

Medical Debt Malpractice

Consumer Complaints About Medical Debt Collectors, and How the CFPB Can Help

A review of consumer complaints shows that problems with medical debt collection are widespread and harm Americans across the country.

Consumer Complaints Shine a Light on Medical Debt Collection Experiences

Many hospitals and health care providers turn to debt collection agencies to seek payment of unpaid medical bills. In recent years, these collection companies have become notorious for the use of aggressive or illegal behavior when collecting debt from consumers, and for unfairly harming consumer credit scores. A review of 17,701 medical debt collection complaints submitted to the Consumer Financial Protection Bureau (CFPB) through March 2017 shows that problems with medical debt collection are widespread and harm Americans across the country.

Most Collection Complaints Question the Legitimacy of the Debt

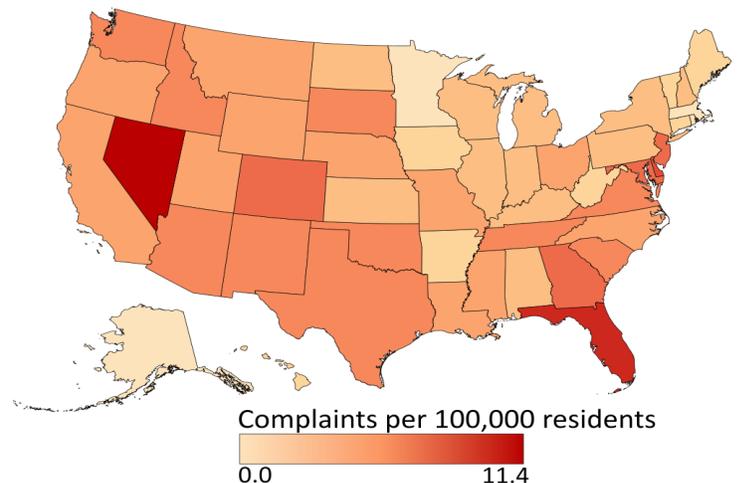
Complaints submitted to the CFPB suggest that many consumers contacted by medical debt collectors should not have been contacted in the first place, and that many contacts involve aggressive or inappropriate tactics:

- Nearly two-thirds (63 percent) of complaints about medical debt collection assert either that the debt was never owed in the first place, that it was already paid or discharged in bankruptcy, or that it was not verified as the consumer's debt.
- Although impacts on credit reports are not categorized by the CFPB, they appear to be a significant source of complaints: 1,810 complaint narratives, or 35 percent of all medical complaint narratives submitted, contain the text "credit report."



- Complaints alleging collection attempts for debt that was never owed, already paid, or never verified
- Other complaints, including allegations of aggressive or illegal behavior

More than six in 10 medical debt complaints concern attempts to collect debt of questionable legitimacy (debt consumers believe was already paid, never owed, or not verified).



Nevada has the most medical debt collection complaints per capita, with 11.4 complaints per 100,000 residents. Florida (9.3), Delaware (9.0), Georgia (7.7) and New Jersey (7.4) are the states with the next highest rates of complaints per capita.

The CFPB Protects Americans from Unfair Medical Debt Collection

Since its creation in the wake of the 2008 financial crisis, the CFPB has delivered on its mission to protect consumers in the financial marketplace, while providing nearly \$12 billion in relief for more than 29 million consumers. The CFPB has also taken specific actions to protect Americans from unfair medical debt collection, including penalizing medical debt collectors for illegal collection tactics such as failing to validate debt and falsely implying lawyer involvement with collection efforts. The CFPB is also developing rules to protect consumers from all types of exploitative debt collection practices, including prohibiting excessive communication, and requiring that debt collection mailings be easy to understand and include tear-off tabs to allow easy dispute filings.

More Can Be Done to Protect Consumers

Medical debt collection affects a broad swath of the population, and subjects millions of consumers to undue stress and financial harm. State and federal policymakers should work to protect consumers from unfair treatment by medical debt collectors. They should stop attempts to collect debts without proper information and documentation of the debt, stop debt collectors from bringing robo-signed cases in court, crack down on widespread use of threats, harassment and embarrassment in debt collection, and protect consumers from having their credit records unfairly affected by medical debt, among other actions.

Federal policymakers should also defend the CFPB against attempts to eliminate or cripple it, and should continue to ensure the CFPB has the resources, independence and tools at its disposal to effectively protect consumers from all kinds of predatory financial behavior.

The Most Complained-About Medical Debt Collectors

Medical debt complaints submitted to the CFPB's Consumer Complaint Database involve 1,093 different companies, yet just 10 companies account for more than 20 percent of all complaints. Tenet HealthCare, which ranks third for most medical debt collection complaints, was also the subject of the CFPB's largest enforcement action for illegal medical debt collection practices.

Five Companies with Most Medical Debt Collection Complaints

Company	Complaints	Percentage of All Medical Debt Collection Complaints
Transworld Systems Inc.	650	3.7%
Commonwealth Financial Systems, Inc.	595	3.4%
Tenet HealthCare Corporation	460	2.6%
Expert Global Solutions, Inc.	417	2.4%
CMRE Financial Services, Inc.	389	2.2%