

UNDERSTANDING MEDICAL DEBT & COLLECTIONS

Medical billing and collections can hurt people when they are already struggling with a health crisis. If this sounds like you or a loved one, help is available.

CHECK YOUR BILLS FOR ACCURACY

When it comes to medical bills, you may find yourself caught between your medical providers and your insurance company in a confusing and unclear space. It can feel like full-time detective work to understand the costs for different procedures and what is and is not covered by insurance. The problem can be compounded if you received medical care from multiple providers.

Still, there are some things you can do to try to make sure that your bill is accurate, and if debt collectors contact you, that they're not attempting to collect incorrect bills or violating your rights:

- Look at your medical bills closely to make sure the items on it are accurate and you received the treatments listed
- Make sure the bill is yours and shows your correct name, insurance information, and billing address
- Ask your provider for a plain language explanation for items on medical bills that are unclear to you
- Ask debt collectors to verify the debt and provide you with information about the collector and the bill that's being collected

PROTECTIONS UNDER THE NO SURPRISES ACT

For treatments you received starting January 1, 2022, you may have protections through the No Surprises Act. For example, you should not receive unexpected bills for emergency services received from a health care provider or a facility that you didn't know was out-of-network until you were billed.

If you don't have health insurance or if you pay for care without using your health insurance, your provider must give you a "good faith" estimate of how much your care will cost, before you get care. Afterward, if the billed amount is \$400 or more above the estimate, you may be able to dispute the charges through the patient dispute resolution process.

PUSH BACK AGAINST COERCIVE CREDIT REPORTING

Debt collectors are not permitted to report a medical bill to the credit reporting companies without trying to collect the debt from you first. Debt collectors may be hoping that you will simply pay the bill without disputing it. Instead, you have the right to dispute the information.

I hope you found this information helpful and look forward to providing you with continued financial information.

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UPDATES ON HOW MEDICAL DEBT IS REPORTED

Addressing concerns about medical billing and collections is a particular focus as the country emerges from the COVID-19 pandemic.

In March the Consumer Financial Protection Bureau published a report on medical debt in the United States that found consumer credit records contain a total of \$88 billion in reported medical bills (as of June 2021).

Shortly following the issuance of the report, Equifax, Experian and TransUnion issued a joint statement announcing that they were changing how medical bills would be reported on credit reports. Beginning July 1, 2022, paid medical bills will no longer be included on credit reports issued by those three companies. Unpaid bills will be reported only if they have remained unpaid for at least 12 months.

Additionally, the companies announced that starting in July 2023, they will not include information furnished to them for medical bills in collection for amounts of \$500 or less.



KNOW THE LIMITS ON DEBT COLLECTORS CONTACTING YOU

Debt collectors can contact you only about valid debts that you owe. They can't contact you about debt that isn't yours or that you don't owe. You have the right to ask a debt collector to verify that you owe the debt and that it is yours.

If the medical bill is yours, it is accurate, and you owe the money, then debt collectors can contact you to try to collect it. They may sue you to recover the money—and if they win the lawsuit, they could garnish your wages or place a lien on your home. However, they must comply with the laws that apply to debt collection, like avoiding harassing or abusive calls and following requirements when they report the debt to consumer reporting companies. They can't call you around the clock, and you have the right to tell them to stop contacting you.

If you are concerned that a debt collector's practices violate your rights, you can take action to enforce your rights.

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ARE YOU GETTING THE HELP WITH THE MEDICAL BILLS YOU ARE ENTITLED TO?

Medical bills can be confusing and overwhelming and often come at a time when you're already in distress. Under the Affordable Care Act, nonprofit hospitals are required to offer financial help to people who can't afford their medical care. This is in return for the tax and other benefits they get from operating as a nonprofit. Financial assistance is an important part of the nonprofit hospital's commitment to its community. Additionally, some state laws require uncompensated care to be provided by both nonprofit and for-profit hospitals.

If you're worried about your ability to pay for your care, tell the hospital! You can bring this up before your treatment, as well as during the billing process.

Steps to ask about charity care or financial assistance for medical bills:

1. Ask for a copy of the hospital's Financial Assistance Policy up front, because by law, the policy must explain how to apply for help
2. Fill out an application form, if required, and be ready to provide information about your income, including last year's tax forms or a current pay stub, and your expenses, including your rent or mortgage payment, utilities, credit cards, and other debts
3. Ask your provider how long it takes to process your application for financial assistance, how to get answers to questions about the application, and what happens with your bill in the meantime
4. Notify any debt collectors that you're seeking financial assistance for the bill and tell them to pause collections while that process plays out—and if they already reported it on your credit, to show the bill as disputed
5. Follow up with your provider about the status of your application as necessary.

At first, you might get little or no information about the financial assistance available to you, so you might end up believing you must pay the full amount on your bill. You might not know who to ask or where to get information about financial help. The application might be confusing and the evaluation process for financial assistance might not be clear, either. It might take persistence to get the help you're entitled to.

Even if your bill is past due and you're being contacted by a debt collector, you can ask the debt collector to pause collections while you seek financial help through the hospital's program.

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