



UNITED STATES OF AMERICA
Federal Trade Commission
Washington, D.C. 20580

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Division of Financial Practices
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December 31, 2013

Via Federal Express

Kirkland & Ellis LLP
Attn: Andrew Clubok
601 Lexington Avenue
New York, NY 10022

Re: Accretive Health, Inc.

Dear Mr. Clubok:

As you know, the staff of the Federal Trade Commission's Division of Financial Practices has been conducting a non-public investigation of Accretive Health, Inc. ("Accretive") for possible violations of the Fair Debt Collection Act ("FDCPA"), 15 U.S.C. §§ 1692-1692p, and Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 41 *et seq.* Specifically, our inquiry has focused on Accretive's conduct in collecting defaulted debts in hospital emergency rooms and other sensitive hospital areas.

The FDCPA, among other things, prohibits debt collectors from communicating with a consumer in connection with the collection of any debt "at any unusual time or place or a time or place known or which should be known to be inconvenient to the consumer." 15 U.S.C. § 1692c(a)(1). And the FTC Act generally prohibits "unfair or deceptive acts or practices in or affecting commerce." 15 U.S.C. § 45.

Attempts to collect defaulted debts in emergency rooms or other medical facilities raise serious consumer protection concerns. For example, collection attempts in such circumstances may have the effect of deterring consumers from seeking necessary medical care, because they fear that they will be confronted with debts that they do not have the means to pay. Some consumers may even fear that the hospital may withhold necessary treatment unless payments are made. Such collection attempts also could interfere with the provision of medical treatment, either by delaying treatment while the collection attempt is made, or by adding additional emotional stress for the patient. Moreover, consumers are not normally well-positioned in such circumstances to evaluate the validity of the alleged debt and their financial ability to make any payments. Consumers will not normally have access to their paperwork and records, or the status of their financial resources, while awaiting medical treatment in an emergency room.

Thus, debt collectors or other entities that engage in this activity may violate the FDCPA and/or the FTC Act.

Upon careful review of the matter, including information submitted to FTC staff, we have decided not to recommend enforcement action at this time. Staff's investigation revealed indications of unlawful debt collection tactics used by Accretive within the state of Minnesota, but revealed very little evidence that such tactics were employed by Accretive in other parts of the country. In deciding to not recommend enforcement action against Accretive at this time, one of the things staff took into consideration was the fact that Accretive has been banned from collection activity in Minnesota pursuant to a \$2.5 million settlement with the Attorney General of Minnesota. The decision not to recommend enforcement action is based on findings specific to this particular investigation. The closing of this investigation is not to be construed as a determination that a violation of law did not occur, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,

/S/

James Reilly Dolan
Associate Director
Division of Financial Practices