

BETTER STARTS HERE

Better Together

by Scott Purcell – *President/COO*

"Better Together." That's important to us at Professional Credit Service (PCS). It's how we see our relationship with you, our clients. We've created this newsletter to give you insight to "why" the people at PCS are so passionate about serving you – and your consumers.



We're all human. We know your role in helping your organization's Mission and Vision become reality – and we at PCS support you in fulfilling that. We know you need a collection agency you can trust – dependable people you can rely on.

We know that trust in PCS has two components. One is treating your consumers' with respect and with a problem-solving attitude. The other is ensuring the greatest monetary recovery of your delinquent accounts. We don't believe in "either or" thinking. We are fully committed to treating your consumers with respect AND we're all business when it comes to maximizing liquidation of your delinquent accounts.

Why? Solving financial problems is one of the most stressful items in our human existence. At PCS it's a privilege to exercise our skills to serve your consumers in resolving their financial obligations. It's also a privilege to partner with you to ensure you're getting the maximum recovery on all amounts owed to you – restoring integrity to the whole process.

How? The Hawes Financial Group tag-line: Better Science, Better People, Better Results, Better World, sums it up. We have a dynamic Behavioral Science group that studies and teaches how to ensure effective communication. We have a strong Decision Science group that has created scoring methods to help ensure we're talking to the consumers that can pay. We use Lean Management Practices as a way of creating robust employee engagement and efficient operations. We embrace regulation to ensure we're consistently acting according to our societal agreements.

All of these things together, and more – help us accomplish one goal:

Passionately helping you fulfill your responsibilities – providing you confidence in a partner who cares about what's important to you!

The purpose of this newsletter is to help foster even more robust communication between us as people. We welcome your questions, feedback, and look forward to working together creating even Better Results!

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Healthcare Update



MEDICAID EXPANSION: WHAT IT MEANS TO HEALTHCARE COLLECTIONS

Written by Lisa Kirk, *Director of Business Development*

Under the Affordable Care Act (ACA), states will receive federal funding to expand their Medicaid program to cover adults under 65 with income up

to 138% of the federal poverty level. Historically, Medicaid had gaps in coverage for adults because eligibility was restricted to specific categories of low-income individuals. In most states, adults without dependent children were ineligible for Medicaid, regardless of their income, and income limits for parents were very low – often below half the poverty level, according to the Kaiser Family Foundation⁽¹⁾.

In states that did not expand Medicaid, there continues to be a gap in coverage for residents who are truly unable to pay for their healthcare. In states that have not expanded Medicaid little change in bad debt is expected. Of the nine western states where the Hawes Financial Group (HFG) targets its marketing and sales efforts, three states have not expanded Medicaid (AK, ID and UT).

We believe that the expansion of Medicaid will improve the liquidation of accounts referred

to the HFG Companies. Patients who formerly fell in this coverage gap were typically those without a means to pay for care and were noncollectable. These patients should now have coverage through the expansion.

According to an article titled, '50 Reasons Medicaid expansion is Good For Your State' by Jane Perkins, Medicaid Expansion could reduce the growing role of health debt as a cause of personal bankruptcy. Medical debt factored into fully 62% of bankruptcies in 2007; up from 46% of bankruptcies in 2001.⁽²⁾ Medicaid expansion may also have a positive effect on healthcare collections because there is now focus on collecting from those who have the means but are unwilling to pay.

Health care listings from Medicaid Expansion states (AZ, CA, HI, NV, OR, WA) are expected to grow, not from Medicaid expansion, but rather from high deductible plans that patients choose via the healthcare exchanges. HealthFirst clients note patients who elect the lower-tiered "bronze" plan, not realizing the high-deductibles that are associated with it, are caught off-guard, and unable to pay the balance after insurance is used.

1. Kaiser Family Foundation Medicaid Fact Sheet www.kff.org
2. 50 Reasons Medicaid Expansion Is Good For Your State. By: Jane Perkins - August 01, 2012
<http://www.healthlaw.org/publications/50-reasons-medicaid-expansion-is-good-for-your-state#.VluJY6LTVMs>



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Make 2015 Magical: Choose to "Be Present"

By Jeff Johnson, Chief Marketing Officer

A dear friend of mine recently applied for her dream job. As each interview came, she prepared for that meeting and approached it with enthusiasm and cautiousness, doing her best to focus only on the questions and the moment at hand. After the 7th interview she grew more confident that the position would be hers (*after all, she had interviewed with about every executive in the company and each one had passed her up the channel with glowing recommendations*). She had a final interview scheduled with the CEO of the company. The night before the interview she spent her time dreaming about what she would be doing in the new position, how she would lead the people she would be over, and what it would be like having the new title and responsibilities. The day of the last interview arrived and she entered the CEO's office with great excitement of how her life would soon be changing. The interview with the CEO was a little rocky, but she felt that with all of the other executives supporting her, she would be offered the position.

After a week's wait, the call from the HR Manager finally came informing her that the CEO decided against hiring her. She was devastated! What had gone wrong?!

She called me needing to process. I asked her what had occurred in the interview with the CEO that was different from her previous interviews. She paused for a moment and responded, *"I think I got ahead of myself. For all of the other interviews I showed up just focused on that meeting. I had already put myself in the position before that final interview and I wasn't really present in that moment."*



How many times are we 'not present' at key decision moments in our lives?

Our ability to BE PRESENT in these moments is what helps us reach our goals and dreams. Don't get me wrong...it is critical that we have goals and understand where we are going. However, our ability to BE PRESENT in daily moments is critical to us reaching our final destinations.

In Corporate America today, it is no surprise the challenge of BEING PRESENT has become increasingly more difficult. With technology connecting us to endless communications and infinite information hitting us at every turn, it is easy to become distracted from what matters most in the moment.

So, what does it mean to 'BE PRESENT'? To truly BE PRESENT we must be in the moment!

To accomplish this try the following:

- **Stop!** Give the situation / person 100% of your attention
- **Stop!** Recognize the needs / listen to the needs being expressed
- **Stop!** Evaluate the emotional impact / listen to the emotions present at that time
- **Stop!** Put yourself into that role / place yourself in that person's shoes

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Make 2015 Magical: Choose to "Be Present"

Continued...

I've personally witnessed the power behind BEING PRESENT.

I had a supervisor who was as tough as nails. She was one who would take any project and drive it through to completion. I had given her an important project to work on.

After several weeks, she entered my office asking if she could share what she had completed. I invited her in and asked her to begin. While she was speaking I noticed some emails from key individuals pop up on my computer and I glanced away to check to see if they were urgent. I would then turn back to her and pretend like I hadn't checked out by saying, "Uh huh, please continue." I then received a text message from a key client and I glanced at that only to eventually return my attention to her project presentation.

After several interruptions, I stopped and considered just how disrespectful I was being.

So I asked her to stop. I picked up my phone and turned it off. I reached for my computer screen and turned it off as well. Then I spun towards her and said, "I'm so sorry for not BEING PRESENT. Will you please start over?"

The strangest thing happened at that moment. This tough individual got tears in her eyes. She had worked so hard on the project and it meant the world to her that I would stop and give her my full attention. BEING PRESENT in that moment created an instant trust between us that is still shared today.

In our rush to streamline processes for the sake of improving the bottom line of our businesses, we cannot afford to discount the power and value behind the positive choice to BE PRESENT in key moments.

To help us with this focus, here are some additional tips:

- ▶ **Turn off the cell phone / smart phone!**
- ▶ **Focus on the moment. Multi-tasking doesn't exist...when we are thinking about multiple things we cannot truly BE PRESENT in the moment.**
- ▶ **Don't pick up the phone or hold a meeting when you don't have time to be completely engaged.**
- ▶ **Give yourself a gift. As busy as our lives get, if we choose to BE PRESENT, then for that moment nothing else matters...just that moment.**



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Keeping up with (The Joneses) Technology



Written by Buz Mattson,
Hawes Financial Group, General Counsel

Keeping up with technology at the Hawes Financial Group Companies means working with customers, patients and clients in a manner that is transparent, honest and open. PCS and the HFG Companies embrace this concept in our relationships with you, our clients as well as your customers, patients, and clients that we are privileged to work with. The concepts of transparency, honesty and openness are also embodied in certain consumer protection laws, especially the federal Fair Debt Collection Practices Act (FDCPA) and the Telephone Consumer Protection Act (TCPA).

However, these laws were enacted during a time when a cell phone resembled a brick and email was a concept from George Orwell's - 1984. The TCPA contemplated telephone dialers as machines that randomly or sequentially generated phone

numbers and then called those phone numbers without intervention of the manual operator. Those dialers were considered a nuisance and a threat to public safety. The dialers of today no longer rely, for the most part, on random and sequential number generators. To keep up with the change in technology; the FCC chose to reinterpret the TCPA dialer definition. The FCC's expansive definition of automatic telephone dialing system under the TCPA has left the collection industry and countless other industries exposed to TCPA liability that was clearly not contemplated nor intended by Congress.

Getting these laws amended to comply with modern technology and its capabilities will be nearly impossible through the present Congress. Each of the laws supports that when businesses and consumers communicate in a transparent manner, consumers must consent to the use of these new technologies in their future relationships.

We suggest that each of our clients put the following paragraph into their consumer contracts, patient information forms and treatment consent forms.

"I give permission to this office, its successors and assigns, to call any cell phone owned or otherwise provided by me, whether that call is dialed manually or by an automatic dialer. Further I give permission to this office, its successors and assigns, to leave a message which includes the company name on my voice-mail including home and cell phone numbers. In addition, I give permission to this office, its successors and assigns, to email me at the email address provided by me or my spouse."

We hope this small amendment to your contracts, consent forms and whatever other documents you use with your patients and customers is helpful. **As always, we are here to serve your needs and if there is anything we can help you with, please do not hesitate to let us know.**



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The Lean Program Principles at Professional Credit Service

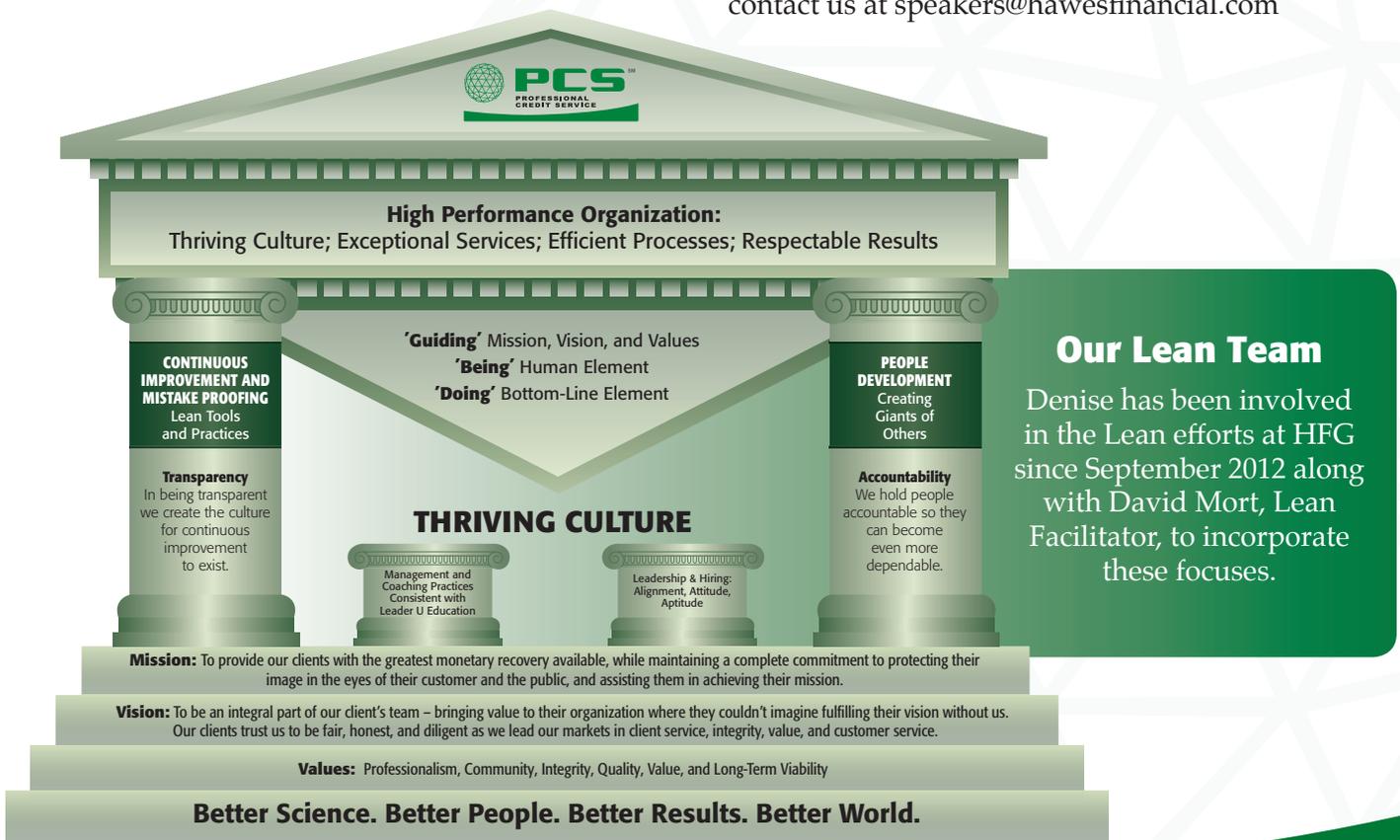
Denise Jubber, LPC, is the Director of Behavioral Science of Hawes Financial Group. Denise is a certified Allenbaugh™ Performance Coach & Trainer with expertise in organizational behavior and psychological principles. She has been a partner in coaching the Lean transformation journey at Hawes Financial Group by maximizing her influence and using Lean principles to gain buy-in across the organization. Lean is a tool used to increase efficiency, and customer service, through a model that incorporates the twin pillars of Continuous Improvement and Respect. The Lean Program at HFG companies began in the fall of 2012 after the introduction of the concept in 2011. These concepts are renowned for their ability to engage employees and create customer satisfaction.

Continuous Improvement and Respect are core values of HFG, which makes Lean a good fit as our efficiency tool and an employee engagement

tool. From the beginning, the program has been championed by executive leadership, which further embeds it into the HFG culture. As a high performance organization, our goal is to provide a thriving culture: exceptional services for our clients and how we treat their consumers.

Respect for people is equally as important in Lean Thinking as continuous improvement. HFG has dedicated staff members who partner with leaders throughout HFG in the Lean Program. HFG's President & COO, Scott Purcell and Director of Behavioral Science, Denise Jubber presented at the Washington State Lean Conference in mid-October entitled; "Bridging the relational gap with Lean: How to increase your organizational influence up, down, and sideways."

If you are interested in them presenting this workshop to your event or organization, please contact us at speakers@hawesfinancial.com



Client Services Update

New Client Tools Release



Written by Jeff Rodriguez, Client Services Manager

Account management is about to become an easier process for Professional Credit Service clients. **PCS is proud to announce the new Client Tools release is coming soon!** Existing and new users alike will appreciate the sleek and easy-to-navigate layout. The new design is geared to be as user-friendly and intuitive as possible, drawing inspiration from client feedback and current design trends.

“For nearly 10 years, Professional Credit Service has offered complete transparency and remarkable account maintenance for clients through our proprietary and secure on-line Client Tools. Thanks to the feedback from our incredible clients, we have added amazing new features and designed our latest version to exceed anything found on the market. It is exciting to partner with our customers to create something as unique and powerful as the New PCS Client Tools.” – Jeff Johnson, CMO

Among its new features, Client Tools has made significant improvements to how clients communicate, manage accounts, receive reports and updates, and maintain users.

Communication

There is a new look and feel to our secure email which now boasts message threading and archiving, allowing clients to sort and organize their emails with PCS and HeRO. In addition to secured email, the new Client Chat feature connects you to our Client Services team and guarantees immediate responses to client inquiries during business hours.

Robust Reporting

A variety of useful reporting will be available on-line 24/7. Clients may also log in and select criteria for custom reporting.

Account Management

Clients will continue to have access to view activity and manage their accounts through Client Tools while easily managing information requests through new Work Queues that provide the ability work and download requested information into Excel spreadsheets.

Administration

Clients will still have the ability to manage their internal user access to control and modify new and existing employee accounts, but new security levels have been added to further protect client account information.

This is just a brief overview of the new features and benefits. Please contact the PCS or HeRO Client Services team to schedule training for your staff or look for emails with a list of scheduled on-line training opportunities.

As always, we appreciate your partnership and hope you will enjoy the new Client Tools.



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Successful Renewal of Professional Credit Service's PPMS Certificate from ACA

Professional Credit Service (PCS) recently received their certificate for their successful renewal to Professional Practices Management System (PPMS) from ACA International (ACA). PCS has held PPMS certification since 2008.

The certification renewal requires PCS to have an independent CPA perform an engagement to confirm compliance with the standards.

There are 18 basic elements within PPMS that are reviewed; these include such topics as Management System, Document & Data Control, Data Identification & Traceability, and Training. Each one of these requirements has a compliance check element to them.

Some of the compliance checks are annual or a month-to-month analysis. The analysis includes topics such as: customer feedback, trends from internal audit feedback, and new industry requirements.

These strict standards require a "corrective action program" to effectively handle complaints and other non-conformances. A corrective action is designed for each major non-conformance to eliminate or solve complaints going forward. Likewise, continuous improvement projects are also logged and reported. This compliance program works well at strengthening the PCS culture of both transparency and accountability for the benefit of our employees and clients.



PCS proved that it surpassed all the requirements including audit and compliance, to achieve their certificate for renewal for PPMS, which is good through December 1, 2015.



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