From:	Donna Howell
To:	CFPB_consumerreporting_rulemaking
Subject:	Fwd: FW: Consumer Reporting - SBREFA
Date:	Friday, October 20, 2023 11:45:35 AM
Attachments:	image.png

WILLIAM J. HELMS, M.D.
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William j. Helms, MD.

---------- Forwarded message ---------
From: **Joanna Spears** <jspears@helmsderm.onmicrosoft.com>
Date: Wed, Oct 18, 2023 at 4:12 PM
Subject: FW: Consumer Reporting - SBREFA
To: Donna Howell <(b)(6)>, bill helms <(b)(6)>

From: Shawn Gretz <Shawn.Gretz@americollect.com>
Sent: Tuesday, October 17, 2023 8:12 AM
To: Joanna Spears <jspears@helmsderm.onmicrosoft.com>
Subject: Consumer Reporting - SBREFA

All you will need to do is "forward" this email to CFPB_consumerreporting_rulemaking@cfpb.gov

& add in your / or the doctor's email signature at the end. That's it! This does need to be completed by October 28th (then delete this in "Red")

Dear Consumer Financial Protection Bureau,

WILLIAM J. HELMS, M.D.

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We appreciate the opportunity to respond to the Consumer Reporting – Small Business Advisory Review Panel. However, we find it imperative to express our deep concern and dissatisfaction with the direction the CFPB is heading. We demand immediate action and transparency regarding the proposed changes to medical debt reporting. Here are our grave concerns:

Evidence of Inaccuracies and Erroneous Billing: We vehemently dispute the CFPB's claims of widespread "inaccuracies" and "erroneous" billings. We demand concrete evidence to substantiate these allegations. The complaint database, a one-sided communication with patients, cannot be the sole basis for such damaging statements. Cease making these claims without substantial proof, as they only serve to create division and undermine the critical healthcare services we provide.

Outdated Data and Misrepresentation: The CFPB's reliance on outdated data from 2011-2013 is unacceptable. We demand an updated study reflecting the current landscape post the March 31st removal of balances less than $500 by credit bureaus. Misrepresenting the predictiveness of medical debt is misleading and detrimental to the entire credit ecosystem. Review the alternative approach suggested in question 4 – Answer #1 to address the concerns of all stakeholders.

Impact on Small Physician Offices: Recognize the financial strain on small physician offices. Delays in payments severely affect our ability to deliver quality healthcare. Failure to address this issue promptly will force us to resort to measures such as increased prices, upfront billing, or even denying care, impacting consumers at large.

Unintended Consequences: Understand that this change, while benefiting a minority, will harm the majority. Reporting to credit bureaus ensures accountability, distinguishing between those in genuine need and those neglecting responsibilities. Without this mechanism, responsible payers will bear the brunt through increased healthcare costs, a burden they should not bear.

Secondary Impacts and Accountability: Acknowledge the ripple effects of removing accountability. It may lead to decreased health insurance rates, further complicating medical provider-patient communications. This lack of accountability hampers essential discussions on coordination of benefits, accident surveys, and financial assistance paperwork.

Comprehensive Regulation: We demand a holistic approach. The healthcare system involves multiple stakeholders, including governmental regulators, payers, medical providers, employers, and patients. Addressing only one aspect through fragmented regulations adds complexity and exacerbates inaccuracies and erroneous billings.

Transparency and Compliance with SBREFA: SBREFA mandates transparency. We insist on the immediate submission of the actual regulation with the proposed changes. Failure to provide this essential information undermines the integrity of the entire process.

Conclusion: We insist that any consideration of proposed rulemaking be halted until a new study using current data is conducted. The changes made by credit bureaus and the secondary consequences on medical providers and patients' increased costs must be thoroughly evaluated. The accuracy of information and the implications on lending costs within the credit ecosystem must be prioritized.

We expect a prompt response and immediate action on these demands. The future of affordable healthcare and the financial stability of small physician offices hang in the balance.

Sincerely,

HELMS DERMATOLOGY

Feedback for Questions

Q1. How, if at all, will the proposal under consideration require your firm to change its operations, products, or services?

Answer - Removing all medical debt from the credit bureau will cause significant operational changes. We will implement that following -

- Require up-front payments based on estimated costs.
- Require credit cards with authorization forms completed before services are provided.
- Refusing service for patient populations with the lowest ability to pay.
- Refusing all non-emergent services if consumer has a past due account.
- Increase our prices to offset the reduction in revenue.
- Ask increase small claims/legal actions to maintain collections.

Q4. What alternative approaches, if any, should the CFPB consider in lieu of the proposal under consideration?

Answer –

1. Require that credit bureau's statistically edit medical debt or other debt classifications predictiveness to be similar in nature. In this alternative approach, it would require credit bureaus to submit a third party audited study of all types of debt in the 15 different "Creditor Classification" from the Metro2 data file received by the credit bureau from data furnishers. The study would determine that debts of similar profile of "like" balances and "creditor classifications" predictiveness be plus or minus 2% accuracy for future repayments and future delinquencies. This report would be required to be provided to the CFPB once every twelve months to ensure "fairness" of all debts predictiveness.

2. Wait to determine the impacts of the March 31, 2023, credit bureau changes before proposing regulations.

3. Do nothing. Penalizing one industry / one type of debt is unfair to medical providers.

Q5. Other than compliance costs, what costs, burdens, or unintended consequences should the CFPB consider with respect to the proposal under consideration? Please quantify if possible. What alternatives, if any, would mitigate such costs, burdens, or unintended consequences?

Answer – We expect our revenue will decrease by 11% or $7238.28. We have already experienced decreases in revenue from March 31st removal of balances $500.00 and less from the credit bureaus and removing the remaining portion of accounts will be more significant.

As for unintended consequences, CFPB removal of medical debt from the credit bureau eliminates the incentive to carry health insurance, which will raise the costs for those that do. Removing accountability would risk young healthy American's need for health insurance. Individuals will choose to be uninsured, saving thousands of dollars a year.

Q7. What factors disproportionately affecting small entities should the CFPB be aware of when evaluating the proposal under consideration? Would the proposal under consideration provide unique benefits to small entities?

Answer - Many times, we are the medical provider of last resort for many of these patients. The bigger providers with thousands of employees may be able to absorb the cost, but not the small companies. There are zero benefits.

Q32. How might the CFPB define "systemic" issues for purposes of the proposals it is considering? What may be the cause(s) for a furnisher or consumer reporting agency to have erroneous reporting for multiple consumers of the same type (e.g., issues with common processes, policies and procedures, infrastructure limitations, training)? How does your firm become aware of systemic issues that cause consumer reporting errors?

Answer - We dispute the premise of this question and first ask CFPB to showcase holistically with all patient populations the problem of inaccuracies and erroneous reports. The complexities of multiple stakeholders create confusion for patients and pit the provider vs payer, payer vs employer, and provider vs patient. The CFPB is not the regulatory body suited to solve this.

Q33. If furnishers or consumer reporting agencies (or both) investigate and address systemic issues that may be causing consumer reporting errors affecting multiple consumers, based upon a single consumer's notice of dispute, what kind of notice should go to other potentially similarly situated consumers affected by the systemic issue? At what point(s) of the process? What should that notice(s) say?

Answer – We don't believe there are systematic issues and as such no notice should be created as it will only increase the cost with no added benefit.

Q38. What are the pros and cons of an alternative approach of mandating a delay in the furnishing and reporting of medical debt for a particular period of time, and not reporting or furnishing medical debt below a particular dollar amount?

Answer – Pros –

1. Accessing the March 31st credit bureau changes could support the CFPB's position as such this is a pro to at least attempt to access the current self-regulated/free market credit bureau changes first before as CFPB states it "mandating" a change.
2. If the timing of this delay was coordinated with ACA's IRS 501r requirement of 240 days from the date of the first statement additional accountability could be created to ensure financial assistance applications are received in a timely manner. If 240 days was also used by CMS for insurance requirements of "timely filing" requirements it would take all stakeholders into account.

Cons –

1. Delays could cause less accountability by patients, which will hurt "timely fillings" for insurance eligibility.
2. Mandating versus allowing the "free market" approach to be realized could create future issues as the regulation itself could have unintended consequences in later years that we can't fully comprehend.
3. Balance thresholds penalize doctors' offices whose services are the least expensive per procedure. Examples of this include radiology, chiropractic, dentist, pathology, and dermatology to name a few. This creates an imbalance in priority to which even a medical debt is paid. Thereby creating "winners" and "losers" in regulation.

Q39. What are the pros and cons of an alternative approach of requiring consumer reporting agencies and furnishers, upon receiving a dispute, to conduct an independent investigation to certify that a disputed medical debt is accurate and not subject to pending insurance disputes?

Answer – Pros –

1. **Independent Investigation from Insurance Company** - The dispute process should require insurance companies to answer the dispute first and not the data furnisher or the medical provider. This would bring full circle all stakeholders to discuss the dispute. Today insurance companies regularly advise their "clients/patients" to argue medical billing "codes" were inaccurately used and/or the insurance companies deny claims on behalf of patients based upon obtuse requirements put on the providers or patients. Payments are delayed and

cause additional administrative costs to the system. Requiring insurance companies to first confirm or reject the dispute of the patient will eliminate the false positives that are occurring in today's dispute process. This then ensures all disputes are accurate, moving towards the second step of answering from the data furnishers who would then work with their medical providers.

2. The recognition of the CFPB that if medical debt is eliminated altogether from the credit bureau process and thereby the dispute process itself will cease to exist is a positive or pro. The dispute process allows credit bureaus to monitor the approach that collection agencies themselves are taking to collect on accounts instead of an obscure or worse unknown process.

Q43. For each of the proposals under consideration above, do you expect that your firm would restrict or eliminate any product or service offerings to comply with the rule? If so, how would the proposals impact those products or services?

Answer -

- Require up-front payments based on estimated costs.
- Require credit cards with authorization forms completed before services are provided.
- Refusing service for patient populations with the lowest ability to pay.
- Refusing all non-emergent services if consumer has a past due account.
- Increase our prices to offset the reduction in revenue.
- Ask increase small claims/legal actions to maintain collections.

Q44. For each of the proposals under consideration above, please provide information, data, and/or estimates of impacts to your firm's business operations and revenue, including to both current operations and revenues and to future operations and revenues that could potentially be lost.

Answer –

With the proposed removal of medical debt we expect our revenue to decrease by $7238.28.

We calculated this by:

1. Actual revenues returned during the collection process.
2. Revenue decreases as medical debt priority for patient is decreased overall

Q46. What benefits do you expect small entities may experience from any of the proposals under consideration listed above?

Answer –

None. This will create a larger competitive advantage for the large players, pushing many more of the small players out of the business.