PA 26-6—sHB 5127
General Law Committee

AN ACT CONCERNING CREDIT CARDS AND HEALTH AND VETERINARY CARE SERVICES

SUMMARY: Beginning January 1, 2027, this act prohibits health care and veterinary care providers from:

1. promoting or offering third-party financing to consumers in certain ways;
2. receiving financial incentives or compensation related to promoting or offering third-party financing to a consumer;
3. completing any part of a consumer's application for third-party financing or submitting one on their behalf;
4. charging a third-party financing account for a health care or veterinary service, or any portion of its cost, before the service is provided, unless the provider's cost is incurred earlier;
5. discussing third-party financing terms and conditions with a consumer without providing a written disclosure form; and
6. charging a third-party financing account for all or part of the cost of ancillary products unless the consumer (a) receives a receipt for the product or (b) consents in writing to purchase the product (it also specifies a 30-day period for the return and refund of most ancillary products).

Under the act, "third-party financing" is a line of credit, loan, or open-end credit plan (such as a credit card) that is offered or extended by a third party. It does not include a line of credit or loan from a health care or veterinary provider who is the creditor.

The act specifies that it does not affect agreements providers enter into before January 1, 2027.

Violations of the act are Connecticut Unfair Trade Practices Act violations that are enforceable by the attorney general, and not by private causes of action or class actions.

EFFECTIVE DATE: January 1, 2027

APPLICABLE PROVIDERS AND SERVICES

The act applies to licensed (1) individuals, facilities, and institutions that provide health care services to patients and an entity's employees, agents, or independent contractors acting within the scope of their authority and (2) veterinarians and their employees, agents, and independent contractors acting within the scope of their authority.

Under the act, "health care and veterinary services" are services and products provided to a patient by a health care provider, or to an animal by a veterinary care provider, within the provider's scope of practice. They include hospital, medical, surgical, dental, vision, and pharmaceutical services or products.

PROHIBITIONS ON PROMOTING OR OFFERING THIRD-PARTY FINANCING

Beginning January 1, 2027, the act prohibits health and veterinary care providers from advertising, marketing, soliciting, promoting, or offering third-party financing:

1. by using the provider's or practice's brand on a sign;
2. by giving a consumer access to software or a website (by giving an address, hyperlink, or quick response (QR) code) if it includes the provider's or practice's branding and is used by or for a third party for this type of financing;
3. to a consumer who is under general anesthesia, conscious or moderate sedation, or nitrous oxide;
4. while providing health care services to the patient; or
5. when the consumer is in part of a facility used for services, such as an examination or operating room, unless (a) the facility does not have a separate area or (b) relocating a consumer to a separate area from the one where the consumer's animal is receiving services would not risk harm to the animal, in the provider's professional judgment (PA 26-100, § 38, applies this provision when relocating the animal would risk harm to it).

DISCUSSING THIRD-PARTY FINANCING AND DISCLOSURE FORM

Beginning January 1, 2027, the act requires providers who discuss terms and conditions of third-party financing to give consumers the following written disclosure in at least 14-point type and in the language the provider primarily uses with the consumer:

"THIRD-PARTY FINANCING DISCLOSURE

Any discussion of third-party financing involves a credit card, line of credit or loan to help you finance or pay for treatment by this provider. Such lending product IS NOT A PAYMENT PLAN WITH THIS PROVIDER. It is a credit card, line of credit or loan from a third-party lender. Your provider does not work for this company. Your provider may not complete or submit any application for third-party financing on your behalf.

You do not have to apply for third-party financing to pay your provider. You may pay your provider in another manner. Your provider may offer its own payment plan. You are encouraged to explore any public or private insurance options that may cover your treatment.

The lender or creditor may offer a "promotional period" to pay back the amount borrowed without interest. You should carefully consider the terms of the promotion, and whether you may owe interest if the promotional balance is not paid in full. Furthermore, if you miss a payment or do not make a payment on time, you may have to pay a penalty and/or a higher interest rate. If you do not pay the money that you owe to the creditor or lender, your missed payments can appear on your credit report and could hurt your credit score. You could also be sued by the creditor or lender if you do not repay the money you owe.

If your provider has completed or submitted an application for third-party financing on your behalf, you may file a complaint by contacting the office of the Attorney General at (health care provider or veterinary care provider inserts the address of the Attorney General's Internet web site) or by calling (health care provider or veterinary care provider inserts the telephone number of the office of the Attorney General).

(Consumer's signature)."

Under the act, a provider can state that he or she accepts third-party financing as payment without providing the disclosure if the financing's terms and conditions are not discussed.

ANCILLARY PRODUCTS — RETURN AND REFUND

Beginning January 1, 2027, the act sets a 30-day return and refund period for ancillary products bought from providers by consumers using third-party financing. This does not apply if the product (1) was customized in a way that would prevent another person or animal from using it or (2) after being sold to the consumer, was used, damaged, tampered with, or stored in a way that did not match the manufacturer's instructions and may have caused adulteration, contamination, or compromise.

Under the act, an "ancillary product" is any product, but not a health care or veterinary service, that is sold by the provider to a consumer who purchased a health care or veterinary service from the provider. It does not include food for animals.