



**National
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*Fighting Together
for Economic Justice*

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Connecticut General Assembly
General Law Committee
Legislative Office Building, Room 3500
Hartford, CT 06106-1591
Sent via: [online portal](#)

Re: H.B. 5127: An Act Concerning Medical Credit Cards

Dear Committee Members:

The National Consumer Law Center (NCLC) writes in support of the Connecticut Legislature's efforts to protect consumers from abusive practices related to medical credit cards.¹ We appreciate that H.B. 5127 includes several of the recommendations that we urged states to adopt in our issue brief [What States Can Do: Medical Credit Cards and Other Medical Lending Products](#).

In [Health Care Plastic: The Risks of Medical Credit Cards](#), we reported about the serious problems that the clients of legal services experienced with medical credit cards. These problems included clients that were:

- not clearly and accurately informed about the credit card's terms - including deferred interest,
- signed up for medical credit cards when they had diminished capacity to consent,

¹ The National Consumer Law Center ("NCLC") is a national research and advocacy organization focusing on the legal needs of consumers, especially low income and elderly consumers. For over 50 years NCLC has been the consumer law resource center to which legal services and private lawyers, state and federal consumer protection officials, public policy makers, consumer and business reporters, and consumer and low-income community organizations across the nation have turned for legal answers, policy analysis, and technical and legal support. This testimony was written by April Kuehnhoff, Senior Attorney, with assistance from Chi Chi Wu, Director of Consumer Reporting and Data Advocacy.

- charged for medical procedures that they never received,
- signed up by employees of the medical providers that falsified their income to qualify them for larger extensions of credit, and
- signed up for medical credit cards for procedures that were never submitted for insurance or where an alternative procedure would have been covered by insurance.

An earlier report, [Deceptive Bargain: The Hidden Time Bomb of Deferred Interest Credit Cards](#), focused on the problems with “deferred interest” credit cards. “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.

Example of Deferred Interest: If a consumer pays for a \$2,500 medical bill on December 20, 2024 using a one-year deferred interest plan, then pays off all but \$100 by December 20, 2025, 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%.

A Consumer Financial Protection Bureau [report](#) found that patients paid \$1 billion in deferred interest payments for healthcare expenses from 2018-2020.

Synchrony Financial’s CareCredit is one example of a medical credit card with deferred interest. In a [letter](#) to Senator Warren, Senator Murray and others, Synchrony Financial noted that over a nine month period in 2022 approximately *23% of accounts with deferred interest were not repaid during the promotional period and were assessed interest.*

We recommend that this committee further strengthen this bill by removing section (b)(2)(A). This section creates an exception to the protections outlined in (b)(1) by allowing providers to give information about medical credit cards if the patient makes an “unsolicited request” for such information. If not removed entirely, at a minimum the bill should further define what is an “unsolicited request” to limit the exception. Specifically, the law should clarify that asking patients to sign a statement requesting information about medical credit cards does not constitute “an unsolicited request” for medical credit card information. In addition, the bill should clarify that a consumer’s statements that they cannot afford to pay for medical services or goods should not constitute an “unsolicited request.”

To protect consumers from abusive practices related to medical credit cards, we urge the members of the Connecticut General Assembly General Law Committee to support H.B. 5127: An Act Concerning Medical Credit Cards with the suggested amendment.

Thank you for your consideration.

Respectfully submitted,

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