



August 12, 2024

Consumer Financial Protection Bureau
1700 G St NW
Washington, DC 20552

Via email to 2024-NPRM-MEDICAL-DEBT@cfpb.gov

Re: RIN 3170-AA54 (Docket No. CFPB-2024-0023)

Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)

To Whom It May Concern:

This letter is submitted on behalf of Capio Partners, LLC (“Capio”) in response to the Consumer Financial Protection Bureau’s (“Bureau”) request for comment on the proposed rule amending Regulation V, which implements the Fair Credit Reporting Act (FCRA) concerning medical information. We appreciate the opportunity to engage directly with the Bureau on this matter.

I. Introduction

Capio is the nation’s leading purchaser of non-performing healthcare accounts. Core to our mission is helping individuals burdened with medical debt achieve financial wellness. Our approach is both compassionate and practical, designed to ensure patients can manage their financial obligations without compromising their health.

We understand the significant challenge medical debt poses in the United States. According to research conducted by the Kaiser Family Foundation, Americans collectively owe \$220 billion in medical debt and approximately 14 million people owe more than \$1,000.¹ In 2022, a record 38 percent of patients delayed seeking medical care due to financial concerns.² While emergency care is provided regardless of ability to pay, many patients are left grappling with substantial debt afterward. This financial burden not only threatens the economic security of millions each year,³ but it is also linked to poorer health outcomes.⁴

While the Bureau’s intention to alleviate financial burdens is commendable, the proposed rule will create significant harm in the form of unintended consequences for both patients and providers. The Bureau’s proposed approach fails to recognize the marketplace’s ongoing self-corrections and innovation or account for other viable alternatives that have the potential to change the industry for the better.

At Capio, we emphasize thoughtful, balanced solutions that prioritize patient needs while recognizing the realities of our nation’s healthcare system and the challenges facing our network of more than 1,000 healthcare providers. This commitment is reflected in our Patient Bill of Rights (Exhibit A),^{5,6} codified in our policy not to charge interest or fees or pursue litigation against patients, and demonstrated in our introduction of BuoyFi in 2022,⁷ a no-cost, no-

¹ Rakshit, S., Twitter, M. R., Claxton, G., Amin, K., & Twitter, C. C. (2024, February 12). *The burden of medical debt in the United States*. Peterson-KFF Health System Tracker. <https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states/>

² Brennan, M. (2023, January 17). *Record High in U.S. Put Off Medical Care Due to Cost in 2022*. Gallup. <https://news.gallup.com/poll/468053/record-high-put-off-medical-care-due-cost-2022.aspx>

³ *People with Medical Debt are Much More Likely to Experience Other Forms of Financial Stress*. KFF. (2024, February 12). <https://www.kff.org/health-costs/press-release/people-with-medical-debt-are-much-more-likely-to-experience-other-forms-of-financial-stress/>

⁴ Han, X., Hu, X., Zheng, Z., Shi, K. S., & Yabroff, K. R. (2024). Associations of medical debt with health status, premature death, and mortality in the US. *JAMA Network Open*, 7(3). <https://doi.org/10.1001/jamanetworkopen.2023.54766>

⁵ *Capio Submits Proposal to the CFPB that will Help Consumers who Suffer from Medical Debt*. Capio. (2023, November 21). <https://capiofi.com/news/capio-submits-proposal-to-the-cfpb/>

⁶ *Patient Bill of Rights*. Capio. (n.d.). <https://capiofi.com/patient-bill-of-rights/>

⁷ *BuoyFi*. BuoyFi. (n.d.). <https://buoyfi.com/>

commitment debt repayment calculator that uses verified income data to help patients make informed financial decisions.

The road to financial wellness for patients burdened by medical debt is challenging, but increasingly achievable. While the CFPB's proposed rulemaking offers nominal, short-term benefits to patients, in the longer term it threatens to i) stymie additional private sector innovation, ii) increase consumer barriers to access affordable credit, iii) further strain already struggling healthcare providers, and iv) will lead to higher healthcare costs for everyone.

II. Overview of Legal and Regulatory Framework

The Bureau's proposed rule amends Regulation V of the FCRA by removing the financial information exception and ultimately removing language that allows creditors to use medical debt information in credit eligibility decisions.⁸ However, removing this exception will lead to conflicts in enforcing other regulations such as the Truth in Lending Act (TILA) and Regulation Z.

A. Amendment to Regulation V

The Bureau's proposed rule amends §1022.30, which addresses "Obtaining or using medical information in connection with a determination of eligibility for credit."⁹ Currently under the FCRA, creditors can use medical debt information to determine consumer credit scores and credit eligibility. In this section, the Bureau proposes deleting the financial information exception that allows creditors to use medical information to evaluate credit eligibility.

The Bureau also proposes a new section in §1022.38 that allows consumer reporting agencies to include information on medical debt only if the creditor will use the information in a way that does not contradict changes to Regulation V and if the creditor is not prohibited from using medical debt information, including by a state law.¹⁰

B. Impact on Compliance with Truth in Lending Act and Regulation Z

The Bureau's proposed changes to Regulation V are likely to create compliance challenges with regard to TILA and Regulation Z, which "requires creditors to make a reasonable, good faith determination of a consumer's ability to repay any residential mortgage loans..."¹¹ As outlined in the Bureau's Small Business Review Panel on this rulemaking, many participating financial institutions expressed concerns that this proposed rule will prevent creditors from having a holistic view of consumers' ability to repay mortgage loans and limit their ability to make eligibility determinations accurately. The Panel ultimately recommended that the Bureau consider how the proposal will interact with existing requirements under TILA and Regulation Z.¹²

⁸ *Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)*. Consumer Financial Protection Bureau. (2024, June 11). https://files.consumerfinance.gov/f/documents/cfpb_fcra-med-debt-proposed-rule_2024-06.pdf

⁹ *Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)*. Consumer Financial Protection Bureau. (2024, June 11). https://files.consumerfinance.gov/f/documents/cfpb_fcra-med-debt-proposed-rule_2024-06.pdf

¹⁰ *Unofficial Redline of the Medical Debt Proposed Rule*. Consumer Financial Protection Bureau. (2024, June 11).

https://files.consumerfinance.gov/f/documents/cfpb_med-debt-nprm-coverpage-and-redline-of-rule_2024-06.pdf

¹¹ *Qualified mortgage definition under the Truth in Lending Act; Regulation Z; seasoned QM loan*. Consumer Financial Protection Bureau. (2020, December 29). <https://www.federalregister.gov/documents/2020/12/29/2020-27571/qualified-mortgage-definition-under-the-truth-in-lending-act-regulation-z-seasoned-qm-loan>

¹² *Final Report of the Small Business Review Panel on the CFPB's Proposals and Alternatives Under Consideration for the Consumer Reporting Rulemaking*. Consumer Financial Protection Bureau. (2023, December 15). https://files.consumerfinance.gov/f/documents/cfpb_sbrefa-final-report_consumer-reporting-rulemaking_2024-01.pdf

C. Impact on Compliance with Fair Debt Collections Practices Act (Regulation F)

Regulation F (§1006.1) is intended to carry out the Fair Debt Collections Practices Act, which includes ensuring that debt collectors disclose information “fully, accurately, and effectively” to consumers.¹³ By removing medical debt from reports, the proposed rule undermines this requirement by withholding pertinent information that creditors could use to make informed credit eligibility determinations. A comprehensive view of consumers’ financial obligations is necessary to ensure transparency that facilitates patient-friendly collections processes that prioritize the needs of patients and family members and coordinates information gathering with providers and insurers in a private and secure way.

D. Patient Privacy Concerns

Regulation P, or the Gramm-Leach-Bliley Act, alongside the Health Insurance Portability and Accountability Act of 1996 (HIPAA) are vital to safekeeping consumers’ nonpublic personal financial information and protected health information, respectively.¹⁴ Removing medical debts from credit reports would necessitate handling sensitive information across a multitude of entities, putting consumer privacy at risk.

III. Unintended Consequences

As the Bureau continues its deliberation, it is important to recognize and address the impacts of removing medical debt from credit reports, which will have significant negative outcomes for both patients and healthcare providers.¹⁵ Understanding these unintended consequences is crucial to developing a more balanced and effective approach.

A. Financial Implications for Patients

Impact on Patients’ Financial Wellness

Research from the National Bureau of Economic Research (NBER) found that forgiving medical debt has minimal impact on overall personal finances or mental and physical health. Specifically, the NBER study found that erasing medical debt did not significantly enhance patients’ financial situations, suggesting that the removal of medical debt from credit reports might not lead to substantial improvements in financial wellness.¹⁶ The proposed rule, as written, will not relieve patients of the financial strain of the medical debt they have accrued, and therefore, prevents an opportunity to improve their overall financial wellness. Further, healthcare providers will raise their prices as patients lack incentive to make payments, resulting in further financial burdens for patients needing care and creating barriers to accessing affordable care.

Increased Cost of Credit and Overextension of Credit

Lenders rely on comprehensive credit information to accurately assess the risk associated with extending credit. The absence of medical debt information will lead to a lack of transparency and incomplete risk assessments, prompting lenders to adjust their lending practices to mitigate potential risks. When lenders do not have a full view of a consumer's financial obligations, it creates an environment of uncertainty and risk which results in tightening of available credit and leads to higher interest rates and fees across the board.¹⁷ This response ensures stability in the lending ecosystem so that loans are not extended to borrowers with a high likelihood of default. However,

¹³ § 1006.1 Authority, purpose, and coverage. Consumer Financial Protection Bureau. (n.d.). <https://www.consumerfinance.gov/rules-policy/regulations/1006/1/>

¹⁴ Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V). Consumer Financial Protection Bureau. (2024, June 11). https://files.consumerfinance.gov/f/documents/cfpb_fcra-med-debt-proposed-rule_2024-06.pdf

¹⁵ The Editorial Board. (2024, June 11). The cost of forgiving medical debt. The Wall Street Journal. <https://www.wsj.com/articles/consumer-financial-protection-bureau-medical-debt-credit-score-rohit-chopra-1689e007>.

¹⁶ Kluender, R., Mahoney, N., Wong, F., & Yin, W. (2024, April 8). *The effects of medical debt relief: Evidence from two randomized experiments*. NBER. <https://www.nber.org/papers/w32315>

¹⁷ Batty, M., Gibbs, C., & Ippolito, B. (2022, January 9). *Health Insurance, medical debt, and financial well-being*. Wiley Online Library Health Economics. <https://onlinelibrary.wiley.com/doi/10.1002/hec.4472>

lenders cannot make that determination if they do not have the full financial picture of a potential borrower. This extension of credit to borrowers who may not be able to make their payments will have cascading impacts across the financial system, making it more expensive for all consumers to gain access to credit, not just those with medical debt.

Higher interest rates and fees disproportionately impact financially vulnerable consumers who already struggle to access affordable credit. These consumers will find it even more challenging to secure loans for essential needs such as housing, education, or emergency expenses. Instead of financially benefiting from the proposed rule, they will face more barriers to accessing financial services and limited opportunities for economic mobility.

At the same time, without a complete picture of a consumer's financial obligations, lenders will rely on incomplete credit profiles to make decisions about mortgages, car loans, and other significant financial commitments that consumers cannot realistically afford, leading to overextended credit and deeper financial instability.¹⁸ The resulting financial strain can hinder their ability to save, invest, or cover essential living expenses, ultimately trapping them in a cycle of debt and financial insecurity.¹⁹

Increased Litigation Against Patients

If healthcare providers and debt servicers are unable to utilize credit reporting as a tool for debt recovery, many will turn to more aggressive and costly measures such as litigation.²⁰ The absence of credit reporting as a debt management tool could lead to a significant increase in lawsuits against patients, creating additional financial and emotional burdens for individuals already struggling with medical debt.²¹ This situation is likely to hurt ALICE (Asset Limited, Income Constrained, Employed) consumers the most.

Legal proceedings are not only costly but also time-consuming and stressful. As previously noted by the Bureau in its 2022 report on medical debt in the United States, patients who are sued for unpaid medical bills may face wage garnishments, property liens, and other financial penalties that further exacerbate their economic challenges.^{22, 23} These measures are particularly detrimental to ALICE consumers – households that earn above the Federal Poverty Level but not enough to afford essential living expenses. These legal actions negatively impact their credit scores, leading to long-term financial repercussions that contradict the intended protective measures of the proposed rule.

B. Healthcare Providers Will Face Additional Financial Risk

The Bureau's proposed rule to remove medical debt from credit reports, though aimed at protecting patients, will lead to several significant and unintended negative consequences for healthcare providers. These consequences could threaten the financial stability of healthcare institutions, particularly those already operating under tight margins.²⁴

¹⁸ Ibid.

¹⁹ Hodson, R., Dwyer, R. E., & Neilson, L. A. (2014). Credit Card Blues: The Middle Class and the Hidden Costs of Easy Credit. *The Sociological Quarterly*, 55(2), 315–340. <https://doi.org/10.1111/tsq.12059>

²⁰ Serino, N. (2024, January 11). One third of hospitals take legal action against patients with outstanding medical bills, study finds. Low Institute. <https://lowinstitute.org/one-third-of-hospitals-take-legal-action-against-patients-with-outstanding-medical-bills-study-finds/>

²¹ Nigrinis, A. R. (2024, July). *Economic Analysis of the Consumer Financial Protection Bureau's Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)*. ACA International. <https://policymakers.acainternational.org/wp-content/uploads/2024/07/AndrewNigrinisEconomicAnalysis-CFPB-FCRA-NPRM-July2024.pdf>

²² Ibid.

²³ Consumer Financial Protection Bureau (February 2022). *Medical Debt Burden in the United States*, 30-32.

https://files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-states_report_2022-03.pdf

²⁴ The Editorial Board. (2024, June 11). *The cost of forgiving medical debt*. The Wall Street Journal. <https://www.wsj.com/articles/consumer-financial-protection-bureau-medical-debt-credit-score-rohit-chopra-1689e007>.

Decreased Incentive for Patients to Pay

Credit scores often serve as a significant motivator for patients to pay their medical bills. If medical debt no longer impacts credit scores, patients may feel less compelled to settle their debts promptly or at all.²⁵ This lack of incentive to make payments would lead to a higher incidence of unpaid medical bills, further straining the financial resources of healthcare providers.

The inability to collect payments efficiently will force providers to reallocate some resources away from patient care to focus on debt collection efforts. Additionally, the lack of a financial consequence for unpaid medical bills could create a perception among patients that medical services do not need to be paid for, leading to an overall increase in unpaid debts.²⁶ This misconception will undermine the trust and financial relationship between patients and healthcare providers, making it even more difficult to manage and recover outstanding debts.

Decreased Incentives for Consumers to Enroll in Insurance Programs

It will also be likely that insurers raise premiums to cover non-payments, making insurance more expensive and less accessible for the very consumers the Bureau seeks to protect. When self-pay discounts and out-of-pocket expenses are cheaper than the cost of maintaining insurance, consumers will question whether insurance is worth the investment.

Financial Strain on Healthcare Providers

The inevitable reduction in payment rates will severely affect the cash flow of healthcare providers, making it challenging for them to cover operational costs, invest in new technologies, and maintain high standards of care. The financial health of healthcare providers is already precarious, with many operating on slim margins. The American Hospital Association reports that the median operating margin for hospitals in the United States is zero percent, with more than half reporting a loss at the end of 2022.²⁷ The removal of medical debt information from credit reports eliminates accountability for patients to pay, and in turn, creates an affirmative incentive to not pay. Medical providers will bear the immediate brunt of this impact, exacerbating the financial strain many health care providers already experience in their normal course of operation. Consumers will bear the secondary effect of this impact in the form of higher medical and insurance costs, as well as an unavoidable reduced standard of medical care itself.

Disproportionate Impact on Small and Rural Providers

Approximately 90-95 percent of healthcare providers have fewer than 20 employees and rely heavily on patient payments to sustain their operations.²⁸ Smaller healthcare providers, particularly those in rural and underserved areas, are especially vulnerable to changes in patient payment behavior, as they operate with limited financial margins and have fewer resources to absorb financial shocks.²⁹ Others have echoed the concern that the removal of medical debt from credit reports will lead to a significant reduction in patient payments, jeopardizing the financial viability of these small providers.³⁰ This will result in the closure of some rural hospitals and clinics, reducing access to medical care for residents in these areas.

²⁵ Hofmann, B. (2023, February 28). *Major benefits of credit reporting for both consumers and lenders*. Equifax.

<https://www.equifax.com/business/blog/-/insight/article/major-benefits-of-credit-reporting-for-both-consumers-and-lenders/>

²⁶ Bai, G. (2024, June 19). *Will banning medical debts from credit reports help patients?*. Forbes.

<https://www.forbes.com/sites/gebai/2024/06/16/cfpbs-ban-on-medical-debts-from-credit-reports-will-harm-patients/>

²⁷ Krishnamurthy, B. (2023, August 1). *Margin misconceptions: What do break-even hospital margins mean for patient care?*. AHA News. AHA News. <https://www.aha.org/news/blog/2023-08-01-margin-misconceptions-what-do-break-even-hospital-margins-mean-patient-care>

²⁸ Kerrigan, K. (2024, June 4). *The right way to deal with medical debt*. The Washington Times.

<https://www.washingtontimes.com/news/2024/jun/4/right-way-to-deal-with-medical-debt/>

²⁹ Cardello, H., Morino, A., Carlson, C., & Smith, N. (2023, November). *The Casualties of Medical Debt: Sicker Consumers and Sicker Hospitals*.

Georgetown University McDonough School of Business, Business for Impact. [https://businessforimpact.georgetown.edu/wp-content/uploads/2023/11/2023-Annual-Medical-Debt-](https://businessforimpact.georgetown.edu/wp-content/uploads/2023/11/2023-Annual-Medical-Debt-Report-Digital_103023.pdf?gl=1*1pxrb0q*gcl_au*NDc0NTc5ODc3LjE3MjE3NTU1NjI.*_ga*OTM0MjI3MzI4LjE3MjE3NTU1NzA.*_ga_BJ59XJGFKH*MTcyMjI0MTEwMS4yLjAuMTcyMjI0MTEwMS42MC4wLjA.*_ga_NJT54L19TN*MTcyMjI0MTEwMS4yLjAuMTcyMjI0MTEwMS4wLjAuM)

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³⁰ https://files.consumerfinance.gov/f/documents/cfpb_sbrefa-final-report_consumer-reporting-rulemaking_2024-01.pdf

IV. Alternative Solutions that Prioritize Patient Financial Health

Capio notes and appreciates the CFPB’s intention to consider alternatives to its proposed rulemaking, as detailed on pages 127-128 in the Bureau’s notice.³¹ The Bureau considered several significant alternatives to the proposed rule that would possibly result in lower costs for small entities. These include: (1) alternative compliance timelines, (2) allowing creditors to consider specific types of medical information, (3) codifying and broadening the voluntary changes in medical collections reporting implemented by the National Credit Reporting Agencies (NCRA) in 2022 and 2023, (4) requiring consumer reporting agencies to independently investigate the accuracy of furnished medical debt collections, and (5) defining when a furnisher must investigate the accuracy of furnished medical collections information. However, the CFPB has preliminarily determined that such exemptions would not achieve the objective of FCRA section 604(g)(2) and the proposed rule to protect consumer privacy with respect to sensitive medical information.³²

Still, this process overlooked several significant rulemaking and non-rulemaking alternatives. Capio urges the Bureau to work with key stakeholders – including industry – to advance promising alternative proposals to i) set standards and best practices that protect patients’ personal and financial dignity, ii) ensure patients pay only what they can reasonably afford, and iii) implement positive reporting to help patients build credit are all ways to ensure patient protections and financial wellness remain at the forefront of addressing medical debt.

A. Implementing Positive Credit Reporting for Financial Health

As an alternative, allowing for positive credit reporting will help patients improve credit profiles while managing their medical debt responsibly. Instead of solely focusing on negative information, such as unpaid debts, positive reporting means that data on timely payments and other responsible financial behaviors are positively reflected in credit reports. This alternative approach rewards patients for their efforts to manage their debt, helps put them on a path to improve their financial standing, and leads to further positive financial outcomes. For example, an improved credit profile can lead to lower costs when accessing financial services such as securing loans at lower interest rates.

Positive credit reporting is not only a win for patients but also for lenders. It provides lenders with more complete information about a patient’s creditworthiness and ability to pay back loans. The increased adoption of positive credit reporting for other payments like mortgage payments and rent present a clear opportunity to apply the same concept to medical debt and enable patients to build their financial profile while paying off debt.

To further protect consumers, the practice of “debt parking” – when creditors or debt collectors report a debt to credit agencies without first attempting to communicate with a consumer about the debt – should be prohibited to restrict tactics used by other industry bad actors to collect debts. Capio advocates for engaging with patients to clarify what they owe and ensure that their credit scores accurately reflect their repayments. Capio is proud to lead on the integration of positive credit reporting and encourages the CFPB to examine this highly beneficial concept as an alternative to removing medical debt payments from credit reports. Other key features of positive credit reporting include:

Incentivizing Timely Payments

Data shows that 96 percent of patients make on-time payments when given the opportunity.³³ Positive reporting would recognize these responsible behaviors and reflect them in credit scores, providing tangible benefits to patients who are actively managing their debt. This method encourages patients to stay current on their payments,

³¹ *Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)*. Consumer Financial Protection Bureau. (2024, June 11). https://files.consumerfinance.gov/f/documents/cfpb_fcra-med-debt-proposed-rule_2024-06.pdf

³² *Id*

³³ Capio. (2024b, July 25). <https://capiofi.com/company/>

reducing the likelihood of defaults and improving their long-term financial prospects. Capio has advocated for this solution in engagement with the Bureau and other key stakeholders in government and industry and will continue to advocate for this and other patient-focused solutions through reporting agencies and Congressional action.

Supporting Credit Building

By including positive payment information in credit reports, patients can build stronger credit profiles. This will open up access to better financial products and services, help patients recover from financial setbacks, and achieve greater financial stability over time. In a pilot rent reporting program developed through a partnership between the Citi Foundation and Credit Builders Alliance, 79 percent of consumers saw an increase in their credit score as a result of positive reporting, and 100 percent of consumers in the program who were credit invisible became scorable. The program also saw a 25 percent increase in on-time payments.³⁴ A separate study by TransUnion found that 73 percent of renters would be more likely to make on-time payments if their rent payments were submitted to a credit bureau.³⁵ As the concept of positive reporting matures in other markets, implementing this policy with regard to medical debt will help patients facing significant financial burden as a result of medical debt rebuild their credit and find a path to financial recovery.

Strengthening Regulation F with Measures for More Patient-Friendly Communications

Capio advocates for strengthening Regulation F to improve communication protocols to ensure that they are clear, compassionate, and supportive to consumers. Additionally, reporting should be restricted to the account owner, such as hospitals or medical debt purchasers, rather than contingency collection agencies, to reduce consumer distress and improve the accuracy of balance audits. Unlike other types of debt, which can be reported both positively and negatively, medical debt reporting should be handled with additional care, including thorough and fair audits. These changes would create a more balanced and empathetic approach to handling medical debt, ultimately benefiting patients and providers alike.

B. Leveraging Tools like BuoyFi for Affordable Payment Plans

The cost of care is steadily on the rise in the U.S., and the lack of affordable healthcare is driving individuals to delay or skip out on obtaining care entirely³⁶ – potentially harming health outcomes and putting patients at higher risk of incurring medical debt. Medical debt can, too, have consequences for the health and well-being of entire households, who similarly avoid getting needed healthcare and filling their prescriptions or use up their savings to pay their off their financial obligations.³⁷

Capio's innovative financial wellness platform, BuoyFi, offers a practical and effective solution for patients struggling with medical debt and the high cost of care. BuoyFi verifies patients' incomes to set up affordable payment plans so that patients can pay down their debt in a way that aligns with their financial circumstances. In fact, no BuoyFi consumer has been asked to make payments requiring more than 3% of their validated income – making the debt repayment process more manageable for patients. Expanding the use of such tools across the industry can provide a scalable solution to the challenge of medical debt, helping patients achieve financial wellness while also ensuring that healthcare providers receive steady payments.³⁸

³⁴ *CBA Rent Reporting Impact Analyses*. Credit Builders Alliance Rent Reporting Center. (2022, October 3). <https://rentreportingcenter.org/cba-rent-reporting-impact-analyses/>

³⁵ TransUnion. (2019, June 26). *Rent reporting will motivate seven in 10 renters to make more on-time payments*.

<https://newsroom.transunion.com/rent-reporting-will-motivate-seven-in-10-renters-to-make-more-on-time-payments/>

³⁶ Lopes, L., Hamel, L., Presiado, M., & Montero, A. (2024, May 7). *Americans' challenges with health care costs*. KFF. <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>

³⁷ Masitha, R., Roy, S., & Collins, S. R. (2023, October 26). *Paying for it: How health care costs and medical debt are making Americans sicker and poorer*. Healthcare Affordability in America | Commonwealth Fund.

<https://www.commonwealthfund.org/publications/surveys/2023/oct/paying-for-it-costs-debt-americans-sicker-poorer-2023-affordability-survey#:~:text=In%20many%20households%2C%20health%20care,pay%20for%20their%20health%20care.>

³⁸ Cardello, H., Morino, A., Carlson, C., & Smith, N. (2023, November). *The Casualties of Medical Debt: Sicker Consumers and Sicker Hospitals*. Georgetown University McDonough School of Business, Business for Impact. <https://businessforimpact.georgetown.edu/wp-content/uploads/2023/11/2023-Annual-Medical-Debt->

C. Implementing a Nationwide Patient Bill of Rights

One of Capio's core strategies is our Patient Bill of Rights (Exhibit A), which ensures that patients are treated with dignity and respect while managing their medical debts.³⁹ This framework should be adopted as an industry standard for debt collectors to promote fair and compassionate practices across the healthcare receivables industry with provisions ensuring:

No Fees and No Interest

Medical debt should not be compounded by additional financial burdens such as fees and interest. By eliminating these charges, patients can focus on paying down the principal amount of their debt without the stress of accumulating additional costs.

No Litigation Against Patients

Pursuing litigation against patients for unpaid medical bills should be avoided whenever possible. Litigation imposes significant financial and emotional stress on individuals and can lead to long-term financial consequences.⁴⁰ Instead, healthcare providers should work with patients to develop manageable payment plans and explore financial assistance options. This approach fosters a cooperative relationship between patients and providers, ultimately leading to higher rates of debt resolution.

V. Conclusion

Capio is committed to addressing the challenges of medical debt through innovative and compassionate solutions. While the Bureau's proposed rule is intended to prioritize the protection of patients, it is essential to consider the broader implications and unavoidable consequences. By adopting a balanced approach that includes industry best practices and innovations, we can support patients in achieving financial wellness, while recognizing the realities of the healthcare ecosystem. Industry adoption of a Patient Bill of Rights, the use of tools like BuoyFi, and the promotion of positive credit reporting are practical steps that can mitigate the adverse effects of medical debt. Additionally, fostering collaboration with patients, industry leaders, and healthcare providers to develop and adopt well-rounded, balanced solutions will create a more equitable and sustainable healthcare system.

The Bureau's rulemaking, while well-intended, will result in a host of unintended consequences. Alternative solutions must be considered.

Capio looks forward to continuing our collaboration with the Bureau and other stakeholders to refine these solutions and ensure that they meet the needs of all parties involved. Further, as the Bureau continues through the rulemaking process, it is critical that the agency allow for adequate and meaningful time for implementation. Thus, we ask that impacted organizations are given 24 months to comply with any finalized aspects of the proposed rule.

Sincerely,

Mark Detrick
CEO of Capio

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³⁹ *Patient Bill of Rights*. Capio. (n.d.). <https://capiofi.com/patient-bill-of-rights/>

⁴⁰ Nigrinis, A. R. (2024, July). *Economic Analysis of the Consumer Financial Protection Bureau's Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)*. ACA International. <https://policymakers.acainternational.org/wp-content/uploads/2024/07/AndrewNigrinisEconomicAnalysis-CFPB-FCRA-NPRM-July2024.pdf>
A financial security threat in the courtroom. The Aspen Institute. (2021, September). <https://www.aspeninstitute.org/publications/how-unpaid-bills-end-up-in-court/>

Exhibit A

Capio's Patient Bill of Rights clearly outlines our commitment to compassionate medical debt resolution. It sets expectations for how we engage patients during the resolution process and extends valuable tools and services to help patients achieve long-term financial health.

Respect and Dignity:

- We always treat you with respect and dignity. We listen for and acknowledge your unique circumstances and use professional language and a calm, courteous demeanor.
- We recognize and embrace our critical role in creating a positive patient experience during an often confusing and stressful time in your life.

Clear Communication:

- Our associates will clearly share with you the details of your obligation, including the name of the hospital/provider where you received the services and when, the amount owed, and options for resolving the matter.
- We use plain, straightforward language to explain a variety of payment options available to resolve your obligation.
- We will confirm in writing any arrangements you and our associates agree to over the phone.

Fairness:

- Because we are committed to your long-term financial health, **we do not charge interest or fees, we will not take legal action, and we will never resell your debt to a debt buyer.**
- Our associates work directly with you and design a resolution that fits your unique situation.
- We will work hard to respond to you in a timely and accurate manner, usually within 24 hours.
- Capio will eliminate healthcare debt for those who qualify for financial hardship. Our client services team works directly with you to answer your questions and to determine if you are a candidate for debt forgiveness. We were also the first company of our kind to have a dedicated Patient Advocacy Team that helps patients more clearly understand their bill, assists with account resolution, and can work directly with your healthcare facility to validate the amount owed.

Opportunity for Better Long-Term Financial Health:

- Our expert associates, tools, services, and financial education can help you regain and maintain control of your financial health and achieve the financial freedom and confidence you deserve.
- We believe that medical debt should only be a small percentage of a consumer's monthly income. We strive to discount the amount you owe as much as possible, and keep your monthly payments low and easy to pay.
- Our minimum monthly payment can be as low as \$25.00 per month.
- We offer long term payment plans often up to 24 months, to help you better manage your monthly finances.

Sincerely,



