

Spice it Up!

This month we will continue to answer a couple of questions that came from our clients. Thanks for your questions and keep them coming in.

THIS MONTH'S COLLECTION TIP

Frequently Asked Questions

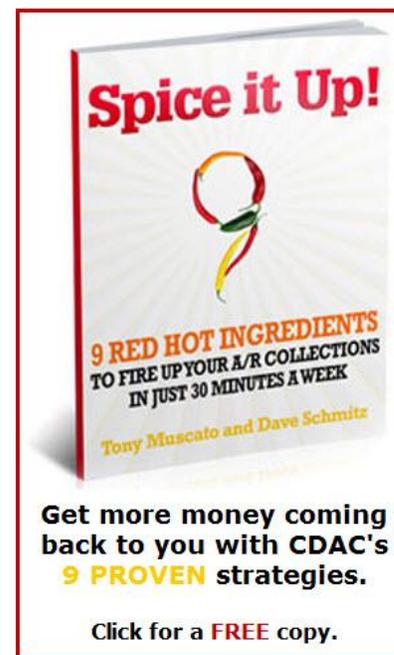
Question: Is a divorced mother who brings in a minor child for medical treatment and refuses to pay because she says that her ex-husband is responsible under their divorce agreement for medical expenses of the minor children responsible for the bill or is the ex-husband?

Answer: In short, both parents are still responsible for necessary medical bills even if the decree says one is not responsible. A court orders in a divorce does not bind a third party creditor (you) who was not a party to the action. The cases on this are plentiful covering many areas besides medical bills. One thing that is important to note is that case law has clearly stated that the non-custodial parent is still responsible for the necessary bills of his child. The minor child cannot be sued. If you would like to read more about the actual law in the state of Illinois, I have attached a link to the Rights of Married Persons Act. Section 15 covers our topic.

<http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=2102&ChapterID=59>

Question: Why does Dave constantly remind us of the importance of getting job information and social security numbers from the patients?

Answer: Like any good coach in professional sports, Dave



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9 RED HOT INGREDIENTS
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Tony Muscato and Dave Schmitz

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knows that mastering the fundamentals of the game is the key to winning. In the Collections game, getting the latest demographic information on a consumer is fundamental #1 and the consumer's (and their spouse) job information and social security number are the two most important pieces of information. Knowing that a person has a job gives us leverage when we are negotiating payments and determining if we can pursue legal action against a consumer. If a person does not have a job, we are most likely not to pursue legal action (and the expense of court costs) because even if we do get a favorable judgment, the consumer will not likely have the means to pay. The social security number is key because it is what we use for positive identification when we need to skiptrace. There are many consumers with the same name and if they have a different address than what they originally gave you, the social security number is what we use to identify them. We have various methods of getting information on consumers, but the most reliable information is what you get from them when they are in your office.

INDUSTRY NEWS

We know that providing itemized bills or other back up documentation can be time consuming and inconvenient for you. We don't like requesting it, but when a consumer requests verification of a debt we are required by the Fair Debt Collection Practices Act (FDCPA) to provide it. The majority of ethics complaints received by ACA's Ethics Department in March involved allegations that debt collectors failed to provide verification of the consumer's debt. We follow the rules below to stay compliant.

The Fair Debt Collection Practices Act requires a debt collector to send verification of the debt to the consumer upon receiving a consumer's written request for verification or written dispute within the 30-day validation period. The 30-day validation period begins to run from the date the consumer receives the collector's validation notice. Upon receiving a valid request for verification from the consumer, the debt collector must cease all collection activity until verification is mailed to the consumer.

Additionally, the ACA Code of Ethics requires all members of ACA who qualify as "debt collectors" under the FDCPA to provide verification or cease collections upon the receipt of a consumer's written request for verification, regardless of when the consumer's request is sent. Thus, even if the consumer's written request is made after the 30-day validation period has expired, member debt collectors must provide verification or cease collection efforts.

ACA's Ethics Department also received an increased number of complaints in March concerning the alleged failure of collectors to update or delete an account with a

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consumer reporting agency. At CDA, we follow the rules below pertaining to providing accurate information to the credit bureau.

The Fair Credit Reporting Act (FCRA) requires data furnishers (CDA is a data furnisher) to provide accurate information to a consumer reporting agency. If a consumer disputes an item or the accuracy or completeness of any item on a report, it is unlawful for a data furnisher to supply such items to a consumer reporting agency without notice of the dispute. Thus, whenever a data furnisher receives a dispute, either verbal or written, the data furnisher must update the consumer's credit report to mark the account as in dispute regardless of the data furnisher's perception of the debt's validity.

Upon receiving a direct dispute from the consumer regarding the accuracy of a report, each entity has a duty to respond to such dispute. If an item is determined to be inaccurate or incomplete, the FCRA obligates data furnishers to correct and update the information. Failure to provide updated information may result in violations of the FCRA. The procedures each entity must follow upon notification of a dispute will vary.

Additionally, all ACA members are bound by the ACA's Code of Ethics. The Code requires that if a debt collector does not or is unable to provide verification of the debt in response to a consumer's written request for verification, the member must request removal of the item from the consumer's credit report or report the item as disputed to the appropriate consumer reporting agency at the member's next available opportunity. Additionally, the Code states a data furnisher must delete data furnished to a consumer reporting agency upon cancellation and return of an account to a creditor, forwarder or party holding title to the account.

TRAINING & EDUCATION OPPORTUNITIES

Play on Demand Webinar - Now Available!

Many of you belong to various professional medical office management associations and are looking for industry professionals to conduct a seminar at your local or state meetings.

CDA is now offering a free seminar called "**9 Red Hot Ingredients to Fire Up you're A/R Collections in Just 30 Minutes a Week?**" for your medical or office managers association. We just conducted the seminar for the American Association of Professional Coders and they received 1.5 CEUs towards their professional certification for attending. You can view a short video on the seminar by going to <https://www.cdac.biz/spiceitup>

If you are interested in learning more about how you can bring our seminar to your association, please call Dave or Tony.

FROM CHEF DAVE'S KITCHEN

This month's recipe comes from Debbie at Dr. John Coness, DDS office in Streator, IL.

German Potato Salad

2 ½ - 3 lbs. of red salad potatoes - cooked, peeled, and sliced

½ lb of bacon

1 Tbs. butter

2-3 Tbs. flour

1 Tsp. salt

¾ cup water

½ cup sugar

1 medium onion

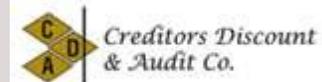
¼ cup Heinz Cider Vinegar

Fry cubed bacon and onion until done, but not brown. Remove bacon and onions from grease. Add butter, flour, and water to the grease to make a rux (semi-thick paste). Then add vinegar, sugar and salt. Cook until thick and add potatoes, bacon, and onions. Serve warm. Optional: to make it creamier you can add half & half (mix in) just before serving.

HAVE A GREAT MONTH!!

Tony Muscato, Vice President Creditors' Audit & Discount Company

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