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# PULSE



# Next Round of Medical Debt Credit Reporting Changes on the Horizon

Effective March 30, debt collection agencies and debt buyers will no longer be able to report medical debt collection accounts under $500. More information on this implementation is coming later this year.

The next wave of medical debt credit reporting changes by the three major credit reporting agencies (CRAs) is slated for this month.

Beginning March 30, 2023, Equifax, Experian and TransUnion will no longer include medical debt under at least $500 on consumers' credit reports.

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

The CRAs released a summary of each initiative implemented in the past year, impacted furnishers, furnisher action and the effective dates, which you can access here.

Since the announcement of the CRAs' credit reporting changes and actions from the Consumer Financial Protection Bureau that appear to be driving these changes, ACA International has been steadfast in its advocacy on the unintended consequences here and how to right the course to find workable solutions.

ACA, understanding that this change is perhaps most concerning to you and your health care provider clients, has resources to help you navigate these changes and more importantly, advocate to tell your story and the impact they have on businesses and patients.

Through these resources, which ACA members can view here, you can tell your story about the impact of medical debt credit reporting changes and encourage other providers to do the same.

Additionally, an ACA Huddle recording is available for more information: ACA's Response to the Omission and Removal of Medical Debt Credit Reporting.

Access the chart from Experian, Equifax and Transunion here (PDF).

# Consumers Frustrated with Health Care Billing and Lack of Processes for Correcting Errors

Forty-one percent of consumers felt significantly frustrated with billing errors and the remedies provided to fix them within the health care industry, according to findings from Zelis and Hanover Research.

A study conducted on consumer billing last month by Zelis in partnership with independent research firm Hanover Research found glaring issues with the way billing errors are remedied within the health care industry.

In the online survey administered to 800 U.S. consumers who had found at least one medical billing error in the last five years, 41% said they were significantly frustrated trying to address billing errors.

Additionally, half of the survey respondents reported incorrect charges of at least $200 and a quarter saw a difference of more than $500 on their bills, adding up to a significant amount of unnecessary health care spending when translated at scale, according to the report.

**Key findings from the research include:**

- According to survey respondents, knowing whom to contact and how to find the right contact information were the two biggest challenges identified during the bill correction process.
- Individuals reported it was hard to understand the complexities of health care billing and high-cost bills, with only 30% of participants feeling extremely confident in their ability to identify an error in their medical bill.
- Finances were also found to be a primary motivator for fixing incorrect bills, with 62% of survey respondents saying that saving money motivated them to attempt to correct a billing error.
- Consumers typically noticed the error in one of three ways: They compared charges with estimated costs (32%), compared charges to the explanation of benefits (29%), or noticed items on the bill that differed from their care experience (29%).
- Almost half of respondents (43%) spent up to one month getting bills corrected, and 70% of those who tried to resolve a billing error spent more than two hours on the process.

"Our research reinforces that health care billing systems are complicated, and bills can be complex and with the potential for errors," said Michael Axt, chief member empowerment officer at Zelis. "This negatively impacts health care consumers, particularly those with lower incomes or less health literacy. Health care organizations have an opportunity to reduce friction in the billing process to support consumers and create a more seamless healthcare financial journey."

Eighty percent of respondents said they think their health care insurance plan should have a clearer process for dealing with billing errors, better service, clearer options, and faster and easier resolutions.

According to the report, incorrect billing is on the rise as more health care providers request that patients pay in advance for services based on their estimates, which does not always account for claims yet to be processed from other providers and can inflate costs to consumers unnecessarily.

The full results and insights are featured in the white paper, Healthcare Financial Journey: Reducing Friction for Consumers.

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# NEWS & NOTES

### Employer-Sponsored Insurance Plans Pay More for Drugs Than Medicare

New data published by JAMA Health Forum found that employer-sponsored insurance (ESI) plans paid more than Medicare for most physician-administered drugs with the highest use and the highest spending.

In fact, the data found that five of the most used physician-administered drugs cost over 200% higher for employer-sponsored health plans than for Medicare, based on data from Medicare average sales price (ASP) files and the Health Care Cost Institute between 2016 and 2020.

"High ESI prices for physician-administered drugs raise overall spending and threaten access to innovative and lifesaving products for close to half of the U.S. population with health insurance through their employer," the study stated.

Read the full report here.

### Medical Billers Share Positive Outlook on Revenue Cycle Industry

According to a new survey from Tebra, two-thirds of medical billing organizations have an increasingly optimistic stance on the state of the revenue cycle outsourcing market.

The technology company surveyed 277 medical billing company owners, leaders and team members serving independent practices and clinics in the U.S., with the majority of respondents belonging to companies that serve less than 10 practices and clinics.

The study discovered that despite growing competition, health care consolidation, and other unfavorable macro dynamics, medical billers reported being upbeat about the industry's future. About 43%—up from 27% in 2018—reported outsourcing of medical billing as a significant opportunity to leverage technology to optimize services, reduce repetitive tasks and boost revenue.

Read the report here.

### Learn More

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

# Payments Processed on ACH Network Soared in 2022

Payments reached 30 billion and a total of $76.7 trillion last year, according to a report from Nacha.

The ACH Network processed 30 billion payments valued at $76.7 trillion in 2022, an increase of 3% and 5.6% respectively over 2021, according to a press release from Nacha.

"2022 marked the tenth consecutive year in which the total value of ACH payments increased by at least $1 trillion," said Jane Larimer, Nacha president and CEO. "This underscores the fact that the ACH Network is an industrial-strength, modern payment system serving hundreds of millions of consumers, businesses and other organizations."

The ACH Network also implemented Late Night ACH last year, which brought the distribution of additional files to all receiving institutions by 11:30 p.m. ET, and accelerated the delivery of ACH payments that would otherwise be received the next morning.

Nacha estimates that an average of nearly 10 million ACH payments per day are being delivered in these new files Monday through Thursday, and an average of more than 50 million ACH payments are being delivered on Fridays, according to the press release.

"Same Day ACH is a key component of today's ACH Network," Larimer said. "Corporate and other ACH users wanted an increase in the per-payment limit for Same Day ACH, and the ACH Network delivered that last March."

2022 saw a 15.5% increase in same-day volume and a value increase of 86.3% for those payments, driven by an increase in the Same Day ACH dollar limit to $1 million.

### Other highlights from 2022 include:

- "Businesses continued to move away from checks, as shown in the 11.8% year-to-year increase in Business-to-Business (B2B) payments.
- Adoption of Same Day ACH for B2B payments increased 44% in 2022.
- Health care claim payments rose 6.1% from 2021, with more than 452 million payments.
- One of Nacha's focus areas in 2023 is encouraging dental providers to switch to ACH. Dental practices lag behind their medical counterparts in accepting electronic claim payments.
- Direct Deposit was 4.1% lower in 2022 with the end of federal pandemic assistance programs and fewer jobless benefit payments."

Read the full report here.

# DATAWATCH

## Medical Billing Errors Cost Consumers Time and Money

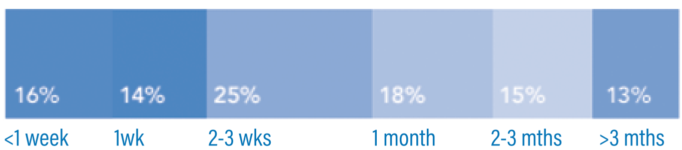
A [study](#) conducted on consumer billing last month by Zelis in partnership with independent research firm Hanover Research found that two-thirds of patients who address a billing error usually get it resolved eventually.

However, almost half of patients (43%) spend up to one month getting bills corrected—between identifying the error and resolution or failure of resolution—with only 16% resolving the issue in less than one week of elapsed time.

"Patients should not be responsible to pay more than they legitimately owe, but the path to resolution can be time-consuming and frustrating when they've been billed in error," according to Zelis researchers.

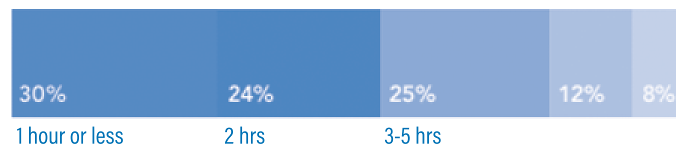
To alleviate and address those errors, the federal government established an independent dispute resolution process portal—and they were quickly inundated with complaints, seeing over four times the expected disputes in the period from April 15, 2022, to Sept. 30, 2022, per data furnished by the Department of Labor, Department of Health & Human Services, and the Department of the Treasury.

### Elapsed time to resolution




(Question: How much time passed between the moment you noticed the mistake and the moment the bill was corrected, or you stopped to correct it?)

### Hours spent for resolution




(Question: How many hours of your time did you spend trying to correct the bill?)

***Source: Healthcare Financial Journey: Reducing friction for healthcare consumers, Zelis & Hanover Research.*** https://bwnews.pr/3ZthXsU

PULSE

is a monthly bulletin that contains information important to health care credit and collection personnel. Readers are invited to send comments and contributions to:

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