

Medical billing and debt collection among older adults

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Introduction to the CFPB

Federal agency created in 2010

Dedicated to making sure you are treated fairly by banks, lenders and other financial institutions

On your side through life's financial moments



We monitor financial markets for consumer risk

CFPB's Office for Older Americans works to:

- Help older consumers make sound financial decisions as they age
- Identify and address emerging consumer protection risks
- Help older adults recognize warning signs of unfair, deceptive, or abusive practices and protect themselves from such practices
- Coordinate consumer protection efforts on behalf of older adults with other federal agencies and state regulators to promote consistent, effective, and efficient enforcement.

Today's agenda

- What do consumer complaints tell us about medical debt?
- Are older Americans experiencing inaccurate billing and collections?
- Where can consumers find help?

Problem & Impact

What do CFPB complaints tell us about experiences with medical debt?



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CFPB takes consumer complaints

- Mortgages
- Student loans
- Payday loans
- Auto loans or leases
- Checking and savings accounts
- Credit cards
- Prepaid cards
- Credit reporting
- Debt collection
- Money transfers
- Check cashing services

In the words of older adults

"[My insurance company] paid their portion and I paid the patient portion in full. The doctor's office has attempted to collect an additional \$XXX from me that I do not owe.

Each time, I have submitted letters disputing the validity of this debt and provided them with copies of my ... Explanation of Benefits, which clearly states that I am not responsible for any additional amounts.

This have been going on for nearly two years and I am suffering a great deal of stress and anxiety because of the ongoing dispute."

Billing complexities

Why do older adults submit so many complaints about inaccurate medical bills?



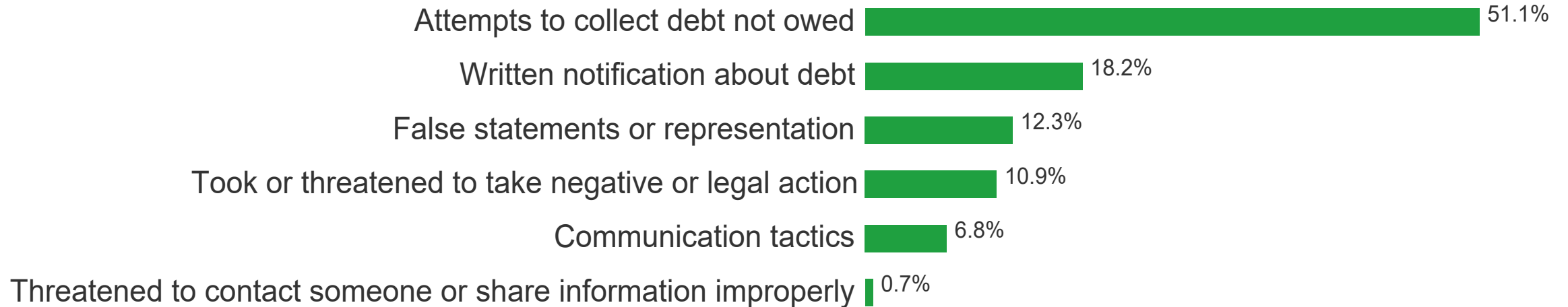
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Older adults often submit medical debt complaints

- 1,072 debt collection complaints on medical debt received from consumers ages 62+ between March 2020 and December 2021
- Despite nearly universal insurance coverage, older adults complain about medical debt collection almost as often as adults under 62
- Medical debt complaints account for 2% of the complaints from adults ages 62+, and 3% of complaints from adults under 62

Older adults report inaccurate medical collections

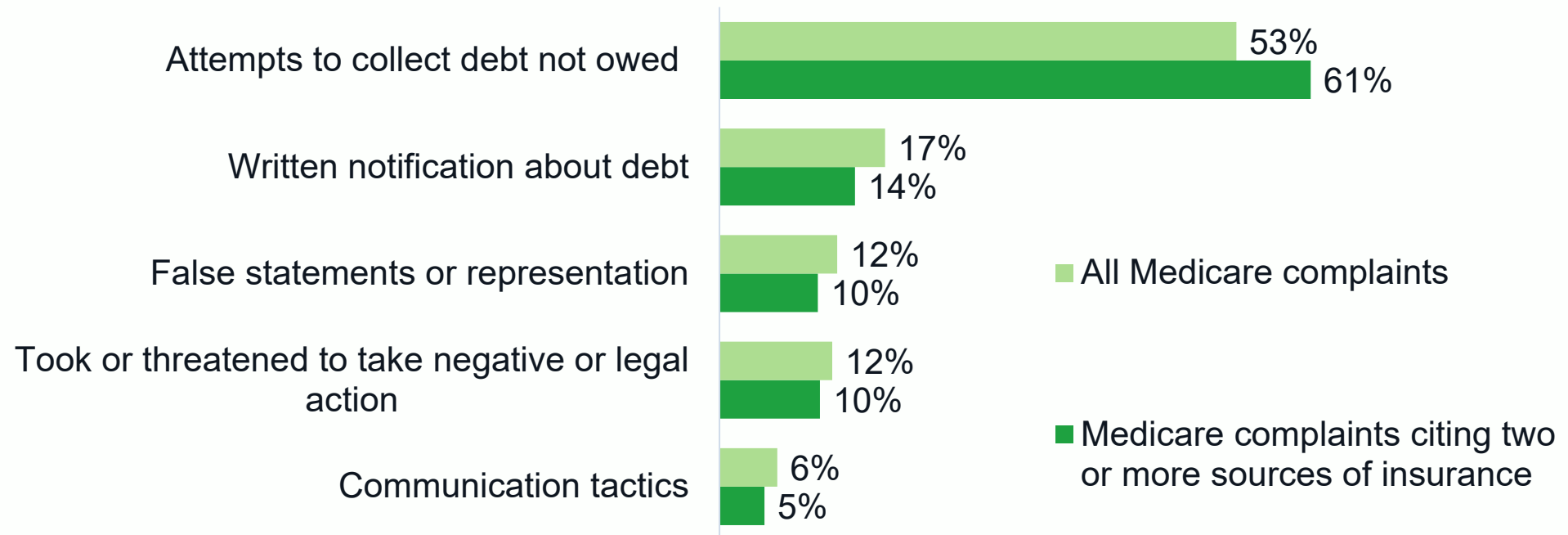
Most medical debt collection complaints by older adults relate to:



Source: CFPB Complaints, March 2020- December 2021, adults ages 62+

Do people with Medicare have unpaid bills?

Medical debt collection complaints mentioning “Medicare” from adults 62+ by issue



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Source: Internal analysis of CFPB Complaints, Jan 2020- Dec 2022, adults ages 62+

Insurance is a factor in unpaid bills

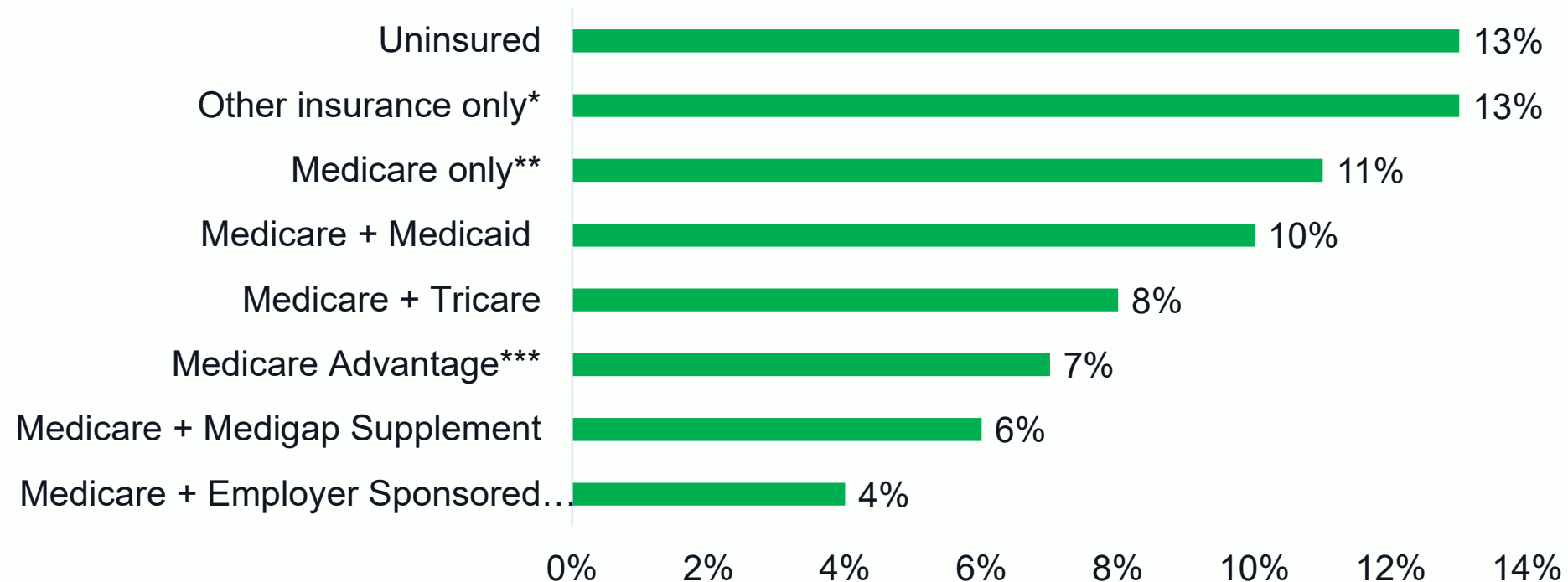
- In 2020, nearly four million adults ages 65 and older (7 percent) had unpaid medical bills
- 98 percent of them had health insurance coverage
- Nearly 70 percent reported two or more sources of insurance
- Total amount of bills increased by 20 percent from 2019

Most duals should have little or no costs

- Millions of older adults ages 65 and older are covered by both Medicare and Medicaid (dual-eligible beneficiaries or duals)
- Most duals should have little or no out-of-pocket costs for Medicare-covered care
- Federal and state laws prohibit providers from billing certain dual-eligible beneficiaries for payment beyond a nominal copay set by the state, if any.

Duals owe more than other people with Medicare+

Percentage of older adults reporting unpaid medical bills by insurance



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Source: CFPB analysis of the Census Bureau, Survey of Income and Program Participation 2021, public use files.

What is the source of inaccuracy?

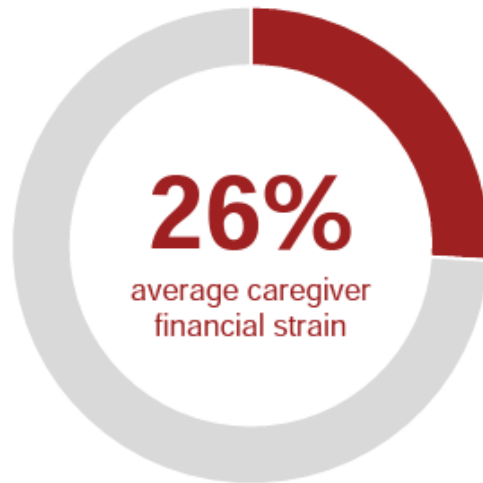
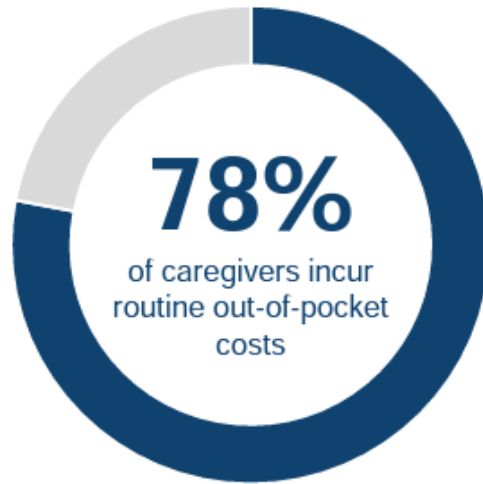
- Balance billing
- Filing claims with the wrong insurer or not at all
- Incorrect billing codes
- Untimely filing, failure to resubmit corrected claims
- Missing or invalid claim data
- Authorization and pre-certification issues

How are older adults uniquely affected?

Older adults and people living with a disability are:

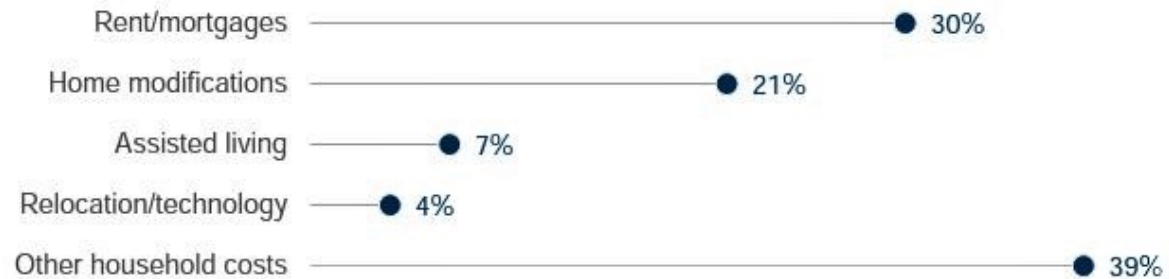
- More likely to have multiple chronic health conditions that require complex medical care
- More likely to rely on multiple insurance plans to cover their medical services
- More likely to experience limitations that make it difficult to detect and correct inaccurate bills

What if an older adult can't afford these costs?

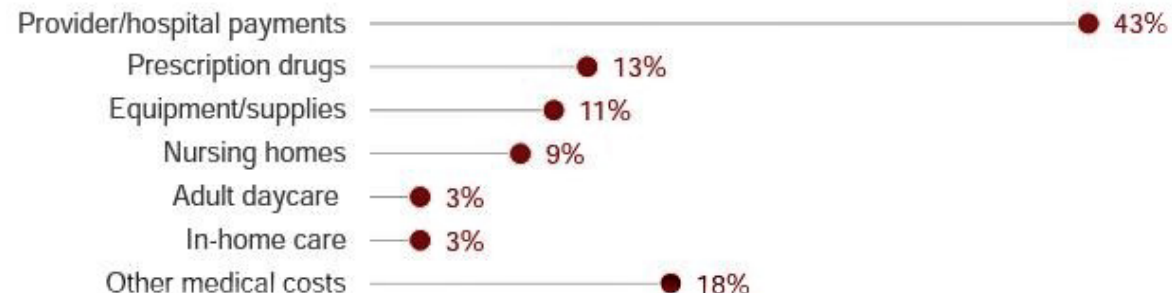


Caregiver average annual spend: **\$7,242**

Housing 52%




Medical 17%



How else do people pay for LTSS?

- Private long-term care insurance - cost prohibitive, carveouts
- Retirement savings – 47 (men) to 50 percent (women) have none
- Home equity
 - Cash-out refinance
 - Home equity loan
 - Home equity line of credit (HELOC)
 - Reverse mortgage
- Pension
- Cashing out
 - Pension lump sum
 - Life insurance



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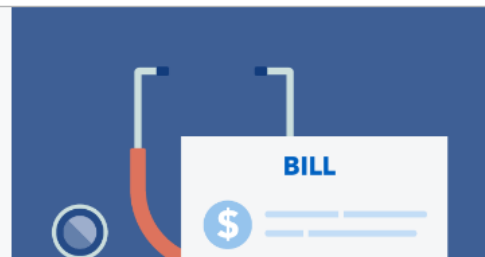
Medical debt

The CFPB is working to stop unfair medical debt collection and coercive credit reporting practices that add to the strain on American families.



Navigating medical bills in the U.S.

\$88 billion of outstanding medical bills are currently in collections – affecting one in five Americans. Our infographic has tips for navigating the complex medical



FIND ANSWERS TO YOUR QUESTIONS

Browse answers to hundreds of financial questions.

[AskCFPB Homepage](#)

[AskCFPB: Medical credit cards and payment](#)

consumerfinance.gov/medicaldebt

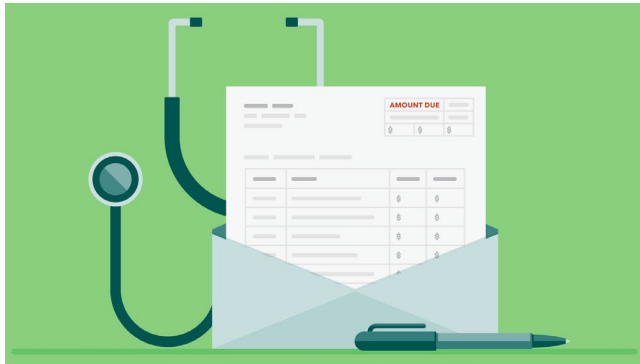
Consumer Rights

How can I help older adults address debt collection on inaccurate bills?



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Talk with a health insurance counselor



Health insurance counselors are free, unbiased, local experts who can help you find out if you are eligible for assistance with prescriptions through Medicare Extra Help, or help with premiums, copays, and co-insurance through the Medicare Savings Programs.

To find a counselor, visit the SHIP locator at shiphelp.org.

Getting medical bills right

If you're among the 7.5 million people in the Qualified Medicare Beneficiary program and you get a bill for charges covered by Medicare, learn what you can do.

[What to do if you're wrongfully billed for Medicare costs](#)

Threats to garnish protected benefits

Debt collectors may threaten to garnish federal benefits such as Social Security, SSI, or VA benefits. These are protected by federal law. Before paying anything, verify the debt, talk to an attorney, and respond to any court actions.

[Can a debt collector garnish my federal benefits?](#)

Debt collection scams

- Pressures you to pay by money transfer or prepaid card
- Falsely threatens you with jail time or poses as a government official
- Says they will tell your family, friends, and employer
- You don't recognize the debt that the person claims you owe money for
- Asks you for sensitive personal financial information
- Calls you at inconvenient times

Disputing a bill in debt collection

If you're getting calls from debt collectors, but don't think you owe the money, send a letter to ask the debt collector for more information or to dispute the debt.

CFPB has [sample letters](#) to help you write and send a letter to debt collectors.

Disputing inaccurate bills in a credit report

To file a dispute about information in your credit report:

1. File a dispute with the company that compiled the report.
2. If you received an adverse action notice, use the contact information provided on the notice.



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Credit repair services

- You can dispute mistakes in your credit reports yourself, for free
- A company using telemarketing to sell credit repair services must meet certain requirements before they can charge for their services
- You have the right to see results *before you pay*
 - The company must achieve the results promised within the time frame they stated
 - The company must give you a consumer report showing the results, generated more than six months after the results were achieved

Identifying a debt relief or credit repair scam

- Asks for a fee upfront
 - *Before* negotiating or reducing your debt
 - *Before* you sign an agreement with the creditor or collector
 - *Before* you make any payment to the creditor or collector
- Avoids explaining what you can do yourself – for free
- Tells you to dispute all the information in your credit report, even if it's accurate and timely
- Makes promises they can't keep

Getting access to healthcare

Medicaid does not allow doctors and health care providers to deny you health care services because of an unpaid copayment or coinsurance bill.

If your health care provider is violating this rule, call 1-800-MEDICARE (1-800-633-4227).

Submit a complaint to CFPB



If you have an issue with a debt collector, CFPB will forward your complaint to the company and work to get a response from them.

You can submit a complaint at consumerfinance.gov/complaint or by calling (855) 411-2372.

What happens after I submit a complaint?

- After you've submitted your complaint, you can check its status at consumerfinance.gov/complaint or by calling us at (855) 411-CFPB (2372).
- We'll also send you email updates along the way so you know where you are in the process, and what's next.
- After the company responds to your complaint, we'll email you, and you can log back in to review the response and give us any feedback.

What makes an effective complaint?

The best complaints are the ones that explain, clearly and concisely:

- What happened, including key details and documents;
- What you think would be a fair resolution; and
- What you've done to try and resolve it

Learn about financial rights and protections

Ask CFPB

We offer clear, impartial answers to hundreds of financial questions. Find the information you need to make more informed choices about your money.



Auto loans

- What effect will shopping for

Bank accounts and services

Credit cards

- What is a credit card interest



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Employer-sponsored health plan denials

- Ask EBSA! The **Employee Benefits Security Administration (EBSA)** protects the security of the retirement, health and other workplace related benefits of American workers and their families.
- EBSA's **Benefits Advisors** are located throughout 13 regional and district offices across the United States.
- They provide individualized assistance and information to plan participants, employers, plan officials, and service providers. They provide informal dispute resolution and conduct outreach education.
- Benefits Advisors can assist inquirers in over 200 languages!

The Employee Benefits Security Administration (EBSA)

ASK EBSA! How to contact a Benefits Advisor

Call the Benefits Advisor Phone Line

866-444-3272 (EBSA)

Calls are routed to your local Regional Office and answered live or returned within 1 business day

File an Online Inquiry

dol.gov/agencies/ebsa/about-ebsa/ask-a-question/ask-ebsa

Answered within 2 business days



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U.S. Department Of Labor
Employee Benefits
Security Administration

Contact us

Office for Older Americans

Website: consumerfinance.gov/olderamericans

Email: olderamericans@cfpb.gov



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