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Credit Score Increasingly Important.

Medical practices rarely think of themselves as creditors, but in many ways they are just that. Anytime a patient has an outstanding charge, that person has a responsibility to pay that debt off in a timely manner. Unfortunately, that doesn't always happen. If it did, you wouldn't be reading this newsletter right now (think about it). This is what makes most of you creditors.

You would have spent 2007 living under a rock to not have heard about the doom and gloom of the "credit crunch." This not only affects your business as a creditor, but also you as individual consumers. It is high time we all realized just how important our credit scores are and what kind of steps we can take to improve our individual credit situation.

I would like to give you one example of the landmark changes taking place with creditors in early 2008, as a result of the "sub-prime mortgage" meltdown. Freddie Mac is one of the largest providers of mortgages in the nation. They have just announced a new pricing structure for their interest rates that is based directly on a borrower's credit score. And trust me, it is going to make it very expensive to buy or refinance a home if you don't have extremely good credit. Any person with a credit score of less than 620 will be charged an additional 2% "delivery fee" on their loan. Below a 680 the fee is 1.75%. It goes on and on, but basically unless you have a 680 or better you will be

charged extra percentage points on the loan. Call it what you will, but the "delivery fee" is the price you will pay for not keeping close tabs on your credit situation.

All creditors must have a way to negatively impact those borrowers who don't take care of their financial responsibilities. It looks like economic trends are moving in a direction that will strengthen a creditor's ability to make that happen in a big way. People who have long ignored collection and judgment debts are in for a loud wake up call. Keep this in mind the next time you are working through your billing cycle. Those unpaid debts do make a difference.

Jesse Hamby, TN Sales Director

10 Steps to Improve Collections, Part 2 of 5

A customer service oriented phone call goes a long way and can be a lot cheaper than sending a lot of letters in the mail. Sure, it can be easier to send a few letters in the mail and keep requesting payment but once you have sent the first letter, give the person a call and remind them about paying. You don't need to be rude or demanding. Be professional, courteous and find out why payment hasn't been made. Also, if that person has ten other bills being mailed to them, you have just put yourself at the top of the list of getting payment because you took the time to care and call.

Setup a flowchart for your office. Each account should have a timeline of when to proceed to the next step. This allows your entire staff to be on the same page and makes everyone's job easier. This will also keep accounts from being lost in the system and not being worked. In every office, people quit, are let go, have illnesses, etc. By having a flowchart, anybody can take the place of that employee and finish what was started.

Bert Wilson,
Director of Collections

Federal Incentives Could Save \$1.5 Trillion in Healthcare Costs January 2, 2008

Insurance for all and incentives for businesses could cut healthcare costs substantially over the next decade, according to a healthcare think tank.

U.S. spending on healthcare is projected to reach \$4 trillion in 2016, up from \$2 trillion in 2006, even as the number of uninsured rise, according to a Commonwealth Fund report released this week.

The nation could save as much as \$1.5 trillion over the next decade if federal policies to guarantee insurance for all, produce better information, and fund incentives that promote health and prevent disease were adopted by federal and state governments, say the authors of "Bending the Curve: Options for Achieving Savings and Improving Value in U.S. Health Spending."

"If we continue down this path of escalating costs and eroding health insurance coverage we will pay an enormous human and economic price," Commission member Glenn Hackbarth said in a press release. "Building consensus to move in a healthier direction will require leadership, private and public collaboration, and a shared aim at improved access, quality and cost performance."

The report presents several options to address the factors that contribute to rising costs. Central to slowing this trend is investing in the knowledge needed to improve decision-making, which the report says could save \$368 billion over 10 years. Increasing federal taxes on cigarettes by \$2 a pack could save about \$191 billion, the report says.

Other options the report suggests could yield big savings over 10 years include:

Establishing a 1 cent tax on a 12-ounce sugar-sweetened soft drink to finance national and state obesity prevention programs for an estimated \$283 billion in savings.

An investment of \$2 billion in federal funds and incentives to encourage employers to create incentives for individuals to engage in wellness programs and healthy behavior could save \$19 billion.

Giving the U.S. Secretary of Health and Human Services the authority to negotiate or set price limits for Medicare prescription drug plans for their enrollees could net \$43 billion in savings.

Based in New York City, The Commonwealth Fund is a private foundation that promotes a high performing healthcare system. It commissioned healthcare consulting firm The Lewin Group to estimate the potential effects of each option presented, including the effects of incremental and cumulative spending by each option over a 10-year period.

By Cynthia Wilson
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