

THE

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Editor's Note: Tired of insurance companies withholding payment even with a "clean claim"? There is something you can do about it. Included in this issue, is information from the Department of Energy, Labor & Economic Growth that addresses "Prompt Payment Law". Or visit their Web site at <http://www.michigan.gov/dleg> for more information. As always, we welcome your comments and suggestions. Please email them to: support@corerecovery.biz

Improving Collection Partnerships

In today's health care environment, providers face growing self-pay revenue and declining insurance reimbursements. Maintaining a trusted partnership with a collection agency can offer a cost effective way for providers to manage receivables while focusing on providing quality patient care.

To create this trusted partnership, a fundamental understanding is needed of each other's business operations. Collection agencies should educate themselves on the business of health care and providers should be knowledgeable on the business of collections.

"There is a huge knowledge gap between providers and collection agencies," said Aaron Waldie, director of patient accounting for Truman Medical Center. "Some providers have no understanding of how collection agencies operate and vice versa."

A panel discussion was held at ACA International's Spring Forum in March on what providers look for in collection partnerships. Panelists included Waldie, Shaun Magill, chief operating officer for H & R Accounts, and Tom Gavinski, vice president of I.C. System.

Sharing Information

Many times the first step in developing a trusted partnership is taking the time to understand each other.

"If we're going to succeed in this endeavor, we have to figure out a way to become partners rather than having a strictly client/vendor relationship," Waldie said.

Knowing the business practices and policies of both parties is important. The panelists believe charity care is one area where this applies. Does the collection agency truly understand the provider's charity care policies and procedures?

"Collection agencies need to be aware of the specific nuances of a provider's charity care program," Waldie said. "Each provider can have a wide variety of criteria for determining charity care eligibility."

It can also be important for a provider to share their internal collection processes with a collection agency. Agencies need to know what methods the provider is already employing, such as scoring, discounts or negotiation of payments.

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“Duplicating efforts doesn’t save anyone anything,” Waldie said. “Collection agencies have a lot to offer providers, but providers can also share a lot of information with agencies.”

Pricing

When first entering into a relationship, many providers focus solely on the expense of using a collection agency.

“Many CFO’s have the responsibility to examine and cut costs in every department, from the nursing staff to the patient accounting department,” said Magill. “They see a large line item for collection fees and struggle looking at the big picture to realize the revenue it brings in.”

According to Waldie, providers lack understanding of the expenses collection agencies incur. Scoring, legal services, printing and mailing all directly affect a collection agency’s bottom line. These expenses aren’t incurred by the provider and agencies are able to spread them over many clients to provide cost efficiencies.

“The only way providers are going to understand pricing is if agencies open up a dialogue,” Waldie said. “Agencies need to find a way to be transparent without sharing trade secrets and explain you get what you pay for.”

Collection Techniques

Another way to build a strong partnership is to pre-determine a collection strategy, finding the balance between collection results and customer service. It is important for providers to maintain positive reputations in their local communities and often expect a softer collection approach than other creditors.

“We’re seeing a lot more expectations for customer service collections versus what I call demand collections,” Gavinski said. “In light of the public scrutiny, some clients have said customer service is more important than collections.”

Patient complaints, valid or not, ending up in the newspaper can be very damaging to a provider. “The CEOs and CFOs I work with tell me do whatever I need to do to collect, but don’t receive any complaints,” Magill said.

Watch how you walk into work—they’re watching

Believe it or not, something as simple as how you walk into work in the morning can set the tone for the entire day. When “The Boss” walks in, people pay attention. If you brush past a worker without saying good morning, people notice. If you snap at someone first thing, people will avoid you the rest of the day. If you seem preoccupied or upset, the “stay away from him” message will spread to your employees before you reach your desk. Take a couple of seconds before you enter the workplace to gather yourself. Walk in with a smile and stop to chat with an employee or two. It will get the day off on the right foot.



Prompt Payment Law FAQ's

When can I file a complaint against a health plan for not paying the claim?

Complaints can only be filed in the appropriate Clean Claim Report form (FIS-0284). As a provider, you must allow the health plan 45 days within which to pay the claim before you can file a complaint with the Commissioner.

Who can file a prompt payment grievance?

Any medical provider, whether a health professional or health facility may file a complaint for late payment of a claim.

What health plans are subject to the prompt payment procedures?

Health insurance companies, Medicare supplement insurers, long-term care insurance companies, multiple employer welfare arrangements (MEWAs), health maintenance organizations (HMOs) and non-profit health care corporations (Blue cross/Blue Shield of Michigan).

If I have performed a service for a Medicaid patient, can I use this grievance process to get that claim paid?

No, Medicaid clean claim payment grievances must be filed on form FIS-0278. These complaints are subject to the Medicaid Clean Claim Payment provisions found in the Social Welfare Act. Different procedures are used to review and resolve these complaints.

Once I file a grievance for late payment of a clean claim, will the claim then be paid?

The Commissioner will investigate allegations of late payments using the information on the FIS-0284. If the Commissioner finds that the plan has a pattern of non-compliance, he will seek appropriate penalties, including the payment of the late claims with interest.

What happens if a health plan or a provider violates the timely payments process procedures contained in the Act?

Under the provisions of the Act, the commissioner will be able to assess and collect a civil fine from the health plan or the provider for violation of the clean claim payment procedures.

Who can I call if I have a question about prompt payment claim procedures?

You may call the Office of Financial and Insurance Regulation toll free at 877-999-6442.

Desperate for time to think? Here's one person's approach to getting it

A family took a car trip together and each person was allowed to bring one tape to listen to on the way. Each had to be quiet during the other's tape. The daughter listened to hers, the father went next, and then it was the mother's turn.

Her choice? A blank tape that gave her 20 minutes of silence to relax and enjoy the trip. With a little planning, she'd found a way to make time to think and a quiet place to do it.

What's *your* strategy?



‘Say that one more time, please?’

If you think you get some strange complaints from employees, consider the plight of facilities managers in charge of the physical environment of the workplace. Each year, the international Facility Management Association compiles a list of the most “unique” requests, complaints, and comments from employees. Here are two of the more popular categories:

Killer facilities

- A set of elevators was allegedly responsible for causing an employee's computer screen to waver, making the employee seasick.
- The potpourri in a reception area was thought to give off gasses that were killing tropical fish on a lower floor.
- A green carpet was making an employee sick, he felt, and so he hired an exorcist to remove the evil spirits responsible.

Absolutely necessary privileges

- An extension cord was rejected for being the wrong color.
- An employee warned the housekeeping staff not to move his collection of Star Wars action figures when cleaning his office.
- An executive griped that he couldn't find his beer in the communal refrigerator.
- A judge wanted special sensors installed in the parking garage. The sensors would be able to detect when her car was nearing the building and trigger the elevator to come to the garage so she wouldn't have to wait for it when she arrived.



Source: “Improving Collection Partnerships”, *Pulse*, June 2010

“Prompt Payment Law FAQ's”, *Department of Energy, Labor & Economic Growth, Web site*

Disclaimer: This information is not presented to be used as legal or professional advice on specific facts or matters. Readers with specific questions should refer them to their own attorneys for guidance.