

February 29, 2024

Good afternoon, Senator Bailey, Representative Perry, and members of the committee. My name is Jim Nikolai and I represent Synchrony, which offers CareCredit. Synchrony opposes LD 2174 because it would restrict Mainers from paying for care with deferred interest financing for themselves, their families and their pets and reduce their access to care.

CareCredit is used by consumers to help finance health and wellness care that is often not covered by insurance. We have offered CareCredit for more than 35 years and are proud to have 55,000 Mainers as our customers. Our flexible financing options, including those with deferred interest, have payment schedules ranging from 6-60 months. This gives consumers flexibility to pay their care expenses over time and avoid paying interest. Our cardholders appreciate this flexibility and about 90% of cardholders surveyed report they are “extremely satisfied” with CareCredit, a number that has remained consistent over the last 10 years.

CareCredit is available at more than 1,000 health and wellness providers across Maine. It can be used to pay for hearing aids, retail pharmacy purchases, vision care, dental procedures, cosmetic surgery, other planned medical procedures (rather than emergency ones), planned and emergency veterinary care, and more. Providers choose to partner with us because our financing options help many patients move forward with recommended treatments. If LD 2174 becomes law, consumers would have fewer options to pay for care, which may leave them to choose less favorable payment options or potentially decline care, which could significantly impact health outcomes.

We agree that consumers should be empowered to make well-informed decisions about how they pay for care. That is why we have adopted the following practices:

- (1) We contractually prohibit providers from offering CareCredit in the emergency room, or when a patient is under medical duress or otherwise impaired to reinforce their obligations under EMTALA (the Emergency Medical Treatment and Active Labor Act). We also remind providers in our training modules and CareCredit operating guide that they may not discuss our financing options with patients who are impaired in any way (by anesthesia, medication, or discomfort).
- (2) Before activating cards for new customers, we educate them on the conditions, interest, and payment schedule.
- (3) We provide reminders on monthly statements so customers understand the amount they need to pay, by when, and the amount they would owe – including interest – if they do not pay in full by the end of the promotional period.
- (4) Providers must go through training before they can offer CareCredit, and we monitor them for any complaints or disputes.



Also, CareCredit is regulated by the federal government and is subject to the same laws as all other credit cards on the market.

Though LD 2174 is well-intended, we believe it will have a significant impact on consumers' ability to access and pay for care. I ask that you vote no on the bill, to ensure that consumers have access to flexible ways to pay for health and wellness care. Thank you.