

Meduit Special Alert: New Regulatory Requirements for Healthcare Collection Practices

The Federal Government is making changes to regulations that govern debt collection activities, **including healthcare debt**. The Meduit Compliance Team has developed this overview to help our clients understand the potential impact of the regulations, and to provide an action plan on what Meduit is doing to comply on behalf of our clients.

RULE OVERVIEW

- The Consumer Financial Protection Bureau (CFPB) has released its final rule to revise the regulation that implements the 1977 Fair Debt Collection Practices Act (FDCPA), which governs certain activities by debt collectors in order to protect consumers against debt collection abuses, false or misleading representations, and unfair practices.
- The final rule becomes effective November 30, 2021.
- Importantly for Meduit's clients, only bad debt collection activities are affected, so Meduit is focused on those clients utilizing our bad debt services.
- Generally, the new rule has three main components:

Disclosures and Information	<i>Clarifies the information that a debt collector must provide to a consumer at the outset of debt collection communications, the actions the consumer may take in response, and safe harbor provisions for collectors that comply with those requirements.</i>
Legal Action Prohibitions	<i>The new rule also has a potential impact on social media management where revenue cycle companies must make it clear on their social media pages how patients get their healthcare debt concerns addressed.</i>
Credit Reporting Agencies	<i>Prohibits debt collectors from bringing or threatening to bring a legal action against a consumer to collect a time-barred debt.</i>

WHAT'S NEXT

Meduit has been actively tracking the promulgation of these new regulations and we have developed an internal plan to ensure compliance on behalf of our clients, including:

Communication	<i>Since only bad debt collection activities are affected, Meduit is communicating with and making any needed compliance changes to our processes for clients utilizing our bad debt services.</i>
Cross-Functional Task Force of Industry Experts	<i>Meduit has been closely monitoring the CFPB's new rule from the initial development through to adoption of the regulation. As part of this implementation project, we have an internal, cross-departmental team that is working closely with legal counsel and industry experts to identify the changes and seamlessly implement them by the deadline this coming November.</i>
Social Media	<i>We also have a social media compliance plan in place to include regulatory requirements around contacting Meduit for questions and resolutions.</i>

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