

# Five Steps

to a High Performance Estate Recovery Strategy

Prepared for:  
Maine Chapter of HFMA



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## Agenda


**Introductions**

**Survey**

**The Five Steps**

- Step 1: Identifying the Trends
- Step 2: Understanding the Implications
- Step 3: Developing a Strategy
- Step 4: Applying the Solution
- Step 5: Learning from Others

**Q&A**



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## Introductions

**Forte**

- Technology company focused on developing data-driven estate recovery solutions
- Serves many of the world's largest organizations
  - 16 Fortune® 500 clients
  - 8 of the 10 largest credit card issuers
  - 5 of the nation's largest healthcare organizations
  - 6 of the 10 largest auto finance companies
- More than a decade of experience



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**Introductions**

**Forte's Speakers**

**Angela Horn, Vice President & Assistant General Counsel**

- An expert in probate law and creditors' rights
- Member of the American Bar Association's Estate and Trust Division
- JD from Lewis and Clark University

**Ron Michalak, Vice President of Marketing**

- Develops and executes Forte's marketing strategies and partnerships
- Experience includes IBM/Internet Security Systems, Coopers & Lybrand, BellSouth and Arthur Andersen
- MBA from the Kellogg Graduate School of Management

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**Introductions**

**Objective**

Gain an understanding of how the probate recovery process can be used to collect on deceased patient accounts while protecting your organization's reputation and relationships.

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**Probate recovery survey**

**1. What does your organization currently do with its deceased patient accounts?**

- A. Nothing/Write them off
- B. Use internal resources to try to collect
- C. Outsource to a collection agency
- D. Outsource to an attorney

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**Probate recovery survey**

**2. What is the biggest challenge you face in dealing with deceased patient accounts?**

- A. Lack a strategy to deal with this type of account
- B. Lack the expertise to deal with this type of account
- C. Resource constraints
- D. PR/community relations concerns

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**Probate recovery survey**

**3. Do you currently look for probated estates?**

- A. Yes
- B. No

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**Identifying the Trends**

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## Understanding the Implications



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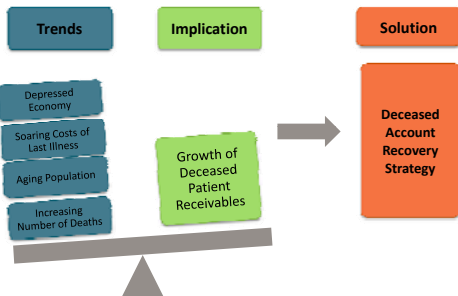
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### Growth of deceased patient receivables



**Trends**

- Depressed Economy
- Soaring Costs of Last Illness
- Aging Population
- Increasing Number of Deaths

**Implication**

Growth of Deceased Patient Receivables

**Solution**

Deceased Account Recovery Strategy

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### Organizations lack a deceased account recovery strategy

From surveys taken at the 2009 and 2010 HFMA ANI Conferences, the top reasons healthcare organization do not pursue deceased account recoveries are:

- Lack a deceased account recovery strategy (90%)
- Lack of knowledge and expertise (75%)
- Concerns about community relations (9%)
- Lack of resources (9%)
- Time constraints (4%)
- Others (3%)

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## Developing a Strategy



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### Why probate is the effective solution

**Probate**

- A 200-year old legal process
- Used to settle a person's final debts and transfer property
- Necessary whenever a decedent leaves titled assets in his or her name



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### How probate helps your organization

**Benefits of probate**

- Most effective, survivor-sensitive recovery method
- Eliminates unnecessary contact with surviving families, preserving your reputation
- Recovery stream that is often ignored, yet represents a new revenue opportunity



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### How probate helps your organization

**Key requirements**

- Creditors must present their claims in a timely manner
- Creditors must adhere to court-approved procedures and legal forms



*Claim presentation preserves a creditor's rights to payment*

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### Why finding probated estates is a challenge

**No uniformity**


- No national standard
- 3,450+ county courts

**Difficult to find**

- No central database
- 15% opened elsewhere
- Can take three years to open

**Expensive to search**

- Up to \$35 each
- Multiple searches
- Labor intensive



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### Why finding probated estates is a challenge

**Filing is time-sensitive**

- Uncollectible risk
- As little as 60 days

**Filing is complicated**

- Processes determined by county
- County determines specifications for
  - Filing fees
  - Claim forms
  - Filing deadlines

**20,000+ variables to manage**



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## Applying the Solution




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### What are the processes associated with probate recovery?

**Historical Approach**

Patient Receivables → Self-Pay & Insurance → Medicare & Medicaid → Internal Collections → 3<sup>rd</sup> Party Collections → Deceased Accounts Identified → Collect, Write-off or Reactively File Claims

**Probate Recovery Strategy**

Patient Receivables → Deceased Accounts Identified → Probed Estates → Probed Estate Searches → Probed Estate Matches → Bankruptcy Matches → Matches Verified → Reactive Searches → Claim Filing → Claim Filing Rules → Claim Filing Forms → Filing Fees → Claim Preparation / Mailing → Claim Settlement



23

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### How do I implement a probate recovery strategy?

	Attorney / Agency	In-House	In-House with Web-based Application
<b>Operational Management</b>			
Process Ownership		✓	✓
Human Resource Optimization	✓		✓
Best Practices & Knowledge Transfer	✓		✓
<b>Financial Management</b>			
Cost Control		✓	✓
Economies of Scale (Finding/Filing)			✓
Recovery Performance	✓		✓
<b>Strategy/Risk Management</b>			
Community Relationship Management		✓	✓
Focus on Core Business	✓		✓
Speed to Implementation			✓



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# Learning from Others



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## Case Study: Top Five Hospital System

**Background**


- Reactive approach to identifying deceased and probate accounts
- No formal deceased collection process, resulting in increased reputational risk
- Filed fewer than 200 claims per year

**Solutions**

- Worked with Forte to implement a proactive deceased account recovery strategy
- Integrated national date-of-death and probated estate solutions into existing processes
- Automated claim preparation and claim filing processes
- Implemented capability to include multiple patient accounts on a single claim

**Results**

- Increased claim filings to 2,500 per year
- Realized a \$4 million annual probate recovery opportunity
- Mitigated reputational risk while substantially increasing collections



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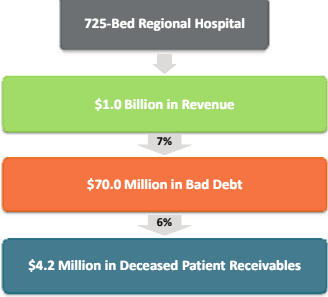
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## This could be you



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graph TD; A[725-Bed Regional Hospital] --> B[$1.0 Billion in Revenue]; B -- 7% --> C[$70.0 Million in Bad Debt]; C -- 6% --> D[$4.2 Million in Deceased Patient Receivables]
```



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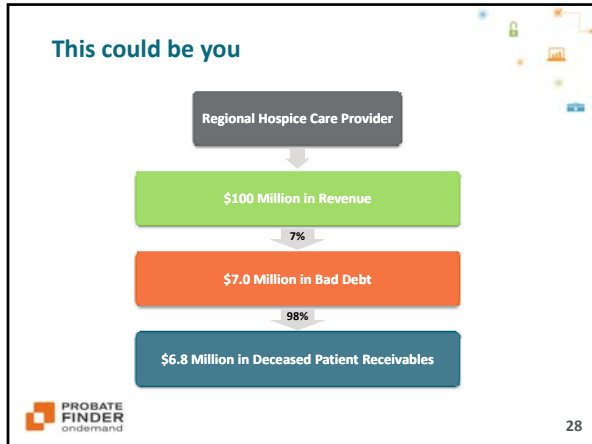
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Probate Finder OnDemand™

For more information,  
Please visit us at [www.probatefinder.com](http://www.probatefinder.com)  
or contact our Sales Team at 1-888-423-0522

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**Appendix:**  
Product Overview




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**Introducing Probate Finder OnDemand™**

We make it easy for you to find more estates, file more claims and increase your recoveries.



- Web-based workflow solution
- 3+ million estate records
- 3,450+ courts covered
- ISO-27001 certified
- Easy to use and secure
- Online help and support



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**Probate Finder OnDemand Successes**

**Top Three Senior Living Organization**


- **Background:** 300 locations in 22 states; reactively pursued deceased account recovery through internal means
- **Solution:** Probate Finder OnDemand
- **Results:** Staff of six redeployed to work live patient accounts

**Regional Oncology Group**

- **Background:** Eight facilities in the Southwest U.S.; no deceased account recovery strategy
- **Solution:** Probate Finder OnDemand
- **Results:** Captured new recovery stream; gained access to deceased recovery best practices and expertise

**Regional Financial Institution**

- **Background:** \$8 billion bank with 190 locations in the Southeast; pursued deceased account recoveries using in-house and third-party resources
- **Solution:** Probate Finder OnDemand
- **Results:** Leveraged automation to reduce 100+ employee workforce to one employee working 15 hours per week filing claims



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