

THE ReCOREder

Core Recovery Bureau Quarterly Newsletter
October 2008 *Jeanne Martin, Editor*

Editors Note: On September 5, 2008, we received a notice from the Better Business Bureau of Western Michigan congratulating Core Recovery on not having any complaints registered with them within the last twelve months. We are happy and proud to have been able to serve our customers so effectively.

As always, we welcome your comments and suggestions. Please email them to: Support@corerecovery.biz.

Improve Your Chances of Collection

Attitude is key

Have you ever thought about how the language your collectors and your contracted collection agency professionals use when they are collecting receivables may be affecting the individual they are calling? Some language elicits an automatic negative response by its very nature. You could be sabotaging your chances for successful collection of accounts by using these words in your conversations with debtors.

While this seems like a simple thing, in today's environment, it really is not. Like hospitals and physician groups, many agencies have different departments that specialize in certain types of debt collection, credit card, retail, and purchased portfolios. Each of these types of debt has its idiosyncrasies and thus its own language and attitude boundaries.

For example, credit card, retail and purchased portfolios are the real hard core type of collection today, where a demanding script, firm and demanding voice and a no-nonsense attitude is needed and expected. Health care and commercial debt are handled in an entirely different manner, however. Naturally, adherence to the existing federal state law still is required.

Collectors in good collection agencies are typically educated in all phases and types of debt and apply the appropriate technique to the type of debt and client expectations. When it comes to health care debt, most often the patients did not ask for this debt, and they may have been unprepared to incur medical debt. You should expect your contracted collection agencies to handle your account in the same way you would if the account were still in your office.

Attitude Is Key

A collector may confront the patient with the realities of his or her situation, such as being non-responsive to billing efforts or not helpful with insurance coverage issues. However, the attitude that the collector exhibits must be non-threatening and non-judgmental. Expect payment arrangements to be made on your accounts rather than continued demands for payment of the balance.

As noted, there are some phrases that cause people to react in a negative way. Consider the following phrases that collectors might be using right now:

- I want you to...
- You have to...
- You must...
- You should...

When someone says these words to you, they probably make you feel like that person is issuing an order. Remember when your mother told you, “I want you to clean your room”? In that same way, these phrases make demands on your patients. No one likes to be told what to do, so it makes sense to stop using these words right away. Instead, try the following:

- Here are some options for you to consider...
- You might want to try...
- Did you know that you could...

Certain phrases will help motivate patients to pay, whether it is your office doing the collecting or a collection agency. Consider phrases such as these:

- The practice relies on patients paying the amounts they owe in order to continue providing services when you need them.
- We realize health care is expensive, but if left unpaid, services will continue to get more expensive to make up for unpaid accounts.
- Your insurance carrier provided you with all of the details of your plan that explained to you that you had this responsibility.
- Our contract with your carrier requires us to collect the co-pay as indicated in your policy, as part of the insurance coverage. It is our obligation to do so.

Research has revealed that using the words like “but”, “however”, and “yet” cause people to become defensive or distrustful. Therefore, using these words is also likely to evoke a negative response when you are talking to patient who owes you money. Saying something like, “I can understand, but...” tells your patient that you see their point, but what you want is more important.

For a better response, consider using the word “and” instead of “but”. You could say, “I understand how you feel, and I hope you can also see my point of view.” This way, you’re less likely to make the patient feel defensive.

Provide Alternatives

If you ever use the phrase, “This is all I can do for you,” you can assume you won’t get the cooperation you are looking for. People naturally become resistant to compromise when you limit their options or force decisions on them. Instead, say, “The best option for you may be...” Patients will respond much more positively when you give them more than one alternative. You also have a better chance of selling your option when you sound helpful instead of demanding.

Speaking of alternatives, by now most providers and agencies offer your patients the option of paying with a credit card. If available, a credit card provides patients with a popular way to pay. Point out the advantages of using a credit card.

Get a Better Reaction

You may think that prefacing your questions with the phrase, “May I ask” is a courtesy, but it usually has just the opposite effect. The question, “May I ask why you can’t pay in full?” sounds condescending or makes you sound nervous about asking the question. If patients sense either of those things, you won’t get a good response. This is also a yes / no question, so you run the risk that the patient will say, “No, you may not ask.”

Just ask: “Why are you unable to pay in full?” Be sure to use the proper tone of voice so that you will sound confident and professional. You will also get more patients answering the question instead of arguing about why you need to know.

Another good idea is to avoid saying things like, “You are past due.” Once again, words like this put people on the defensive. Instead say, “Your account is past due.” Let patients know that you recognize they are more than just an account number or a file and that you are willing to work with them to achieve a good solution.

Self-Pay Approach

Your approach with self-pay, while expressed as an effort to help patients complete their financial responsibility, will always be a potential adversarial relationship. The collector can choose to make it adversarial or the collector can choose to negotiate a mutually agreeable arrangement. The latter generates more money.

Having a self-pay policy in place is paramount. The first question to be asked is, “Do you have the money to pay this bill in full?”

You might be surprised to find that the patient does have the funds. If the answer is no, however, then ask some open-ended questions:

- Where do you work now? (Don’t assume that the registration information is totally current.)
- Where does your spouse work?
- What is the total income? Weekly, monthly, etc.
- What other obligations are there? (Loans, car payments, etc.) (Remember that loans ay be renewed for additional cash to consolidate bills like medical bills, credit cards, etc.)

Use the answers to these questions to determine the best way to collect the balance. You can also use the answers to qualify the patient for government programs, community assistance or charity care write off.

Using Scripts

Although scripts have their place as a reminder tool to employees, the script alone will not be the way to collect the majority of accounts. A live collector who is intelligent, trained, resourceful and quick-witted will be successful if he or she listens first to the patient/customer objections and finds ways to dismiss them. Scripting is fine for opening up a discussion or for important legal information such as the mini-Miranda, but not for carrying on an intelligent collection call to a successful conclusion.

When your own employees are making collection calls, you are able to monitor their activities. When it comes to the activities of your business partners, you have the right to audit them and the language they are using with your patients. Most of your vendors will welcome questions so you can determine for yourself if they are using the kind of language and techniques that meet with your approval.

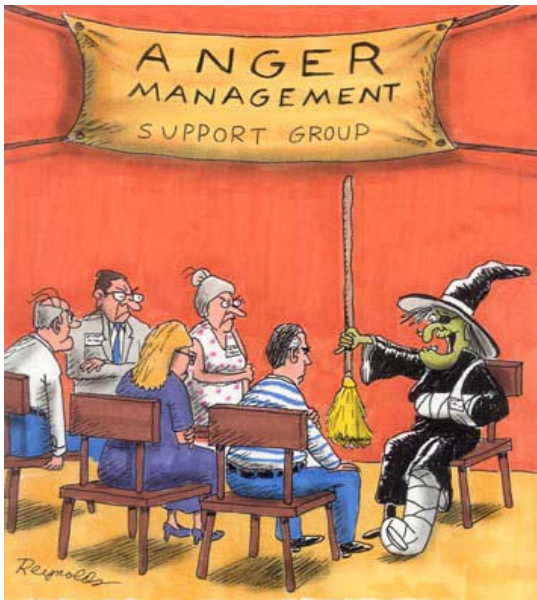
On the wings of an ego

Two buyers for a souvenir shop chain had visited a remote rural area to pick up staples of pottery, quilts and so on. They’d both been successful and had large piles of treasures to take back. They had a truck haul all their finds to the small local airport and were waiting for the plane to arrive. When it did, however, the pilot saw the two huge piles and declared that his plane couldn’t carry the entire combined load. “Come on,” said the first buyer. “The pilot last year had no trouble taking off, and we had even more stuff then.” “Yeah,” said the second buyer. “Aren’t you as good as he was? Or are you just chicken?” His pride stung, the pilot said okay. The buyers loaded all their wares into the plane, and the pilot took off. However, the plane had barely cleared the ground when the huge load shifted and caused the plane to veer to one side. It hit a tree and skidded through a field, scattering goods all along its path. The two passengers were unhurt. As they dazedly climbed out of the wreckage, the pilot asked, “Where are we?” One of the buyers replied, “Oh, about 100 yards farther than we got last year.”



Did you know?

That our industry (collections) returned \$40 billion in 2007 to businesses that extend consumers credit, helping keep prices lower and saving the average American household \$354? The report, titled “Value of Third-Party Debt Collection to the U.S. economy in 2007: Survey and Analysis”, was commissioned by ACA International, authored by global advisory firm PricewaterhouseCoopers and based on a national survey of third-party debt collection firms.



“My name is Helda, and I have a tendency to fly off the handle.”



Source:

“Improve Your Chances of Collection”, *Health Care Collector*, July 2008.

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.