

UNDERSTANDING MEDICAL DEBT



No Surprises Act

Congress, federal agencies, and others have taken steps to respond to the medical debt crisis confronting millions of families. Congress passed the No Surprises Act to help protect Americans from certain unexpected medical bills for emergency services from out-of-network providers. In addition, the Consumer Financial Protection Bureau has informed debt collectors and consumer credit reporting companies that they can no longer collect, furnish, or report any invalid medical debt.

“Have medical debt? Anything already paid or under \$500 should no longer be on your credit report”

Medical Debt Removal

In addition, the three nationwide credit reporting companies – Equifax, Experian, and TransUnion have agreed to remove all paid medical debts from consumer credit reports and those less than a year old. They have also taken steps to remove all medical collections under \$500. This last step went into effect on April 11, 2023, and with this change, it’s estimated that roughly half of those with medical debt on their reports will have it removed from their credit history.

Dispute Extension

In addition, nationwide credit reporting companies have announced that they’re extending the amount of time you have to dispute, negotiate, or pay for any outstanding bills before they can be reported. Previously, unpaid medical bills were generally furnished to credit reporting companies after 60 to 120 days, but the nationwide credit reporting companies are now waiting one year from the time you saw a doctor before they’re allowing medical debt to appear on your credit report. If you’re unable to pay your medical bills, you may qualify for financial assistance programs, often called “charity care.”

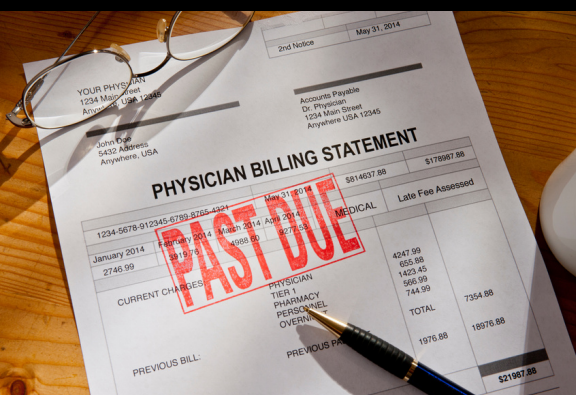
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Please note that if you're one of the millions of Americans with overdue medical bills, you may be able to take steps to ensure that this information no longer affects your credit, including your access to employment and housing by taking the following steps:

The first step you can take is to check your credit reports for any outstanding medical bills. Currently, Equifax, Experian, and TransUnion are offering free online credit reports once a week through AnnualCreditReport.com.

Take Steps - Credit Report Check

- *If you previously had a medical collection under \$500, a paid medical collection, or a collection less than a year old on your credit report, check to make sure they no longer appear on your reports. Be aware, however, that this doesn't include credit card collections, even if you used your credit card to pay for a medical expense under \$500.*
- *Also, while you're looking at your reports, check for any other information that might be inaccurate.*
- *If you find a medical collection under \$500, a paid medical collection, a collection less than a year old, or errors on your report, you can dispute that information with the credit reporting company.*



I HOPE YOU FOUND THIS INFORMATION HELPFUL AND LOOK FORWARD TO PROVIDING YOU WITH CONTINUED FINANCIAL INFORMATION.

TOUCH STONES FINANCIAL WELLNESS SERVICES GUIDE TO FINANCIAL WELLBEING