

Can EMS still send unpaid medical bills to collections?

Medical emergencies rarely end when you leave the hospital. For many patients, the next challenge arrives weeks later when the associated medical bills begin showing up — sometimes from multiple providers, often with little warning about what insurance covers and what remains outstanding. And, in the current economy, where many households are already balancing high living costs and record debt loads, just one unexpected medical bill can throw an otherwise manageable budget off course.

Dealing with medical debt can be complicated, though, as the rules surrounding this type of debt have evolved over the last few years. Credit reporting policies have changed, lawmakers have debated new consumer protections and certain medical collections debts don't carry the same weight they once did. Those changes have also created plenty of confusion about what ambulance agencies can — and can't — do when a medical bill goes unpaid.

Given the impact that debt can have on your finances, and the recent changes, it's important to understand how the medical debt collection process works today. So, can EMS still send your medical debt to collections if it goes unpaid? Below, we'll examine what you need to know now.

Can EMS still send unpaid medical bills to collections?

In most cases, yes, ambulance agencies can still send unpaid medical bills to a collection agency if you fail to pay or don't make arrangements to resolve the balance. That said, this process typically doesn't happen immediately.

Before escalating the debt to collections, most ambulance agencies will attempt to work with patients on a solution. They may offer payment plans or other concessions, particularly to those facing financial hurdles, with the goal of making it easier to pay off what's owed. Many EMS agencies are also required to follow certain financial assistance and billing rules before taking extraordinary collection actions, including making reasonable efforts to determine whether a patient qualifies for charity care.

If your bill is eventually transferred to collections, however, the debt collection agency generally gains the right to pursue the collection process to secure repayment on the EMS's behalf. That can include contacting you by phone or mail, negotiating payment arrangements and, in some cases, pursuing legal action if the debt remains unpaid and state law allows it.

What has changed recently, though, is how some medical collections are treated by the credit reporting system. Over the past few years, the major credit bureaus have implemented policies limiting the reporting of certain medical collection accounts, including removing paid medical collections and delaying when unpaid medical collections can appear on credit reports. Smaller medical collections debts also typically have less impact on credit decisions than they once did.

Those changes don't exactly make medical bills harmless, however. While a medical collection account may not immediately appear on your credit report, you could still receive collection notices, face lawsuits in certain situations or incur additional financial stress if the balance goes unresolved.

That's why it's important to act before an account reaches collections whenever possible. You can start by contacting the ambulance agency's billing department as soon as you realize you'll have trouble paying. Many agencies offer interest-free payment plans, hardship programs or financial assistance that could substantially reduce what you owe if you qualify.

What should you do if you can't afford your medical bills?

If your medical bills have grown beyond what you can reasonably repay, waiting usually limits your options. It's often better to explore available forms of assistance before collection activity begins instead.

Start by reviewing every medical bill carefully. Medical billing errors can happen and it's not uncommon for insurance claim mistakes by the payer which can leave patients responsible for more than they actually owe. So, review your itemized bill and compare it against your insurance explanation of benefits.

You can also ask about any available financial assistance you may qualify for. Many EMS agencies maintain charity care programs that are offered to patients based on income or financial hardship. And, even if you don't qualify for full forgiveness, you may be eligible for discounted charges or an extended payment plan that better fits your budget.

It's important to note that avoiding communication with the ambulance agency or collection agency is rarely the best option. Responding early generally creates more opportunities to negotiate affordable solutions than waiting until legal action or aggressive collection efforts begin — and if things do escalate, unresolved medical debt can eventually even lead to wage garnishment in some states.

The bottom line

EMS agencies can still send unpaid medical bills to collections, even as credit reporting rules and consumer protections continue to evolve. While recent changes have reduced some of the long-term credit consequences associated with medical collections, they haven't eliminated an ambulance agency's ability to pursue payment.

If paying your medical bills has become difficult, you may want to act sooner rather than later. Reviewing your bill for errors, applying for financial assistance, and requesting a payment plan can all help you minimize the impact before an unpaid balance turns into a much bigger problem.

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