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Testimony in Support of LD 2174
An Act to Protect Consumers from Predatory Medical Credit Card Providers
Presented to the Joint Standing Committee on Health Coverage, Insurance & Financial Services
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Senator Bailey, Representative Perry and members of the Joint Standing Committee on Health Coverage, Insurance & Financial Services, my name is Troy Jackson. I serve as President of the Maine Senate and have the great honor of representing Aroostook County in the Legislature. I am here today to introduce LD 2174, "An Act to Protect Consumers from Predatory Medical Credit Card Providers."

Medical debt is unfortunately a feature of our health care system – 40% of Mainers¹ and about 41% of adults nationwide have medical debt.² This reality has created a number of secondary markets that enable patients to take on debt and to enable the collection of that debt. One of those markets is the medical credit card market.

While these credit cards may seem like a good deal on paper, I have some serious concerns about how they are being used and marketed to people. When I go to see a doctor, I am going to a person that I am entrusting my health and safety to. A doctor is often seen as an expert and as an authority figure. For them to be marketing credit cards to their patients is, in my opinion, a gross misuse of that trusted relationship. And medical professionals are not financial experts, so they may not have the knowledge to be able to adequately explain the terms of what the patient is signing up for.

This bill is really about protecting the patient's relationship with their doctor and ensuring that they understand what they are agreeing to when they sign up for one of these credit cards. It is not my intent to get rid of these cards – I simply want to ensure that patients are protected and educated if they do encounter the need for one.

I also want to ensure that no person who is eligible for charity care is ever charged on a credit card for care that should be free for them. As it stands now, this bill will accomplish all of these goals by ensuring that doctors are not promoting these credit cards to patients, by preventing doctors from signing patients up for a credit card, by requiring that a doctor charges for a

¹<https://mainecahc.org/advocacy/overview.html/article/2024/02/21/press-release-new-survey-data-mainers-perceptions-re-medical-debt-and-facility-fees>

² <https://www.kpr.org/transcripts/1198909604> (207) 436-0763 * Fax (207) 287-5862 * Toll Free 1-800-423-6900 * TTY 711
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service when that service is provided and not before, by requiring that doctors check to see if a patient is eligible for charity care before charging the credit card, and by preventing them from luring people in with deferred interest.

I want to be clear though – my intent in introducing this bill is not to remove patients’ ability to access medical credit cards. I know that our health care system unfortunately puts a lot of people in very difficult situations where access to a product like this is necessary for getting the care that they need or want. If there are tweaks that can be made to the bill that will better balance the ability to access these products while also ensuring that common sense consumer protections are in place, I would be very supportive of those changes. These changes could include:

- requiring more explicit and robust education on promotional materials about what deferred interest is and how it works,
- restrictions about where and how these cards can be advertised,
- and complaint procedures for consumers who have been taken advantage of.

I introduced this bill to ensure that Mainers do not have to worry about being taken advantage of when they’re in a vulnerable situation by a person who is supposed to be acting in their best interest. I think that there is a way to achieve that goal while still ensuring that Mainers have access to health care that would otherwise be too expensive for them to access on their own.

Thank you for your time and attention. I urge you to pass this bill and I would be happy to answer any questions.