

Proud to be a Medical Collector!



Written by Michael Gilner, BBA, PCS

“Bill Collector”, or worse, “Patient Collections” - few titles conjure up as much negative emotion. Since biblical times the collector has been viewed as a corrupt individual devoid of morals and ethics. The modern day collector has been seen as that evil person on the other end of the phone, calling at the most inconvenient times, relentless pursuing his pound of flesh. He’s the black-hat-wearing, cigar-smoking villain, screaming into the phone, jar of turnip blood proudly displayed on his desk. He’ll say anything to get you to part with your hard-earned cash, and doesn’t care if you have anything left for food, clothing or shelter. A righteous person would never aspire to the profession of debt collector. How would you explain this to your family and friends? “I could never do that!” they would reply.

In 1978 the Fair Debt Collection Practices Act was born. Enacted by the federal government, the FDCPA came in response to the abusive conduct of many collection agencies, and the fear that this behavior was causing an increase in bankruptcy filings. The FDCPA brought some long overdue guidelines to the debt collection profession, and though the act only applies to 3rd-party agencies, most reputable 1st-parties strive to stay in compliance with the act. Among other things, the act governs what can be said to debtors, what time of day they can be called, and what information can be shared with third parties. Finally, the collection industry had rules by which to guide itself. Pryor to the FDCPA a collection agency had to be at least as aggressive as its competition to maintain market share. Now, that aggression had to be tempered by compliance with the law, or run the risk being fined, sued, or possibly even shut down.

Most medical offices fail to have properly trained staff conducting patient collection activities. Inadvertent violations of the patient’s rights occur, causing undue risk to the practice. Lack of appropriate training also causes medical office staff to be ill-equipped when dealing with difficult collection situations unique to the health care industry.

Health care managers and executives often are not aware of the FDCPA and other rules enforced by the Federal Trade Commission (FTC) regarding inappropriate collection practices. This lack of education can lead to choosing the wrong collection agency to manage your delinquent accounts!

First and foremost, medical offices must uphold the highest quality standards of care when interacting with patients, and this includes medical collection standards. The competitive market share for well-insured patients is tight. Mismanagement of patient collection strategies can cost your medical office much more than you can actually measure.



Most all collectors are now trained on the FDCPA, and are expected to abide by it. An agency cannot risk employing a collector who uses thug tactics, regardless of how effective he or she might be. More stress is placed on communicating skillfully with the debtor, firmly asserting the creditor's right to be paid, outlining the benefits of doing so, and suggesting possible sources of funds. Like any profession, there are still some bad apples out there, but an agency that is not compliant with the law will soon find itself in hot water, losing reputable clients even before the law catches up with them. If your office uses a non-compliant collection firm, the risk associated with the non-compliant collection tactics transfers to your office. Health care providers are under a tremendous compliance burden to ensure compliance to quality, safety of patients and workers, HIPAA, CLIA, OSHA, Red Flag, JCAHO, CMS, OIG and other rules and regulations. FDCPA and FTC compliance is equally important, but is often overlooked due to lack of understanding the rules.

A collector who is not compliant with the law will likely bounce from one agency to another, until he or she either conforms or develops a reputation that forces a change in career. The same holds true of medical accounts receivable managers and collectors – moving from office to office.

Ok, so collector's actions (including medical collections conducted from health care facilities) are regulated by federal law. There's still no redeeming quality in being a debt collector, right? If you think this, you couldn't be more wrong! Like most other things in this world, those who cheat the system put a burden on those who don't.

President Obama wants to see the cost of health care reduced in the United States. Noncompliance patient refusing to pay copays and out-of-pocket balances places a burden on the medical facility and increases the cost of doing business. Whether it is intentional or not, those who borrow money and don't pay it back cause the interest rates and fees for all of us to be higher than they would otherwise be. Just as law-abiding citizens appreciate the police, for the majority of us who do pay our medical bills on time, the collector is our ally.



In 2007 the collection industry returned \$40.4 billion in debt to creditors, equivalent to an average savings of \$354 per American household that might have otherwise been spent had businesses been forced to raise prices to cover the unrecovered debt.¹ The collector's efforts help keep interest rates and fees down for everybody else, and allow the credit industry to remain viable.

Picture what society would be like if there were no one to enforce the laws. Without the police, social order would quickly dissolve and chaos would ensue. The credit industry could not exist without debt collectors. They are the "credit police", holding borrowers accountable for their decisions. Without the collection process, creditors would have to charge such a high rate of interest that the entire credit industry would collapse upon itself. This, in turn, would put a lot of people out of work. The debt collection industry employs about 500,000 people.² Employment statistics for the credit industry as a whole are sketchy, but 2,000,000 people would be a conservative estimate. Even if you don't have trouble imagining not being able to buy a house or a car until you've saved enough money to pay in full, or living without credit cards, you have to admit this would be a drastically different world without credit. Even those who do not carry any debt still use a credit card to make online purchases, rent a car, make hotel reservations, and pay for gas at the pump. Also, consider the fact most businesses operate on credit in one form or another. The collection process makes all of this possible, allowing creditors to extend credit knowing there is a strong check in the system.

As you can see, collectors should not feel like the "bad guy." On the contrary, debt collection is an honorable profession, and compassionate but effective medical debt collectors are an integral part of our society. So, be proud to tell people you are a debt collector. As an associate of mine used to say, tell them you're "keeping the world safe for capitalism!"



Are you interested in becoming a Certified Medical Collector (CMC)? Mike Gilner is one of our CMC instructors! Please check out our CMC distance learning course information on our web site www.aihc-assn.org under "Become Certified" or Email us at info@aihc-assn.org to request an information packet.

¹<http://www.acainternational.org/files.aspx?p=/images/12546/pwc2007-final.pdf>

² http://blog.mlive.com/oak_business_review/2008/03/tough_times_aid_bill_collectio.html

