southwest
ACA Collector Connector
The Official Quarterly Publication of the Southwest Collectors Association • Vol. 35 No. 2 • Spring 2022

Here is the WINNING Logo!

SWCA
TEXAS
OKLAHOMA
SOUTHWEST
Collectors Association

Congratulations to Universal Fidelity, LP, Katy, TX

THE RUNNERS UP WERE:

Certified Collectors
Amarillo, TX

&

National Bureau of Collections
Midwest City, OK

INSIDE THIS ISSUE:

INSIDE THIS ISSUE

SPRING 2022

features

departments

Cover Photo: Our cover this issue is the winning entry from our NEW LOGO Contest! And the winner is: Universal Fidelity, LP! Congratulations to the UFLP leadership and staff. Contest Runners-up were Certified Collectors and National Bureau of Collections. Our thanks go out to all members who took the time to participate in the contest.

southwest **collector connector** *is designed by Joseph Moreno, ArtJam Productions, Inc.*

LOOKING BACK, TO LOOK AHEAD!

Reflecting back to the letter I wrote for the first quarter; I mentioned the topics that weighed on me the most as I prepared to lead the Southwest Collectors Association was finding ways to educate and encourage the membership base as we navigate through constant change and the dreaded unknown.

I hoped that as time passed, the COVID pandemic would begin to diminish, the horizon would come into focus, and we would all see a path to normalcy.

The COVID pandemic did begin to diminish, only taking a backseat to what appears to be the worst Economic nightmare we have faced in years. Inflation is at an all-time high, gas prices are recording record high prices on a daily basis, there seems to be no end in sight to the brutal Russian attack on Ukraine, and it seems as though senseless violence continues to erupt in our own backyards. As an industry, when we really need to see something positive, we continue to face bad news everywhere we look.

This is when associations like the Southwest Collectors Association shine. I am confident our membership base is there for one another, supporting each other and even non-member companies that need support.

I realize that we do not have the answer to the troubled economy, and we all are trying to adapt our companies to flourish in the current unstable market; but I am here to **ENCOURAGE** each and every one of you as I am confident that if we **STAY THE COURSE**, the storms we face will yield a positive outcome.

Preciously, I stated that 2022 would be the year to **FLOURISH**; I still believe it, just as I believe in our membership base.

I **ENCOURAGE** you to **STAY THE COURSE**, weather the storms you face and continue to find the opportunities within them and use them to **FLOURISH**.

So, mark your calendars and make your plans to attend our 2022 SWCA Annual Conference & Expo, October 10-12 at the Sheraton DFW Airport Hotel. There is no better place to get the **encouragement, information and support** to help you stay the course and finish the year strong.

I look forward to meeting each of you there, if not sooner.

Scott Hearn

Scott Hearn, President
Southwest Collectors Association

southwest ACA

texascollectors.com

The Winner is Announced and More Info

On the cover we have the Winner of our SWCA Logo Contest, United Fidelity, LP in Katy, TX. On the bottom of this page we show the runner up winners:

As we try to do with every issue, we are again favored to have Marc Trezza sharing his expertise regarding avoiding common mistakes in collection sales, Don Phin's guide to hiring and retaining employees, Leslie Bender and Joann Needleman on healthcare debt and the regulators, along with Kaulkin Ginsberg addressing some "Bad Debt Regulatory Trends", and Terry Sumerlin asking "Where Are Your Listening Ears?" We hope that you find value in the information our writers present.

On April 13th the SWCA Board of Directors met via Zoom for a called meeting to review and approve the 2022 budget. There was concern over member renewals but not all companies had yet submited their renewal payments. There was also discussion regarding the annual conference and the expectation regarding interest from both members and potential exhibitors. Mr. Morgan reported that in his discussions with members and exhibitors there was a great interest in (finally) having the face-to-face opportunity to meet with people. Following the discussions, the board approved the budget unanimously and the meeting was adjourned.

On May 3rd the SWCA Board again met, this time to review the results of the survey previously sent to members (and other Subject Matter Experts) regarding potential subjects for our 2022 conference. There were over 50 separate 'topics' that were submitted. They were grouped into 11 Subject Groups (in no particular order); 'Hunstein', 'Employment/Hiring', 'Regulation F', 'Cyber Insurance', 'The ARM Industry', 'Regulatory Restraints', 'Credit Reporting', 'Compliance Management', 'Data Security', 'Technology', 'Operations', and 'Lawsuits and Litigation.' Upon the recommendation of Stacy Willis, a committee of board members was established and directed to work on developing a conference program. The there were no motions and the meeting was adjourned.

Got comments, questions or concerns regarding this issue, the articles or other material included? Feel free to send me an email. We welcome **"Letters to the Editor"** especially regarding a topic you would like to see addressed.

As always, thank you for allowing me the privilege to serve as your Executive Director. If I can assist you in any way, please do not hesitate to give me a call or send me an email.

I look forward to seeing each of you (face-to-face) sometime in 2022, like at our Conference in October, if not before.

Sincerely,

Tom

Tom Morgan,
Executive Director

Runner Up Winners

Certified Collectors

National Bureau of Collections

How to Avoid 6 Common Sales Mistakes

By Marc Trezza, President, Search Net Corp.

Have you ever had a situation where you're connecting with a prospective prospect, the opportunity is running smoothly—and suddenly you hit a speed bump and your prospect stalls? Maybe you've hit that bump because you unwittingly mishandled a situation, or because your prospect had conflicting feelings about a sale. Either way, how do you navigate those obstacles, seal the sale, and meet your prospect's needs?

SIX MISTAKES PROVIDERS MAKE WHEN PROSPECTS STALL

1. Fearing the Prospect's Reaction.

When salespeople are afraid of what a prospective prospect might say, they lose sales opportunities because they don't find out what they really want. For example, you dread hearing prospects say, 'Your fee is too high.' It's almost a knee-jerk reaction to offer a lower price. Instead, the sales process should be proactive and uncover the unique buying criteria important to your prospect so the price objection doesn't come up in the first place.

2. Taking It Personally.

Sure, in your head you know a prospect's bad attitude doesn't reflect on your worth as a human being. But our egos get in the way, and we internalize the prospect's negativity. When your prospect brings up a problem, don't get defensive and explain the problem away. Not only will they probably not be overjoyed with your response, but you will have failed to address the heart of the matter: how to fix your prospect's problem.

3. Rushing to Judgment.

As an agency, you should work to focus all of your attention on your prospect and their needs. It's all too easy to swoop in to present a solution instead of listening to your prospect's complaints and the specifics of their situation. In this rush to cut to the chase, you're in danger of coming across as arrogant, and your prospect ends up feeling their input is unimportant and unappreciated. This understandable mistake happens for two reasons:

You want to come off as the 'expert' or 'hero,' showing off all your knowledge by providing the solution before your prospect even has a chance to finish their thought.

You're in a hurry and don't have the time and energy to devote to your prospect.

For example, let's say you're about to leave for a week's vacation when a prospective prospect calls. He begins telling a long story about his business and all the service problems he's encountered with agencies in the last five years.

You realize that you've heard his story—or at least a similar one—many times before, so you interrupt him to give your answer to his problems. You try to end the call as soon as possible so you can leave for vacation. In this case, even though you might have given your prospect a good solution, chances are he won't feel satisfied with the conversation. He didn't have an opportunity to tell you about everything that's on his mind, so he feels shortchanged.

What should you do next time you're faced with such a situation? Listen to and embrace any information your prospect gives you, whether you believe it's valuable or not. If you truly don't have time to talk at length with this prospect, request an opportunity to call back after you return from vacation.

Otherwise, put down your briefcase, close your office door, and listen to him for as long as he needs. Remember, even if you hear this story all the time, it is unique and personal for each prospect. Instead of interrupting your prospect with your standard solution, let him have the floor and explain his problem. Only then can you proceed with the process of finding a solution for whatever ails him.

4. Beating A Dead Horse.

How do you know when, despite your best efforts, your prospect relationship is beyond saving and therefore taking up more time than it's worth? When that prospect is demanding, even confrontational, yet provides you with little to no business for all the irritation he's giving you; stop and think. Sometimes prospects like this actually cost you money because you spend so much time trying to please them. You hope that if you keep doing business with them,

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Hiring and Retaining Employees in this Crazy Economy

By Don Phin, Esq.

When talking with business executives about the employee challenges they are facing, I hear a familiar theme: W*e can't find them; They won't work for us; We have no problem finding people, but don't have a good track record of making quality hires;* and *We hire them, and we train them, but we can't seem to keep them.*

So, what can you do at your company that can help you reach (and keep) the right people? To help you, I created this quick-and-easy guide for strategic action.

Do you have a referral program that works?

- Statistically, the best source of quality hires.
- Everyone is a recruiter! Make it easy to post openings on social media and give incentives for each post.
- Are employees trained on how to be great recruiters?
- Do you make it easy? (One-page sheet, mobile ads, QR codes, etc.)
- Do you market and brand your program?

Your hiring page.

Is this something candidates can find easily? Don't make them look for it. If hiring is your No. 1 priority, consider including a splash page on your website. Also, every hiring page should include three videos:

- The CEO/Owner video sharing the company's vision, mission, goals, culture, etc.
- A Day in the Life video. Make it cool and good quality.
- Employee testimonial videos. These are easy to produce on smartphones.
- Also create a Hiring FAQ. Don't make applicants guess at your hiring process. Let them know what they can expect each step of the way. Then live up to your timeline.

Disengagement, low productivity, and turnover is created when we hire misfits.

Many managers hire a candidate out of desperation, to finish the hiring process, so they can go back to doing their job. Never mind hiring top employees is the most important job they will ever do!

Many new hires don't have the necessary skills. Don't assume anyone's abilities just because of their experience. Skill testing is a must for every position. You can test on sales skills, administration skills, IT, insurance knowledge, etc. You can do this using the following:

- There are plenty of skills test websites out there. If you can't find a test, then create one! Remember, half of all applicants will test better than the other half. How do you know who you are hiring without testing??
- Personality assessment tools help understand an applicant's natural strengths and weaknesses. The best tools provide interview questions based on the profile results. There are hundreds of these tools, so test a few out to see what works best for you.
- Case scenarios. Have candidates walk through how they would handle your greatest challenges.
- Behavioral interviewing. Make sure you don't hire a victim. Ask them what felt unfair in their last job. Keep asking the question "why?" until you understand how they deal with things that feel unfair. Also, ask them about when they were most excited about their previous job and explore those whys.

Onboarding

Once you've hired someone, don't ignore them! Rather, establish an amazing onboarding experience.

- Take a checklist approach. Onboarding is a process, not an event.
- Conduct an Entrance Interview on the person's first day. Find out why he or she decided to come to work for you. Then use that data to go back to the candidate market.
- New employees are like mini-consultants. On the first day share a 60-Day Survey asking what they can see about the company you can't see for yourself and have them share their experiences. Go over that survey with them on the 60th day.

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An APPLE a Day Might Keep the Doctor Away, But Medical Debt is Top of Mind for Law Makers and Law Enforcers …

By Leslie Bender and Joann Needleman

For companies providing revenue cycle services to healthcare providers - services including coding, billing, collections, extended business office or outsourced business or patient support services, this is an important time to review and update your compliance management system and internal auditing and monitoring. During the pandemic we saw state and federal agencies suppressing debt collection activities due to the public health emergency and the hardships consumers suffered. Now that pandemic restrictions are easing, state and federal lawmakers and regulators are working to assess how to best help Americans recover without further burdening the economy or businesses.

Healthcare debt is among some key focal points as the pandemic eases (we hope) and it has drawn lawmakers' and regulators' attention. There are a myriad of legislative, enforcement and regulatory activities at the state and federal level zeroed in on different approaches to healthcare debt and the resolution of it. At the state level fueled in part by a well-timed initiative by the National Consumer Law Center (the "NCLC") begun in early 2019, states have enacted and continued to consider medical debt protection laws that restrict various debt collection, debt buying and legal debt collection activities. See, https://www.nclc.org/issues/medical-debt.html

Meanwhile, at the federal level, the Federal Trade Commission ("FTC") passed a resolution in July, 2021, to focus its enforcement efforts, among other things, on healthcare businesses and whether or not they are engaging in unfair, deceptive or other practices and "to determine the appropriate action or remedy, including whether monetary relief would be in the public interest." See, FTC Resolution, File No. P210100. More recently, the Consumer Financial Protection Bureau ("CFPB") released a bulletin related to the No Surprises Act and debt collection and more recently a report discussing medical debt in consumers' credit files. See, Bulletin 2022-01, released January 13, 2022 and CFPB Report, "Medical Debt Burden in the United States," at https://www.consumerfinance.gov/about-us/newsroom/cfpb-estimates-88-billion-in-medical-bills-on-credit-reports/

A month ago the Department of Veterans Affairs also announced some changes designed to reduce financial distress for veterans by requiring all other methods of debt collection to be exhausted before a veteran's bill is reported to credit reporting agencies. See, https://www.va.gov/opa/pressrel/pressrelease.cfm?id=5758

What does all this mean for credit and collections companies and what steps should be taken? To follow are five recommendations:

1) **Update your financial assistance, hardship, repayment, and other policies and procedures after meeting with your healthcare clients to assure you are in sync.** Your strategies should align both with applicable state laws and also with your healthcare clients updated and revised programs in these areas. The No Surprises Act and several state and federal laws require you to be aware of what debt is incurred related to COVID-19 related care and treatment as well as emergency services.

2) **Tune up your patient problem solving activities, including compliance and training programs to assure they are focused on helping patients solve any challenges they have around medical debt and understanding what challenges and obstacles they may face.** Whether your patient facing staff members are working remotely or are back in a work site or a hybrid combination, it is critical to assure your programs reflect what some people call the new normal. Make certain that you review, log, investigate and respond to all consumer complaints, regardless of how you may receive them and track and trend them as part of your continuous improvement program.

3) **Evaluate your opportunities for consumers to digitally engage and self-service.** While people were quarantining during the pandemic they had many opportunities to use the internet, portals and other online resources in lieu of snail mail and other communication methods. Are you digitally open for business 24/7 if consumers want to engage with you or self-service "after hours"?

4) **Review your state registrations and state licensing.** Some states have relaxed their branch or other rules

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Positive Bad Debt Trends in Healthcare Balance Regulatory Headwinds

Kaulkin Ginsberg believes that every accounts receivable management (ARM) executive should be armed with an acute understanding of the industry in which they operate, from its long history to the latest trends and developments. To that end, we have put together an aggregation of our most up-to-date research in the form of the Kaulkin Report, 2022 Edition. The following article is an excerpt from the "Operational & Technological Trends" chapter. To request a copy of the full Kaulkin Report 2022 – or any of our Kaulkin Sub-Reports – please email hq@kaulkin.com.

Hospitals, independent physicians, and other clinical servicers often outsource the recovery of outstanding medical debt to ARM firms as part of their overall collection efforts. Healthcare providers may also choose to outsource other backend processes – such as patient scheduling, case management, and billing. Firms offering these services in addition to outsourced collections generally fall under the purview of revenue cycle management (RCM), rather than ARM, though the line between the two has blurred. Prominent clients in this sector include HCA Healthcare, Inc., Ascension Health, Inc., and Tenet Healthcare Corporation.

Kaulkin Ginsberg breaks the healthcare sector down into three segments: hospitals, independent physician offices, and community providers such as clinics and health centers. As shown in *Figure 1*, hospitals hold the majority of bad debt in the market sector, and, as such, is the focus of ARM activities in healthcare. However, non-hospitals – i.e., physicians and community providers – also offer significant collection opportunities for ARM companies.

Between 2015 and 2019, total healthcare bad debt increased at an average annual rate of 3.6% to $69.4 billion. However, the healthcare sector was hit hard by COVID-19. In the early stages of the pandemic, many hospitals struggled to accommodate the surge in intensive care patients who caught the virus, as well as the safety precautions surrounding COVID patients which require expensive equipment. Furthermore, many healthcare providers' bottom lines were battered by a sharp drop in consumers choosing to forgo elective surgeries and, in some cases, even necessary procedures due to financial and safety concerns.[1] As such, bad debt levels dropped precipitously – to $61.7 billion, an 11% decrease – along with business opportunities for ARM companies.

This trend continued into 2021 with ongoing uncertainty over the COVID-19 pandemic depressing elective surgeries and overwhelming hospitals in high caseload areas. Total healthcare bad debt fell 5.5% to $58.3 billion as a result, diminishing placements even further. Despite diminished business

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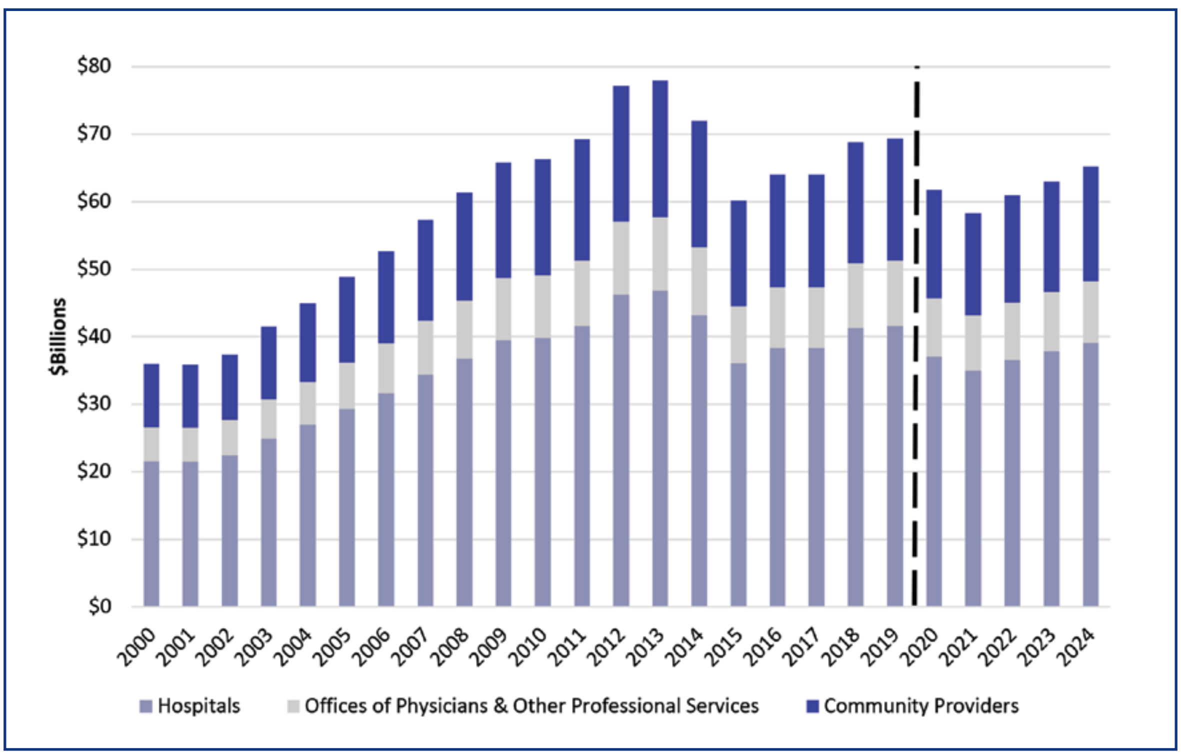
Figure 1. Estimates of Healthcare Bad Debt, by Provider Segment



Source: Kaulkin Ginsberg, American Hospital Association, Kaiser Family Foundation, & Kaufman, Hall and Associates, LLC

Where Are Your Listening Aids?

By Terry L. Sumerlin

There are devices that are designed to improve hearing. They're called hearing aids, and they've been available since 1913. As you know, modern hearing aids can be very expensive. They can also be highly ineffective when kept in a drawer instead of the ears. But, even when used properly, they only improve hearing. Not listening!

However, there are such things as "listening aids." They're highly effective and cost nothing but effort. Let's look at four of these aids that we too often keep "in a drawer."

First, there is the aid of undivided attention. I once knew a barber who would get so engrossed in what he was telling a customer that he would shut off his clippers, stop working and stand in front of his customer where he would "hold court." I wonder how the customer would have felt had the barber focused in the same manner on just listening to him. Not only is undivided attention a high compliment. Undivided attention greatly reduces misunderstandings. Lack of attention, on the other hand, can be insulting and constitutes ineffective listening.

Second, let's think about listening in relation to proper use of the eyes. Studies have shown that confident people tend to look others in the eye for approximately seven seconds and then look away for about seven seconds before looking back. Looking away, however, doesn't mean a distracted type of looking about. Nor should we be looking at people as if to bore a hole through them. We should be looking as a means of listening. The eyes tell us many things that the ears do not. The ears don't pick up body language, gestures, facial expressions and overall demeanor. Yet, they all affect understanding.

The third aid affecting how well we listen is the condition of the mind. Our auditory system doesn't work properly if there is a short circuit in the brain. Similarly, if our minds are closed, we don't listen well. The result can be what our spouses sometimes call selective listening. As an illustration, I hear baseball announcers on TV just fine. I tend not to hear Sherry very well, though, when she tells me something during a game**. *I also don't hear very well when I've already made up my mind on a matter.***

The 4th and most important "listening aid," though, is the heart. This reminds me of one of my favorite people of years past, Art Linkletter. He was such a great listener. I fondly remember, as a child, watching his *House Party* on TV and hearing his wonderful interviews of children.

One day, Art had an especially interesting conversation with a little boy. The conversation went somewhat in this manner:

"What is your name?" Art asked. "Tommy."

"How old are you, Tommy? "Eight."

"What do you want to be when you grow up?" "I want to be an airplane pilot," Tommy replied.

"Wow, that's great! Tommy, would you like to pretend right now that you are an airplane pilot?"

The boy smiled and nodded approval.

Art then said, "Okay. Let's pretend that you're flying a plane with two hundred passengers, across the ocean, and suddenly you realize your engines are no longer working. What are you going to do?"

After thinking for a moment, Tommy replied, "First, I would put on the fasten seat belt sign. *Then I would parachute out."*

The studio audience roared with laughter. But Art never took his eyes off the little boy. When the laughter ended, Art looked into the tear-filled eyes of the little boy and asked, "Tommy, why would you parachute out?"

"To go get fuel, of course."

Art got the rest of the story because he cared enough to listen with his ears, eyes and, most importantly, his heart. That kind of listening connects like nothing else.

CONNECTOR TIP: Care enough to always take your "listening aids" out of the drawer.

Terry Sumerlin is an in-demand speaker and coach. Terry can be contacted at terry@terrysumerlin.com.

MAKE YOUR PLANS TO ATTEND THE

2022 Annual Southwest ACA Conference & Expo

Join us as we return to Irving for a Face-to-Face conference at the Sheraton DFW Airport Hotel, October 10-12, 2022

Situated near Dallas-Fort Worth International Airport, the extensively renovated Sheraton DFW Airport Hotel offers travelers to the area convenience, style and substance. After a stress-free arrival via our complimentary 24/7 airport shuttle, attendees will settle into our well-designed, modern accommodations and benefit from an array of excellent onsite amenities you would more likely expect from a destination hotel. The hotel features self-parking at no cost.

Our Room Block is now open and available. The conference room rate is $129/night (single or double). The room block is limited to a certain number of rooms that are available so make your reservation soon. You will find the information for your online reservation link below.

Southwest Collectors Association 2022 Conference & Expo
Start Date: Saturday, October 8, 2022
End Date: Thursday, October 13, 2022
Last Day to Book: Tuesday, September 27, 2022
Book your group rate for Southwest Collectors Association 2022 Conference

Program and Speaker information will be available in Summer, 2022.
As we did previously, our Exhibit Hall will feature 30 outstanding companies who will share with you the latest in products and services designed for our industry.
Mark the dates on your calendar.

If you are looking for quality education with nationally recognized instructors at a cost you can really like,
You know you want to be here!

Continued from page 9

they'll eventually reward you for your loyalty—but let's face it, there are some prospects you just don't want!

Whether it's a prospect who keeps stringing you along, or a prospect who demands to talk to you whenever the smallest problems arise, there are times when you have to make the tough decision to terminate one-sided relationships. For instance, a client of mine who provides an array of collection services for 3 major hospital groups was asked to meet 5% annual price concessions with the lure of more business to come. After the fourth year of price concessions, my client realized this 'business partner' was driving his business into the ground!

Every year, re-examine your client list and consider winnowing out the bottom 10% of your clients. It may seem painful and counterproductive at first, but doing this will actually free up your valuable time, letting you focus on those clients and prospects who appreciate what you have to offer, and tell you so in dollars and cents.

5. Shifting Blame.

For the past twenty years, organizations have embraced the concept of teamwork. When things go awry, though, it's easy to point fingers. A few years ago, Donald Trump's TV series, *The Apprentice*, showed how individuals can turn on each other to protect their own interests. The boardroom meetings with 'the Donald' show a different side of each contestant's character. One individual must be eliminated from the show each week, so one gets singled out for letting the team down.

When clients approach you with problems, do you know someone on your team who tries to shift blame to another person or department in your company, or blames the client? Pointing fingers only delays resolving prospects' issues. When things go well in your firm, everyone should definitely share the glory—and when things go wrong, everyone should share the blame, too.

6. Treating All Prospect Issues and Concerns with the Same Approach.

Most agencies have a one-size-fits-all approach when it comes to dealing with prospect objections. They may offer to lower their price or automatically throw in service extras, without listening to the reasons the prospect is upset. They focus on responses rather than solutions.

While you're being conditioned to respond to objections with concessions, your prospects are learning that whenever they complain, they're rewarded, much like giving whiny children toys or treats to quiet them. For instance, take that prospect who asks you to cut your price by 5% to clinch a deal. When you agree to this deal, you're setting up his expectations for the next time you negotiate. He'll think all he has to do is raise an objection and you'll always give in. Having only one approach to resolving prospect issues results in two mistakes:

1. You're not addressing your prospect's real problem.

2. You end up offering more than what your prospect really wants.

It's better for both you and your prospect if, instead of giving price cuts to close the deal, you really listen to what your prospect tells you, then go from there. What is their objective? What are they trying to accomplish with what they are asking for? If its higher revenue, then engage them in a netback increase discussion rather than a fee reduction discussion. Lowering the fee may actually cost the client money if it means the agency has to cut back on the level of service.

Slowing down and listening when you reach business relationship speed bumps works better in the long run for you and your prospect than always trying to swerve around them. And once and for all, please embrace the fact that the right response is NEVER a canned sales pitch.

Hopefully, now that you're aware of these common selling mistakes, you'll be able to work with your prospect to get to the root of the issue, instead of taking it personally, shifting blame, or simply lowering the fee to avoid the entire situation.

Considered the collection industry's leading expert on sales, Marc Trezza has been providing sales management solutions to collection agencies since 1991. He can be contacted at either snctrezza@mindspring.com or (844) 465-3300.

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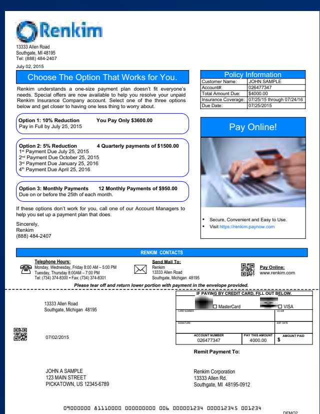
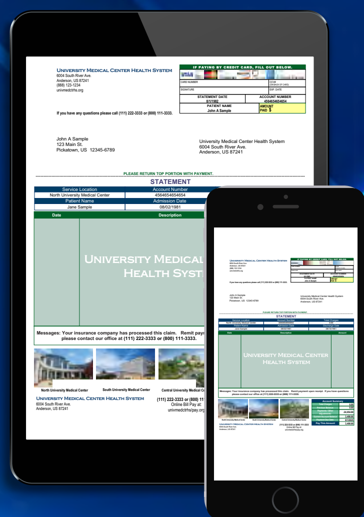


LETTERS AND STATEMENTS



eNOTICES AND eSTATEMENTS

ONLINE ARCHIVAL AND EBPP

Consultative approach with a focus on customer service.

AICPA SOC aicpa.org/soc — AICPA Service Organization Control Reports — Formerly SAS 70 Reports

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Providing Educational Opportunities is a Key Component of the Mission of a Trade Association. We are committed to assisting members with training issues, as well as coordinating professional skills development and training programs sponsored by ACA International. It is our goal to ensure that our Annual Conference brings together nationally recognized speakers and subject matter experts to present the most up-to-date information regarding the issues facing our members.

If you would like local area training, we can assist with that as well. We are here to assist our members in accessing the finest training available. We look forward to serving you.

Campus ACA is the umbrella organization for ACA International's diverse professional and educational certification programs for collectors and agencies. Some upcoming educational opportunities (partial list):

Date	Event	Location/Type
5/19	State Specifics for Collectors 2	Webinar
5/25	We Made It! So….Now What?	Webinar
6/10	Effective Performance Management	Webinar
6/17	Root Cause Analysis	Webinar
6/21	The 3 Pillars of Negotiation (Time, Info and Power)	Webinar
7/11-12	Understanding and Responding to the CFPB	Webinar
7/20-22/22	ACA International Annual Conference & Expo	Orlando
7/27	Data Reporting: Compliance & Operational Metrics	Webinar
8/18	State Specifics for Collectors	Webinar
10/10-12/22	SWCA Annual Conference & Expo	Irving, TX
Wednesdays	Don't Miss the Weekly "HUDDLE" With ACA Staff and invited guests	11a CT

For more information and a complete listing of these educational opportunities,
visit www.acainternational.org or contact the Education Department at 800-269-1607.

Please let us know how we can better serve your education and training needs!

Southwest Collectors Association (SWCA) Urges all members to remember:

Reg F went into effect on November 30, 2021 and ACA International has some great Reg F information at: https://www.acainternational.org/cfpb/reg-f

Bookmark this link and refer to it as often as needed.

ACA will continue to hold online meetings and the weekly Huddle to cover member issues. Watch for those opportunities! They will be helpful!

CollectPAC NEWS

This industry is certainly not for the faint of heart or anyone who is not open to adaptation. But if there is one thing that remains a constant, it is that legislators are continually trying to regulate, and often constrict our ability to operate our businesses. Reg F and Nevada's certified mail requirement are a few of the newest challenges we are facing. And then add the continual attacks from predatory plaintiff attorneys and we find ourselves constantly pivoting to dodge the attacks.

As we all have made varying degrees of a pivot in our business operations, we must also make a pivot regarding our PAC and our legislative efforts, both as an industry and as an association. This is not intended to be a political statement in favor of, or against either Democrats or Republicans. However, the control over the White House and both houses of Congress does give a strong foothold for those who have our industry in their legislative sights. And for this reason, we must pivot our legislative efforts to become more offensive, as opposed to defensive. Such a plan requires more financial contributions to the PAC and more communications to all legislators, not just our industry-friendly legislators. **It is critical that we all contribute to the PAC and then also voice our concerns to legislators**. If we don't, they most likely will not realize the potentially damaging effects of a bill's unintended consequences.

We desperately need everyone to consider giving, or to consider giving more if you've already made a contribution. For many of us, cash flow has been impaired due to COVID-19, but the likelihood of potentially-damaging legislation being introduced has increased.

The members noted below have already made a generous contribution to our CollectPAC fund. **But our fund is virtually out of money, so <u>PLEASE HELP us further our industry efforts by contributing to the PAC today</u>!**

2020 - 2021 MEMBER HONOR ROLL

$1,000+	$500+	$250+	$100+	$100+	$50+
Diamond	**Platinum**	**Gold**	**Silver**	**Silver**	**Bronze**
	Jessica & Scott Hearn		Greg Mason	Paul Nagy	Tom Morgan
	Stephanie Rifenberg			Barbara Garner	Laura Chapman

To reach our goal, we need support from every member! Please mail your **<u>personal</u> check** or **credit card** contribution to our Association office at 305 S Broadway, Suite 706, Tyler, Texas 75702. Even though it is not a secure transmission, you may also scan and email your credit card contributions to our association office at: info@texascollectors.com. **Please remember that PAC contributions cannot be made using a company check or credit card.**

Thank you for helping in our efforts to promote and protect our industry!

Greg Mason

Greg Mason
Chair, CollectPAC Trustees

American Collectors Association of Texas Political Action Committee
CollectPAC Contribution & Pledge Card

Member Contribution Levels

Diamond-$1,000 Platinum-$500 Gold-$250 Silver-$100 Bronze-$50

Add my name to CollectPAC's Honor Roll!

Name: ______________________ Agency: ______________________

Personal Check for $ __________ enclosed Charge $________ to my ___ Visa ___ MC ___ Am Ex

Name on card: ______________________ Card #: ______________________

Expiration date: __________ Security Code ________ Authorized signature: ______________________

For more information or to establish a monthly or quarterly payment schedule, contact Tom Morgan at 512-458-8666 or tmorgan@texascollectors.com **State law prohibits corporate checks.** Mail your check and this pledge card to: ACA of Texas CollectPAC, 305 South Broadway, Suite 706, Tyler, TX 75702

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- Conduct a 90-Day Quality of Hire Assessment. Did you make a quality hire? If not, is the potential there? If not, time to look for a replacement.

- Consider, the Zappos Pay-to-Quit Experiment. It's a bold move in which— after an initial training period—you offer candidates money to quit. If they aren't fully committed, do you still want them?

The 'Big Quit' or 'Great Resignation'

We are experiencing unprecedented rates of turnover. In my experience, the full cost of turnover it is roughly 1:1 at the mid-point salary (i.e., if the employee earns $50,000, the turnover costs are roughly $50,000). If the employee earns over the midpoint, the ratio increases, below it decreases. Remember, turnover is contagious.

Here are just some of the costs involved:

- Costs per employee/manager/HR
- Separation costs
- Vacancy costs (overtime, temps, etc.)
- Increased stress on remaining staff
- Cost of hiring a new employee
- Onboarding costs
- Training costs
- Soft costs (including client/customer dissatisfaction)

And, don't forget revenue equivalency. Remember this: every HR problem becomes a sales problem. How much revenue will you have to bring in to make up for that turnover cost? The ratio is conservatively 4:1—that $50,000 in turnover cost represents $200,000 in marginal replacement revenue. How many new clients, customers, patients, or projects does that represent?

Who is resigning?

- In the first 90 days, Gen Z employees tend to quit. They are new to the workforce and they are disoriented quickly. Many aren't exactly sure what they want to do.

- Employees between 30 and 45 years old have had the greatest increase in resignation rates. Especially in dual-income households with kids.

- In recent years, some 1.8 million women have left the workforce. How do you support working moms?

- Early retirees. Why not keep them on part-time, working in their highest capacity?

Why are they leaving?

- Poor onboarding experience
- More pay
- More flexibility
- Poor fit culturally
- Better career opportunities
- Changing career paths
- The boss
- Retirement

Money, money, money

Do you have a compensation philosophy? Do you pay at, below, or above mid-grade? How do you use incentives to create more skin in the game? Do you know the "market rate" for each position? Also, how are you using available funds to engage and incentivize employees effectively?

Hybrid work

Hybrid work is here to stay. The good news is it opens you up to job candidates from anywhere! Some thoughts on managing the remote workers to keep them engaged:

- Flexibility is the buzzword. The shift is to focus on results, not activities.

- Wage and hour laws—make sure they have a good app for clocking in/out, including meal periods.

- Safety—the home office is an extension of your workplace. Is it safe? A worker's compensation case was filed because a worker tripped on her carpet on the way from her desk to the bathroom.

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- Security—remote workers are a significant cyber liability threat. Make sure they are following all the protocols. If they work on sensitive matters, is there physical security of the home, equipment, etc.?

- Staying in touch—you must reach out to your employees at least once per week for one-on-one meetings. Send handwritten notes to them and gift cards too.

- Proper equipment—make sure they have a good chair, keyboard, desk, monitor, Zoom equipment, etc.

- Encourage them to come into the office at least one or two days per week.

- Try to have all remote workers meet in person at least every six months.

Growth opportunities

Just what are the growth opportunities?

- Career planning—what's next? Is there a plan for it that involves any gap training?

- Do you provide career ladders?

- Don't let titles get in the way of career advancement.

- Have they been assigned a mentor? Coach?

Employee branding

Everything you've learned about business branding applies to your employee branding.

- Website—look at how Great Places to Work winners have branded the work experience.

- Clothing—have employee contests to create logos, slogans, etc. Make sure it is cool enough that they are willing to wear it outside of work.

- Building—your workplace tells a story. What is it? Use posters, quotes, whiteboards, and other tools to help visualize your brand.

- Home office—send some posters and other swag to help them stay visually connected to your office.

What employers are doing

According to my research and experience, employers are:

- Providing pay hikes equal to new market rates.

- Surveying employees to find out what they want/need.

- Delegating as a way manage workloads. It also provides growth opportunities for others.

- Doubling down on culture and inclusion. This must start at the top.

- Selling employees on career opportunities. Can they see the long-term opportunity of working with you?

- Recruiting wider, especially for remote or younger employees.

- Creating a fun/engagement committee.

- Making good use of social media.

- Focusing on pay for performance initiatives.

Don Phin is an employment lawyer, trainer, speaker and coach. He is the editor of Employment Practices Liability Consultant (EPLiC) published by IRMI. For more information, including retention tools that can help you implement many of the actions outlined in this article, email don@donphin.com. You also can find additional free tools at www.donphin.com/free-tools/.

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about having some portion of collections operations conducted from home. This creates opportunities to hire remote staff in a wide range of states. Be certain to check with experts like Cornerstone (https://cornerstonesupport.com/) about any licensing, bonding or registration requirements that may come along with having employees in new locations.

5) **Expect enforcement and supervision.** If and as the day comes when you receive a regulator's supervision or investigation request, including a civil investigative demand from a state regulator or law enforcer or the FTC or CFPB, review it carefully and familiarize yourself with all of the procedural instructions related to it. Take any and every deadline seriously and be sure to schedule a time to meet and confer with the regulator or law enforcer to verify all of your interpretations of each component of any request. If necessary, evaluate exactly what will be involved in responding to any law enforcers or regulator's requests and assess what time and resources will be involved in gathering all the information the law enforcer or regulator is requesting. If you are able to document your challenges, system constraints, and other demonstrable burdens, consider whether you want to request an extension on some of the key deadlines and document and submit that request.

A side note, if email is your system of record for tracking and communicating about your compliance challenges it is important to understand that it may be subject to supervisory or enforcement review and a database or software application for tracking all of your key compliance activities may ultimately prove to be a less burdensome way to not only keep an eye on all your compliance but to demonstrate it to a regulator.

Our sincere thanks to both Clark Hill, PLC and Cornerstone Support for their permission to reprint this important article for our readers. Joann can be contacted at jneedleman@clarkhill.com and Leslie's email is lbender@clarkhill.com.

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opportunities, however, collectors in the healthcare space were able to find some success thanks to increased recovery levels on a debtor-by-debtor basis.

Going into 2022, collectors in the healthcare space face serious headwinds on the regulatory front. States such as Nevada and Colorado have taken, or are in the process of taking, action to limit collection agencies and their healthcare provider clients from recovering medical debt.[2] Furthermore, the major credit reporting agencies – Experian, TransUnion, and Equifax – are making major changes to their rules and processes regarding medical debt collections, including increasing the amount of time before unpaid medical debts can appear on consumer credit reports.[3] These could significantly hamper healthcare collection agencies' recovery efforts and impact their bottom lines.

Those headwinds should be at least somewhat offset by growing bad debt levels, however. Kaulkin Ginsberg expects that bad debt levels will rise to $60.9 billion in 2022 as booster vaccination rates rise and COVID-19 becomes endemic. In the long term, Kaulkin Ginsberg projects an average annual growth rate in total healthcare bad debt of 3.8% to $65.2 billion in 2024. Provided that medical collections are not legislated out of existence, placement levels should normalize and begin to rise in tandem with bad debt, leading to increased business opportunities for ARM companies in the healthcare space.

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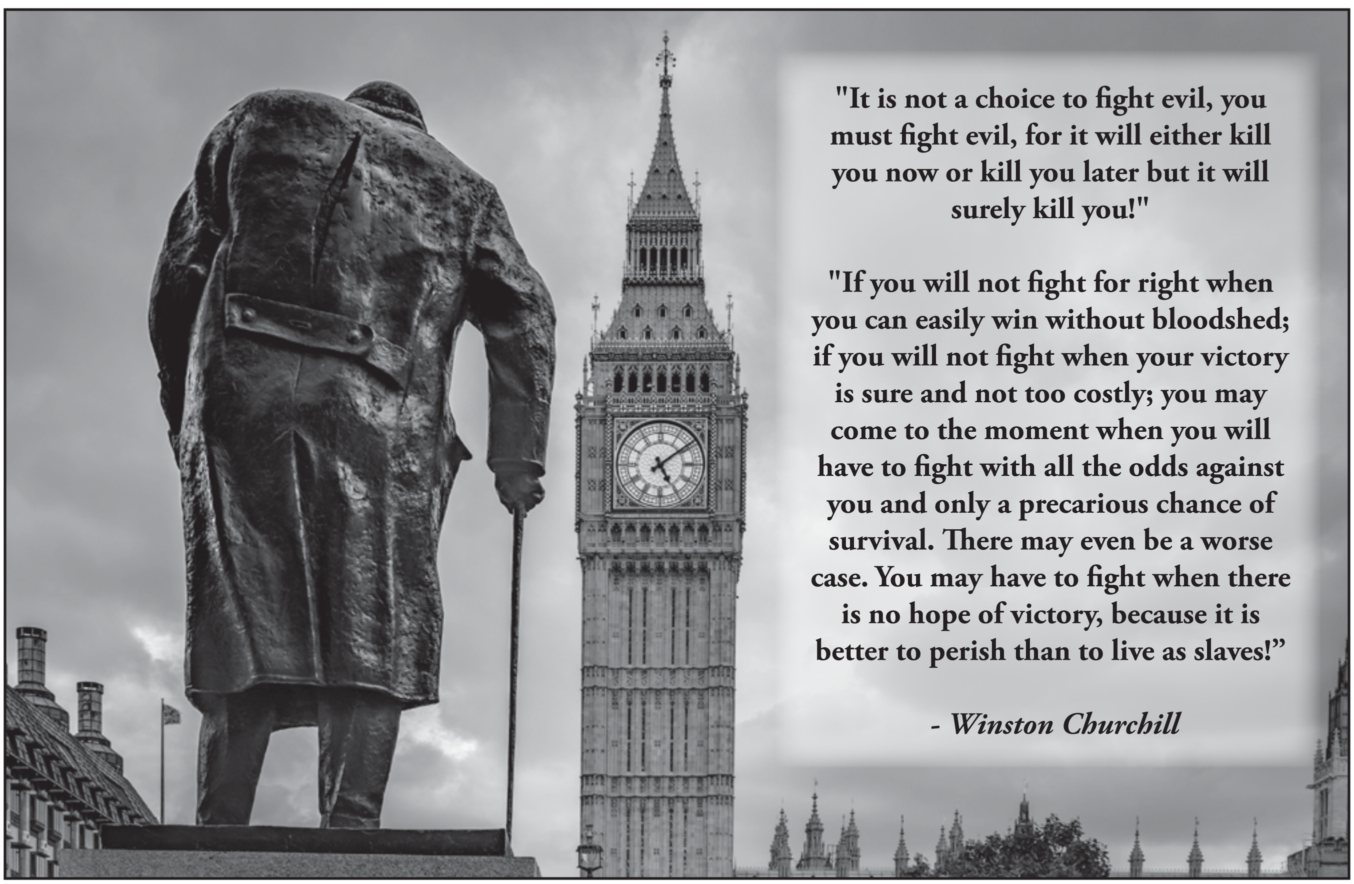

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We Need Your

HELP

Help us keep our membership records current so that you receive the most up-to-date information possible. This will become especially important during the upcoming year. Contact tmorgan@texascollectors.com or call 903-530-4040 with updated mailing and e-mail addresses and phone numbers. Also, be sure to send us your website address for posting to **www.acaoftexas.org**.

Index to Advertisers

Membership Event Postings

The SWCA Southwest Collector Connector will post member announcements for anniversaries, birthdays, graduations, weddings or other significant events that occur in the lives of our members. Since this is a quarterly publication, the announcements can be in the recent past or in the future.

Please send all announcements to tmorgan@texascollectors.com and, if possible, they will be published in the next issue to be published. Include your name and a contact phone number.

Letters to the Editor

Letters [or emails] to the Editor are welcome but must be signed, please include full name and address. Not all letters can be published. Letters that are published may be edited for space, brevity, clarity and other editorial considerations.

We look forward to your constructive criticism; let us know if there is anything in particular you would like to see us address. We appreciate the opportunity to hear from our readers.

Unfortunately, there are no letters this quarter.