of the same six letters, can be used to complete the sentence below?

*In the sci-fi novel, the government instituted a round-the-clock _____*
*to guard the mysterious _____ that had opened into another world.*

4. There is only one common English word that is an anagram of TEMPURAS. What is it?

5. There are two correct answers for each clue. Answers share the same letters and blanks.

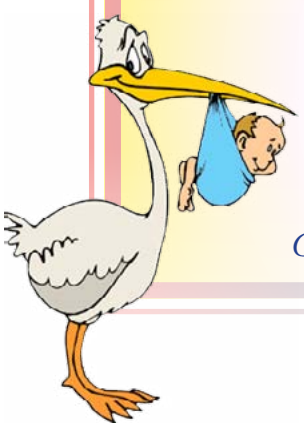
| | | |
|---|---|---|
| String section instrument: | 1. _ _ _ L _ | _ _ _ L _ |
| Reindeer in Santa's team: | 2. DA _ _ ER | DA _ _ ER |
| Christian clergyman: | 3. P _ _ _ _ _ | P _ _ _ _ _ |
| Leg-powered vehicle: | 4. _ _ ICYCLE | _ _ ICYCLE |
| South American nation: | 5. _ _ _ E _ _ _ _ A | _ _ _ E _ _ _ _ A |

Please email your answers to newsletter@stcol.com or fax them back to (608) 661-3001 (Attn: Newsletter). Be sure to include your name, employer and email address with your answers.

**Solution to the Last Brainteaser**

1. Clean up
2. TEN (wrote with toothpicks)
3. Are you asleep?
4. The outside
5. Fill a 7 gallon jug. Pour as much of the 7 gln as you can in the 4 gln jug. 3 gln will be in the 7 gln jug. Dump out the 4 gln jug, pour the 3 gln from the 7 gln jug into 4 gln container. Fill up the 7 gln jug and pour what you can, 1 gln, into the 4 gln jug until it is full. Taking 1 gallon from seven gallons leaves 6 gallons.

# Oh, Baby!



*Congratulations to Sarah Haas (Accounting, Madison) and her family, on the birth of their new baby boy!*

*Noah Roy was born March 16, weighing 6 lbs, 14 oz, and 19 inches long.*

*Congratulations Sarah on your new addition!*

PARTNERSHIPS FOR A LIFETIME