

Beware your clinic's medical credit card plan

BY: Abe Limon

The cost of everything medical-related, from surgeries to check-ups to dental visits, has been rising to extraordinary heights. The passage of Obama Care did not cure what is wrong with the high cost of medical care in our country. Many Texas residents simply can't afford the healthcare that they need, with or without insurance, and many people here in the Rio Grande Valley know full well that leaving the Valley to Houston or San Antonio for the alleged better health care is also out of the question, financially speaking.

With the pressure of needing care, but being unable to pay, more Americans are agreeing to open lines of credit or medical credit cards with their doctors. Some doctors are actually hooking up their patients with lenders in order to pay for the medical care they provide. The credit card applications are filled out at the doctor's office and credit is checked over the phone. These medical cards don't cover all services or procedures. Some cover only in-hospital care or non-elective procedures. Some cover only cosmetic surgeries or dental procedures. Some cards are accepted only by some medical providers and not by stores or gas stations or restaurants. Before using one of these cards, it is always best to compare the interest rates to your regular credit cards which might actually give you better options with interest and payment terms.

An article in the USA Today warns that these sorts of medical credit cards can actually harm patients financially. According to the article, many medical care providers,

hospitals, and clinics often fail to fully inform patients about what they are signing up to bear. Many patients are so swept up in their anxiety over healthcare costs that they forget to ask for the complete description and details of the line of credit card.

Part of this issue is due to tricky advertising; some offers come with an interest-free period of time. However, if there are any outstanding charges once that time is up, you might have to pay interest for the entire period. For example, if you are told that the medical credit card lender won't charge you interest for one year for your medical procedure, if after one year there is still a balance due, they will charge you interest for the whole year since it was not fully paid at the required time. According to an article in ValuePenguin.com, the Consumer Financial Protection Bureau fined CareCredit \$34.1 million for deceptive card enrollment tactics that obscured the card's deferred interest.

Furthermore, the interest rate on these types of cards could be much higher than you expect. USA Today reports that the rate on some cards might reach 25 percent or greater. This means that the original cost of your procedure would increase at a rapid rate, likely costing you as much as triple the original cost.

If you suffer from high medical debt, you may be able to stop the cycle by filing for bankruptcy. During this process, an attorney can guide you through the legal steps and help you reach the best possible outcome. You may be able to discharge a large portion, if not all, of your medical debt.

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