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3-Step Strategy to Minimize Loss & Maximize Recovery

HCANJ Conference, November 2016

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Agenda

1. Presentation Objectives
2. Why a 3-Step Strategy?
3. Admission Process & Agreements
4. Identification, Documentation & Escalation
5. Third Party Collection Regulations
6. Federal & State Regulations Impacting Recovery
7. Leveraging the Legal Process
8. Question & Answer

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Presentation Objectives

1. Provide best practices to minimize risk of non-payment and maximize Medicaid and private pay recoveries
2. Provide guidance on improving processes and strengthen agreements to minimize defaults and expedite recovery
3. Highlight the laws impacting the recovery process and explain how to leverage legal remedies to successfully secure payment

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Why a 3-Step Strategy?

The entire process is connected

- **Why Discuss?**
  - Industry change demands a new perspective on how to approach the admission process, Medicaid application, reimbursement and debt collection processes
- **Purpose of Strategy**
  - To manage reimbursements and recoveries through a streamlined process from admissions, delinquency management and escalation to outside collection services

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Why a 3-Step Strategy?

The entire process is connected

- **Strategy Summary**
  - Require complete application information & execution of strong admission agreements
  - Develop a simple process to identify, document and escalate “problem” accounts
  - Leverage available legal remedies to expedite payment and/or recovery

Admission Process

The First Line of Defense

- **What do you know about your applicant?**
  - Control what information is required
  - Identifiable Information
    - Full Name / SSN / DOB
  - Location Information
    - Street Address
    - Resident / Agent / Family
  - Contact Information
    - Phone / Email / Street Address
    - Resident / Agent / Family

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Admission Process

The First Line of Defense

- **Financial Information Essentials**
  - Insurances
  - Financial Disclosure (Assets & Liabilities)
  - Amount & Source of Income
- **Information Verification**
  - Controls to ensure completeness and accuracy of information
  - Identity, location and contact documentation (License / Power of Attorney / Bill with address)
  - Proof of Financials (Bank Statements/Real Property/Copy of Check/Income)

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Admission Application & Agreement

Defining the Relationship

- **The Credit Application as a Shield**
  - Completeness of Information
  - Power of Attorney Documentation
  - Consent for Credit Check – Private Pay Patients?
- **The Admission Agreement as a Sword**
  - Defining the Parties, Rights & Responsibilities
  - Acknowledgments & Notifications
  - Medicaid & Financial Disclosure

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Admission Application & Agreement

Defining the Relationship

- **Execution Best Practices**
  - Initial bottom of each page
  - Print section below signature lines
  - Rights & Responsibility Form
    - Document explaining what is being signed (Multiple Languages)
  - Document management & retention policies
  - What documentation is provided to the Resident, Agent & Family Members?

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Admission Application & Agreement

Defining the Relationship

- **Recommended Practices**
  - Copy Identification and/or Secure contact information
  - Document the Admission Agreement and required notices provided to resident & family
  - What is being signed / What responsible party means (English & Spanish)
- **Admission Agreement**
  - How rights and responsibilities are established
  - Why the execution of the agreement is so important

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Admission Application & Agreement

Defining the Relationship

- **Execution Best Practices**
  - Initial bottom of each page
  - Print section below signature lines
  - Legibility of Information
  - Document management & retention policies
  - What documents are provided to the Resident, Agent & Family Members

Identification, Documentation & Escalation

Managing Problem Accounts

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- **How do you define a "Problem Account"?**
  - Lack of Cooperation
  - Denials
  - Outstanding Balance
  - Other
- **Identification - 3Ps**
  - Process - Set Policies & Procedures for account management
  - Platform – What system manages the accounts
  - People – What person or person is responsible

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Identification, Documentation & Escalation

Managing Problem Accounts

Documentation

- Why it matters
- Contact Information for everyone
- Past Payment Information
- Asset information
- Tracking communication

Escalation

- Policies for when an account becomes a “problem”
- Internal escalation process
- Communications
- Discharge Letters
- Legal Services

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Third Party Collection Regulation

What you need to know

Key Regulations

- Fair Debt Collection Practices Act (FDCPA)
- Fair Credit Reporting Act (FCRA)
- Telephone Consumer Protection Act (TCPA)
- Unfair, Deceptive, or Abusive Acts Practices Act (UDAAPs)

Regulation Enforcement

- Federal Trade Commission (FTC)
- Consumer Financial Protection Bureau (CFPB)
- State Attorney General

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Federal & State Regulations

Impact on recovery process

Federal Regulations

- Consumer protection
- Admission Agreement
- Discharge of resident

State Regulations

- Consumer protection
- Admission Agreement
- Discharge of Resident

Qualified Income Trusts

- Impact on Recovery and the Medicaid approval process

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Understanding Legal Collections

Process Overview

Pre-Litigation

- Demand for payment, asset analysis
- Legal remedies

Collection Litigation

- Naming all parties, filing suit, service of process
- Contested litigation *versus* Uncontested litigation

Judgment Enforcement

- Asset analysis & enforcement remedies
- Execution process

Intervening Factors

- Bankruptcy
- Disputes, Threats & Counterclaims

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Leveraging the Law to Get Paid

Available Legal Remedies

1. What can be done with Medicaid Pending Accounts?
2. What can be done with Medicaid Denial Accounts?
3. What can be done with Private Pay Accounts?
4. When can you legally pursue a Power of Attorney or Family Members?
5. What can be done with Private Pay Accounts?
6. Can you pursue a Power of Attorney or Family Member for payment?

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Case Studies

1. Medicaid Pending Matters
2. Medicaid Denial Matters
3. Private Pay Matters
4. Fraud & Misappropriation Matters
5. Attaching & Liquidating Assets
6. Estate Collections

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Question & Answer

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