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To: CFPB_consumerreporting_rulemaking
Subject: Consumer Reporting - SBREFA
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Dear CFPB,

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

- **First**, as a small physician office, we want to express our concern over the rhetoric that is being used by the CFPB. We fully dispute that there are “inaccuracies” and patients are billed “erroneously”. We ask that the CFPB submit their evidence regarding “inaccuracies” and “erroneously” or stop making these statements. To be clear, the complaint database is the smallest of samples and a one-sided communication with patients alone and rarely if ever have the medical provider’s side. These so called “complaints” do not mean that the majority of medical bills have “inaccuracies” and patients are billed “erroneously”. This only creates a divisive nature for patients to argue against those that are working to provide services that can be lifesaving!
- **Second**, medical debt is in fact predictive in nature and beneficial for the entire credit ecosystem as the 2014 CFPB study called “Data point: Medical debt and credit scores” has shown. The CFPB has misstated this fact in several press releases and statements by the Director and others in the CFPB with the statements of “no to little predictiveness”. Along with this, the data used in this statement is from 2011-2013 which is over ten-years old. This study needs to be updated with data from 2023 after the March 31st removal of balances less than \$500 by the credit bureau industry. Please review question 4 – Answer #1 for an alternative approach that should satisfy all stakeholders.
- **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 healthcare 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 is good for a small number of consumers, but bad for the majority. Reporting to the credit bureaus ensures fairness to patients 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. Without this reporting mechanism, responsible payers will bear the burden of higher healthcare costs due to the increased likelihood of bad debt.
- **Fifth**, the accountability that is perceived and/or real that is created by credit bureaus reporting have secondary impacts that aren’t obvious in nature in several areas including -
 1. A decrease in the rate in which healthy American’s have health insurance if no accountability is required (ACA requirement of health insurance is gone). Why would a healthy, young American have health insurance if there are no repercussions for not having insurance?
 2. The accountability to respond the medical providers communications timely is already a difficulty for medical providers. Removing any accountability will prevent medical

providers from receiving needed insurance conversations such as coordination of benefits (Primary and Secondary Insurance), accident survey requests, and financial assistance paperwork responses.

- **Sixth**, five stakeholders share the responsibility for the state of today's healthcare environment, not just the one that will be penalized by this proposed regulation. This needs congress to holistically approach the problem vs the piece meal regulation you proposed today. These stakeholders include 1. Governmental regulators, 2. Payers – whether commercial or governmental, 3. Medical providers, 4. Employers and their plans that provide unaffordable coverage, and 5. The patient. Regulation that isn't addressing at all five areas creates more complexity, not less, and leads to more "inaccuracies" and patients being billed "erroneously" and more cost being added.
- **Seventh**, SBREFA requires the actual regulation with the proposed changes to be submitted to small businesses. This is not what the CFPB has submitted. There needs to be a required outline of the actual regulation itself. We ask that CFPB submit these changes before continuation of this process.

In conclusion, we urge you to remove any consideration of proposed rulemaking until at a minimum a new study can be completed of the "Medical debt and credit scores" using data that is after the implementation of the changes. The three major credit bureaus have made changes, including waiting 365 days and for balances greater than \$500 per account, but more important is to consider the secondary consequences to medical providers and the entire patient populations increased costs, and not just those with medical debt, and finally the credit ecosystem's need for accuracy of information and increased cost of lending.

Thank you for your attention to this matter.

Sincerely,

Sara VanderLeest

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