

Best Practices to Improve A/R Management



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2. Best Practices Workflow
3. Q&A



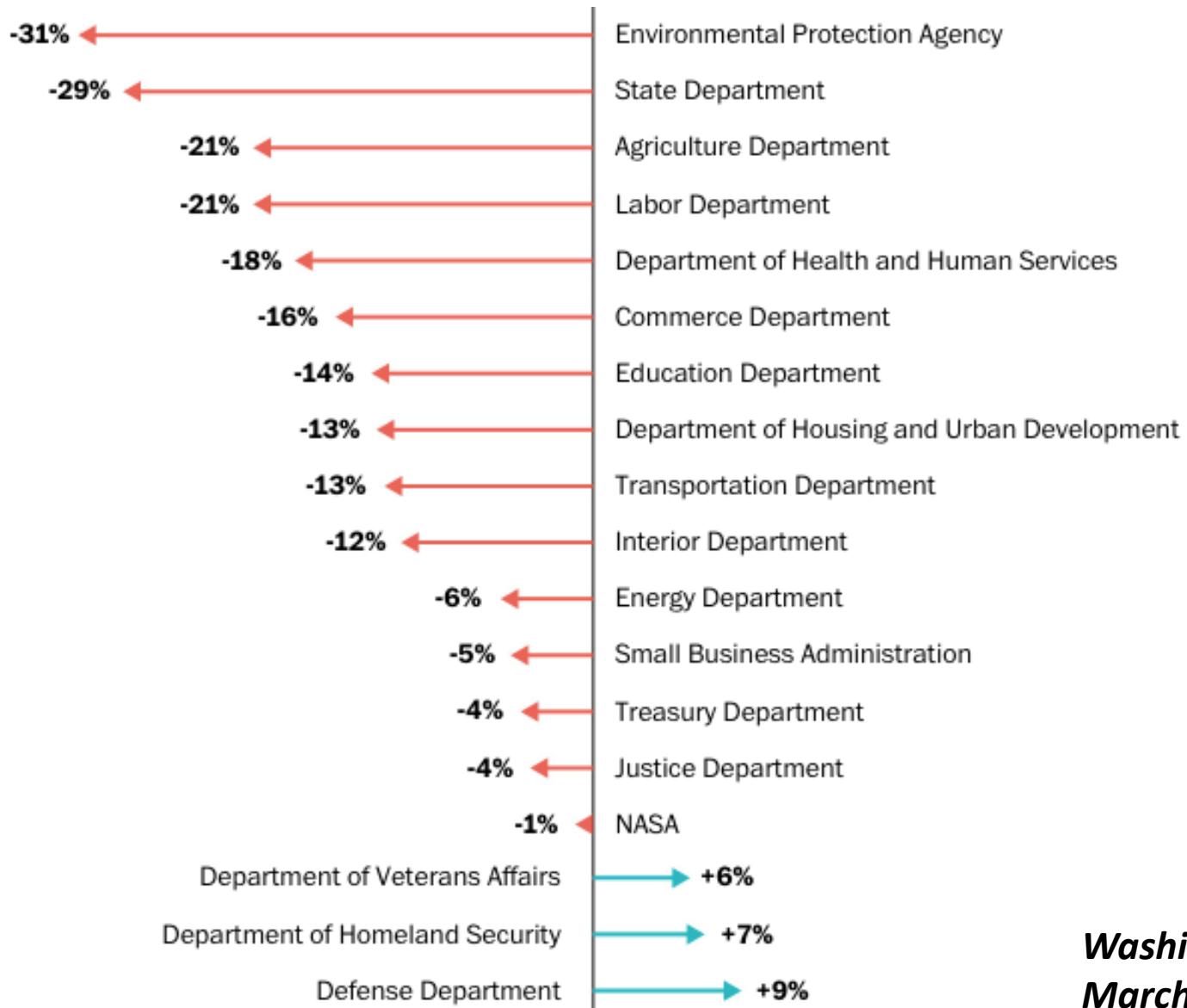
Agenda

Trending Now

Trump's Budget Proposal

“The blueprint...would shift the responsibility to pay for key programs from the federal government to state and local governments.”

– The Hill, March 21, 2017



**Washington Post,
March 16, 2017**

Specific Proposed Cuts

- X Department of Homeland Security's state and local grant program
- X Community Development Block Grant Program
- X National Forest System
- X Low Income Home Energy Assistance Program
- X State Criminal Alien Assistance Program
- X Economic Development Administration
- X Dept. of Labor's workforce training program
- X Tiger Grants
- X Rural water and waste-disposal loan and grant program
- X Rural Business-Cooperative Service

Legislation: SB 55

- Centralized debt collection oversight within the Dept. of Administrative Services (DAS)
- Authorized two positions
- Annual report
- Ability to share social security numbers
- Liquidated and delinquent debt not assigned by 90 days is reported to the Legislative Fiscal Office (LFO)

Proposed Legislation: SB 89

- First 90 days, accounts stay at state agency
- At 90 days, accounts sent to Other Agency Accounts (OAA)
- OAA can choose to keep it in house or send to a private collection firm (PCF)
- After 6 months, accounts referred to PCF

Proposed Legislation: Other

- **HB 2229** – Encourages school districts to offer instruction in financial literacy
- **HB 3184** – Requires Dept. of Consumer and Business Services (DCBS) to establish a loan counseling program for residents of this state
- **HB 2618** – Increases fees charged by Sheriffs
- **HB 2734** – Eliminates requirement for both partners in a married couple to appear in small claims court
- **HB 2795** – Increases court fees
- **SB 769** – Provides that person may not dispose of material or media that display SSN unless person, before disposing of material or media, makes SSN unreadable or prevents remonstration of SSN
- **SB 254** – Requires financial institutions to participate in data match system established by DOR to identify assets held at financial institutions by delinquent debtors.

Uncollected Debt Executive Order

Press Release April 27, 2017

- By June 1, report to the state's Chief Operating Officer with the most recent uncollected debt numbers and collectability
- All agencies implement a vendor offset
- DOR to evaluate creating a transparency website listing debtors

Best Practices Workflow

Workflow Overview

POINT OF SERVICE:

- New forms online
- Email, text, or voicemail confirmation/reminder of appointment

INITIAL BILLING:

- Discount for paying in 30 days or less
- Emphasis on awareness of payment options

PRE-COLLECTION:

- 60-90 days since first billing
- Firm tone
- Attempt to protect patient by stating consequences of inaction

COLLECTIONS:

- Compliance-driven collections



Point-of-Service

- ✓ Regular website updates
- ✓ Easy-to-use payment portal – mobile friendly is always better
- ✓ Clear and consistent payment policies *(including discounts or consequences)*
- ✓ Gather all necessary data through forms and make sure it's accessible
- ✓ Accelerate billing engagement timeline

***It is better to receive than to
lend*** - Anonymous

Initial Billing

- ✓ Clearly defined credit policies, payment options and terms on statements and online
- ✓ Automate as much as possible – don't be afraid to rely on technology – empowers the consumer
- ✓ No errors
- ✓ Exception reports to identify problematic accounts – data accuracy, outliers etc.
- ✓ Prior Notification of passing on cost (OR)

Pre-Collection

- ✓ Same-day payment posting and confirmation
- ✓ Option for automated alerts (text/email)
- ✓ Early intervention
- ✓ Immediate action for past due accounts
 - Clear SOPs for staff
 - Prompt phone calls, past due notices
- ✓ Use technology - VOAPPS
- ✓ Account prioritization

Oregon Collection Rules

- ✓ Clear consistent timeline for bad debt classification
- ✓ OAA
- ✓ Private collection firms (PCFs) – 11 on state contract
- ✓ Bypass RFP and piggy back on state contract
- ✓ Purchase Order

Oregon Collection Timeline

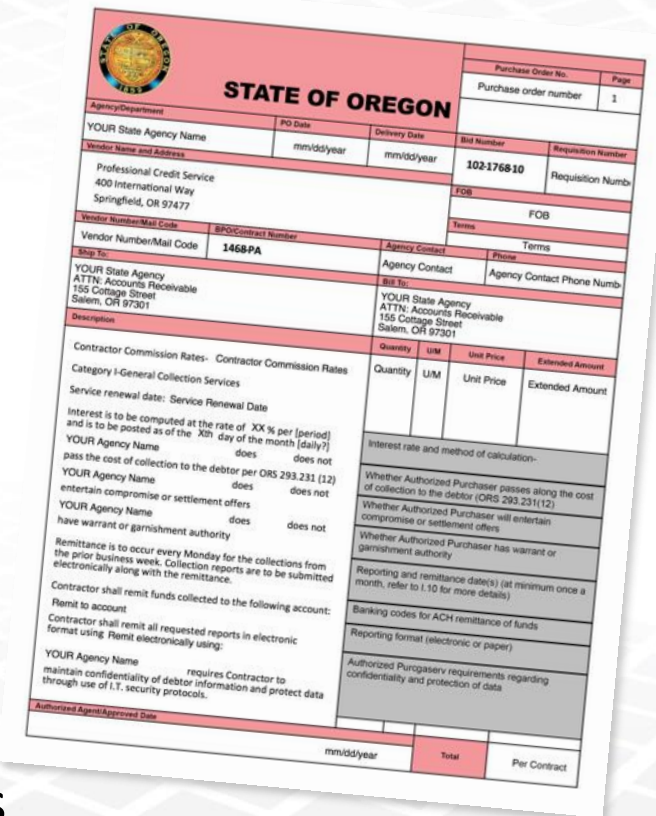
For State Agencies

- ✓ Day 1 – Keep it in-house or send to a private collection agency
- ✓ Day 90 – OAA or private collection agency
- ✓ When sent to PCF it can remain for a reasonable amount of time
- ✓ If with OAA, you have 6 months,* then it is to be returned to agency and sent to PCF

**Historically, there has been an exemption to exceed 6 months*

Purchase Order Requirements

- ✓ Bid number 102-1768-10
- ✓ BPO/Contract # 1468-PA
- ✓ Pass cost of collections to consumer? Y/N
- ✓ Prior notification of passing on cost per ORS 293.231 (12)
- ✓ Period of time PCF holds accounts w/o payment
- ✓ Your agency's guidelines and legal options



STATE OF OREGON

Purchase Order No. Page
 Purchase order number 1

Agency/Department PO Date Delivery Date Bid Number Requestion Number
 YOUR State Agency Name mmmddyyr mmmddyyr 102-1768-10

Vendor Name and Address Requestion Number
 Professional Credit Service
 400 International Way
 Springfield, OR 97477

Vendor Number/Mail Code BPO/Contract Number Agency Contact Agency Contact Phone Number
 Vendor Number/Mail Code 1468-PA

Agency Contact Agency Contact Phone Number
 YOUR State Agency
 ATTN: Accounts Receivable
 155 Cottage Street
 Salem, OR 97301

YOUR State Agency
 ATTN: Accounts Receivable
 155 Cottage Street
 Salem, OR 97301

Description	Quantity	U/M	Unit Price	Extended Amount
Contractor Commission Rates- Contractor Commission Rates				
Category I-General Collection Services				
Service renewal date: Service Renewal Date				
Interest is to be computed at the rate of XX % per [period] and is to be posted as of the Xth day of the month [daily?]				
YOUR Agency Name does does not				
pass the cost of collection to the debtor per ORS 293.231 (12)				
YOUR Agency Name does does not				
entertain compromise or settlement offers				
YOUR Agency Name does does not				
have warrant or garnishment authority				
Remittance is to occur every Monday for the collections from the prior business week. Collection reports are to be submitted electronically along with the remittance.				
Contractor shall remit funds collected to the following account: Remit to account				
Contractor shall remit all requested reports in electronic format using: Remit electronically using:				
YOUR Agency Name requires Contractor to maintain confidentiality of debtor information and protect data through use of I.T. security protocols.				
Authorized Agent/Approved Date				
	mmddyyr	Total		Per Contract

Time for an activity

PCF Best Practices

- ✓ Philosophical alignment
- ✓ Compliance
- ✓ Consumer engagement process and technology
- ✓ Transparency and empowerment
- ✓ Solid legal practice when applicable

Alignment: Supporting Your Mission



We will provide you with the greatest monetary recovery available, while maintaining a complete commitment to protecting your image in the eyes of the public.

Alignment: Supporting Your Mission



A LEAN organization understands customer value and focuses its processes on continuous improvement

Compliance

Certifications

- ACA International Professional Practices Management System (“PPMS”) (*approx. 7% of ACA member firms have attained*)
- ISO/IEC 27002 (*implemented Sep. 2013; very few collection agencies have attained*)
- SSAE 16 SOC 1, Type 2 audit (*for a long period of time*)
- PCI Attestation of Compliance

Credentialing

- 100% of seasoned Collectors are ACA-certified Professional Collection Specialists
- Six Professional Credit leaders are ACA-certified Collection Managers; more than any agency in America



* HFMA staff and volunteers determined that these healthcare business solutions have met specific criteria developed under the HFMA Peer Review Process. HFMA does not endorse or guarantee the use of these healthcare business solutions or that any results will be obtained.

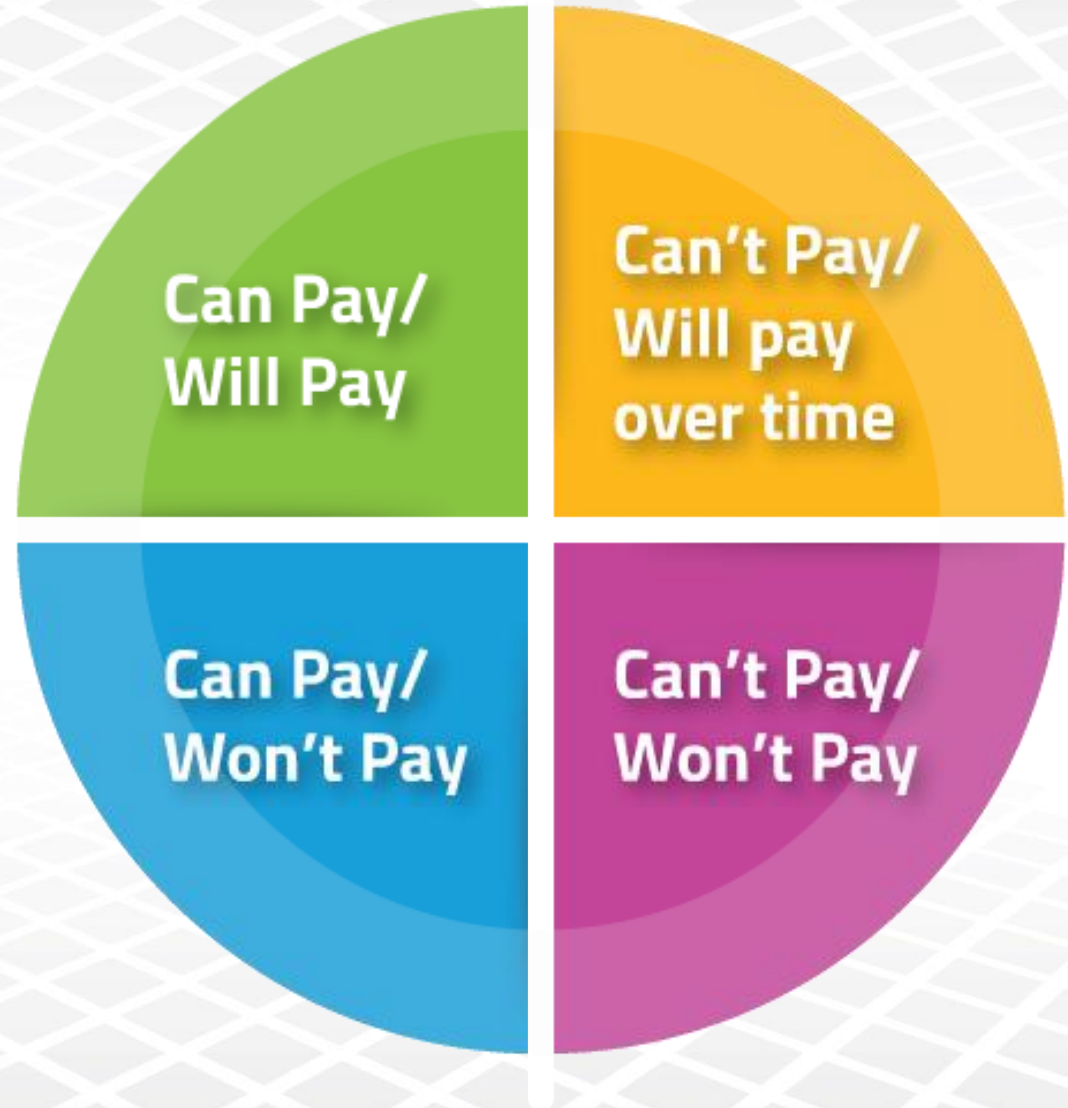
Consumer Engagement



- ✓ Data and behavioral science
- ✓ Speech analytics
- ✓ Convenient service options

Consumer Engagement

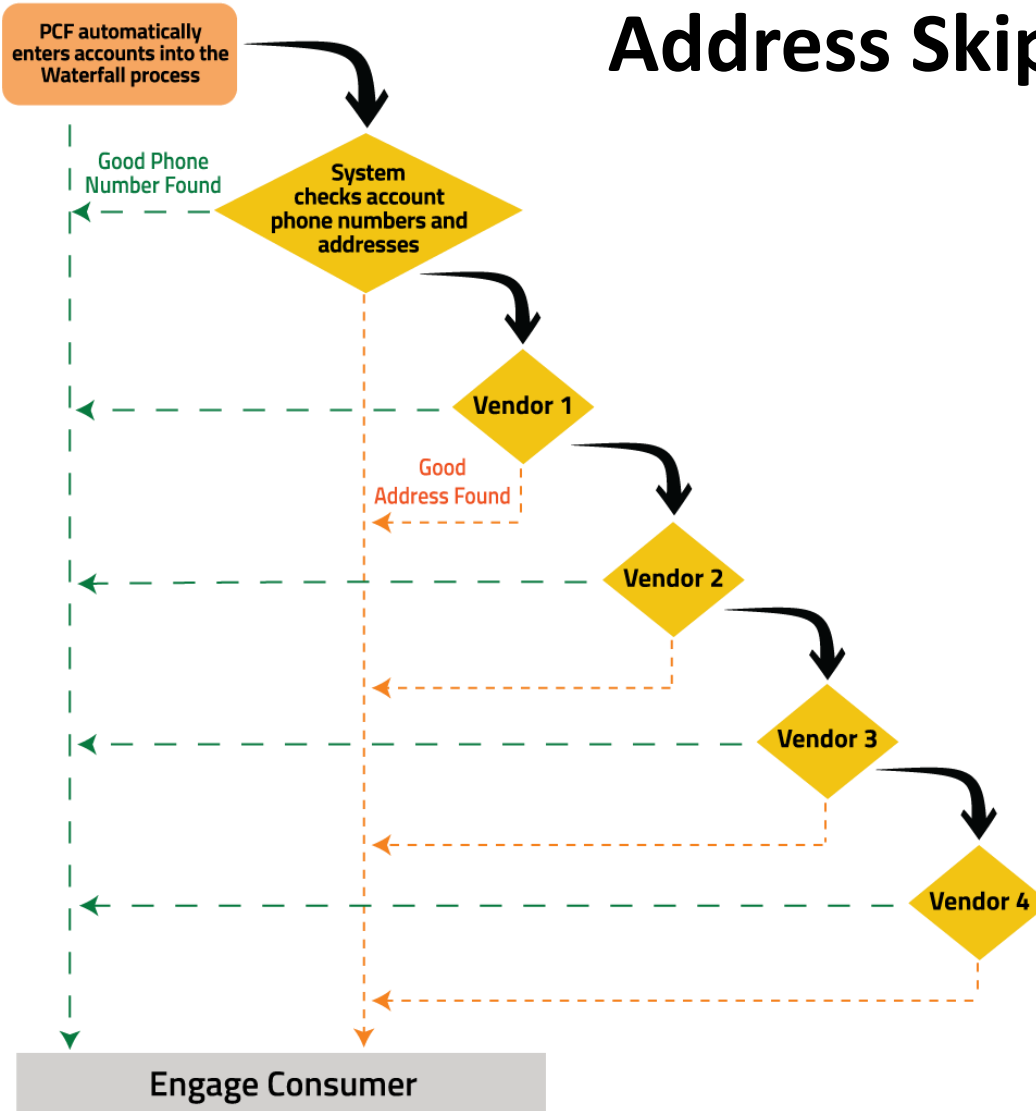
A New Approach



Decision Science and Analytics

- Workflow is prioritized for collectors to achieve greatest recovery.
- Robust monitoring tools ensure patients are contacted at the optimal time for successful engagement to resolve the balance.
- Nightly reviews and monitoring of accounts ensure accurate consumer financial information, resulting in fewer misplaced calls or letters sent to incorrect addresses.
- Skip-tracing and asset searches help identify which accounts have the resources for payment.
- Real-time reporting on account activity is available.

Automated Phone and Address Skip-tracing

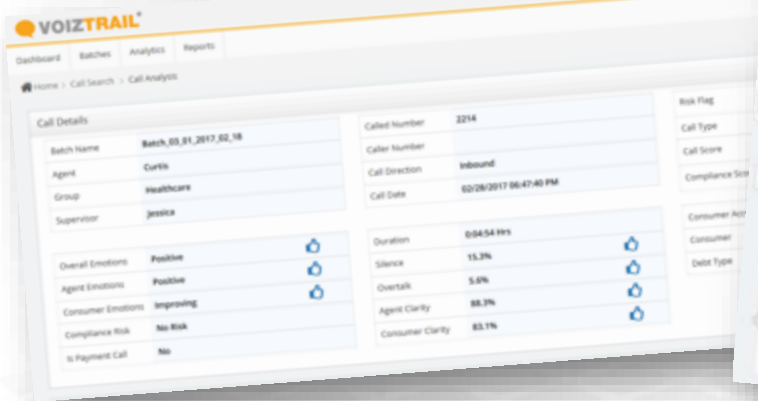


- Entire process should be completed quickly (three days or less)
- “Waterfall” process to find updated patient information (*i.e. address and phone number*)
- Send accounts to multiple vendors until all desired information is obtained
- Continuous evaluation of each vendor
- Add, delete, and move vendors accordingly
- Automatic upload and storage of the information

Behavioral Science Impact

- Improved effective connections to citizens
- Enhanced collection tactics
- Improved communication between citizens and the collection team
- Enhanced use of terminology like ‘helpful’ and ‘happy’ is common in most communication
- Increased focus on positivity, which has improved daily interactions for employees and citizens

Call Recording Call Auditing Speech Analytics




- **All calls** recorded, audited and available to forward securely
- Speech analytics tracks intonation, volume, and word usage – alerts supervisors when needed for timely resolution
- Auditing and analysis of behaviors used to enhance performance and maintain compliance


Convenient Service Options


24/7 account access via
Consumer Portal and IVR



Transparency and Empowerment






Welcome, Valued Client


Monday, March 09,

Home > Dashboard
Hawes Financial Login

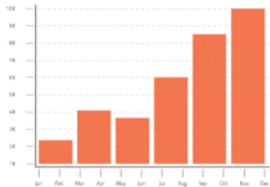
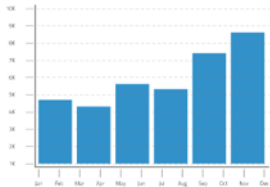
Welcome Valued Client

You will find a variety of resources created for your convenience. Also, all of your Client Tools resources are available at the top menu for convenient access. If you have any questions, contact our Client Care Team at 888-797-4916. Watch for more updates and features coming soon!

Message Center

 You have 4 unsubmitted new account(s)

Transactions

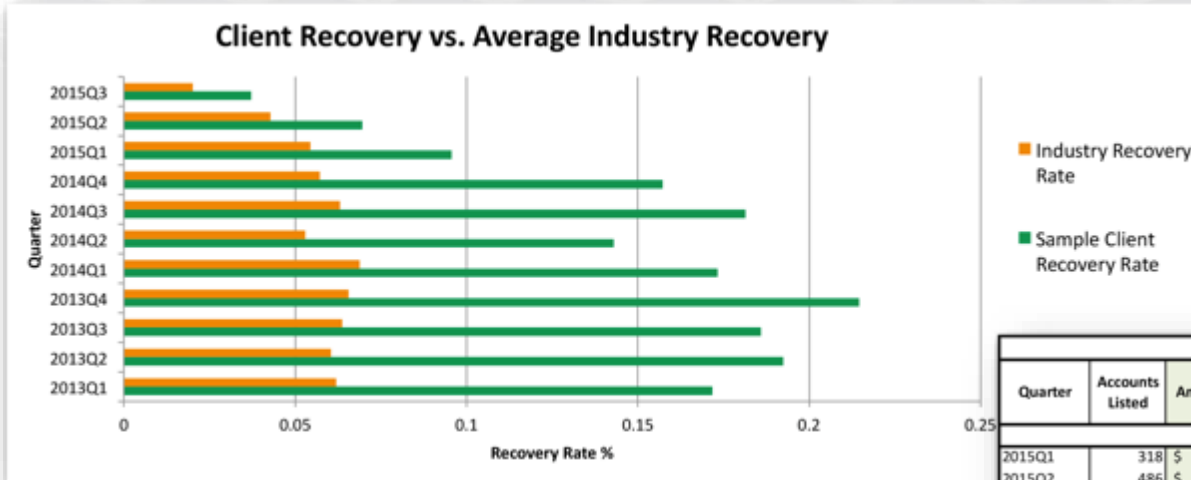
New Accounts 4

RECENT TASK

Work Description	No.of accounts	Total Amount
Cancelled	0	\$ 0.00
New Accounts	5	\$ 13,093.00
Direct Payments	0	\$ 0.00

Client
Portal

Transparency and Empowerment



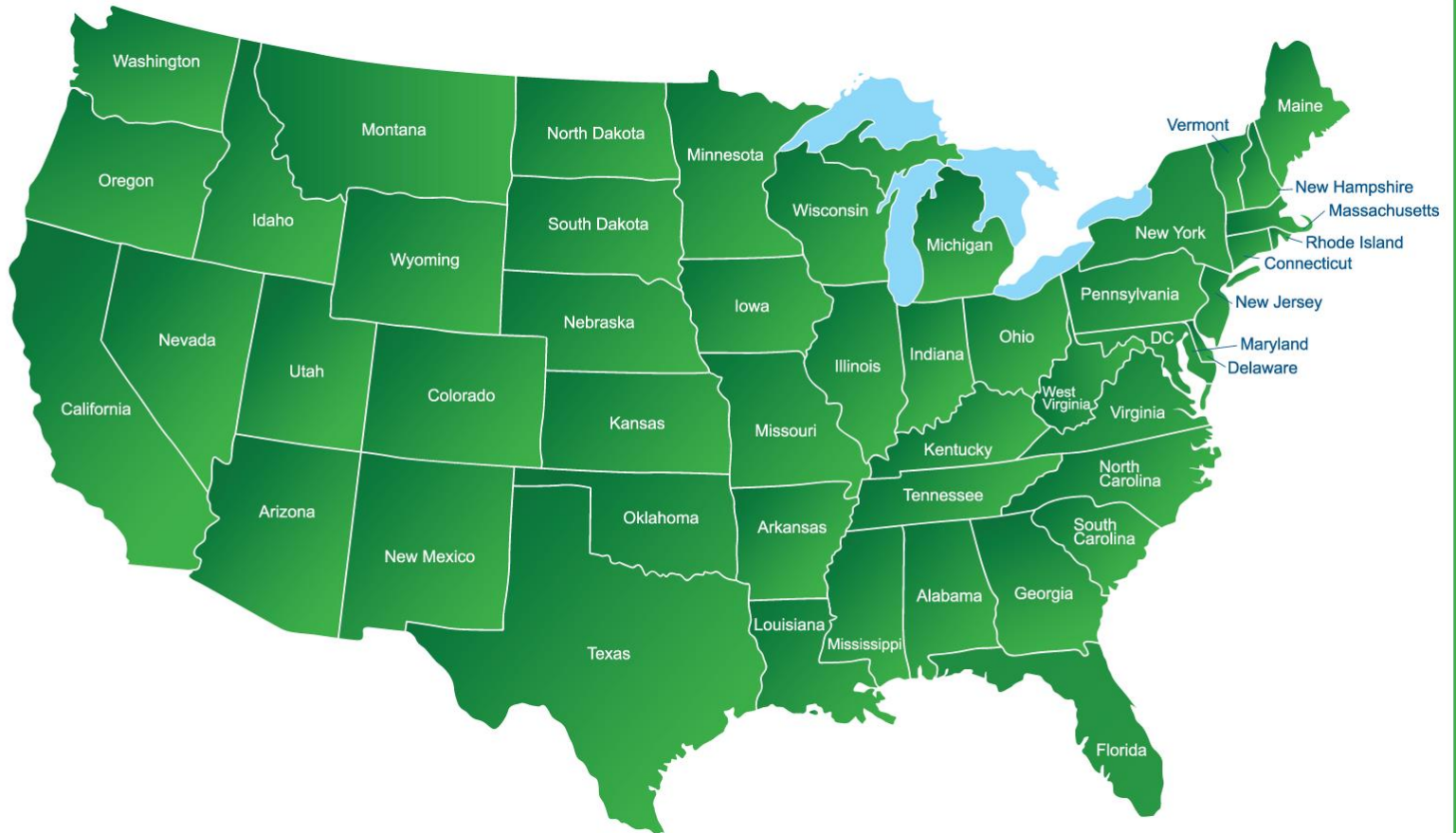
Client Scorecard

- Analysis prepared and reviewed quarterly
- Results compared with industry and portfolio averages
- Opportunity to identify areas to adjust and enhance activity based on best practices

Sample Client Data							
Quarter	Accounts Listed	Amount Listed	Amount Canceled	Percent Canceled	Amount Recovered	Accounts Paid In Full (PIF)	Percent Recovered
2015							
2015Q1	318	\$ 116,776	\$ 43,154	37%	\$ 10,792	0	10%
2015Q2	486	\$ 225,676	\$ 41,581	18%	\$ 15,319	13	7%
2015Q3	381	\$ 123,729	\$ 22,553	18%	\$ 4,496	16	3.7%
2015Q4	0	\$ -	\$ -	0%	\$ -	19	0%
2015 YTD	1185	\$ 466,181	\$ 107,287	18%	\$ 30,608	48	5%
2014							
2014Q1	340	\$ 120,306	\$ 25,583	21%	\$ 19,527	195	17%
2014Q2	597	\$ 265,107	\$ 27,604	10%	\$ 35,797	107	14%
2014Q3	648	\$ 218,271	\$ 37,238	17%	\$ 37,511	88	18%
2014Q4	1028	\$ 291,804	\$ 40,891	14%	\$ 44,922	49	16%
2014 Total	340	\$ 120,306	\$ 25,583	21%	\$ 137,757	195	17%
2013							
2013Q1	399	\$ 131,221	\$ 55,436	42%	\$ 20,245	269	17%
2013Q2	591	\$ 213,702	\$ 36,361	17%	\$ 38,020	129	19%
2013Q3	658	\$ 203,917	\$ 29,417	14%	\$ 35,325	119	19%
2013Q4	1204	\$ 313,583	\$ 32,506	10%	\$ 63,479	73	21%
2013 Total	1204	\$ 313,583	\$ 32,506	10%	\$ 157,069	73	21%
Rolling Figures							
12 Month	2445	\$ 824,198	\$ 151,207	18%	\$ 84,480	243	10%
36 Month	7994	\$ 2,560,469	\$ 425,898	17%	\$ 400,929	1377	17%
Total All	71549	\$ 13,482,471	\$ 4,294,778	32%	\$ 485,409	17929	42%



Ability to Collect in Every State



Legal Practice

- AG designation
- In-house staff vs. network of attorneys
- Legal process knowledge at state and county level
- Bankruptcy
- Probate
- Garnishments
- Small claims vs. district courts

Q&A

Thank You!