

Medical collections attorney talks trends

The growth of so-called consumer directed healthcare has an important impact on healthcare collectors, says a Chicago-based collection attorney.

“People have a lower percentage of their accounts covered by insurance,” says Arnie Harris, president of Harris & Harris, a firm that employs 200 collectors. “It used to be that self-pay was no-pay. Now self-pay is critical to a hospital’s bottom line,” he says. “Collections are that much more important.”

Harris & Harris works the full hospital revenue cycle, occasionally sending in its own employees to increase collections at the front desk prior to service. It also collects from insurance companies and scores accounts for hospitals to determine the most likely payers.

But the rise in self-pay doesn’t mean that hospitals are getting more aggressive on collections. Suing debtors, for instance, has become increasingly rare in Illinois for the last five years, says Harris.

The bad press, combined with pressure from a powerful union, made hospitals shy away from filing lawsuits. “It certainly reduces recovery rates by a couple of percentage points,” says Harris. “But you have to be responsible to what your clients want you to do.” Most collection attorneys avoided body attachments anyway, he says.

The rise in self-pay accounts may also mean an opening up of the medical debt sales market.

Harris, whose firm represents around 50 Illinois hospitals and which buys medical debt, says hospitals are more likely to sell to an existing partner than put a portfolio on the open market. “It’s very slowly starting to happen,” he says.

Harris & Harris
represents three of
the nation’s ten
largest healthcare
providers, over 40
Chicago-area
hospitals and serves
large healthcare
providers
nationwide.



REVENUE RECOVERY | ANALYTICS | ATTORNEYS

Harris & Harris, Ltd., 222 Merchandise Mart Plaza, Suite 1900, Chicago, IL 60654 P: 312.423.7421 or 866.781.4538 HarrisCollect.com