Best Practices to Improve A/R Management

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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
## Specific Proposed Cuts

- Department of Homeland Security’s state and local grant program
- Community Development Block Grant Program
- National Forest System
- Low Income Home Energy Assistance Program
- State Criminal Alien Assistance Program
- Economic Development Administration
- Dept. of Labor’s workforce training program
- Tiger Grants
- Rural water and waste-disposal loan and grant program
- 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 polices, 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
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.
A LEAN organization understands customer value and focuses its processes on continuous improvement.
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
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

Consumer Help Desk

Mobile App
Transparency and Empowerment

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
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
Thank You!