



REGULATORY UPDATE

No Surprises Act Brings New Consumer Protections From Surprise Medical Bills

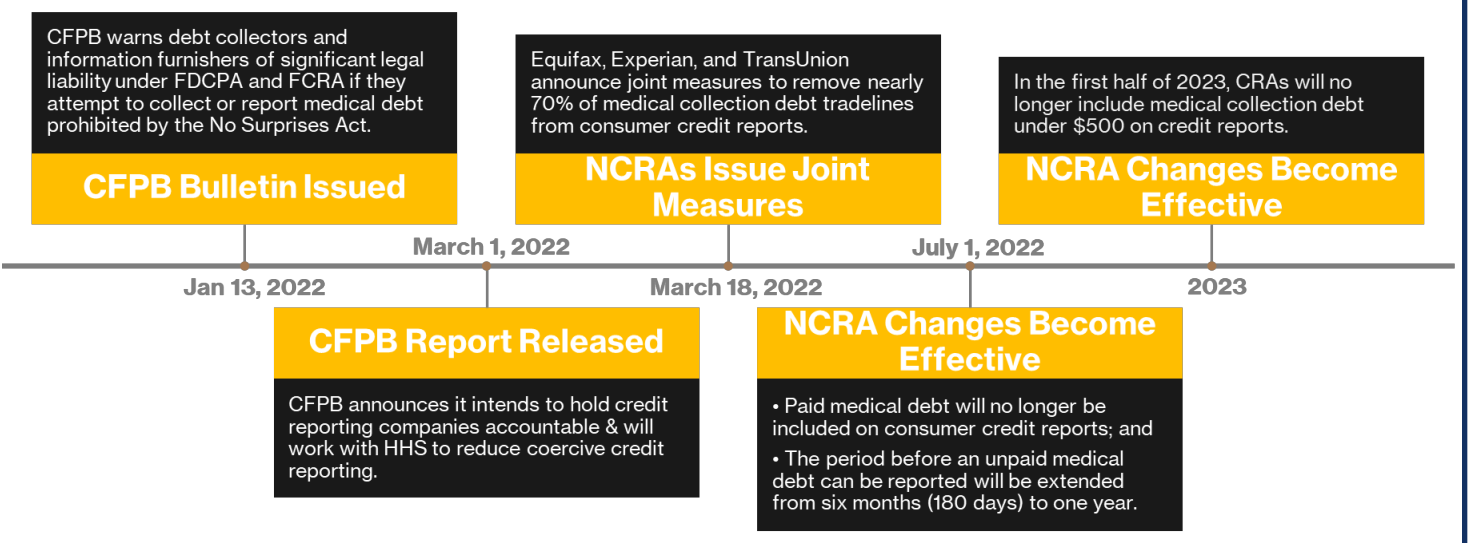
On January 13, the Consumer Financial Protection Bureau (“CFPB”) released a medical debt [compliance bulletin and policy guidance](#) on the requirements of the No Surprises Act (“NSA”), which includes consumer protections for medical bills. In the bulletin, the CFPB warned debt collectors and others who furnish information to credit reporting agencies that they may face significant legal liability under the Fair Debt Collection Practices Act (“FDCPA”) and the Fair Credit Reporting Act (“FCRA”) if they:

- **Collect** medical debts from patients that exceed amounts owed under the NSA; or
- **Represent** that a patient owes a debt arising from out-of-network charges for emergency services in excess of the amount permitted by the NSA; or
- **Inaccurately report** medical debts that exceed amounts owed under the NSA (or include such amounts in a consumer report).

On March 18, following a [report](#) released by the CFPB that detailed the adverse effects of medical debt on patients, the three nationwide consumer reporting agencies (“NRAs”) [announced](#) that **effective July 1:**

- Paid medical collection debt will no longer be included on consumer credit reports;
- The time period before unpaid medical collection debt would appear on a consumer’s report will be increased from 6 months (180 days) to one year; and
- **In the first half of 2023**, medical debt below \$500 will no longer be included on credit reports.

Key Dates Timeline



Key Takeaways

- Hospitals and providers (and the debt collectors to whom they may refer accounts) should review and update their policies and procedures to safeguard against collecting and/or credit reporting debts from patients that exceed amounts owed under the NSA.
- First-party debt collectors not subject to the FDCPA should also exercise caution, as they may still be held liable for such activities under the CFPB’s unfair, deceptive, or abusive acts or practices authority.

Disclaimer: This document is for educational purposes only and is current as of April 1, 2022. Not intended to be used as, or constitute legal or medical advice.