3-Step Strategy to Minimize Loss & Maximize Recovery

HCANJ Conference, November 2016
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
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
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

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

Why a 3-Step Strategy?

The entire process is connected
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
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)
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
• **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?
- 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
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
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
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
# 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
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
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
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?
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
Question & Answer
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