



MEDICAL DEBT WILL NO LONGER APPEAR ON YOUR CREDIT REPORT

Breaking News...

The CFPB conducted research showing that Americans had racked up **\$88 billion in medical debt** as of June 2021.

Although more than 90% of the nation has health insurance, medical debt remains a major problem for millions of Americans, because many people with insurance still face high deductibles and out of pocket expenses.

Medical debt placed on Credit Reports can make it harder for consumers to gain access to credit or secure employment and housing. It can also increase their risk of bankruptcy and lead to avoidance of medical care in the future. Keep in mind that even **after the debt is paid, it can remain on your Credit Reports for up to seven years.**

Starting **July 1, 2022**, Experian, Equifax, and TransUnion will no longer include medical debt that went to collections on consumer credit reports **once it has been paid off**. That will eliminate billions of dollars of debt on consumer records.

In addition, **unpaid medical collection debt** won't appear on credit reports for the first year, whereas the previous grace period was six months. This will give people more time to work with their health insurers or providers to address the bills.

And, beginning in the first half of 2023, **medical collection debt of less than \$500** will no longer be included on credit reports.

While this may be helpful for many of our students, this will not help patients whose serious illnesses or accidents have led to large medical bills.

Medical Debt...

- * Nearly 1 in 10 Americans have medical debt.
- * As of December 2019, 23 million people, or 9% of adults, owed more than \$250 in health-related charges.
- * About 1% of all adults owed more than \$10,000.
- * Americans ages 35 to 64 comprised the highest share of those reporting at least \$250 in medical debt..
- * Senior citizens, who are eligible for Medicare, have the lowest rate of medical debt.
- * 11% of women reported having medical debt, compared to 8% of men. This is probably due to childbirth costs and overall women's lower average income.
- * The Census Bureau data suggests that Americans owed at least \$195 billion in medical debt as of 2019.



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