

HHS and CFPB Work Together to Address Noncompliant Nursing Home Debt Collection Practices

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Through the Centers for Medicare & Medicaid Services (CMS), the U.S. Department of Health and Human Services (HHS) has doubled down on its efforts to protect nursing home residents and caregivers from illegal debt collection practices.

In response to concerns that some facilities are implementing illegal methods of guaranteeing payment for care, CMS and the Consumer Financial Protection Bureau (CFPB) partnered together to address this growing concern. CMS and CFPB sent a [joint letter](#) to nursing homes and debt collectors.

In this letter, nursing homes and debt collectors are urged to examine their practices to ensure compliance with federal law. Most importantly, this communication seeks to ensure that the nearly 48 million caretakers in the United States are not victims of harmful tactics and unlawful practices.

The Nursing Home Reform Act and Fair Debt Collection Practices Act

Under the [Nursing Home Reform Act](#) (NHRA), nursing homes that participate in Medicaid or Medicare are prohibited from requiring a third party, such as a caregiver, to personally guarantee payment before allowing a resident's admission or continued stay in the facility.

Some nursing homes have attempted to work around this policy by creating contracts that hold third parties responsible for a resident's debt. However, these contracts, which conflict with federal law, are unenforceable.

When a nursing home engages a third-party debt collector to collect debts that are invalid under the NHRA, that debt collector may also violate the [Fair Debt Collection Practices Act](#) (FDCPA).

"Nursing home residents and their families have the right to be free from harassment and financial pressures from facilities," said CMS Administrator Chiquita Brooks-LaSure. "CMS supports CFPB's focus on making sure debt collection practices of nursing homes comply with federal law."

Improving the safety and quality of nursing home care

“A caregiver making difficult decisions about their loved one’s future should have the peace of mind of knowing that nursing homes won’t illegally coerce a family into assuming liability for medical debt,” said HHS Secretary Xavier Becerra. “We expect nursing homes to act responsibly and comply with the law.”

The joint letter builds on the Biden-Harris Administration’s efforts to improve the quality of care for older Americans and people with disabilities. With his State of the Union address earlier this year, President Biden announced [reforms](#) to ensure that nursing homes are held accountable for the care they provide.

These reforms will:

- Ensure that every nursing home is equipped with a sufficient number of adequately trained staff to provide high-quality care
- Hold poorly performing nurses accountable for improper, unsafe care—if they do not immediately improve their services, they will be cut off from taxpayer dollars
- Provide the public with more transparent information about nursing homes so they can find the best option for their loved one

These steps bring us one step closer to achieving safe, adequate, and respectful nursing home care for residents and caregivers alike—not owners and operators who prioritize profit at the expense of vulnerable residents and their families.

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