

_____, _____, 2023

Mr. Mark Begor
Equifax
1550 Peachtree St. N.W.
Atlanta, GA 30309

Mr. Brian Cassin
Experian
475 Anton Blvd.
Costa Mesa, CA 92626

Mr. Chris Cartwright
TransUnion
555 West Adams St.
Chicago, IL 60661

Dear Mr. Begor, Mr. Cassin, and Mr. Cartwright:

My name is _____, and I am _____ with _____. In this letter I represent _____ from the perspective of our accounts receivable team and as a client of _____, which is a member of ACA International, the Association of Credit and Collection Professionals (ACA).

I am writing to express our facility's serious concerns regarding the consequences of your decision to change the timeframe for including unpaid consumer debt on a credit report and to not include certain unpaid debt owed to medical providers and tell you how they impact our receivables operations—which directly impact our financial model and therefore the patients we are here to serve.

We support the goal to not have a consumer's credit report include bills that should have been paid by insurance companies. However, Equifax, Experian, and TransUnion's (CRAs) actions are a misdirect from addressing the real issues surrounding medical debt. We know it was said publicly by U.S. Sen. Sherrod Brown, D-Ohio, that the Consumer Financial Protection Bureau exerted pressure to take this action. If that is true, it should have been discussed with all stakeholders, followed the Administrative Procedure Act, and been part of a rulemaking process. There is a false narrative that this is not legitimate debt but, as you are aware, the Fair Credit Reporting Act and other consumer protection laws would make it very unlikely that illegitimate debt would be included on a consumer's credit report, and there is a robust process to address legitimate errors.

Taking away credit reporting as a tool in the collections process will without question force certain providers to turn to litigation sooner and more often to recover fees for services provided. As outlined below, it will also lead to increased costs and less access to medical care for all patients as more providers move to cash up-front for co-pays and deductibles.

Insights from ACA International, Providers and Our Debt Collection Partners

The collection industry and ACA International participated in the development of the second version of the [best practices for the fair resolution of patients' medical bills](#) in partnership with providers, consumer groups and the Health Care Financial Management Association's Medical Accounts Receivable Resolution Task Force and ACA.

Your and the CFPB's actions have not included input from stakeholders and other health care providers that work with patients and third-party debt collection partners that work with consumers 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 contractual insurance deadlines (particularly for that portion of the population that moves often).
- 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 over 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 yours and the CFPB's decision, which will reduce access to care for the most vulnerable consumers and patients in our communities.
- Regulations and policy already mitigate the issues you and the CFPB are 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 move didn't even allow for time to see if much of the frustration on medical debt is resolved by the new No Surprises Act.
- 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 co-pays and deductibles. The CFPB's actions now put \$480 billion in annual payments to already financially-strapped health care providers at **very serious risk**.

Doctors and hospitals simply are unable to absorb the costs of even more unpaid care, which becomes even harder to secure payment for once the unpaid obligation is no longer reflected on a consumer's credit report.

Our third-party debt collection partners have informed us that ACA remains engaged in talks with policymakers to address their concerns regarding these changes in medical debt credit reporting.

Additional Perspective from Providers

From my perspective, the goal of the CRAs' and CFPB's actions conducted without stepping back and getting input from patients and health care providers appears to be to arrive at processes that put health care providers at risk of financial harm or even collapse.

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.

Our collection partners through ACA have shared some additional information in the form of [FAQs](#) on some of the key issues on this topic and you can reference the association's September 2022 [letter](#) to members of Congress with more information on the concerns of the health care provider community.

Thank you for addressing our concerns.

Sincerely,
