



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF CONSUMER CREDIT PROTECTION
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Testimony of Linda Conti, Superintendent

Bureau of Consumer Credit Protection

Neither for nor Against LD 2174

“An Act to Protect Consumers from Predatory Medical Credit Card Providers”
Before the Committee on Health Coverage, Insurance and Financial Services

Thursday, February 29, 2024: 1:00 p.m.

Room 220, Cross Office Building

Senator Bailey, Representative Perry, and members of the HCIFS committee, my name is Linda Conti, and I am the Superintendent of the Bureau of Consumer Credit Protection (BCCP). I am here today to testify neither for nor against L.D. 2174, An Act to Protect Consumers from Predatory Medical Credit Card Providers. While this L.D. has a laudable consumer protection goal, it may be difficult to implement.

A medical credit card is really nothing more than a credit card marketed toward medical providers and consumers for health care expenses. Like most credit cards they have low introductory offers after which time the interest rate rises considerably.

Unless a patient has exhausted other options of paying their medical bill, such as applying for financial aid, and has a realistic plan to pay off the debt within the medical credit card's promotional 0% APR period, there are usually better, and less expensive, ways to pay their medical bill. In fact, a patient using a medical credit card to pay for a bill may forfeit other repayment options.

There are two primary medical credit cards: the CareCredit® credit card and the Wells Fargo Health Advantage® Credit Card. These cards are issued by national banks which are not subject to the Bureau's jurisdiction and are protected from most state regulation by the National Bank Act. Since the State would not have jurisdiction, health care providers, not BCCP, would need to enforce this law.

The State could consider enacting a law that requires health care providers to offer a range of credit options, in addition to a medical credit card. However, health care providers offering credit will need additional regulation and placing this law in the Consumer Credit Code would require health care providers to register and be examined by BCCP as creditors. Should this legislation pass and enforcement be required by BCCP, funding for an additional Consumer Credit Examiner position would be needed.

Thank you and I would be happy to answer any questions now or at the work session.