



Hon. Sherrod Brown
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Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Hon. Pat Toomey
Ranking Member, Senate Committee on
Banking, Housing and Urban Affairs
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On behalf of the Healthcare Business Management Association's (HBMA), I am writing to express concerns with provisions regarding medical debt articulated in Title IV of H.R. 2547, the Comprehensive Debt Collection Improvement Act.

HBMA is a non-profit professional trade association representing the revenue cycle management industry in the United States. HBMA is a recognized revenue cycle management (RCM) authority by both the commercial insurance industry and the governmental agencies that regulate or otherwise affect the U.S. healthcare system. HBMA members collectively submit a significant percentage of all initial medical claims to the country's governmental and commercial payers. HBMA members also offer accounts receivable management, consulting, electronic medical record services and practice management functions.

HBMA members are not debt collectors as defined by the Fair Debt Collection Practices Act. However, given the important role HBMA members play in managing their clients' revenue, we believe it is appropriate for us to express our views on how this legislation would impact medical practices.

We agree with the spirit of the bill - that patients should have a fair opportunity to pay their bills before a debt is sent to collections, that patients should be protected from overaggressive actions by debt collection companies and the importance of improving transparency regarding a patient's options for resolving their medical debt.

Medical practices go to great lengths to provide flexibilities to patients who experience difficulty making their out-of-pocket payments. It is common for practices to work with patients to set up payment plans if they need extra time to pay bills. Debt collection companies are only used as a last resort. Not only are debt collection companies often unsuccessful at collecting the full amount, these companies also charge practices high fees for what they can collect. It is in the practice's best financial interest to exhaust all other options before turning to a debt collection company.

Patients should have a reasonable opportunity to pay their medical bills before sending a debt to a collection company or reporting a debt to a credit rating agency. However, H.R. 2547's provisions that would delay debt collection for up to two years will cause significant revenue cycle disruptions. As with any other business, medical practices rely on this revenue to cover basic costs such as overhead and staff salaries. A one or two year delay before debt collection can even begin will adversely impact a practice's finances. Delaying the ability of medical

practices to collect medical debt will also make it more difficult for medical practices to access credit. We believe Congress can strike a better balance between giving patients a reasonable opportunity to pay bills and preventing revenue cycle disruptions to the practice.

Ultimately, the best way to protect patients from medical debt is to prevent it in the first place by addressing its root causes. Recent actions by both Congress and the Administration will help prevent many forms of medical debt. Most notably, the No Surprises Act protects patients from high out-of-network bills when they have little or no control over the network status of the health professional who treats them. Additionally, efforts to expand health insurance coverage through the Affordable Care Act (ACA) have reduced the number of uninsured Americans who are particularly vulnerable to medical debt.

Based on our experiences, high deductibles are among the most common causes of medical debt. Over the last decade, deductibles have increased at a much faster rate than both premiums and income.¹ Not only do high deductibles contribute to medical debt, but they can also dissuade patients from seeking needed medical care.² We believe health plans have a responsibility to prevent medical debt by offering health insurance with more affordable deductibles.

In closing, while we support the intent of this bill, we believe there are better ways to protect patients from medical debt. We support the concepts of transparency and providing patients with reasonable opportunities to pay medical bills. However, Congress must strike a better balance between protecting patients from overaggressive debt collection practices and preventing revenue cycle disruptions for physician practices. Additionally, this bill does not address unaffordable deductibles that commonly cause medical debt.

We are happy to serve as a resource to your office as you consider issues that impact the healthcare revenue cycle process. Please contact HBMA Director of Government Affairs Bill Finerfrock (bf@capitolassociates.com) or HBMA Associate Director of Government Affairs Matt Reiter (reiterm@capitolassociates.com) if you would like to discuss the views we expressed in this letter in more detail.

Sincerely,

Emily Osetek

Emily Osetek, CHBME
President
Healthcare Business Management Association

¹ <https://www.kff.org/health-costs/press-release/average-family-premiums-rose-4-to-21342-in-2020-benchmark-kff-employer-health-benefit-survey-finds/>

² <https://www.commonwealthfund.org/publications/issue-briefs/2020/nov/state-trends-employer-premiums-deductibles-2010-2019>