



Hi Ken,

Let me get right into this month's column. I'm sure you've been following the news about controversial debt collection practices, which is a perfect introduction into...

THIS MONTH'S COLLECTION TIP

Do's & Don'ts of working with debt collection companies

Last week Attorney General Lisa Madigan released her list of **Top 10 Consumer Complaints for 2011**.

Consumer debt complaints ranked No. 1 with nearly 5,900 debt-related complaints. More than 1,100 were filed against debt collectors who allegedly threatened and harassed consumers. Madigan was noted as saying, "As this difficult economy persists, honest, hard-working families are increasingly targets for debt collectors that operate outside the law. Though consumers may be struggling under the weight of debt, they still have the right to be protected against illegal harassment and fraud."



The image shows the cover of a book titled "Spice it Up!". The cover is white with a red border. At the top, the title "Spice it Up!" is written in a large, bold, red font. Below the title is a stylized graphic of a red and yellow chili pepper. Underneath the graphic, the text "9 RED HOT INGREDIENTS TO FIRE UP YOUR A/R COLLECTIONS IN JUST 30 MINUTES A WEEK" is written in a bold, black font. At the bottom of the cover, the authors' names "Tony Muscato and Dave Schmitz" are listed in a smaller, black font.

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We at CDA could not agree more with her comments. Our belief is to treat your patients with respect and we do our best not to tarnish your reputation. Are we perfect? No. But, in 2011 there were no complaints to the Attorney General's office against CDA.

We train our staff to follow the "Collector's Pledge":

- I believe every person has worth as an individual.
- I believe every person should be treated with dignity and respect.
- I will make it my responsibility to help consumers find ways to pay their debts.
- I will be professional and ethical.
- I will commit to honoring this pledge.

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CDA is a supporter of Ask Dr. Debt. www.askdrdebt.com that was created by the ACA International Education Foundation to provide free and unbiased answers to consumers' debt questions.

Our goal of treating each consumer with dignity and respect along with offering solutions that benefit both the consumer and creditor can be facilitated by utilizing Ask Dr. Debt.

CDA management includes a former President and current Board Member of the Illinois Collectors Association. We are members of ACA International. CDA management has served as a National Board Member to the ACA. We believe that involvement at the state and national level helps us stay well-informed of the issues that face our industry and ultimately helps us provide "best practices" for our clients.

Often times, offices make the decision to use an agency because they offer the lowest fees. Many times, when Dave and I start working with a new client, they tell us that they used the last agency based on price. Like most things in life, you get what you pay for. Don't let price be the main reason you pick an

agency. There are so many more things to consider than price.

Getting the most from your collection agency requires cooperation and strong communication. The following are some key issues that can help you determine the quality of an agency and help increase your success.

Here are the basic services that an agency should provide.

Capabilities

- Call Center with trained collectors (bi-lingual).
- Ability to send various notices based on the patient's situation.
- Skip-tracing services to locate consumers when they can no longer be reached at the address or telephone numbers that were given to you on the date of service.
- Credit Bureau reporting.
- Attorney services to pursue litigation against your patients -- if needed.
- Customer Service Department to answer your questions.
- Various methods to submit accounts (fax, email, electronic, sales rep pick-up, etc.)

Market Knowledge

Make sure the agency has the skills and knowledge needed to successfully collect on your medical accounts. Collectors working in medical collections must be familiar with medical terminology and insurance requirements.

Many agencies collect across various markets. Make sure the agency you pick does primarily medical accounts.

Ernst and Young recently conducted a survey that measured the impact that pursuing collections has on the economy. Here are some statistics from that survey that measure the impact in Illinois:

- Gross Amount of dollars recovered by debt collectors: \$2.7 billion
- Direct jobs created from dollars recovered: 8,009
- Direct payroll: \$257 million
- Industry jobs (including collectors): 17,667
- Industry total payroll: \$568 million
- Additional state/local taxes created and paid to Illinois: \$56.2 million
- Additional federal taxes created: \$53.9 million
- Charitable contributions by collection agencies: \$2.2 million
- Collection employees volunteer hours donated : 29,400 hours

COLLECTION INDUSTRY NEWS

Is it fair to go to jail for an unpaid medical bill?

And now for the rest of the story.....

In the last 45 days, I have read 3 newspaper articles declaring that "debtor prisons" still exist in this country. The articles revolve around a recent case in which a consumer, who owed a medical debt of \$280.00, ended up getting arrested and spending some time in jail.

The reporter asks the reader to answer the question if it is fair to go to jail over an unpaid medical bill. My answer to that question is that nobody should spend time in jail for failure to pay a debt...and guess what...nobody has since debtor prisons were abolished in the early 1900's.

In a recent article written by Robert Markoff, a collection lawyer with 35 years experience practicing in Illinois and founding president of the Illinois Creditors Bar Association, he states that he has never heard of any consumer being sentenced to jail for not paying a bill. Then why all the media noise about debtor prisons?

The real issue, which is not very well told by the reporters, is the misuse of body attachment orders. Body attachment orders (arrest orders) are used in civil cases to have a sheriff bring a person into open court when they have failed to follow a court order to appear, produce documents, return personal property, or make court-ordered payments. And that's the rest of the story behind the consumer who went to jail for not paying their \$280.00 medical bill. The consumer went to jail because they failed to appear in small claims court to settle the debt not because they could not afford to pay the debt.

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

Dave's Easy Marina Sauce

Ingredients Needed:

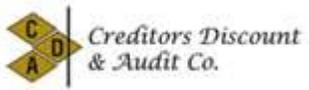
- 1 small onion chopped
- 3 garlic cloves pressed
- 1/4cup extra virgin olive oil
- 28 oz can of crushed tomato's
- 1 TBS of Italian seasoning
- 1 TBS of parsley
- 1/3 cup of dark red wine
- 1/4 cup of water
- 3 TBS of brown sugar
- 1 TSP of beef base
- 1/2 TSP of red pepper flakes
- Salt to taste

Brown onions, garlic, red pepper flakes in extra virgin olive oil. Add crushed tomato's, red wine, water, Italian seasoning, parsley, brown sugar, beef base and simmer low for 2-3 hours until thick. Salt to taste.

Let us know how you liked it!! If you have any recipes that you would like to share, please let us know.

Tony

Tony Muscato, Vice President Creditors' Audit & Discount Company

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