



September 11, 2023

Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, DC 20552

**Re: Request for Information Regarding Medical Payment Products, Docket No. CFPB-2023-0038**

To Whom it May Concern:

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) thanks you for the opportunity to comment on the Consumer Financial Protection Bureau, Department of Health and Human Services, and Department of Treasury's (collectively the agencies) joint Request for Information (RFI) regarding medical payment products. MGMA appreciates the agencies' interest in seeking to understand the effects of medical payment products on patients and the healthcare system. As healthcare leaders, we want to underscore our commitment to providing high-quality, cost-effective, and timely patient care. Any utilization of these products is done with this in mind. MGMA is pleased to share feedback on how these payment products intersect with group practices.

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical groups in which more than 350,000 physicians practice. These groups range from small private practices in rural areas to large regional and national health systems, and cover the full spectrum of physician specialties and organizational forms, making MGMA well-positioned to offer the following feedback.

The challenges of running a successful medical practice continue to grow, given the current environment of staffing shortages, inflation, and Medicare payment cuts. According to the American Medical Association (AMA), the cost of running a medical practice increased 47% from 2001 to 2023 while Medicare physician payments increased just 9%.<sup>1</sup> Medicare physician payment effectively decreased by 26% from 2001 to 2023 when adjusted for inflation in practice costs. Costs continue to grow as 89% of medical groups reported an increase in operating costs in a July 13, 2023, MGMA poll.<sup>2</sup> Ensuring access to medical care is paramount and timely receipt of payment is a critical aspect of keeping physician practice doors open. Medical payment products serve this function for practices that choose to utilize these services.

The RFI asks questions about potential kickbacks to providers from medical payment companies for offering certain financial products to patients. It is our understanding that the opposite is true – providers pay these companies to offer services to receive timely payment, reduce administrative costs, and most importantly, expand access for patients without the immediate financial means to pay. The alternative –

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<sup>1</sup> AMA, Medicare updates compared to inflation (2001 – 2023), <https://www.ama-assn.org/system/files/ama-medicare-gaps-chart-grassroots-insert.pdf>.

<sup>2</sup> MGMA *stat* poll, July 13, 2023, <https://www.mgma.com/mgma-stat/higher-costs-persist-for-medical-groups-even-as-inflations-growth-slows>.

hiring additional administrative staff to facilitate payment plans and collections – is not economically feasible for many groups, especially small and rural ones.

The agencies discuss the history of medical payment products and characterize their use as having been primarily for elective procedures. Our understanding is that most of these products are still used for this purpose as well as for dental services. Since elective procedures are not always covered by insurance, financing options are an important tool to pay for care received. We are concerned, however, that this RFI appears to perpetuate the notion it is acceptable for payment *not* to be rendered immediately after clinical services are provided, and it's ok that payments are often subject to significant delays. This belief simply shifts the burden of the shortcomings of the U.S. healthcare system onto providers. It's no surprise under this notion that the majority of physicians in the U.S. are now employees of larger health systems, having found it impossible to survive as a small business in private practice.

In the end, some healthcare credit products offer more patient-friendly options compared to commercial credit cards, such as deferred interest financing that spreads out repayment over a defined timeframe with no interest. For qualifying patients, these financing options can help ensure they are able to make affordable payments over a timeframe that works for them. Misrepresentations about terms and conditions, interest rates, and other financing options have no place in healthcare, just as they have no place in commercial credit products. We often hear of patients using these products knowingly and without undue pressure – some of our own members have told us they use these products as patients themselves.

We appreciate the agencies' dedication to protecting the integrity of the healthcare system as predatory actors give a bad name to the rest of providers committed to treating patients. If you have any questions, please contact James Haynes, Associate Director of Government Affairs, at [jhaynes@mgma.org](mailto:jhaynes@mgma.org) or 202-293-3450.

Sincerely,

/s/

Anders Gilberg  
Senior Vice President, Government Affairs