ALASKA
HAND REHABILITATION
THERAPY FOR THE SHOULDER, ARM & HAND

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Dear CFPB,

As one of the only 100% Employee-Owned healthcare clinics in Alaska, our business plays a crucial role in treating our community. We are a group of Occupational Therapists that specialize in treating the upper extremities. We treat chronic conditions along with pre and post-surgery cases.

Thank you for the opportunity to submit our response for the Small Business Advisory Review Panel for Consumer Reporting Rulemaking.

• **First**: As a small physician office, we want to express our concern over the rhetoric that is being used by the CFPB. We dispute that there are "inaccuracies" and that patients are billed "erroneously." The CFPB has provided no evidence regarding "inaccuracies." It is purposely conflating several issues related to insurance coverage and, with harmful results, making Americans think medical providers and their agents are purposely seeking to provide erroneous information. For example, the complaint database often includes mere questions, not actual disputes, and has a host of other issues that have been documented over the past decade. These so called "complaints" do not mean that most medical bills have "inaccuracies" and patients are billed "erroneously." Medical providers should not be treated differently than those in other professions, particularly as they are providing lifesaving care.

• **Second**: Medical debt is in fact predictive in nature and beneficial for the entire credit ecosystem, which is even shown in the 2014 CFPB study called "Data point: Medical Debt and Credit Scores." The CFPB has misstated that medical debt credit reporting provides no predictive value in several press releases and statements by the director and others in the CFPB using the language "no to little predictiveness." In addition, the data used in this statement is from 2011-2013, making it more than a decade old. The CFPB should halt any policymaking until it provides a recent, peer-reviewed study about this topic.

• **Third:** Small physician offices often operate on tight budgets, and any delay in receiving payments can have a significant impact on our ability to provide quality health care services. Most medical providers can't absorb this cost and will be forced to increase prices, require upfront billing, or deny care affecting all consumers.

• **Fourth:** This change could be good for a small number of consumers (although taking on new debt they cannot afford due to missing information on their credit report has many risks), but bad for the majority of consumers. Reporting to the credit bureaus ensures fairness to consumers who consistently fulfill their financial obligations. It helps in distinguishing between those who are genuinely facing financial hardships and need assistance, and those who are neglecting their responsibilities.

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Without this reporting mechanism, responsible payers will bear the burden of higher health care costs due to the increased likelihood of bad debt.

• **Fifth**: The perceived and/or real accountability created by credit bureaus' reporting has secondary impacts that aren't obvious, including a decrease in the rate in which healthy Americans have health insurance if no accountability is required (the Affordable Care Act requirement of health insurance is gone so why would a healthy, young American have health insurance if there are no repercussions for not having insurance?). The accountability to respond to medical providers' communications in a timely manner is already a difficulty they face. Removing any accountability will prevent medical providers from receiving needed insurance conversations about coordination of benefits (primary and secondary insurance), accident survey requests and financial assistance paperwork responses.

• **Sixth**: Health care policy is complex. Congress and the regulatory agencies that have jurisdiction over medical providers should be shaping, or at the very least be involved in creating, any new policies in this area. These stakeholders include government regulators, payers—whether commercial or governmental—medical providers, employers and their plans that provide unaffordable coverage, and patients, among others.

• **Seventh**: The SBREFA requires that small entities should have the opportunity to talk about the impact of potential changes. This is not what the CFPB has provided. The CFPB has left out key definitions and other information that would be needed to accurately determine the impact on small entities. Thus, the CFPB should conduct a SBREFA process where stakeholders have a meaningful opportunity to provide informed comments.

In conclusion, we urge you to go back to the drawing board and further study this issue in coordination with all stakeholders.

Thank you for your attention to this matter.

Sincerely,

Kati Harkreader

Kati Harkreader
Practice Administrator