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Credit Reporting Agencies to Remove Most Medical Debt From Credit Reports Effective July 1

The three nationwide credit reporting agencies (CRAs), Equifax, Experian and TransUnion, announced that effective July 1, 2022, they will no longer include medical debt that was paid after it was sent to collections on consumer credit reports.

The companies' CEOs provided a joint statement on the decision to change their approach to medical collection debt reporting:

"Medical collections debt often arises from unforeseen medical circumstances. These changes are another step we're taking together to help people across the United States focus on their financial and personal wellbeing," said Mark W. Begor, CEO Equifax; Brian Cassin, CEO Experian; and Chris Cartwright, CEO TransUnion. "As an industry we remain committed to helping drive fair and affordable access to credit for all consumers."

The time period before unpaid medical collection debt would appear on a consumer's report will be increased from 6 months to one year, according to a press release, "giving consumers more time to work with insurance and/or health care providers to address their debt before it is reported on their credit file."

In the first half of 2023, Equifax, Experian and TransUnion will also no longer include medical collection debt under at least $500 on credit reports.

The changes will remove nearly 70% of medical debt in collections accounts from consumer credit reports.

"We are proud of the compliant work and detailed processes ACA International member agencies have in place to work with medical providers, including those on the front lines of the pandemic, and consumers, to ensure accurate credit reporting and to help resolve consumers' disputes and related payor issues, said ACA International CEO Scott Purcell. "Often it's ACA member collection staff who bring ultimate resolutions for disputes between the provider and the insurance company payors. Extending the credit reporting timeline now reduces the chance of those solutions being honored due to the typical one-year contractual limit in challenging an insurance company claim."

The CRAs also released a summary of each initiative, impacted data furnishers, furnisher action, and the effective dates of each initiative in an email to data furnishers and collection agencies obtained by ACA.

- Effective July 1, 2022, the CRAs will not display paid medical debt collection accounts, which impacts collection agencies and debt buyers. No action or changes are required for data furnishers. They should continue to report the paid medical collection with a status code 61. The CRAs will then remove the paid medical collection.
- Effective July 1, 2022, collection agencies and debt buyers should not report medical debt collection accounts less than one year old. For data furnishers, do not report medical debt collection accounts (as classified by Creditor Classification Code 02) until they are at least 365 days past the date of the first delinquency with the original creditor that led to the account being sold or placed for collection. Note: the existing rule is changing from 180 to 365 days.
- Effective March 30, 2023, collection agencies and debt buyers should not report medical debt collection accounts under a pre-defined minimum threshold (will be at least $500 and published later this year.) This will apply to data furnishers and medical debt collection accounts as defined by Creditor Classification Code 02.

ACA outlined these specific concerns in the letter to the CRAs:

- Changing the time period for reporting from six months to one year will cause consumers to miss insurance deadlines.
- Setting an arbitrary threshold for debt will harm the smallest medical providers and limit access to care, especially in rural and underserved areas.
- Regulations and policy already

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CREDIT REPORTING AGENCIES cont. from page 1

address the issues trying to be solved in a vacuum by the CRAs.

This is a slippery slope for credit providers, who will not have the correct information about consumer obligations and a full credit profile.

"ACA supports the goal to not have a consumer's credit report include bills that should have been paid by insurance companies," Purcell said in the letter. "However, Equifax, Experian, and TransUnion's actions are a misdirect from addressing the significant problem with payors' claim payment processes."

ACA is engaged in discussion with the credit bureaus and policymakers on this issue, and will continue to advocate for positions that do not negatively impact the debt collection industry, creditors and consumers.

Primary Care Physician Turnover Generated $979M in Excess Health Care Spending

High turnover and burnout in primary care physicians were the primary factors in excess spending, according to a study from the Mayo Clinic.

High primary care physician (PCP) turnover, triggered in part by burnout, led to around $979 million in excess health care spending, according to a study published in Mayo Clinic Proceedings.

PCP turnover can disrupt continuous care for patients and lead to higher spending from patients and payers alike, and physician burnout is a driving factor behind turnover in the health care industry.

As a possible solution, the report suggests that maintaining care continuity between patients and their PCPs is critical to achieving positive health outcomes and high levels of satisfaction, and that maintaining care continuity can also help keep costs low by limiting patient use of specialty, urgent and emergency care services.

Mayo Clinic Proceedings researchers gathered data on physicians, Medicare patients and non-Medicare patients between Oct. 12, 2017, and March 15, 2018, using figures on patient spending and physician data that estimated the prevalence of burnout and intention to leave their current practice.

According to the report, Medicare participants spent an extra $189 on health care in the first year after losing their primary care physician due to turnover. Non-Medicare patients generated a $61 surplus on average.

PCP turnover was estimated to create $86,336 in extra spending per physician in the first year following the turnover, after combining excess costs from Medicare and non-Medicare patients.

Researchers anticipated that 25% of physicians who reported an intention to leave their practice would really do so, based on previous physician data. As a result, they calculated that each year, 11,339 primary care physicians would leave their existing practice.

Researchers also discovered that 152,205 out of 316,471 primary care physicians are likely to experience burnout, and that physicians who are burned out are 2.16 times more likely to want to leave their practice.

The study revealed that PCPs without burnout left at a rate of 5.27%, whereas physicians with burnout left at a rate of 9.22%. As a result, the researchers calculated a 3.95% chance of turnover due to physician burnout.

Additionally, burnout was responsible for 3,006 PCP turnovers every year of the study, which resulted in $260 million in extra health care spending, accounting for 27% of all turnover-related excess spending.

According to the findings, lowering physician burnout could help reduce physician turnover and wasteful health care spending.

"Although widespread, the current high levels of physician burnout are not inevitable. Interventions to improve practice efficiency, such as through advanced models of team-based care with in-room support, can reduce burnout," according to the study. "Likewise, interventions to improve organizational culture, including interpersonal connections with colleagues and improved local leadership, can improve professional fulfillment and reduce burnout."

Providers at facilities undergoing a merger or acquisition, for example, were less likely to stay at their practice and were more likely to feel burnout, according to a previous analysis from Athenahealth.

Additionally, the COVID-19 pandemic has exacerbated physician burnout, particularly in primary care. Since the beginning of the pandemic, the health care industry has suffered severe staffing shortages. Burnout was a driving factor for physicians and administrators who wanted to leave their organizations, with a few claiming the pandemic as the cause of their burnout.

Read the full report here: https://mayocl.in/386UJ6J

NEWS & NOTES

Hospitals Urge Patients to Show Compassion to Workers

Hospitals and health systems across the U.S. are asking patients to show kindness and patience to staff on the front lines of the COVID-19 pandemic, according to an article from *Becker's Hospital Review.*

"Health care workers are exhausted, and they need your support. So please, when you do access care, be kind. Be patient. Be understanding. Our doctors and staff need it right now more than ever," San Diego-based Scripps Health said in a letter to patients.

The letter also urged patients to treat their caregivers with respect and not raise their voices, in the midst of a reported increase in workplace violence incidents reported by staff.

Only One Publicly Traded U.S. Health Care Company Among Top 100 In Gender Rankings

A March 2022 Equileap report found that compared to other nations, the U.S. falls behind when it comes to gender equity. In a gender equity ranking of 100 publicly traded companies (out of 4,000), only 14 American companies were listed, and only one health care company made the list—Eli Lilly, sitting at number 97. The countries with the best companies for gender equity were Sweden, France and the U.K. The U.S., Japan and Hong Kong were among the countries with the weakest gender protection. Among U.S. companies, only 8% publicly reported gender pay gap metrics and only 10% analyzed have reached gender balance in the board room.

Read More

For more health care collections news, visit ACA's Health Care Collections page at https://www.acainternational.org/pulse-newsletters-archive/

Certain States, Practice Areas Impacted by Increasing Medical Liability Insurance Premiums

An American Medical Association report found that increasing premiums can impact access to care and medical services as well as cause medical practice closures.

A report from the American Medical Association (AMA) revealed that nearly 30% of medical liability insurance premiums increased in 2021, a trend that has continued since 2019.

The AMA report consisted of data from the Annual Rate Survey Issues of the *Medical Liability Monitor* (MLM) in October 2021. The MLM surveys major U.S. liability insurers every year and reports changes in medical professional liability insurance premiums, gathering data on premiums from obstetrics/gynecology (OB/GYN), general surgery and internal medicine physicians.

The latest analysis revealed that in the past year, a large share of medical liability premiums have once again increased.

Physician practices may face adverse consequences from these changes, as more medical liability premiums see year-to-year increases.

"The medical liability insurance cycle is in a period of increasing premiums, compounding the economic woes for medical practices that struggled during the past two years of the pandemic," Gerald Harmon, president of AMA, said in a press release. "The increase in premiums can force physicians to close their practices or drop vital services. This is detrimental to patients as higher medical costs can lead to reduced access to care."

Between 2010 and 2018, medical liability premiums were generally stable. The upward trend in premiums began in 2019, when 27% of medical liability premiums increased—double the amount of increased premiums in 2018 (13.6%).

2020 saw a 31.1% increase of premiums, with the percentage dropping only slightly to 29.5% in 2021.

Certain states saw higher increases than others. The report noted that 12 states saw premium hikes of 10% or more.

The AMA analysis also revealed premium differences based on location and specialty.

For example, OB/GYNs in Los Angeles County, California, had a base premium of $49,804 in 2021, while OB/GYNs in Miami-Dade County, Florida, faced base premiums of $215,649. General surgeons in New Jersey faced a base premium of $60,810, while surgeons in Nassau County, New York, had premiums of $146,353.

In 2020, insurers started raising premiums in response to the early stages of a hard market, deteriorating underwriting results, lower-loss revenue margins and lower returns on investment.

The COVID-19 pandemic has played a large part in the premium increases, but the report noted that the long-term effect of the pandemic is still unknown and it has not affected base premiums yet.

As the health care industry continues to face staffing shortages, rising liability premiums may only exacerbate the crisis. These high premiums could also force physicians to limit the care they provide or raise the cost of their services, further harming patients and limiting their access to necessary health care, according to the report.

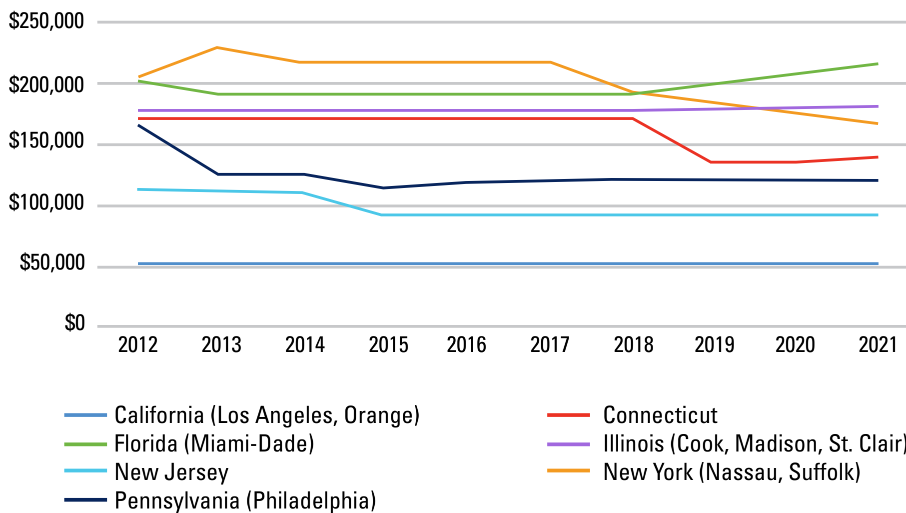
Read the full report here: https://bit.ly/37ZWKBu and see more details in Data Watch.

DATAWATCH

Medical Liability Insurance Premiums On the Rise

A report from the American Medical Association (AMA) found that since 2019, approximately 30% of medical liability insurance premiums have increased every year. The AMA analysis also revealed premium differences based on location and specialty. For example, OB/GYNs in Los Angeles County, California, had a base premium of $49,804 in 2021, while OB/GYNs in Miami-Dade County, Florida, faced based premiums of $215,649. The differences were apparent in general medicine as well, with physicians in Los Angeles County facing premiums of $8,274, compared to Miami-Dade County physicians facing base premiums of $53,912.

Medical Professional Liability Insurance Premiums, Selected Insurers OB/GYN



Source: American Medical Association https://bit.ly/3iCt4fN

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