August 12, 2024

Rohit Chopra
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V, RIN 3170-AA54)

Dear Director Chopra:

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) thanks you for the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB) Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information, published in the Federal Register on June 18, 2024. MGMA recognizes CFPB's efforts to mitigate the negative effects rising healthcare costs have on patients and the U.S. healthcare system, and remains committed to providing high quality, cost-effective, and timely patient care.

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical group practices ranging from small private medical practices to large national health systems, representing more than 350,000 physicians. MGMA's diverse membership uniquely situates us to offer the following feedback.

While we recognize the significant burden medical debt places on many Americans and the need for sustainable solutions, we hope the CFPB understands that its proposal incentivizes payment *not* to be rendered for clinical services provided by physician practices. As opposed to inpatient and facility settings, rarely do the professional fees charged in an ambulatory setting directly result in medical bankruptcy. Yet the CFPB proposal appears comfortable promulgating a blanket approach to shifting patient medical debt resulting from the U.S. healthcare system's shortcomings onto all providers. The inability to adequately address longstanding healthcare reform problems has resulted in numerous federal agencies and Congress heaping administrative burden onto medical groups, all the while cutting federal Medicare payments. Medical groups face yet another proposed 2.8% reduction to Medicare physician payments for 2025 while 92% have reported increased operating costs and struggle to remain financially viable.[1] Hindering medical groups' ability to be paid for their services only exacerbates these burdens and threatens patient access to care.

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[1] MGMA *Stat*, Nearly all medical groups still feeling squeeze of rising operating expenses, June 25, 2024, https://www.mgma.com/mgma-stat/nearly-all-medical-groups-still-feeling-the-squeeze-of-rising-operating-expenses; *see also* MGMA testimony to House Committee on Ways and Means Subcommittee on Health Hearing, "The Collapse of Private Practice: Examining Challenges Facing Independent Medicine," May 23, 2024, https://www.mgma.com/advocacy-letters/may-23-2024-mgma-testimony-on-protecting-viability-of-independent-practices.

Over the past decade, cost pressures, low reimbursement, and government overreach has led to physicians selling their practices to health systems, hospitals, insurers, and private equity firms at an alarming rate. Yet larger facility-based settings represent more expensive sites of service than that of ambulatory medical practices. It is no surprise that 78% of physicians in the U.S. are now employees of larger health systems.[2] Medical groups are an essential part of this nation's health infrastructure and this proposed rule exemplifies the one size fits all regulatory approach to healthcare policy that has accelerated consolidation. The need for holistic reform to allow medical groups to continue treating patients through commonsense reimbursement policies is paramount.

It is well documented that the root cause of rising medical debt is the lack of comprehensive, affordable healthcare coverage. The growth of increased cost-sharing through high deductible and short-term limited duration health plans, coupled with millions of patients lacking any insurance coverage and other payer policies, increase the financial burden patients face when seeking healthcare. Medical practices offer payment plans, sliding fee programs, and charity care to ensure patients can have access to physicians despite these systemic shortfalls. However, many groups report these services are increasingly difficult to provide or that they lack the resources to provide these flexibilities whatsoever. For those that outsource debt collection practices, this proposed regulation is likely to represent another impediment to their ability to collect payment for clinical services rendered, impacting their ability to pay staff, cover overhead costs, and ultimately provide care for their communities.

Businesses in any industry that do not get paid for their services struggle to keep their doors open — medical groups are no different. MGMA supports more sustainable solutions such as insurance reform and adequate payments to providers that are essential to ensuring high quality and accessible care for patients. If you have any questions, please contact James Haynes, Associate Director of Government Affairs, at jhyanes@mgma.org or 202-293-3450.

Sincerely,

/s/

Anders Gilberg
Senior Vice President, Government Affairs

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[2] Physicians Advocacy Institute, PAI-Avalere Report on Physician Employment Trends and Acquisitions of Medical Practices: 2019-2023, April 2024, https://www.physiciansadvocacyinstitute.org/PAI-Research/PAI-Avalere-Study-on-Physician-Employment-Practice-Ownership-Trends-2019-2023.