



# THE SYSTEM REVIEW

## What's Trending in 2019?

Millennials and Gen Xers will soon be calling the shots on their aging, Baby Boomer parents' medical needs. These are the same consumers who are using subscription services such as, Netflix, and Amazon, making majority of them perfectly comfortable having credit card information stored online for recurring charges.



**Medical providers are in a position where they may want to implement a policy similar to this model to help facilitate timely payments of medical or dental debt.**

Only 67% of Baby Boomers are inclined to use online credit card information services, while 78% of Gen Xers, and 89% Millennials use the services frequently. Having preferred payment options available for the decision makers may be a wise decision for your business.

## Muddled Information

The three consumer credit reporting agencies have changed the rules regarding the reporting of collection accounts to consumer's credit reports, and the result is a drop in collection accounts being reported.

The NCAP [National Consumer Assistance Plan] is an agreement between Experian, Transunion, Equifax, and 31 states' Attorneys Generals. More than \$11 million in debt has been removed from consumer credit reports since the NCAP was implemented.

**The question is:**  
***Does this provide clear information for a potential lender, or does it ignore the elephant in the room?***



## Medical Debt Statistics

- Healthcare costs, including deductibles, and co-pays have increased 30% since 2015
- In 2017, healthcare related bankruptcies tripled.
- 92% of healthcare consumers want to know what their financial responsibility will be prior to receiving treatment.
- It costs four times more to collect from a patient, than from an insurance company.
- Health insurance premiums are increasing at four times the rate of inflation.

## Testimony

“Settlement on my bill with CS of the FV Inc Tyler handled this for me, many thanks to him and his commendable politeness.”

BD  
Scandinavia, WI



## What is the FCRA?



The Fair Credit Reporting Act is a federal law that enforces accuracy, and fairness, as well as privacy of information used by credit reporting agencies. Prior to the 1970's implementation of the FCRA, credit reporting agencies were free to make their own decisions as to what information they would report to inquirers. The FCRA limits access to consumer information to only those with a valid need as defined by the legislation.

## Foggy Transparency

### A new federal law took effect January 1.

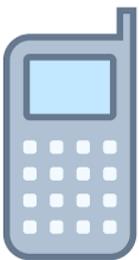
The law requires hospitals to publish prices of their medical imaging and all other services they provide online in a downloadable and printable format.

Prior to January 1, the Affordable Care Act mandated that hospitals release public price listings, but the new law demands that pricing is available online, downloadable, and updated annually.

However, what consumers are finding are lists of procedure codes and prices or, for comparison purposes, the pricing is lumped under generic terms and priced as the full amount without itemizing exactly what all of the charges may be.



## Unintended Consequences



**Need help starting this process? We have a template that can be sent free of charge.**

The FCC is reviewing its rule regarding calling consumers' cell phones and having permission to do so.

The intent of the Federal Communications Commission is to stop what it calls, "Robocalls" from marketing companies that repeatedly call cell phone numbers, running up per-call charges. Unfortunately, law abiding businesses that need to convey important information to consumers are also being affected by the regulations.

Until the FCC reviews its regulations, it is important for providers, as well as 3<sup>rd</sup> party debt collectors to obtain express permission from their consumers to contact them on their cell phones prior to making contact with the consumer.

## Consumer Spending Facts

- Consumer spending hit \$14.1 trillion in the third quarter of 2018.
- Education and auto loans represent the largest portion of consumer debt.
- During the great recession of 2008, consumers reduced spending by shopping at discount retailers. When the recession ended and consumer confidence returned, consumers didn't return to the higher end retailers but continued to shop at the discount retailers after finding out that what was "good enough" then continues to be "good enough" now.
- Consumer spending is the most important component of GDP, providing economic indicators. If consumer spending is flat, the economy will be flat.