



HEALTH CARE PLASTIC

THE RISKS OF MEDICAL CREDIT CARDS



April 2023



National
Consumer Law
Center
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1. EXECUTIVE SUMMARY

Many consumers charge medical bills to credit cards. Some consumers end up using specialized medical credit cards to pay health care expenses, especially for expenses generally not covered by health insurance such as dental or vision care.

This report discusses these medical credit cards in depth, beginning with a brief background section and then presenting the results of a survey of legal services attorneys, private attorneys, and other advocates regarding their clients' experiences with medical credit cards. The report concludes with recommendations.

This survey had 35 respondents. Some highlights of the results are:

- **Synchrony/CareCredit** was the dominant medical credit card product by far; everyone who responded had a client with a CareCredit Card. The next most frequently mentioned product, Wells Fargo, was only mentioned by 12% of respondents.
- **The most frequent setting where clients were offered a medical credit card was a dentist office**, which almost all respondents (94%) mentioned. Other frequently mentioned settings were cosmetic surgery (26%); veterinarians (26%); hearing services (17%); vision services (17%); and primary care (14%). Less frequently mentioned settings were at a hospital (6%), physical therapy (6%), or for weight loss procedures (6%). Only one respondent each indicated that a client was offered a medical credit card in the emergency room (3%) or for fertility or reproductive health (3%).
- The survey asked **what types of problems advocates observed their clients experiencing**. The following page has a chart of their responses.

Types of Problems Experienced by Clients with Medical Credit Cards (n=34)

PROBLEMS	PERCENT
Sued on medical credit card debt	68%
Not screened for or informed of financial assistance before being signed up for a medical credit card (note that nonprofit hospitals are the only health care providers required to provide financial assistance; the 2 clients who were offered credit cards in a hospital setting were not screening for financial assistance.)	65%
Not offered a reasonable payment plan (e.g., ability to pay based on income) before being signed up for a medical credit card	65%
Staff of medical provider described terms of credit incorrectly	53%
Difficulty making payments or problems with payment plans	53%
Never received disclosures about the credit card terms when signing up	50%
Told that credit card was 0% interest but was actually deferred interest	47%
Negative information reported to credit bureau	47%
Did not understand explanation of deferred interest promotion	44%
Account not submitted to insurance before being signed up for a medical credit card	44%
Only presented information in English but client has limited English proficiency	38%
Frequent collection communications	32%
Asked to sign up for medical credit card when client had diminished capacity to consent	26%
Denied medical care unless client agreed to sign up for medical credit card	24%
Offered medical credit card even though they have Medicaid	21%
Credit score decreased because card maximum when issued was the same as the amount of the medical debt being charged	18%
Never received monthly credit card statements	9%
Credit card lender reported inaccurate information to credit bureau	9%
None of the above	6%

Please see Section 3 of this report for further details regarding this survey, including narrative responses from advocates.

Recommendations

This report discusses the survey results. It is based on a regulatory comment filed with the Consumer Financial Protection Bureau (CFPB) in response to that agency's call for information about credit cards. Based on this survey and analysis, we recommend:

Recommendations for the Consumer Financial Protection Bureau

- **Prohibiting deferred interest on all credit cards, including medical credit cards, using the CFPB's authority under the Credit CARD Act.** The CFPB has clear legal authority to ban deferred interest given its broad grant of rulemaking authority under the Act.
- **Prohibiting medical credit cards from placing a charge on an account or issuing funds before a medical procedure is completed or the medical product is delivered (with limited exceptions).** Require medical credit card companies to instruct consumers that they have the right to cancel financing arrangements with no penalty before beginning the procedure.
- **Reminding credit card companies that patients are entitled to withhold payment based on claims or defenses due to problematic practices by medical providers related to medical credit cards, and that they must conduct a reasonable investigation of such disputes.** Require companies to provide special outreach materials informing patients of this right. Require that companies cease working with medical providers that are engaging in abusive practices.
- **Adopting the requirements of the 2013 Consent Order against CareCredit as regulations,** such as requiring patients to apply directly with the credit card company for credit limits over \$1,000; requiring training of provider staff; and prohibiting providers from charging for services not yet rendered, with limited exceptions.
- **Clarifying that a credit card company violates the Credit CARD Act's ability-to-pay requirements** if it does not have procedures in place to ensure that providers are not providing inflated income amounts or improperly filling out applications for patients with incorrect information.

- **Where consumer complaints reference false, deceptive, misleading, or unfair practices by medical providers, forwarding those complaints to relevant state or federal agencies with enforcement authority.** Require credit card companies to monitor providers for such practices and cease doing business with them if such practices are detected.
- **Collaborating with the FTC to bring enforcement actions against debt collectors** that are collecting or filing suit on unsubstantiated claims arising from medical financial products.
- **Including research about and discussion of medical credit cards in the CFPB's consumer credit card market reports.**
- **Issuing reports about medical financial products, outlining potential risks for consumers,** including particular risks for older Americans and consumers with limited English proficiency.

Recommendations for Department of Health and Human Services

- **Issuing a joint statement with the CFPB condemning false, deceptive, misleading, and unfair practices by medical providers connecting patients to medical credit cards.** This statement should also clarify that, when medical providers receive federal funding, they have a duty to provide meaningful language access, and that duty extends to communications with patients regarding medical credit cards.
- **Issuing a statement by the Centers for Medicaid and Medicare Services informing providers that they should not offer medical credit cards when Medicaid will cover a service,** and that they must inform patients regarding the option of a Medicaid-covered service when offering or upselling an alternative procedure that is not covered by Medicaid.

Recommendations for the States

- **Adopting strict requirements for health care providers when offering medical credit cards,** including:
 - Prohibit deferred interest on credit cards issued by state-chartered banks, including medical credit cards, or at least prohibit health care providers from offering any credit cards that have deferred interest promotions.

- Prohibit health care providers from charging a patient's credit card (whether a medical credit card or not) before a medical procedure is completed or the medical product is delivered. Require providers to prominently disclose to consumers that they have the right to cancel financing arrangements with no penalty before beginning the procedure.
 - Require providers to refer patients directly to the credit card lender and have them apply directly with the lender for credit limits over \$1,000.
 - Requiring mandatory training for the staff of providers who offer medical credit cards.
 - Prohibit offering a medical credit card or charging a credit card in general for health care services or goods (unless a co-pay or deductible) when the patient has insurance coverage, including Medicaid, that will cover the services or goods.
 - Prohibit upselling a service or good and charging it to a credit card when Medicaid will cover the non-upsold version.
 - Prohibit providers from offering medical credit cards when a patient is sedated or in the middle of a procedure.
 - For providers who have an obligation to provide financial assistance, prohibit charging a health care service or good to a credit card for any amounts for which the patient is eligible for financial assistance.
- **Bringing enforcement actions against medical providers and their debt collectors when they engage in false, deceptive, misleading, or unfair practices** related to medical credit cards or other medical financial products, such as:
- Providing inflated income amounts or improperly filling out applications for patients with incorrect information
 - Charging procedures or services to a credit card when those services are already covered by Medicaid, Medicare or other insurance, in violation of the prohibitions on “balance billing” under those programs or state law.

2. BACKGROUND

2.1 Medical Debt on Credit Cards

Pre-pandemic, people in the United States owed at least \$195 billion in medical debt. In 2022, the burden of that medical debt fell on 100 million people.

Pre-pandemic, people in the United States owed at least \$195 billion in medical debt.¹ In 2022, the burden of that medical debt fell on 100 million people.²

In total, **41% of the U.S. population has medical debt, but that debt is not evenly distributed.**³ Black (56%) and Latino/Hispanic (50%) adults are more likely than white adults (37%) to have medical debt.⁴ Women (48%) are more likely to have medical debt than men (34%) and parents with children under 18 (58%) are

more likely to have medical debt than non-parents (35%).⁵ Lower income consumers, those who lack a college degree, the uninsured, and consumers in the South are also all more likely to have medical debt.⁶

Medical bills are a common source of credit card debt. In 2022, one study found that 1 in 6 adults was paying off medical debt on a credit card.⁷ A 2019 survey found that number was even higher - 1 in 3 credit cardholders - and that nearly 1 in 10 owed \$10,000 or more in medical debt on credit cards.⁸

Other studies have demonstrated that turning to credit cards is a common response for those struggling with medical debt. For example, in a 2022 survey, 41% of respondents increased credit card debt for non-medical purchases as a result of health care debt.⁹ A 2020 survey found that 42% of adults with deductibles of \$1,000 or more reported taking on credit card debt because of medical bills, compared to 29% of individuals with a deductible of less than \$1,000.¹⁰

When dealing with medical bills, including unexpected medical expenses,¹¹ high deductibles,¹² and uninsured/underinsured expenses such as dental or vision care, consumers may charge medical debts to credit cards and repay them over time.¹³ Once charged to a credit card, medical debts may linger on the consumer's credit card balance. One study found that families that finance large health care expenses via credit card see an immediate 34% spike in their credit card balance in the month following the medical expense and that credit card balances remain elevated by 8 to 10 percent for 12 months "with no sign of further decrease."¹⁴

Consumers who charge medical bills to their credit cards may end up paying amounts that should have been covered by insurance or financial assistance. Moreover, when consumers cannot pay their credit card bill in full when it next comes due, the balance of that bill will be subject to high rates of interest - an average of 19.2% in 2020 for general-purpose credit cards¹⁵ and even more for medical credit cards¹⁶ - and potentially additional fees and charges. As a result, paying a medical bill with a credit card over time may be significantly more expensive than other options, such as negotiating a payment plan with the provider.¹⁷

According to a 2022 survey, about 50 million people in the United States are paying a medical bill over time and about a quarter of these are paying interest.¹⁸

Falling behind on a credit card payment will also impact a consumer's credit score since credit card companies typically furnish information to one or more credit bureaus.¹⁹ In contrast, Equifax, Experian, and TransUnion are eliminating unpaid medical debts of less than \$500 from credit reports in 2023 and have already removed paid medical debts and unpaid medical debts of all amounts that are less than a year old.²⁰ Additionally, VantageScore eliminated medical collection data from two of its consumer credit scoring models.²¹

According to a 2022 survey, about 50 million people in the United States are paying a medical bill over time and about a quarter of these are paying interest.

As a result of these changes, past due medical debt that is charged to a credit card and reported delinquent by the credit card issuer will likely have a more negative impact on someone's credit report and credit score than medical debt furnished to a credit bureau by a provider, debt collector, or debt buyer.

2.2 How Medical Credit Cards Differ from General-Purpose Credit Cards

Medical credit cards are unlike general-purpose credit cards in a few ways. First, **they can only be used for medical expenses, not to charge whatever the consumer wants as with a general-purpose credit card.**²²

Consumers usually sign up for medical credit cards at their medical providers' office in a process facilitated by employees of that medical provider.²³ For example, Synchrony Financial, which issues the CareCredit medical credit card and is the largest participant in the medical patient financing industry,²⁴ reported that at the end of 2022 it had "a network of Health & Wellness providers and health-focused retailers that collectively have over

266,000 locations.²⁵ These locations range from small, independent health care providers to large pharmacies²⁶ and include 20 hospital systems.²⁷ In 2022, more than 200,000 of the participants in the network either processed an application or made a charge to a CareCredit card.²⁸

Health care providers who steer patients to specific lenders want their bill to be paid, and it will be paid if the consumer takes out a medical credit card. However, the credit extension may not be a prudent one for the consumer who may ultimately struggle to make payments or even default.

Medical credit cards have traditionally been designed to provide financing for procedures not covered by insurance such as cosmetic or dental procedures. A 2021 report about the medical patient financing industry stated that dental care represented 59% of medical expenses financed, followed by “other” at 24%, cosmetic and dermatology care at 10%, vision care at 5%, and audiology at 2%.²⁹ But more recently medical credit cards have also been used to pay for out-of-pocket medical costs associated with medical care traditionally

covered by insurance.³⁰ For example, Synchrony has partnered with several large health care providers, including AdventHealth, Kaiser Permanente, and the Cleveland Clinic, to offer its CareCredit product.³¹

EXAMPLE OF DEFERRED INTEREST

If a consumer pays for a \$2,500 medical bill on December 20, 2019 using a one-year deferred interest plan, then pays off all but \$100 by December 20, 2020, the lender will add to the next bill all of the interest on the entire \$2,500 dating back one year, which would be nearly \$400 if the interest rate is 25%.

Medical credit cards may also charge even higher interest rates than other credit cards. For example, the interest rate on a CareCredit card is 26.99%³² compared to an average interest rate of 19.2% in 2020 for general-purpose credit cards.³³

Unlike general-purpose credit cards,³⁴ **medical credit cards frequently offer deceptive deferred-interest plans.**³⁵ “Deferred interest” plans are credit card accounts that promote “no interest” until a certain date, but then retroactively assess interest starting from the purchase date if the consumer does not pay off the entire balance by the specified date.³⁶

The length of the “no interest” promotional period typically ranges from six to 24 months based on the amount of the medical bill being financed.³⁷ Many consumers do not understand that they could be charged interest retroactively for the entire deferred-interest period if they do not pay off the balance at the end of the period.³⁸

3. SURVEY OF CONSUMER ADVOCATES ABOUT CLIENT EXPERIENCES WITH MEDICAL CREDIT CARDS

3.1 Overview

To learn more about consumer experiences with medical credit cards, NCLC conducted a survey of consumer advocates whose clients use medical credit cards in February 2023.

Thirty-five consumer advocates responded with observations from their interactions with clients. Nearly three quarters of respondents (71%) were legal services attorneys, more than a quarter (26%) were private attorneys, and one (3%) was a health care advocate.

Table 1: Survey Respondent Distribution According to Type of Practice (n=35)

TYPE OF PRACTICE	NO. OF RESPONDENTS	PERCENT
Health Care Advocate	1	3%
Legal Services Attorney ³⁹	25	71%
Nonprofit Consumer Credit Counselor	0	0%
Other	0	0%
Private Attorney	9	26%

Respondents worked in 15 different states and slightly more than a third of respondents were from California.

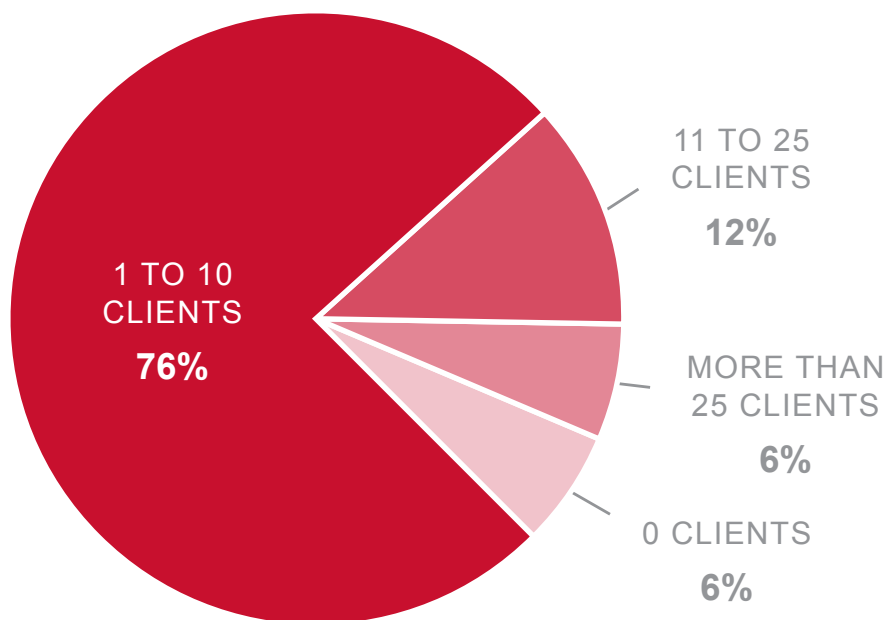
Table 2: Survey Respondent Distribution According to State of Practice (n=35)

STATE(S)	NO. OF RESPONDENTS PER STATE	PERCENT*
California	12	34%
Florida / Massachusetts	4 (x2 states)	23%
New York	3	9%
Georgia	2	6%
Connecticut, Indiana, Maryland, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, Washington, Wisconsin	1 (x10 states)	29%

*Totals exceed 100 due to rounding.

We asked respondents how many clients they had within the past year with a medical credit card. More than three quarters (76%) had 1-10 clients, some (12%) had 11-25 clients, a few (6%) had more than 25 clients in the past year, and a few (6%) had zero clients within the past year.

Chart 1: Number of Clients in Past Year with a Medical Credit Card (n=33)

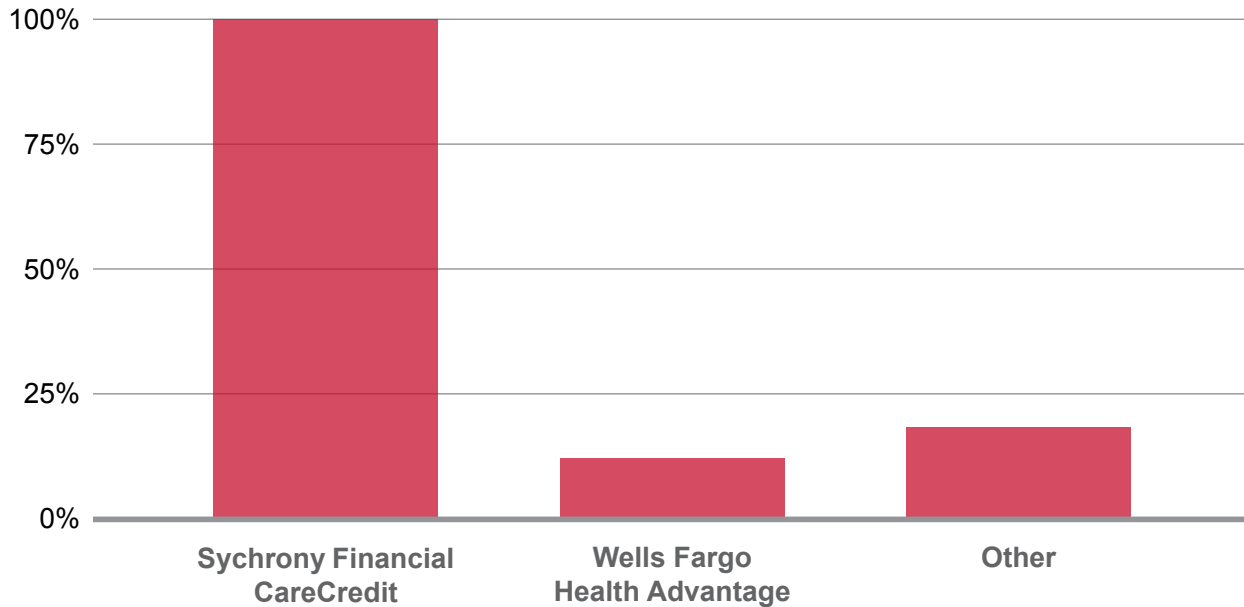


The remainder of this section summarizes the results of this survey.

3.2 Medical Credit Card Issuers

We asked survey respondents which companies issued medical credit cards to their clients. Respondents could select more than one option. Everyone (100%) indicated that their clients had CareCredit cards. Some respondents (12%) said that their clients had Wells Fargo Health Advantage cards. Additionally, five respondents wrote in the names of other companies, with the following companies each being mentioned by one respondent: Comenity Bank HealthiPlan was mentioned by a California respondent; Comenity/Alphaeon credit card by a New York respondent; Genesis Credit/Aspen Dental by a Massachusetts respondent; Scratchpay Financial by a Florida respondent; and Sunbit Dental by a different California respondent. One respondent noted that there were other companies although they did not recall the name of the company.

Chart 2: Companies that Issued Medical Credit Cards to Respondents' Clients (n=34) (% of respondents)

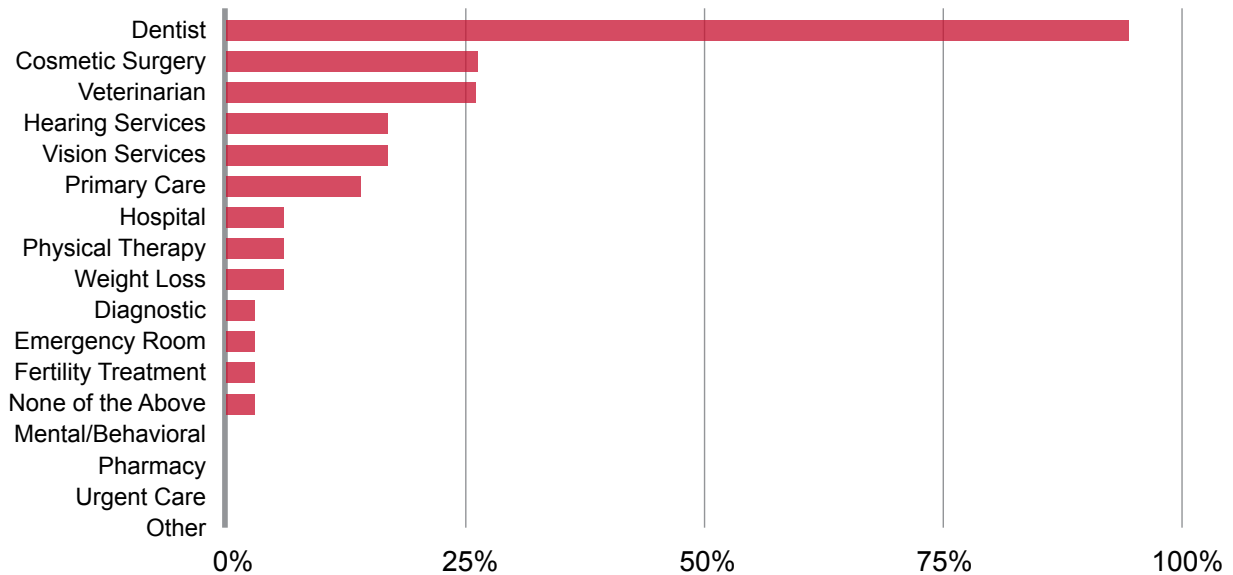


A 2021 study of the medical patient financing industry noted that most companies operate regionally with the exception of Synchrony Financial, Citigroup, and Wells Fargo.⁴⁰ Synchrony Financial's CareCredit acquired Citi Health Card in 2017,⁴¹ and Citibank no longer appears to offer a medical credit card.

3.3 Where Have Your Clients Been Offered Medical Credit Cards

We asked respondents to indicate where their clients have been offered medical credit cards. Respondents could select more than one option. Almost all respondents (94%) identified dentists as a place where their clients are offered medical credit cards. More than a quarter selected cosmetic surgery (26%) and veterinarians (26%). Some respondents reported that clients were offered medical credit cards for hearing services (17%), vision services (17%), or primary care (14%). A couple of respondents indicated that clients were offered medical credit cards at a hospital (6%), physical therapy (6%), or for weight loss procedures (6%). One respondent each indicated that a client was offered a medical credit card in the emergency room (3%) or for fertility or reproductive health (3%). One respondent selected none of the above (3%). No respondents selected mental / behavioral health, pharmacy, urgent care, or other.

Chart 3: Where Clients Were Offered Medical Credit Cards (n=35)



We invited survey respondents to provide additional details about the locations where clients have been offered medical credit cards. Thirteen of the 14 substantive responses mentioned dentists. Some comments identified the dentist office as the primary or exclusive location where their clients are offered medical credit cards. Some examples are included below:

“ Dentists are the worst offenders.

LEGAL SERVICES ATTORNEY FROM NEW YORK

“ The vast majority of medical credit card cases I see originate in dental offices.

LEGAL SERVICES ATTORNEY FROM CALIFORNIA

“ Exclusively at dental offices . . .

LEGAL SERVICES ATTORNEY FROM CALIFORNIA

“ I’ve only really seen the use of them for dental work but I’m seeing them more and more.

LEGAL SERVICES ATTORNEY FROM MASSACHUSETTS

“ We’ve seen Care Credit offered in dentists’ offices - that’s the most common scenario among our clients.

LEGAL SERVICES ATTORNEY FROM MASSACHUSETTS

Others commented on the types of procedures where dentists are offering medical credit cards. For example, the legal services attorney from California in the last quote also explained that medical credit cards were being offered “almost exclusively for dental implants.” A legal services attorney from Washington reported that several clients were “offered medical credit cards by dentists to cover expensive procedures, i.e. root canals.”

One legal services attorney from Maryland mentioned that a particular dental practice with multiple locations in Rockville was issuing medical credit cards.

Many respondents mentioned particular problems their clients were experiencing with medical credit cards. We will discuss these comments in the next section.

3.4 Problems with Medical Credit Cards

3.4.1 Overview

We asked respondents to indicate which of 18 possible problems their clients have experienced with medical credit cards. Respondents could select more than one option.

Almost all respondents (94%) identified one or more of the listed items as problems their clients have experienced with medical credit cards. Of the two respondents (6%) that answered “none of the above,” one wrote in an additional problem that was not presented in the list provided by the survey question.

Table 3 presents a summary of the results from this question. The remainder of this section walks through these results with additional details from survey respondents or other relevant sources, combining some related topics. At the end of the section, we summarize the other issues identified by survey respondents that were not included in the list of potential problems provided by the survey.

Table 3: Types of Problems Experienced by Clients with Medical Credit Cards (n=34)

PROBLEMS	PERCENT
Sued on medical credit card debt	68%
Not screened for or informed of financial assistance before being signed up for a medical credit card (note that nonprofit hospitals are the only health care providers required to provide financial assistance; the 2 clients who were offered credit cards in a hospital setting were not screening for financial assistance.)	65%
Not offered a reasonable payment plan (e.g., ability to pay based on income) before being signed up for a medical credit card	65%
Staff of medical provider described terms of credit incorrectly	53%
Difficulty making payments or problems with payment plans	53%
Never received disclosures about the credit card terms when signing up	50%
Told that credit card was 0% interest but was actually deferred interest	47%
Negative information reported to credit bureau	47%
Did not understand explanation of deferred interest promotion	44%
Account not submitted to insurance before being signed up for a medical credit card	44%
Only presented information in English but client has limited English proficiency	38%
Frequent collection communications	32%
Asked to sign up for medical credit card when client had diminished capacity to consent	26%
Denied medical care unless client agreed to sign up for medical credit card	24%
Offered medical credit card even though they have Medicaid	21%
Credit score decreased because card maximum when issued was the same as the amount of the medical debt being charged	18%
Never received monthly credit card statements	9%
Credit card lender reported inaccurate information to credit bureau	9%
None of the above	6%

More than two-thirds of respondents (68%) reported that their clients had been sued on medical credit card debt.

3.4.2 Lawsuits and Collection Communications

More than two-thirds of respondents (68%) reported that their clients had been sued on medical credit card debt. This is unsurprising given that issuers of medical credit cards such as Synchrony Financial and Wells Fargo are active litigants in state courts around the country -

although available data does not distinguish between lawsuits on medical credit cards and other financial products.⁴²

In addition to collection by medical credit card issuer, legal services attorneys from California, Massachusetts, and North Carolina and a private attorney from Ohio all mentioned medical credit card debts being sold to debt buyers. Both the legal services attorney from North Carolina and the private attorney from Ohio reported that they had a client sued by a debt buyer to collect a medical credit card debt. The legal services attorney from North Carolina reported that the “[c]lient thought she had paid off the debt and was surprised when debt buyer obtained default judgment against her.”

In addition to collection lawsuits, **nearly a third of survey respondents (32%) mentioned frequent collection communications as a problem** experienced by their clients with medical credit cards.

3.4.3 Signed Up for Medical Credit Card Despite Having Insurance

More than two-fifths of respondents (44%) reported that clients’ accounts were not submitted to insurance before being signed up for a medical credit card.

A legal services provider from California explained: “Unscrupulous providers often sign people up for private financing even when they should be covered by insurance.” The respondent further noted: “By getting paid directly from the finance company, providers avoid insurer scrutiny of costs and billing practices.” Another legal services attorney from California noted that services that “should have been paid by Denti-Cal” was a reason that consumers dispute credit charges.

Some respondents (21%) had clients who were offered medical credit cards even though they have Medicaid. One legal services attorney from Massachusetts described clients signing up for medical credit cards after incorrectly being told that services were not covered by Medicaid:

“[W]e’ve certainly seen people who sign up for Care Credit after their provider tells them their insurance, including Medicaid, wouldn’t cover the services they need. Unfortunately, this information isn’t always true and Medicaid members have paid for services on medical credit cards that Medicaid would have paid had the provider submitted a prior authorization request and/or claim.”

Two legal services attorneys from California described clients being provided with medical credit cards after being “upsold” or “steered” into procedures not covered by Medicaid:

- “Many are Medi-Cal recipients who were upsold services by their Medi-Cal accepting dentists, who told them that they need implants (not covered by Denti-Cal) or porcelain crowns (not covered by Denti-Cal).”
- “These products should not be facilitated through providers. These products perversely incentivize providers to burden patients with unaffordable debts and to steer them away from procedures covered by their insurance. Providers receive payment immediately through the finance company, without carrying any risk of borrower default.”

3.4.4 No Information About Financial Assistance

Federal law requires nonprofit hospitals to establish policies for offering patients financial assistance, such as free or discounted medical services for eligible patients.⁴³ Additionally, many states have financial assistance requirements that exceed these federal requirements.⁴⁴

As discussed in Section 3.3, *supra*, almost all survey respondents reported that their clients were being offered medical credit cards by dentists (94%), with cosmetic surgery (26%) and veterinarians (26%) tied for second while hearing services (17%) and vision services (17%) tied for third. These medical services are frequently offered outside of the hospital context and thus would fall outside of federal or state requirements to provide financial assistance.

Although nearly two-thirds (65%) of respondents indicated that their clients were not screened for or informed of financial assistance before being signed up for a medical credit card, it is not clear that their clients were offered medical credit cards in facilities that were legally required to provide financial assistance.

Of the two respondents that indicated that their clients were being offered medical credit cards at hospitals (one of the two also indicated that clients were being offered medical credit cards in emergency rooms), both reported that their clients were not screened for or informed of financial assistance before being signed up for a medical credit card.

Where medical providers are required by federal or state law to provide financial assistance or have voluntary financial assistance policies, converting an alleged medical debt to a medical credit card debt can cause the consumer to lose the opportunity to apply for financial assistance. As a legal services attorney from Washington explained:

“[A] client fully eligible for charity care was pressured to apply for and instantly max out multiple credit cards . . . The medical debt . . . has now been converted to high interest credit card debt that is not [eligible for charity care] even though the cards were exclusively used to pay medical bills that would have been 100% forgiven through charity care. Effectively, this client lost his statutory charity care rights by charging his bills to credit.”

3.4.5 No Alternatives to Medical Credit Card

Nearly two-thirds (65%) of survey respondents indicated that their clients were not offered a reasonable payment plan (e.g., ability to pay based on income) before being signed up for a medical credit card. Nearly a quarter (24%) said that their clients would have been denied medical care had their clients not signed up for medical credit cards.

Several respondents described emergency medical needs and a lack (or perceived lack) of viable alternative financial arrangements resulting in their clients' medical credit card debt:

“

Frequently, client will be in a very traumatized state and given no option but to apply for credit to receive care for themselves or a loved one . . .

PRIVATE ATTORNEY FROM FLORIDA

“

Often are provided when our client goes to dentist with emergency dental needs and can't afford treatment.

LEGAL SERVICES ATTORNEY
FROM MASSACHUSETTS

“

Client not aware of less expensive credit products, and due to their immediate pain and need . . . for dental care they felt unable to turn down any offer that got them immediately relief from the pain . . .

LEGAL SERVICES ATTORNEY FROM WASHINGTON

A legal services attorney from Virginia described difficult choices as the result of required up-front payments:

“My clients find that their veterinarian's offices often have no "bill me later" option. Especially for a very lonely older adult, their pet is a lifeline . . . It is heartbreaking to see lonely people have to choose between debt and euthanizing a wanted pet who has modest medical needs.”

3.4.6 Staff of Medical Provider Described Terms of Credit Incorrectly

More than half of survey respondents (53%) report that the staff of medical providers described the terms of credit incorrectly.

A legal services attorney from California reported that providers were incorrectly describing the financial arrangement:

“Seniors were being told that the financing agreement was a repayment agreement with the dental office. They did not understand that it was an extension of credit.”

Three other legal services attorneys from California also reported that clients did not understand that the financing was with a third-party credit card company.

Another legal services attorney from California described a scenario where the client was charged for a procedure before receiving it and incorrectly told by the provider that she would still have to pay for the procedure even if she decided not to go ahead with it:

“During her first visit, she was signed up for care credit and was approved. She was scheduled for the procedure at a later date. Prior to the procedure date, she advised the provider that she changed her mind . . . She was informed that the provider had already been paid and she would have to pay for the procedure whether or not it was performed.”

3.4.7 Difficulty Making Payments or Problems with Payment Plans

More than half of respondents (53%) reported that their clients had difficulty making payments or problems with payment plans.

Many respondents described clients who struggled to pay medical credit card bills and the financial consequences for these consumers when they defaulted on their payments. For example, a legal services attorney from California described how many clients “ended up with ruined credit when they miss a payment.” A legal services attorney from Washington described a client who anticipated being sued now that he had defaulted on high interest credit cards and others, as discussed in Section 3.4.2, *supra*, shared experiences with collection lawsuits.

3.4.8 Never Received Disclosures

Half of the survey respondents (50%) reported that their clients never received disclosures about the credit card terms when signing up.⁴⁵ A few respondents (9%) reported that their clients never received monthly credit card statements.

A legal services attorney from California reported that, “[n]one of the patients received the legally required notice of credit.” The same attorney also reported that:

“Many patients did not receive credit card terms and disclosures. They were told to simply sign off electronically and were not given a copy of their application.”

Another legal services attorney from California explained that consumers “are signed up for credit at the provider’s office, usually without understanding key terms of the agreement . . .”

A third California legal services attorney reported that “[m]onthly payments are not disclosed up front,” and a private attorney from Florida reported that “terms are usually never discussed.”

3.4.9 Problems with Deferred Interest

In December 2013, the CFPB brought an enforcement action against GE Capital Retail Bank (now known as Synchrony Bank) over one of its deferred interest credit cards, the CareCredit card, which is specifically promoted for health care expenses.⁴⁶ The CFPB alleged that some providers who offered the cards had misled patients by not clearly explaining the terms of the deferred interest program when the patients signed up and by not giving patients the legally required credit card disclosures. Furthermore, the CFPB alleged that it was GE Capital’s lack of oversight and monitoring which allowed this deception.⁴⁷

GE Capital settled the case by agreeing to provide enhanced disclosures to consumers and to implement a training program for health care providers who offer the CareCredit Card.⁴⁸ The bank agreed to pay up to \$34.1 million in restitution to injured consumers.⁴⁹ However, the CFPB consent order against CareCredit was terminated in September 2021.⁵⁰

Despite this prior enforcement action, several survey respondents reported that clients experienced problems as the result of deferred interest on a medical credit card. **Slightly less than half of respondents (47%) reported that their clients were told that credit was 0% interest only to later be charged retroactive interest when the client failed to pay off the entire balance during the introductory 0% interest period (e.g., “deferred interest”).** Similarly, 44% of respondents reported that their clients did not understand the explanation of the deferred interest promotion.



The advertising is quite misleading. People are enticed into thinking they’re getting a good deal by these predatory products.

LEGAL SERVICES ATTORNEY
FROM MASSACHUSETTS

3.4.10 Credit Reporting Problems

Respondents reported clients experiencing a variety of credit reporting problems as a result of medical credit cards. **Nearly half of survey respondents (47%) reported that negative information was reported to the credit bureau about their client's medical credit card.** Some respondents (18%) saw clients' credit scores decrease because the card maximum when issued was the same as the amount of the medical debt being charged to the medical credit card. A few respondents (9%) observed that medical credit card lenders reported inaccurate information to credit bureaus.

A legal services attorney from California summed up various issues related to credit reporting as follows:

“Medical credit cards are inherently unfair to consumers. It forces the consumer to choose between receiving care and putting their credit at risk . . . many of them ended up with ruined credit when they miss a payment. Worse, whenever they dispute the credit charges, the financial institution takes the provider's words at face value and rubber stamps the denial. Patients who challenge the decision (because they didn't get the agreed upon services, or they found out later that the service was shoddy, or should have been paid by Denti-Cal) ended up having to pay the interest rate and late fees anyways.”

3.4.11 Consumers with Limited English Proficiency

Health care providers participating in the federal Children's Health Insurance Program (CHIP) or Medicaid programs qualify as recipients of federal financial assistance from the Department of Health and Human Services.⁵¹ As such, they **have obligations to provide services to patients with limited English proficiency.**⁵² Separately, medical providers such as “hospitals that accept Medicare or doctors who receive Medicaid payments” have obligations to provide services to patients with limited English proficiency pursuant to Section 1557 of the Affordable Care Act of 2010.⁵³

More than a third of survey respondents (38%) reported that they had clients with limited English proficiency who only received information about the medical credit card in English. However, it is not clear which responses involved medical providers with legal obligations to provide services to patients with limited English proficiency.

A health care advocate from Pennsylvania described particular concerns for consumers with limited English proficiency:

“Based on our experiences working with low-income populations and populations with limited English proficiency, we suspect that many families across PA are susceptible to the predatory practices employed by medical credit cards. We already see numerous cases where they are never informed of financial assistance, and if they are, they are only told to sign papers and wait. It would not be a surprise if they are being signed up for medical credit cards under the guise of a payment plan.”

“

We see [medical credit cards] fairly frequently from dentists in low income areas of East Boston mostly immigrant patients with emergency dental needs.

LEGAL SERVICES ATTORNEY
FROM MASSACHUSETTS

The California legal services attorney who described consumers being upsold to products not covered by Medi-Cal in a previous section explained that **the dentists engaging in this practice, “are often mom and pop shops located in immigrant communities and serve Spanish-speaking populations.”**

3.4.12 Diminished Capacity to Consent

More than a quarter of respondents (26%) reported that clients were asked to sign up for medical credit cards when the client had diminished capacity to consent.

“When we have had clients offered medical credit cards at the dentist, we often hear that it is while they are in the dentist’s chair, so often are not focused on terms and conditions,” one legal services attorney from California explained. Another legal services attorney from California described a consumer who was “given documents to sign while in the dentist’s chair.”

A health care advocate from Pennsylvania speaking about medical bills charged to credit cards explained that:

“One concern we have is that these predatory practices may be offered without consumers fully understanding what they may be signing up for—especially in the emergency room during crisis, and dental offices.”

3.4.13 Other

At various points in the survey, respondents referenced other types of problems with medical credit cards. We summarize these additional problems here.

First, a private attorney from Connecticut and a legal services attorney from Washington both mentioned **high interest rates associated with medical credit cards** as a problem. This issue is discussed, *supra*, at Section 2.2.1.

Next, multiple survey respondents described consumers with medical credit card bills for medical procedures that the consumer did not ultimately receive.

“

Being charged for services they didn't even get in the dental context.

LEGAL SERVICES ATTORNEY
FROM MASSACHUSETTS

“

[N]ever took 1 of 2 dentures, yet full amount for both dentures was charged by doctor and put on card; took many attempts, phone/letters, in person follow-up to get that corrected

LEGAL SERVICES ATTORNEY FROM INDIANA

“

She does not ever receive dental implants but never received her deposit back and the lender continues to demand full balance of loan. After reviewing docs, we see that money was paid directly to the provider.

LEGAL SERVICES ATTORNEY FROM CALIFORNIA

“

[M]any people also report not getting the procedures (or things like dentures) which they were charged for.

LEGAL SERVICES ATTORNEY
FROM MASSACHUSETTS

“

Specifically regarding dental work, the entire cost of the procedure was charged when the card opened. A couple of clients never did have the procedure and ended up getting sued on the balance when the fee was never earned by the dentist.

PRIVATE ATTORNEY FROM FLORIDA

Finally, several survey respondents mentioned problems related to financial applications being filled out by the medical provider - including falsification of income to qualify consumers for a larger extension of credit. If this is a pattern by some providers, a credit card company's failure to address it could implicate the requirement to determine ability-to-pay under the Credit CARD Act.⁵⁴

- “[M]any times clients financial or personal information is filled in by the drs office or store the credit will pay and clients real financial information is falsified without the client knowing. This is done to obtain a higher limit so more can be charged for the providers benefit. Often times the provider of care gives the application to multiple lenders without advising or obtaining consent from the consumer. A few times more than one account is opened . . .” - Private attorney from Florida.
- “Clients being signed up for the credit card by dental office staff requesting credit on patient's behalf.” - Legal services attorney from California.
- “Two patients told their dentists that they had no income. The dentists still issued credit cards for several thousand dollars. One patient later discovered the dental office falsely entered the income section of the application and she reported this fraud to Wells Fargo. Another patient suspected but did not have proof the dental office made up information about her income . . . One patient was on SSI only. His provider told him to get his brother to cosign because his credit was too poor to qualify for medical credit card. His brother cosigned and ended up being responsible for the debt.” - Legal services attorney from California.
- “No consideration is given to ability to pay -- client with only income of \$600ish in welfare payments got monthly payments of \$350.” - Legal services attorney from California.

3.5 Other Medical Financing Products

In addition to medical credit cards, news reports have highlighted medical loans, buy now pay later products, and other medical financial products.⁵⁵ We asked survey respondents if they are seeing clients using any of these additional products.

Several respondents replied that they are not seeing these alternative medical financial products yet. A legal services attorney from Massachusetts replied that he sees consumers pay with general-purpose credit cards, “often at their providers' urging despite having

insurance that would pay.” A legal services attorney from Virginia explained that clients at times say that other medical financial products are available but that sometimes these are medical credit cards and the client did not understand.

Three respondents provided comments related to alternative medical financial products:

- “We have seen numerous instances of hospitals using a Care Payment program: <https://www.carepayment.com/patient-faq/> which is marketed as less harmful as an outright medical credit card (no interest fees or impact to credit scores), but nonetheless poses problems for consumers, who have been signed up without consent and result in billing from unknown providers and can create complications for disputing bills. It is also unclear how their financial aid screening, if any, occurs.” - Health advocate from Pennsylvania.
- “We haven't seen buy now pay later, but we have seen large dental conglomerates like Western Dental who offers in-house financing instead of using Care Credit. They are just as aggressive when it comes to upselling and collections efforts.” - Legal services attorney from California.
- “One of our cases: A 70+ year old senior . . . is targeted by a Facebook advertisement for a bogus "Smile Grant" program (<https://smilegrantprogram.com/apply-for-grants>). She has been looking for dentures that fit her. She clicks on the targeted ad and is directly contacted soon after by a local dentist office. She goes in for "free consultation" and is given documents to sign while in the dentists chair . . . She is scheduled for two additional appointments, during which she is pressured to pay a deposit of \$2,000. She then receives a notice in the mail from Proceed Finance, which says that she has taken out a loan for \$20,000. The promised "grant" appears to just be an illusory discount after an upsell for the procedure.” - Legal services attorney from California

In addition to these comments, note that some of the companies listed as “other” medical credit card providers in Section 3.2, *supra*, such as Scratchpay Financial, may be providing other types of medical financial products either in addition to or instead of medical credit cards.

4. RECOMMENDATIONS FOR ACTION ON MEDICAL CREDIT CARDS

To better protect consumers, we provide recommendations for the Consumer Financial Protection Bureau (CFPB) and the Department of Health and Human Services (DHHS) in the federal government. We also provide recommendations for state governments.

Recommendations for the Consumer Financial Protection Bureau

In addition to NCLC's previous recommendations regarding actions the CFPB should take to protect consumers with medical debt,⁵⁶ the CFPB should take the following actions specific to medical credit cards. Some of these actions are based on the fact that health care providers and their staff act in the capacity of third-party service providers for a card-issuing bank when they solicit consumers to apply for the bank's products:⁵⁷

- **Prohibit deferred interest on all credit cards, including medical credit cards, using the CFPB's authority under the Credit CARD Act.** The CFPB has clear legal authority to ban deferred interest given its broad grant of rulemaking authority under the Act.⁵⁸
- **Prohibit medical credit cards from placing a charge on an account or issuing funds before a medical procedure is completed or the medical product is delivered (with limited exceptions).** Require medical credit card companies to instruct consumers that they have the right to cancel financing arrangements with no penalty before beginning the procedure.
- **Remind credit card companies that patients are entitled to withhold payment based on claims or defenses due to problematic practices by medical providers related to medical credit cards, and that they must conduct a reasonable investigation of such disputes.** Require companies to provide special outreach materials informing patients of this right. Require that companies cease working with medical providers that are engaging in abusive practices.
- **Adopt the requirements of the 2013 Consent Order against CareCredit as regulations,** such as requiring patients to apply directly with the credit card company for credit limits over \$1,000; requiring training of provider staff; and prohibiting providers from charging for services not yet rendered, with limited exceptions.

- **Clarify that a credit card company violates the Credit CARD Act's ability-to-pay requirements** if it does not have procedures in place to ensure that providers are not providing inflated income amounts or improperly filling out applications for patients with incorrect information.
- **Where consumer complaints reference false, deceptive, misleading, or unfair practices by medical providers, forward those complaints to relevant state or federal agencies with enforcement authority.** Require credit card companies to monitor providers for such practices and cease doing business with them if such practices are detected.
- **Collaborate with the FTC to bring enforcement actions against debt collectors that are collecting or filing suit on unsubstantiated claims arising from medical financial products.**
- **Include research about and discussion of medical credit cards in the CFPB's consumer credit card market reports.**
- **Issue reports about medical financial products, outlining potential risks for consumers,** including particular risks for older Americans and consumers with limited English proficiency.

Recommendations for Department of Health and Human Services

- **Issue a joint statement with the CFPB condemning false, deceptive, misleading, and unfair practices by medical providers connecting patients to medical credit cards.** This statement should also clarify that, when medical providers receive federal funding, they have a duty to provide meaningful language access, and that duty extends to communications with patients regarding medical credit cards.
- **Issue a statement by the Centers for Medicaid and Medicare Services informing providers that they should not offer medical credit cards when Medicaid will cover a service,** and that they must inform patients regarding the option of a Medicaid-covered service when offering or upselling an alternative procedure that is not covered by Medicaid.

Recommendations for the States

- **Adopt strict requirements for health care providers when offering medical credit cards, including:**
 - Prohibit deferred interest on credit cards issued by state-chartered banks,⁵⁹ including medical credit cards, or at least prohibit health care providers from offering any credit cards that have deferred interest promotions.
 - Prohibit health care providers from charging a patient's credit card (whether a medical credit card or not) before a medical procedure is completed or the medical product is delivered. Require providers to prominently disclose to consumers that they have the right to cancel financing arrangements with no penalty before beginning the procedure.
 - Require providers to refer patients directly to the credit card lender and have them apply directly with the lender for credit limits over \$1,000.
 - Requiring mandatory training for the staff of providers who offer medical credit cards.
 - Prohibit offering a medical credit card or charging a credit card in general for health care services or goods (unless a co-pay or deductible) when the patient has insurance coverage, including Medicaid, that will cover the services or goods.
 - Prohibit upselling a service or good and charging it to a credit card when Medicaid will cover the non-upsold version.
 - Prohibit providers from offering medical credit cards when a patient is sedated or in the middle of a procedure.
 - For providers who have an obligation to provide financial assistance, prohibit charging a health care service or good to a credit card for any amounts for which the patient is eligible for financial assistance.

-
- **Bring enforcement actions against medical providers and their debt collectors when they engage in false, deceptive, misleading, or unfair practices related to medical credit cards or other medical financial products**, such as:
 - Providing inflated income amounts or improperly filling out applications for patients with incorrect information
 - Charging procedures or services to a credit card when those services are already covered by Medicaid, Medicare or other insurance, in violation of the prohibitions on “balance billing” under those programs or state law.

ENDNOTES

- 1.** Matthew Rae, *et al.*, [The Burden of Medical Debt in the United States](#), Kaiser Family Foundation (Mar. 10, 2022).
- 2.** Noam N. Levey, [100 Million People in America Are Saddled With Health Care Debt](#), Kaiser Health News and National Public Radio (June 16, 2022).
- 3.** Lunna Lopes, *et al.*, Kaiser Family Foundation, [Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills](#) Fig. 2 (Jun. 16, 2022).
- 4.** *Id.* See also, Berneta L. Haynes, [The Racial Health and Wealth Gap: Impact of Medical Debt on Black Families](#) (Mar. 2022).
- 5.** Lunna Lopes, *et al.*, Kaiser Family Foundation, [Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills](#) Fig. 2 (Jun. 16, 2022).
- 6.** *Id.*
- 7.** Noam N. Levey, [100 Million People in America Are Saddled With Health Care Debt](#), KHN and NPR (June 16, 2022). See also Lunna Lopes, *et al.*, Kaiser Family Foundation, [Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills](#) (Jun. 16, 2022) (17% of survey respondents said that they had credit card debt that they are paying off over time due to medical or dental bills).
- 8.** Jamie Cattanach, [1 in 3 Cardholders Are in Credit Card Debt Due to Medical Bills](#), LendingTree (Nov. 5, 2019).
- 9.** Lunna Lopes, *et al.*, Kaiser Family Foundation, [Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills](#) (Jun. 16, 2022). See also Liz Hamel, *et al.*, Kaiser Health News and New York Times, [The Burden of Medical Debt: Results from the Kaiser Family Foundation/New York Times Medical Bills Survey](#) (Jan. 5, 2016) (among respondents who had trouble paying medical bills in the past 12 months, 34% increased credit card debt to pay medical bills).
- 10.** Sara R. Collins, *et al.*, The Commonwealth Fund, [U.S. Health Insurance Coverage in 2020: A Looming Crisis in Affordability: Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2020](#) (Aug. 19, 2020) (also reporting that 31% of those who reported medical bills took on credit card debt).
- 11.** Lunna Lopes, *et al.*, Kaiser Family Foundation, [Health Care Debt In The U.S.: The Broad Consequences Of Medical And Dental Bills](#) (Jun. 16, 2022) (21% of survey respondents would put an unexpected \$500 medical bill on a credit card and pay it over time).
- 12.** Liz Hamel, *et al.*, Kaiser Family Foundation, [Kaiser Family Foundation/LA Times Survey Of Adults With Employer-Sponsored Health Insurance](#) (May 2019) (27% of respondents with high deductible plans said they would put an unexpected medical bill equal to the full amount of the deductible on a credit card and pay it off over time).
- 13.** Lucy Rabinowitz Bailey, *et al.*, California Health Care Foundation, [The 2023 CHCF California Health Policy Survey](#) (Feb. 2023) (19% of California survey respondents reported having medical or dental bills on a credit card that they are paying off over time; number rises to 25% for those with incomes of less than 200% of the federal poverty level).
- 14.** Fiona Greig and Erica Deadman, JPMorgan Chase Institute, [Healthcare spending through the Pandemic: the impact of high-cost medical events on household finances](#) (May 2022) (study of credit card and bank account data from 2019 to 2021).
- 15.** Consumer Financial Protection Bureau, [The Consumer Credit Card Market](#) 48 (Sept. 2021).
- 16.** Synchrony's CareCredit card has a purchase APR of 26.99%. Synchrony Bank, Section I: Rates and Fees Table, [CareCredit Account Agreement](#) (June 2022).

- 17.** See, e.g., Noam Levey and Aneri Pattani, [How banks and hospitals are cashing in when patients can't pay for health care](#), Kaiser Health News and National Public Radio (Nov. 17, 2022) (noting that Lake Region Healthcare in Minnesota charges no interest or fees on repayment plans and University of Kansas Health System which “shield[s] patients from interest”); Katherine Davis, [Hospitals pitch plastic to patients facing costly treatments](#), Crain's Chicago Business (Sept. 1, 2022) (noting that Mercyhealth in Rockford, IL offers a no-interest payment plan with payments as low as \$50 per month as one patient financing option).
- 18.** Noam Levey and Aneri Pattani, [How banks and hospitals are cashing in when patients can't pay for health care](#), Kaiser Health News and National Public Radio (Nov. 17, 2022).
- 19.** Cf. Consumer Financial Protection Bureau, [Quarterly Consumer Credit Trends: Payment Amount Furnishing & Consumer Reporting](#) 7 (Nov. 2020) (discussing furnishing practices by credit card issuers).
- 20.** Experian, [Press Release: Equifax, Experian, and TransUnion Support U.S. Consumers With Changes to Medical Collection Debt Reporting](#) (Mar. 18, 2022).
- 21.** VantageScore, [Press Release: MAJOR CREDIT SCORE NEWS: VantageScore Removes Medical Debt Collection Records From Latest Scoring Models](#) (Aug. 10, 2022).
- 22.** See Consumer Financial Protection Bureau, [What should I know about medical credit cards and payment plans for medical bills?](#) (Feb. 2, 2023).
- 23.** *Id.*
- 24.** IbisWorld, Medical Patient Financing 8 (Dec. 2021) (18.4% of the market share).
- 25.** Synchrony Financial, Annual Report on Form 10-K for 2022 at 10.
- 26.** *Id.*
- 27.** Katherine Davis, [Hospitals pitch plastic to patients facing costly treatments](#), Crain's Chicago Business (Sept. 1, 2022).
- 28.** Synchrony Financial, Annual Report on Form 10-K for 2022 at 10.
- 29.** IbisWorld, Medical Patient Financing 16 (Dec. 2021).
- 30.** See Consumer Financial Protection Bureau, [What should I know about medical credit cards and payment plans for medical bills?](#) (Feb. 2, 2023); Katherine Davis, [Hospitals pitch plastic to patients facing costly treatments](#), Crain's Chicago Business (Sept. 1, 2022).
- 31.** Synchrony Financial (SYF) Q2 2020 Earnings Call Transcript, July 21, 2020, <https://www.fool.com/earnings/call-transcripts/2020/07/21/synchrony-financial-syf-q2-2020-earningscall-tran.aspx>
- 32.** Synchrony Bank, Section I: Rates and Fees Table, [CareCredit Account Agreement](#) (June 2022). See also IbisWorld, Medical Patient Financing 16 (Dec. 2021) (reporting annual percentage rates (APRs) ranging from 10% to 30% for medical credit cards).
- 33.** Consumer Financial Protection Bureau, [The Consumer Credit Card Market](#) 48 (Sept. 2021).
- 34.** *Id.* at 91 (deferred interest is “[a]lmost always associated with private label and retail co-brand cards”).
- 35.** See IbisWorld, Medical Patient Financing 16 (Dec. 2021) (reporting that the majority of medical patient financing industry participants offer credit cards with zero interest promotional periods).
- 36.** “Deferred interest” is defined in Reg. Z, [12 C.F.R. § 1026.16\(h\)\(2\)](#).
- 37.** IbisWorld, Medical Patient Financing 16 (Dec. 2021).
- 38.** Chi Chi Wu, National Consumer Law Center, [Deceptive Bargain: The Hidden Time Bomb of Deferred Interest Credit Cards](#) (Dec. 2015).
- 39.** This is abbreviated as “Legal Services Attorney,” but the question in the survey listed the option as “Legal Services / Nonprofit Attorney.”

- 40.** IbisWorld, Medical Patient Financing 25 (Dec. 2021).
- 41.** Synchrony, [Press Release: CareCredit to Acquire Citi Health Card Portfolio](#) (Feb. 21, 2017).
- 42.** See, e.g., National Consumer Law Center, [Pandemic Lawsuits in California: Credit Card Issuers and Debt Buyers Top Litigants in 2021](#) (July 2022) (Synchrony Bank filed 6,798 lawsuits in 16 California counties in 2021); Daniel Wilf-Townsend, [Assembly-Line Plaintiffs](#), 135 Harvard L. Rev. 1704, 1732 (May 2022) (Synchrony Bank was the seventh most common filer of collection lawsuits in 2019 civil lawsuits in sample states with 26,510 total cases filed; also listing Wells Fargo although not providing data about total lawsuits); Reinvestment Fund, [Debt Collection in Philadelphia](#) 6 (Mar. 2021) (listing Synchrony Bank as one of the 10 largest filers in Philadelphia debt collection cases); Julia Barnard, *et al.*, [Suing-to-Intimidate: New Evidence Confirms that Opportunistic Abuses and Intimidates Families in Court to Collect Small-Dollar Loan Debts in California Courts](#) (Center for Responsible Lending, Mar. 2021) at Appx. A (showing Wells Fargo among the top filers of debt collection lawsuits in Los Angeles County Superior Courts from 2018–2020).
- 43.** 26 C.F.R. § 1.501(r). See also National Consumer Law Center, Collection Actions § 9.3.1.3 (5th ed. 2020) (discussing financial assistance policy requirements).
- 44.** Andrea Bopp Stark and Jenifer Bosco, [An Ounce of Prevention: A Review of Hospital Financial Assistance Policies in the States](#) (Nov. 2021).
- 45.** See also [Consent Order](#), *In re* GE Capital Retail Bank, CareCredit L.L.C., File No. 2013-CFPB-0009 5-6 (C.F.P.B. Dec. 10, 2013).
- 46.** *Id.*
- 47.** *Id.*
- 48.** *Id.*
- 49.** *Id.* at 7.
- 50.** [Order Terminating the Consent Order](#), *In re* GE Capital Retail Bank, CareCredit L.L.C., File No. 2013-CFPB-0009 5-6 (C.F.P.B. Sept. 3, 2021).
- 51.** Dept. of Health and Human Services, [“What qualifies as ‘Federal financial assistance’ for purposes of civil rights complaints handled by OCR?”](#) (Nov. 19, 2015).
- 52.** Dept. of Health and Human Services, [Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons](#) (July 26, 2013). See also Dept. of Justice, [Executive Order 13166](#) (Updated Nov. 21, 2022).
- 53.** Dept. of Health and Human Services, [Section 1557: Ensuring Meaningful Access for Individuals with Limited English Proficiency](#).
- 54.** 15 U.S.C. §1665e.
- 55.** See, e.g., Katie Palmer, [Get care now, pay later?: Health care sees a surge in financing platforms for patients](#), Stat (Jan. 3, 2023); Noam Levey and Aneri Pattani, [How banks and hospitals are cashing in when patients can't pay for health care](#), Kaiser Health News and National Public Radio (Nov. 17, 2022); Andrew Mendez, [Healthcare financier Scratchpay secures \\$35M Series C](#), TechCrunch (Sept. 20, 2022); Ryan Hogg, [A startup that operates a buy-now, pay-later model for healthcare bills is hoping to drive the uptake of psychological care](#), Business Insider (May 15, 2022); Janice Bitters Turi, [Medical Fintech Startup PayZen Raises \\$15M To Grow ‘Care Now, Pay Later’ Model](#), Crunchbase News (Nov. 17, 2021); Deb Gordon, [Struggling to Pay Medical Bills? New Financing Program Aims to Help](#) (Jul. 27, 2021).
- 56.** [Petition for Rulemaking - NCLC et al. - Ban Medical Debts from Credit Reports](#) (Sept. 30, 2022); [Letter from Jenifer Bosco, et al, National Consumer Law Center, to Director Rohit Chopra, Consumer Financial Protection Bureau](#) (Mar. 22, 2022).

57. See CFPB, Compliance Bulletin and Policy Guidance; 2016-02, [Service Providers](#) (Oct. 31, 2016) (“[CFPB] expects supervised banks and nonbanks to oversee their business relationships with service providers in a manner that ensures compliance with Federal consumer financial law”).

58. Chi Chi Wu, National Consumer Law Center, [Deceptive Bargain: The Hidden Time Bomb of Deferred Interest Credit Cards](#) (Dec. 2015).

59. A prohibition against deferred interest may be preempted by the National Bank Act as to federally-chartered banks.



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