Nearly Twenty Percent of Consumers Have Unpaid Medical Bills On Their Credit Report

December 12, 2014 - A new study by the Consumer Financial Protection Bureau (CFPB) shows that nearly 43 million American consumers have unpaid medical bills on their credit reports. These unpaid bills are damaging credit and indicate that many consumers are confused about how much they owe and what their responsibilities are when they receive medical invoices.

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Interestingly, the report shows that roughly half of those with unpaid medical debts have no other form of debt. This indicates a high rate of confusion on the part of those receiving medical bills. Hospital and doctor billing systems tend to generate invoices which are difficult to read. This coupled with the fact that recipients of these bills may simply expect their insurance coverage to make payment, are leading consumers to make mistakes with regard to their medical debts.

The average amount of unpaid medical debt for those with no other forms of debt is $1,766. For those with both unpaid medical and other debts such as credit cards, the average amount owed is $5,638.

The responsibility for making sure that these debts get paid is ultimately up to the consumer. ACCESS advises that consumers who receive an invoice for medical debt do the following if they are unsure what their responsibilities are:

- Contact the hospital/doctor's billing department immediately. Ask if the invoice has been submitted to your insurance company. If not, ask that it be submitted. If it has been submitted, ask when you can expect the matter to be resolved. If you are not insured and can't afford to pay in full, ask them to work out a payment plan with you.

- Review any statements you receive from your insurance company. Make sure that any doctor or hospital payments are correct.

- If you receive a second invoice from the hospital/doctor, call them again. Ask them to give you a status on any communications they have had with your insurer.

One final note here. Most insurance plans have already negotiated rates for services with the doctors in their network. Nevertheless, many doctors and hospitals will attempt to bill you individually for more than the negotiated rates. Simply

put, this is fraud and it can usually be taken care of with a couple of phone calls.

The first call is to the doctor's office. Tell them that your insurance policy has negotiated the rate and that since the doctor is in your network he/she is obligated to take that rate. If that doesn't take care of the issue, then you need to call your insurance company and file a complaint against the doctor.
byJim Malmberg
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