

, , 2023

Dear :

My name is , and I am a member of ACA International, the Association of Credit and Collection Professionals (ACA), and the with .

I am writing to ask you to consider our association's concerns regarding the Consumer Financial Protection Bureau's recent actions, as well as how they impact my agency, consumers, patients and health care providers we work with.

ACA International continues to advocate on the unintended consequences of limiting medical debt credit reporting with legislators and regulators.

ACA International serves as the leading trade association for credit and collection professionals. ACA represents 1,800 members, including credit grantors, third-party collection agencies, asset buyers, attorneys and vendor affiliates in an industry that employs approximately 130,000 employees.

Unfortunately, in recent months the CFPB has advanced unfounded allegations against the accounts receivable management (ARM) industry, an industry comprised of highly regulated professionals like me who serve the vital role of helping consumers resolve their outstanding medical debts.

The bureau's stated objective is to completely remove any reference to outstanding medical debts from all credit reports. This goal, if achieved, will result in negative consequences for patients for many reasons, including potential resources challenges resulting from bills not being paid by consumers that can pay them.

Insights from Our Trade Association

Regarding the CFPB's recent actions, ACA International fully supports the bureau's goal of keeping overdue medical bills—bills that should have been paid by insurance companies—off of consumers' credit reports.

These actions have not included the input from stakeholders and other agencies that work with consumers and provider clients on resolving medical debts.

Credit reports that do not account for financial obligations, including past-due medical bills, increase the chance of future credit grantors extending credit that a consumer cannot afford.

Here is an overview of several unintended consequences caused by these actions, particularly as health care providers are already grappling with reduced revenues and increased patient demand.

- Changing the time period for credit reporting from six months to one year will cause consumers to miss insurance deadlines.
- Setting an arbitrary threshold for debt will harm the smallest medical providers and limit access to care, especially in rural and underserved areas. There are more than 20,000 small-provider clinics in the U.S. that are now put at a disadvantage over larger systems and less likely to be able to shoulder the cash flow reductions as a result of these changes to medical debt credit reporting.
- Health care providers may choose to charge cash up-front for co-pays and deductibles to mitigate the financial harm from the bureau's actions, which will reduce access to care for the most vulnerable consumers and patients in our communities.
- Regulations and policy already mitigate the issues the bureau is trying to solve, such as the U.S. Department of Treasury's and Internal Revenue Service's 501 (r) rules, which already address medical debt and credit reporting.
- This is a slippery slope for credit providers who will not have the correct information about consumer obligations and a full credit profile. Singling out the medical community because consumers may not have planned for medical bills is unfair. Medical providers should not alone shoulder the burden of unplanned expenses, while many other professions that provide services related to unplanned circumstances (e.g. plumbers and attorneys) can still use the credit reporting system.

This is of course harmful to all medical providers throughout the country and those we work with, and in the end, all consumers. The reason it is so harmful is that Americans pay roughly \$480 billion each year in copays and deductibles. The CFPB's actions now put \$480 billion in annual payments to already financially-strapped health care providers at very serious risk.

ACA has informed its members that it remains engaged in talks with policymakers in an effort to address their concerns regarding these changes in medical debt credit reporting.

Additional Perspective from Third-Party Debt Collectors

From my perspective as a member advocate and one personally concerned about the impact of the CFPB's actions on businesses, patients and health care providers, the goal is to arrive at processes that don't put health care providers at risk of financial harm or even collapse.

We will continue to advocate for positions that better balance the concerns of the medical providers who provided care with the expectation of getting paid with those of patients who do want to resolve outstanding medical debts, as well as with regulators and consumer advocates.

I support ACA's ask in September 2022 that Congress begin immediate work with the CFPB to ensure that it takes a step back from its current approach to implementing changes to medical debt credit reporting.

ACA has shared some additional information in the form of [FAQs](#) on some of the key issues on this topic and you can reference the September [letter](#) to members of Congress with more information on the concerns I mention.

Notably, ACA member companies that work in medical debt collections are committed to providing valuable account management resources to many health care providers, including in rural and urban communities that would not be able to continue without their support.

As part of that commitment, ACA staff and members were part of the Healthcare Financial Management Association Medical Accounts Receivable Resolution Task Force, which included consumer groups, that reconvened in 2020 to update best practices for the fair resolution of patients' medical bills.

These best practices put even stronger guardrails around the credit reporting process. The report from the HFMA and ACA is available [here](#).

Thank you for addressing our concerns.

Sincerely,
