



THE ReCOREder

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Jeanne Martin, Editor

***Editors Note:** I would like to take a moment to introduce myself to those of you I have not yet met. My name is Jeanne Martin and I came to Core Recovery in March to replace Robin Snider who decided to be a stay at home Mom. I feel very fortunate to be a part of the team here and look forward to meeting and working with all of you as well. Having worked in the healthcare financial industry for 23 years, I have the utmost respect and empathy for each of you as you strive to provide quality care while remaining financially viable in this ever changing industry. I hope my experience will aide you as you continue toward this goal. As always, we welcome your comments and suggestions. Please e-mail them to: Support@corerecovery.biz*

When Patients Keep Insurance Checks

Letter helps you get what's coming to you



It is an ongoing problem. What do you do when patients receive insurance benefit payment checks intended for your office, but they cash the check and keep the funds? This happens with some preferred provider organizations when a patient uses the services of a provider that is outside the plan. First of all, you need to let the patient know they must forward the money to you. You can make initial contact via the telephone or by letter.

To avoid problems with patients keeping insurance funds that belong to you, consider taking some preemptive steps. When you learn that your facility is not a preferred provider under a patient's insurance, find out whether the funds will be paid to you or directly to the patient. That way, you can be prepared for such an occurrence by asking the insurance carrier

to notify you when it mails out the check. You can then send a notice to the patient letting him or her know that you are aware of the situation. Consider using the following language:

Dear Patient:

Your insurance company has advised us that they paid you directly on the following claim: (add the date of service, amount billed and amount paid.) Payment has been made to you to enable you to pay us. Please endorse the check to this facility by writing, "Pay to the order of Your Business Name" on the back of the check. Then sign your name and send the check to us in the enclosed envelope.

Ten Ways to Improve Self-Pay Collections

Diminish Slow Pay and No Pay Accounts

As a healthcare provider, just like any business, you have the right to be paid on a timely basis. With the continued growth of the self-pay portion of accounts receivable, patients are paying more. Sometimes accounts become past due, either by mistake or by deliberate disregard. No matter what the reason, accounts left unpaid can have a negative impact on cash flow and your ability to operate in a productive manner. These 10 ideas may help you improve your collection efforts.

1. Have a Defined Self-Pay Collection Policy and Adhere to It

This is not a new idea, but certainly the most basic. There probably are not many facilities that do not have a written collection policy, unless it is a very small physician office. But the question is, do you follow the policy? If you are not following consistent guidelines, you are asking for trouble.

Whatever your policy may be, make sure to include the following:

Types of payment accepted;

- ◆ List of managed care plans that you participate with;
- ◆ Patient financial responsibility, including all possible types of coverage, whether it is commercial, managed care, Medicare, Workers' Compensation, or uninsured;
- ◆ Statement of understanding.

2. Educate Patients and Responsible Parties About Your Policy Before Admission

There are three audiences that you need to educate about your financial policy: the patient financial services staff, other providers' staffs and patients. If patients and responsible parties are not educated about your payment policy it is likely that they will not pay on time. Explain to patients that co-payments are due at the time of service. Let them know the consequences of non-payment up front. In this way you will eliminate many future misunderstandings and negative patient relations.

3. Look for More Ways for your Patients to Pay

Besides accepting checks and cash, consider offering other payment options, such as credit card payments. Many providers are already doing this; if you are not, it makes sense to do so. Another idea being implemented by an increasing number of providers is online payment or electronic checks. Make payment as easy as possible for patients and you will have better results.

4. Contact Past Due Accounts More Frequently

There is no law that says you can contact a late payer only once a month. "The squeaky wheel gets the grease" applies in this situation. If you can, contact late payers after 14 days, or arrange for it to be done with your outsourcing agency.

5. Don't Rely on Your Feelings

Many well-intentioned healthcare collectors have let an account age beyond what is reasonable because they wanted to believe that the patient would eventually pay. While it is true that unusual or unexpected situations do arise, if you have spoken to the patient and he or she does not advise you of extraordinary circumstances, you should stick to your collection policy.

6. Make Sure Employees Are Properly Trained

Even the most experienced billers and collectors can sometimes become cynical when dealing with debtors. This may happen when patients have made and broken promises for payment or just ignored you. Despite these occurrences, collectors must be courteous and firm when working with patients. Make sure that your collectors are treating patients with respect and good will.

7. Purchase Credit Reports

If your invoice amounts to any particular patient are more than you are prepared to lose, then you may want to consider checking a patient's credit. Credit reports can be helpful if you don't know much about the patient or his financial history.

8. Screen Patients for Alternative Payment Funding

If it appears that a patient legitimately cannot pay, consider screening them for government programs or other types of funding. Many healthcare providers have seen the advantage of hiring personnel specifically for this purpose—investigating the patient's status and helping them through the process of qualifying for Medicaid or other such funding.

9. Follow the Collection Laws in Your State

In many states, the same laws for collecting accounts apply to healthcare providers as well as collection agencies. Breaking these laws can cause serious repercussions. For example, if you tell a patient that you are turning them over to a collection agency, you must follow through. If you don't, they can possibly file suit for harassment. If you are not sure, call your state's department of finance, or our office for assistance.

10. Write a Script of How to Ask for Payment

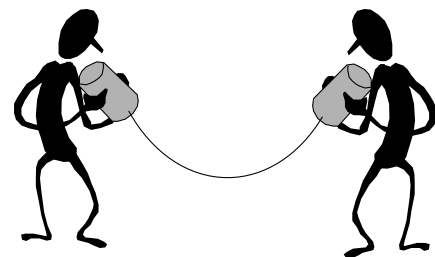
For example, "Mrs. Smith, you have a previous balance of \$5. How would you like to take care of that today?" The result of asking for these sums is increased cash flow and fewer problems.

Three things in human life are important: The first is to be kind. The second is to be kind. The third is to be kind.

DRIVING HOME THE IMPORTANCE OF FEEDBACK

Ford Motor Co. was hurting. It was the mid-1980's and once-loyal American car buyers had become infatuated with European and Japanese models. Two decades had passed since Ford had wowed consumers with the Mustang, which sold 70,000 in the first 30 days. It was time to shake things up again. But how? The answer: Taurus.

First, rather than mapping out their vision then requiring assembly-line workers to implement it, Ford's engineers decided to involve the rank-and-file in the creative process. Enter John Risk, the manager assigned to head "Team Taurus." To get his employees to provide the necessary feedback, Risk headed for the factory floor—by climbing into a car that was making its way down the assembly line. As the car-in-progress stopped at each station, Risk introduced himself to workers and asked for their ideas on how to build a better vehicle. His journey down the line produced 1,401 suggestions, an innovative but easy to build car design—and a marketplace winner.



EFFORT WITHOUT LEADERSHIP

A Woman out for a walk noticed two men toiling industriously on the boulevard. On close observation, however, she realized that one would dig a large hole, stand back to admire it, and then watch the other man fill it back in. They performed this routine repeatedly—with purpose and enthusiasm! So the workers weren't loafing, but what *were* they doing? The woman approached the men and asked about their unusual work procedure. "We're beautifying the boulevard with new trees," answered the digger. "But I don't *see* any trees," said the woman. "Right," said the other worker. "That's because the guy who usually plants them is sick today."

Notable Quotes:

Flexible people never get bent out of shape.

Time flies, but remember you are the navigator.

We cannot direct the wind, but we can adjust the sails.



Do We Work Your Accounts!!

Recently, one of our collection specialists was able to arrange payment in full on an account that we had had in our system since 1993. Sometimes accounts come into our office and for one reason or another are uncollectable at that time. That doesn't mean that they will always be uncollectable. We use a variety of collection techniques and strategies to determine debtor location and collectability. Our service to you is our number one priority. So, if you list an account with us, be assured that it will be worked a long, long, long time.

Source:

When Patients Keep Insurance Checks:
Taken from the "Health Care Collector," Jan. 2003

Ten Ways To Improve Self Pay Collections: Taken from the "Health Care Collector", Mar. 2004

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.