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pulse

CFPB Finalizes Nov. 30 Effective Date for Reg F: Health Care Collection Trends to Watch

The CFPB had proposed delaying the original effective date by two months to allow additional time for supervised entities to comply, but decided the extension was unnecessary based on public comments.

The Consumer Financial Protection Bureau's original effective date for the final debt collection rule (Regulation F) has been finalized as Nov. 30, 2021.

In its proposal earlier this year to delay the effective date, the CFPB stated that it proposed the extension in response to the ongoing "societal disruption" caused by the global COVID-19 pandemic and to allow stakeholders additional time to review and implement the rule.

However, the CFPB said it has "now determined that such an extension is unnecessary" and that the public comments generally did not support an extension, according to a news release.

"ACA appreciates that the bureau listened to concerns raised in our comments highlighting that the proposed delay would not effectively address any concerns raised about compliance burdens in the rule, and it did not align with our actions taken by the bureau in response to the pandemic," said ACA International's Vice President and Senior Counsel of Federal Advocacy Leah Dempsey.

With the official compliance date in mind, health care providers working with collection agencies as their business associates should ensure they're on the same page about text message and email requirements under Reg F.

As explored in the March issue of *Pulse*, three core areas of Reg F compliance are the definition of "consumer," limited content voicemail and call frequency.

Definition of 'Consumer'

Deceased consumers leaving debts behind are now included in the definition of "consumer."

This means when you have an account where the consumer has died, you will need to determine if a survivor can work with you to resolve the debt. The FDCPA allows debt collectors to communicate with certain family members and legal representatives.

Remember, you cannot demand payment from survivors. The payment must come from the deceased consumer's assets.

Limited Content Voice Mail

Leaving voicemail messages can sometimes lead to third-party disclosure. To help us reach consumers and protect the consumer's privacy, the CFPB has designed a script template called "Limited Content."

There are certain things that debt collectors will be able to say but nothing more. Follow your new script exactly and practice it until it becomes routine. Do not add or change anything in your new script without your manager's approval.

Frequency

The new rule says that a debt collector cannot call a consumer more than seven times in a seven-day consecutive period for each debt. After having a conversation with a consumer about a particular debt, the debt collector cannot call the consumer again about that debt for seven consecutive days.

If you're thinking, "What if…" you're not alone! There are a lot of complicated issues with this new rule and as such, it's important to rely on your compliance and training team for guidance. Dialing systems will help.

Keep accurate notes for each call. Remember to indicate any requests from the consumer to contact them in a different way or at a more convenient time or place.

The CFPB will consider additional guidance for debt collectors, including those that service mortgage loans, as necessary, and continue to work with all market participants to ensure a smooth

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Health Coverage Options at Small Businesses Remain Stable Throughout Pandemic

New study shows many small businesses are continuing to offer coverage, but more have plans that are exempt from Affordable Care Act rules due to increasing costs.

Health care providers and the insurance industry saw major changes during the COVID-19 pandemic, with small businesses among employers most negatively affected by the pandemic.

An August report by the Urban Institute and the Robert Wood Johnson Foundation shows trends in small business insurance coverage in the last decade or more, and how the pandemic has continued to reinforce them.

"Despite the market seeing short-term relative stability, small-group insurance costs are increasing and the number of small firm employers offering health coverage is dropping, echoing continuing trends that pre-date the pandemic," according to the report.

Key findings from the report include:

- "Small businesses' health coverage offerings remained relatively stable amid the COVID-19 pandemic, contrary to some early predictions."
- "The share of small employers offering comprehensive health benefits has steadily declined over the last two decades, but employers that continue to offer benefits recognize its importance in attracting and retaining skilled employees."
- "Many small employers are shifting to coverage exempt from Affordable Care Act rules in response to rising costs, resulting in an unsettled market."

The Affordable Care Act required several changes to the design and marketing of health insurance products sold to small employers, seeing most of those changes in 2014. For example, insurers were required to cover a minimum set of essential health benefits, cap enrollees' yearly out-of-pocket costs, and waive cost sharing for some preventive services, according to the report.

The Affordable Care Act also established a state-level Small Business Health Options Program (SHOP), which would serve as a health insurance marketplace for small employers. Despite this implementation, which included access to tax credits and a larger array of insurers to choose from, there was little interest from small employers as well as insurers.

While this report only utilized interviews with stakeholders in six states, —Arkansas, Minnesota, Montana, New Mexico, Pennsylvania and Vermont— to provide insight into the small-group market and its response to significant changes in federal health policies in the face of the pandemic, it is believed to echo similar trends across the country. Research from those same six states was also included in reports from 2015 and 2017.

The report states that small businesses that offer health insurance "are highly incentivized to maintain it to attract and retain skilled employees, even in the face of rising costs and the economic uncertainties wrought by the pandemic." Additionally, the national health crisis prompted many to attach an even higher value to health benefits than they might have otherwise.

Despite policymakers' efforts to create new options for this market with the Affordable Care Act, American Rescue Plan, SHOP, and increased changes to HRAs, small businesses continue to show disinterest.

"Small employers are less likely to have a robust human resources department or in-depth knowledge of health benefits, leading them to rely heavily on brokers to learn about new options," according to the report. "Programs or policies that do not incentivize brokers and other professionals to promote them are unlikely to achieve much success, at least in the short term."

Over the past 20 years, according to the report, the share of employers with health benefits dropped from almost half to less than one-third.

More information: https://rwjf.ws/37CIWJI

Commonwealth Fund Survey Shows Increase in National Medical Debt

More than half of U.S. adults who contracted COVID-19 or lost income during the pandemic also struggled with medical debt.

After over a year of severe job market disruption in the wake of the COVID-19 pandemic, combined with a massive pandemic relief effort from the federal government, Americans are left wondering where the state of health care coverage and affordability lies.

To find out, The Commonwealth Fund, in partnership with survey research firm SSRS, conducted the Health Care Coverage and COVID-19 Survey March 9 through June 8, 2021, using a nationally representative sample of 5,450 adults ages 19 to 64.

Although the COVID-19 pandemic caused a significant economic recession that left millions of people without work, early Commonwealth Fund findings based on federal data and unemployment claims indicated that coverage losses were relatively low, according to the survey report from the Commonwealth Fund.

Despite this, plenty of Americans have suffered in immeasurable ways, especially those who either lost their jobs

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Reg F: Health Care Trends cont. from page 1

and successful implementation

The entire ACA team is excited to prepare members for these historical changes to the FDCPA. Set your coordinates for ACA Education and Events for new lessons on how to prepare for the rules. Visit acainternational.org/events for Core classes, Hot Topics, ACA Huddles and more to keep you moving forward in 2021.

ACA has also created an educational video series, ACA How: Reg F Implementation, to help you prepare for Reg F compliance: https://www.acainternational.org/about/reg-f

Commonwealth Fund Survey cont. from page 2

or contracted COVID-19, resulting in loss of employee coverage or income and leaving many with increased medical debt.

Survey Highlights:

- About 10% of adults ages 19 to 64 were uninsured during the first half of 2021. Rates were higher among Latinx/Hispanic and Black adults compared to white adults.
- Six percent of working-age adults reported they lost their employer health coverage due to unemployment related to the pandemic; of those, 67% found other coverage.
- Just under half of respondents reported they had been directly affected by the pandemic in at least one of three ways: getting COVID-19, losing income, or losing employer health coverage. One-third reported lost income.
- More than one-third of insured adults and half of uninsured adults reported they had problems paying medical bills or were paying off medical debt during the prior year. These rates were similar to those found in Commonwealth Fund surveys conducted prior to the pandemic.

People directly affected by the pandemic reported having medical bill and debt problems at higher rates than those not directly affected.

Among respondents with medical bill and debt problems, 35% spent all or most of their savings, 35% took on credit card debt, 27% were unable to pay for basic necessities like food or rent, and 23% delayed education or career plans.

People with either public or private insurance when the survey was conducted reported issues with medical bills or debt (some may not have had coverage for the full year), according to The Commonwealth Fund.

Insurance plans requiring deductibles have become more common, and the size of deductibles has grown as well, leaving increasing numbers of privately insured people exposed to potentially high costs.

"The [Affordable Care Act's] minimum benefit requirements and preexisting condition protections, along with cost-sharing subsidies and limits on out-of-pocket costs, have significantly improved the coverage offered by plans sold in the individual market. But the greatest protections are aimed at people with the lowest incomes and are far less extensive for people farther up the income scale," the report states.

For more information, read The Commonwealth Fund Health Care Coverage and COVID-19 Survey report and findings here: https://bit.ly/statemedicaldebtsurvey.

NEWS & NOTES

Health Care Industry Sees Larger M&A Deals

For the first half of 2021, the health care receivables management industry saw larger-scale deals and recurring "soft" consolidations of Medicare Accountable Care Organizations, according to Corporate Advisory Solutions. Although allowed under federal antitrust laws, a Harvard University study shows that these deals may also be increasing prices for patients, as compared to more "formal" health care M&A transactions. The pandemic coupled with health care consumerism has proven there are long-lasting effects on operations and technology for hospitals and health care systems. https://bit.ly/rcm-ma

Consumers Save by Enrolling in American Rescue Plan

Returning consumers can save an average of 40% off their monthly premiums through the American Rescue Plan (ARP), according to data from the Centers for Medicare and Medicaid Services (CMS). ARP has been extended to account for enhanced tax credits of President Joe Biden's Build Back Better Plan, and CMS finds 34% of new and returning consumers have found coverage for $10 or less per month on HealthCare.gov. https://bit.ly/hhs-costs

We Want to Hear From You

Pulse is published for ACA International health care collection agencies to provide current industry information for health care providers. ACA welcomes article ideas and submissions for consideration in Pulse to the Communications Department at comm@acainternational.org.

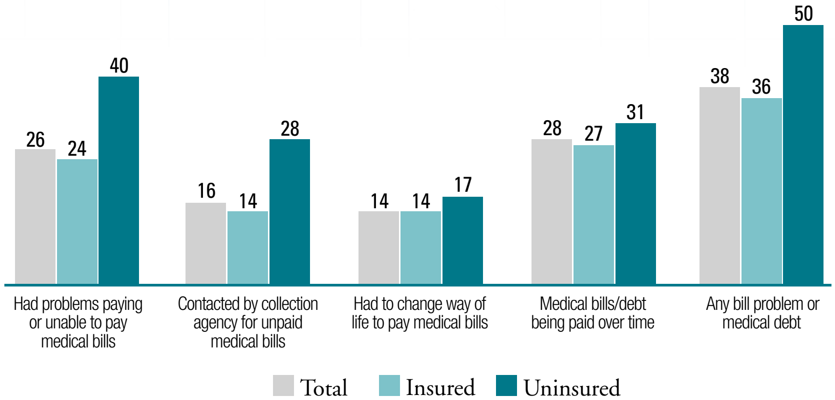
For more health care collections news, visit ACA's Health Care Collections page at www.acainternational.org/pulse.

datawatch

Post-Pandemic Medical Debt in the U.S.

According to The Commonwealth Fund Health Care Coverage and COVID-19 Survey conducted from March to June 2021, more than one-third of insured adults and half of uninsured adults said they had a medical bill problem or were paying off medical debt. More than 38% of adults reported that over the last year, they or a family member had been contacted by a collection agency about unpaid bills, had to change their way of life to pay their bills, or were paying off medical bills and debt over time. A third of those with debt said they were paying off $4,000 or more.

Percent of adults ages 19-64 who had medical bill or debt problems in the past year



Source: Commonwealth Fund Health Care Coverage and COVID-19 Survey, March–June 2021. https://bit.ly/3CmrxmE

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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