

WRAAHAM June Meeting

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118 Congress First Session H.R. 1773 Discussion

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- Online Payment Portal
- Provider 360
- Patient Scoring
- Provider-branded



- Medicaid Eligibility & Enrollment
- Insurance Discovery
- Financial Assistance
- Bedside or Remote
- HEAT Application
- Patient Engagement

Federal Regulations

ALPHABET SOUP OVERVIEW

- FCRA (1972) FDCPA (1978) are both statutes
- The FTC is responsible for the primary enforcement of the FCRA and the FDCPA
- The CFPB and the FCC are responsible for enforcement of the FDCPA/FCRA for the industries they supervise (e.g., CFPB and collection agencies).
- The CFPB is responsible for regulations governing consumer debt collection.
- The FDCPA sat largely unamended for 46 years until Reg F in November 2021.
- The FCRA has been constantly updated and amended as necessary.
- 501(r)(6) addresses collection activities for Non-Profit Medical Providers.

HISTORY OF H.R. 1773

- Introduced in March 2023 by Rep. Rashida Tlaib (D) - Michigan. Mirrors a bill previously included in the Comprehensive Debt Collection Improvement Act (CDCIA), which was an Omnibus Bill that included 8 other bills. Passed The House on party lines and died in the Senate. Tlaib proffered CDCIA with Maxine Watters (D) - California.)
- H.R. 1773 Status: Referred to the House Financial Services Committee.
- H.R. 1773 Future: Based on the CDCIA passing on party lines, there is hope that H.R. 1773 will not be passed by the Republican-controlled House.

MEDICAL DEBT IN THE CROSSHAIRS

- No Surprises Act Becomes Effective — January 1, 2022
- CFPB Bulletin: Medical Debt Collection and Consumer Reporting Requirements in connection with the No Surprises Act — January 1, 2022
- CFPB Report: Medical Debt Burden in the U.S. — March 1, 2022
- CRAs: Change to Medical Debt Reporting — March 18, 2022
- CFPB Complaint Bulletin: Medical Billing and Collection issues — July 1, 2022
- CRAs to no longer include Paid Medical Debt in Consumer Reports — July 1, 2022
- CRAs to no longer report Medical Debt aged under 365 days — July 1, 2022
- CRAs to no longer include Medical Debt below \$500 — March 23, 2023
- Representative Rashida Tlaib (D) – Michigan introduces H.R. 1773 — March 23, 2023

UNDER THE MICROSCOPE

- The stated purpose of H.R. 1773: “To amend the Fair Debt Collection Practices Act to provide a timetable for the collection of medical debt by debt collectors, to amend the Fair Credit Reporting Act to prohibit consumer reporting agencies from issuing consumer reports containing information about debts related to medically necessary procedures, and for other purposes.”
- Normally providers wouldn’t be directly affected by these regulations (FDCPA and FCRA)
- FCRA under H.R. 1773: If you or your collection agency credit reports, significant changes and major challenges.
- FDCPA under H.R. 1773 : Increased costs and resources to Medical Providers by materially changing how and when medical debt can be collected.

H.R. 1773 – FCRA PAIN POINTS

- H.R. 1773 Adds Definitions:
- MEDICAL DEBT – “The term ‘medical debt’ means a debt arising from the receipt of medical services, products or devices.”
- MEDICALLY NECESSARY PROCEDURE – “The term ‘medically necessary procedure’ means -
“(1) health care services or supplies needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine;
“(2) health care to prevent illness or detect illness at an early stage, when treatment is likely to work best (including preventive services such as pap tests, flu shots, and screening mammograms).”

H.R. 1773 – FCRA PAIN POINTS

- Prohibits credit reporting any debt related to a medically necessary procedure.
- No otherwise reportable medical debt may be credit reported less than 365 days from the day that the creditor deems the debt to be in default. (Why is this important?
Because a third-party agency cannot attempt to collect any debt for 2 years, followed by an additional time requirements under Reg F, bringing the account into the 3rd year.
- Are you “SOL”?: In some states (NY) the statute of limitations (SOL) is three (3) years.
- New Letter Requirement: A letter must be sent to the patient that generally states:
 - 1. No medical debt can be credit reported for at least 365 from the date of the letter.
 - 2. No debt related to a medically necessary procedure can ever be credit reported.
- 501(r) implication – credit reporting is an ECA (increased complaints to Regulators)

H.R. 1773 – FDCPA PAIN POINTS

- Sometimes the biggest problems come in the smallest packages. Half a page of text creates enormous strain on the industry.
- Our read of the FDCPA (1692a(6)(F)(III)) is that first party collectors (EOS) are still allowed to contact during the two year period. AAHAM read it differently in their talking points.
- Under the FDCPA, an EOS rep is not a “debt collector” assuming the debt has not been deemed to be in default.
- Uncomfortable decisions will need to be made by Medical Providers with regards to accounting. If H.R. 1773 is enacted as is, it becomes effective in just 180 days.
Accounting nightmare for providers?

H.R. 1773 – FDCPA PAIN POINTS

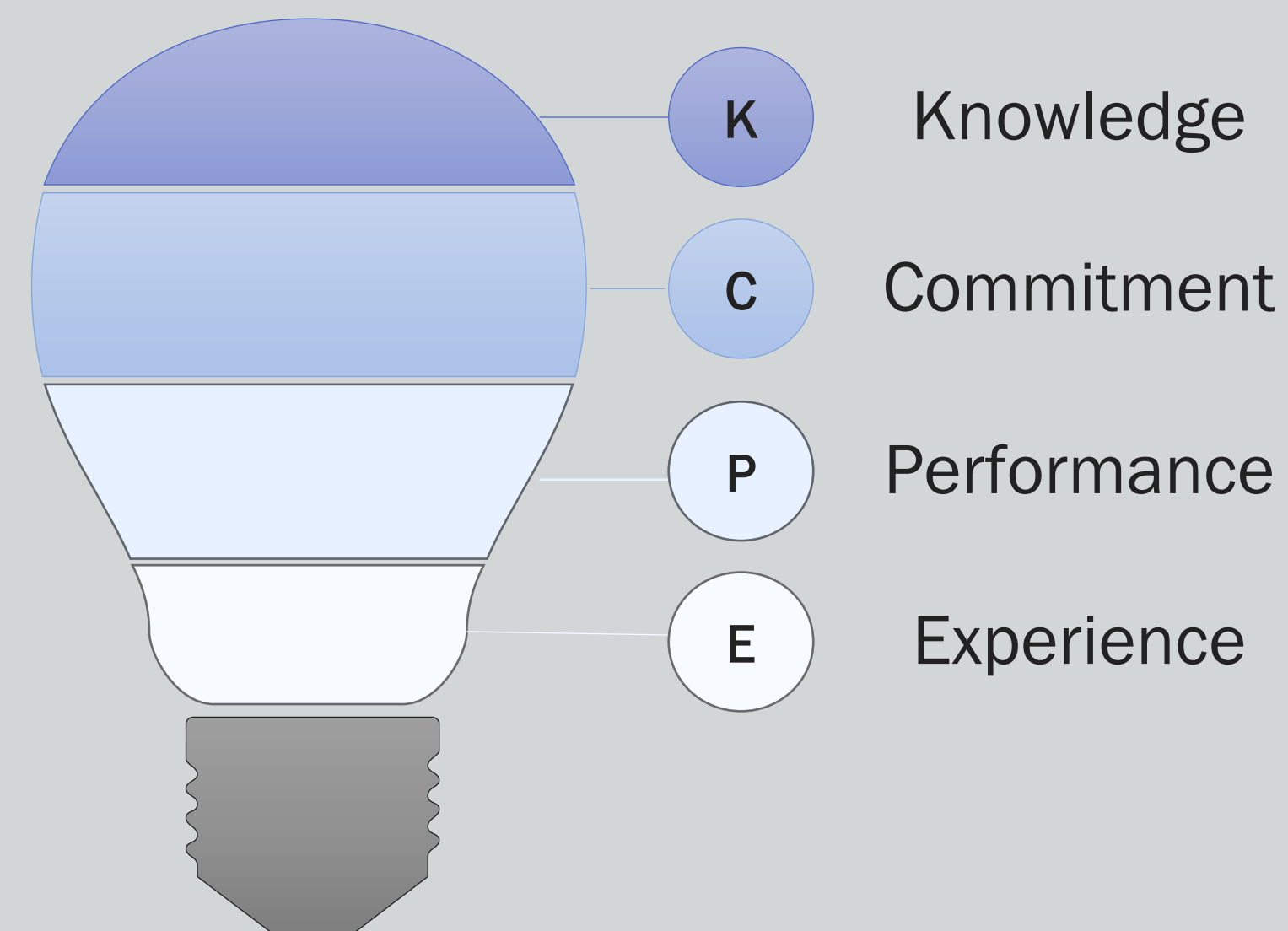
- H.R. 1773 seeks to amend the FDCPA section titled “Unfair Practices” by prohibiting third-party debt collectors from: “Engaging in activities to collect or attempt to collect a medical debt owed or due or asserted to be owed or due by a consumer, before the end of the 2-year period beginning on the date that the first payment with respect to such medical debt is due.”
- Accounting and PR Nightmare?
- Either: (A) Keep the accounts active and non-defaulted and in EOS/first-party for two full years; (B) Default the debt and collect your own debt as the original creditor; (C) Default the debt and let it go dormant (i.e., no income from the debt whatsoever) and resurrect the debt after two years; or (D) Sell the debt (but remember 501(r)).

CLOSING THOUGHTS

- Reg F became effective less than 2 years ago (11/30/2021). The accounts receivable management industry is still digesting the extensive changes that it brought about.
- H.R. 1773 negates many of those changes and in some instances countermands the stability the industry is starting to realize under Reg F.
- The major Credit Reporting Agencies have already self-imposed severe restrictions on the credit reporting of all medical debts. Although H.R. 1773 increases certain of those restrictions (e.g., forbids reporting debts related to medically necessary procedures), it duplicates (e.g., 1-year reporting moratorium) or contradicts to the consumer's detriment (e.g., H. R. 1773 contains no minimum amount that can be reported on a reportable medical debt) the measures already taken by the CRAs.

WHY REVENUE GROUP?

- Experienced Team
- Current performance metrics for EOS/CS
- Technology
- Patient Satisfaction
- Partnership



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