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In 2024, the Consumer Financial Protection Bureau (CFPB) issued [an advisory opinion](#) to remind debt collectors that attempting to collect medical debts that are not owed and certain other tactics are unlawful under the Fair Debt Collection Practices Act (FDCPA).

MEDICAL DEBT COLLECTION IS A NATIONWIDE PROBLEM

- In the United States, more than [100 million people](#) owe at least [\\$220 billion](#) in medical debt.
- Medical debt accounts for [43% of outstanding collection balances](#) to third-party debt collectors.
- Medical debt is associated with [housing and food insecurity, contributes to bankruptcy](#), and poses a risk to [mental health](#).

MEDICAL BILLS ARE OFTEN CONFUSING AND INACCURATE

- The U.S. health care billing system is [extremely complex](#) with [92%](#) of people covered by one or more forms of health insurance that cover different procedures at [different rates and with different out-of-pocket costs to consumers](#).
- Persistent problems with [medical billing errors](#) and wrongfully [denied claims](#) mean that debt collectors often go after consumers for bills that they [do not owe or that have already been paid](#).
- Medical debt in collection is [disputed almost three times as frequently](#) as credit card debt.

MEDICAL DEBT COLLECTORS MUST FOLLOW THE LAW

The CFPB's [advisory opinion](#) provides examples of unfair or deceptive collection practices prohibited by the FDCPA, including:

- Collecting on a debt that has already been paid, including by the consumer, insurance, or a government program such as Medicare;
- Collecting amounts that violate state or federal laws, such as collecting amounts prohibited under the federal No Surprises Act;
- Collecting for services that a consumer didn't receive, such as "upcoded" charges that bill patients for services that are more expensive than what was received;
- Collecting on medical debts that they cannot verify the consumer owes; and
- Falsely representing that a medical bill is final and legally owed.

The advisory opinion offers commonsense guidance, directing courts to review relevant law and the contract between patients and medical providers to determine when debts are in default.

Opposition to the Advisory Opinion Seeks to Weaken Consumer Protections

In the last Congress, Rep. Gary Palmer (AL-6) introduced H.J. Res. 220, a [Congressional Review Act resolution](#) to overturn the advisory opinion. In [ACA International, LLC v. CFPB](#) (U.S.D.C. filed Nov. 1, 2024), the debt collection industry group filed suit challenging the advisory opinion.

Protect the CFPB's Medical Debt Collection Advisory Opinion!