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PATIENT- CENTERED COLLECTIONS: REGULATION, REPUTATION, AND DATA RESPONSIBILITY



OVERVIEW

Regulatory updates
(Federal + State)

Healthcare-specific changes

Technology & compliance

Litigation trends

Best practices and data
protection strategies

FEDERAL
UPDATE:
REGULATION F

- Validation notice rules
- Call limits (7 calls/7 days)
- Text, email, portal communication permitted
- Itemization requirements for debts

VALIDATION NOTICE

Our information shows:

You had a Main Street Department Store credit card from Bank of Rockville with account number 123-456-789.

As of January 2, 2017, you owed:	\$	2,234.56
Between January 2, 2017 and today:		
You were charged this amount in interest:	+	\$ 75.00
You were charged this amount in fees:	+	\$ 25.00
You paid or were credited this amount toward the debt:	-	\$ 50.00
Total amount of the debt now:	\$	2,284.56

North South Group
P.O. Box 123456
Pasadena, CA 91111-2222
(800) 123-4567 from 8am to 8pm EST, Monday to Saturday
www.example.com

To: Person A
2323 Park Street
Apartment 342
Bethesda, MD 20815

Reference: 584-345

North South Group is a debt collector. We are trying to collect a debt that you owe to Bank of Rockville. We will use any information you give us to help collect the debt.

Our information shows:

You had a Main Street Department Store credit card from Bank of Rockville with account number 123-456-789.

As of January 2, 2017, you owed:	\$	2,234.56
Between January 2, 2017 and today:		
You were charged this amount in interest:	+	\$ 75.00
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You paid or were credited this amount toward the debt:	-	\$ 50.00
Total amount of the debt now:	\$	2,284.56

How can you dispute the debt?

- **Call or write to us by August 28, 2020, to dispute all or part of the debt.** If you do not, we will assume that our information is correct.
- **If you write to us by August 28, 2020,** we must stop collection on any amount you dispute until we send you information that shows you owe the debt. You may use the form below or write to us without the form. You may also include supporting documents. We accept disputes electronically at www.example.com/dispute.

What else can you do?

- **Write to ask for the name and address of the original creditor, if different from the current creditor.** If you write by August 28, 2020, we must stop collection until we send you that information. You may use the form below or write to us without the form. We accept such requests electronically at www.example.com/request.
- **Go to www.cfpb.gov/debt-collection to learn more about your rights under federal law.** For instance, you have the right to stop or limit how we contact you.
- Contact us about your payment options.
- Póngase en contacto con nosotros para solicitar una copia de este formulario en español.

Notice: See reverse side for important information.



Mail this form to:
North South Group
P.O. Box 123456
Pasadena, CA 91111-2222

Person A
2323 Park Street
Apartment 342
Bethesda, MD 20815

How do you want to respond?

Check all that apply:

- ☐ I want to dispute the debt because I think:
- ☐ This is not my debt.
 - ☐ The amount is wrong.
 - ☐ Other (please describe on reverse or attach additional information).
- ☐ I want you to send me the name and address of the original creditor.
- ☐ I enclosed this amount: \$

Make your check payable to *North South Group*. Include the reference number 584-345.

☐ Quiero este formulario en español.



**COLLECTION
BUREAU
SERVICES INC.**

CALL LIMITS

- May not call consumer within 7 days of having a conversation
- May not call more than seven times in seven days (including use of an auto dialer)

TEXT, EMAIL,
PORTAL
COMMUNICATION

ITEMIZATION
REQUIREMENTS

- Must opt-in
- Must include opt-out option
- Consideration of consumer expectations
- Consideration of HIPAA/other consumer information
- Itemization-breakdown of charges.

MEDICAL DEBT AND CREDIT REPORTING

- Do not report medical debt collection accounts under \$500 (Highest Credit/Original Loan Amount)
- Medical debt not credit reported for 365 days from Date of first Delinquency
- Medical debt to be deleted by Credit Reporting Agencies upon payment in full

MEDICAL DEBT AND CREDIT REPORTING

This is a reminder of the two changes to Medical Debt Collection Data previously implemented by Experian, TransUnion and Equifax. Please note the upcoming third item scheduled for March 30, 2023.

Below is a summary of each initiative, impacted furnishers, furnisher action and the effective dates.

Initiative	Who is Impacted?	Furnisher Action	Effective Date
Do not report medical debt collection accounts under \$500	Collection Agencies and Debt Buyers	Do not report medical debt collection accounts under \$500 (Highest Credit/Original Loan Amount)	3/30/2023
CRAs will not display paid medical debt collection accounts.	Collection Agencies and Debt Buyers	No changes required. Continue to report the paid medical collection with a status code 62. The CRAs will then remove the paid medical collection. No changes required. Continue to report the paid medical collection with a Special Comment Code of AU (account paid in full for less than the full balance). The CRAs will then remove the paid medical collection. If reporting an open medical collection (account status 93), with a \$0 balance, this is considered to be paid.	Implemented on 6/24/2022
Do not report medical debt collection accounts less than 365 days old	Collection Agencies and Debt Buyers	Do not report Medical Debt collection accounts (as defined by Creditor Classification Code 02) until they are at least 365 days past the Date of the First Delinquency with the original creditor that led to the account being sold or placed for collection. [Note: existing rule is changing from 180 to 365 days]	Implemented on 6/24/2022

MEDICAL DEBT AND CREDIT REPORTING

- CFPB Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)
- Originally set to become effective in March 2025
- Stayed to June 15th, 2025
- No official withdrawal, yet.
- We expect it to be pulled from Federal Register.
- Watch state restrictions*

BILLING AGENCY
VS
DEBT
COLLECTION
AGENCY

- CFPB Medical Debt Advisory Opinion
- No new mandates, just suggestions
- CFPB pulled the opinion
- Takeaway?
- Words Matter
- Relationships Matter
- Pay attention to regulation by publication

STATE LAW UPDATES

- Montana:

SB 143

Reduces statute of limitations
from 8 years to 6 years for
contract debts

Non-contract debts remain at
5 years

Goes into effect 10/1/25

COMING SOON
/ WATCHLIST

- Montana statute of limitations update (pending)
- California: Proposed hospital billing transparency rules
- Washington state ban on medical credit reporting
- Federal CFPB action on further limiting medical debt credit reporting
- State crackdowns on junk fees and add-on costs

STONE MATTERS:
FDCPA
HARASSMENT
TRENDS

- Harassment can include tone of voice
- Increased emotional distress claims
- CFPB scrutiny over consumer treatment

TECHNOLOGY AND DEBT COLLECTION

- Use of text, email, and portals under Regulation F
- Strict opt-out and consent requirements
- TCPA (Telephone Consumer Protection Act) risks
- Artificial Intelligence-what constitutes AI, definitions matter

LITIGATION TRENDS

- Surge in validation notice lawsuits
- TCPA and FDCPA claims growing
- Medical debt class actions rising

SAFEGUARDS
RULE:
PROTECTING
PATIENT DATA

- FTC Safeguards Rule updates
- Applies to debt collectors handling healthcare debt

RED FLAGS RULE:
IDENTITY THEFT
PREVENTION

- Red Flags Rule applies to creditors (including healthcare providers)
- Requires monitoring for identity theft warning signs
- Applies to internal billing and outsourced collection

HIPAA

- Collection Agencies collecting medical debt must follow HIPAA and the same requirements as the healthcare clients it works for
- Business Associate Agreement/ Chain of Trust
- Make sure you have an up-to-date BAA
- Make sure your agency knows and follows

HOW TO ENSURE
YOUR AGENCY IS
PROTECTING YOUR
PATIENTS' DATA

- Due diligence before and during contracts
- Annual compliance certifications
- Audit rights and breach notification requirements
- Strong contract language (HIPAA, Safeguards, Red Flags)

VENDOR
QUESTIONNAIRE:
PROTECTING
PATIENT DATA

- 10 key questions to ask agencies and billing partners
- Focus on security, compliance, breach response, and subcontractors

VENDOR QUESTIONNAIRE: PROTECTING PATIENT DATA

1. Do you have a written information security program (WISP)?
Please provide a copy or summary.
2. How do you ensure compliance with HIPAA, and the FTC Safeguards Rule?
Include staff training, internal audits, and enforcement mechanisms.
3. What types of data encryption do you use for data at rest and in transit?
4. Have you conducted a third-party cybersecurity risk assessment or penetration test in the last 12 months?
Please provide the date and high-level findings.
5. How do you screen and monitor employees who handle patient or financial data?
6. Do you use any subcontractors or service providers to process or store data?
If yes, describe how you vet and monitor them.
7. What is your breach response plan?
8. Do you carry cybersecurity or data breach insurance?
Please provide coverage details.
9. How often do you train your staff on data privacy, Red Flags Rule compliance, and phishing/social engineering threats?
10. Will you agree to regular audits and compliance certifications, and include data protection language in our contract?

TOP 5 VENDOR CONCERNS

- 1. No written information security program
- 2. No recent cybersecurity testing
- 3. Vague encryption/breach procedures
- 4. Unknown subcontractors
- 5. Refusal to sign strong compliance contracts

BEST PRACTICES FOR 2025

- Early patient engagement to avoid delinquency
- Compassionate, clear communication
- Strong recordkeeping/documentation
- Ongoing vendor monitoring

FUTURE OUTLOOK

- Continued regulation on medical debt reporting
- Potential federal legislation expanding patient protections
- State-specific compliance will continue growing

Q&A

- Questions?
- What concerns are you seeing at your organizations?

As healthcare finance professionals, our success isn't just measured by dollars recovered — it's also measured by the trust we build and protect.

By staying compliant, patient-centered, and security-focused, we're not just following the rules — we're leading the future of responsible collections.

Thank you for your time and commitment to excellence.

