



## **Medical Debt Cannot Credit Report until Delinquent for 180 Days**

33 % of the U.S. population has debt in collection, roughly half of which is medical debt. With such a significant population affected by debt it was only a matter of time before credit reporting processes came under scrutiny by consumer advocacy groups. In 2015, a settlement between New York's Attorney General and the 3 major credit bureaus (Transunion, Experian, and Equifax) agreed how to best address credit reporting in general, with a few items focusing on medical debt specifically. Due to the complexity of changing their systems the credit reporting agencies did not implement any new rules related to medical debt until 9/15/17, at which point any reporting agency needed to be in compliance with the new guidelines. The basic terms of the agreement in relation to medical debt allow medical debt to only report after being 180 days' delinquent, and if subsequently paid by insurance the item must be deleted from the patient's record. The main purpose of this change is two-fold. The first is to protect patient's reports from unpaid accounts in collections that should have been covered by insurance, and the second is to improve the accuracy of credit reporting in general, only reporting the amounts that are the patient responsibility.

Source-<https://ag.ny.gov/press-release/ag-schneiderman-announces-groundbreaking-consumer-protection-settlement-three-national>

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