

## New York State Notice for Patients Paying by Credit Card

### Frequently Asked Questions (FAQ)

- Q1. Why does paying with a credit card change my protections?
- A1. When you pay a medical bill by credit card, that payment from the credit card company satisfies your medical debt, but leaves you with a credit card debt. Medical debt and credit card debt are treated differently under different laws. Some legal protections that apply to medical debt may not apply to credit card debt.
- Q2. Why are you providing this information when I do not live in New York?
- A2. Health care providers are legally required to provide this notice to New York residents. Because providers are not always able to determine your state of residency in advance, this information is provided to all patients.
- Q3. Why do I see this notice every time I try to pay by credit card?
- A3. New York state law requires health care providers to provide this notice to patients each time they attempt to pay a medical debt by credit card.
- Q4. Does my state also have this law?
- A4. Each state has separate consumer protection laws. For more information about your state, consult your state's consumer protection office. (See <https://www.usa.gov/state-consumer> for additional information about your state's consumer protections.)
- Q5. What protections do I lose if I pay by credit card?
- A5. By paying by credit card, New York residents may lose three kinds of protections that apply to medical debt under federal and state law, including (i) protections against wage garnishments and property liens; (2) protections against reporting medical debt to credit bureaus; and (3) protections against high interest charges.
- Detail:* New York state law prohibits the use of any wage garnishment or any lien on a patient's primary residence to satisfy medical debt. In addition, New York's Fair Debt Medical Reporting Act prohibits medical providers from reporting the medical debt of New York residents to a credit bureau. Medical debt held by New York residents may not appear on their credit reports. New York also limits interest charges on unpaid medical debt. None of these protections apply to credit card debt. (See [the link](#) in A4. for additional information about your state's consumer protections.)
- Q6. Will this affect my credit score?

- A6. New York State law generally prohibits medical debt from appearing on the credit reports of New York State residents. Credit card debt is not considered medical debt. Credit card debt may affect your credit score. In addition, most states allow medical providers to report medical debt to credit bureaus. (See [the link](#) in A4. for additional information about your state's consumer protections.)
- Q7. Are medical credit cards treated differently?
- A7. Yes. When you pay a medical debt using a card linked to a Flexible Spending Account or a Health Savings Account, you fully satisfy the amount of the medical debt owed with funds you own. This means that these transactions do not create a separate obligation to pay a credit card debt. Check with your employer for additional information.
- Q8. Why should I acknowledge this if I don't reside in New York?
- A8. New York state law requires all residents of New York to receive a notice of certain rights when paying a medical debt by credit card. This law only applies to New York residents.
- Q9. Am I affected when I use my debit card?
- A9. No. If you use a debit card that is linked to funds you own (e.g., a checking or savings account), you will pay your bill without creating credit card debt.
- Q10. How can I tell what kind of card I am using?
- A10. It can be difficult to distinguish credit cards from debit cards. It can also be difficult to tell what source of funds is tied to a particular card. If you have any questions about the type of card or account you are considering using, consult the company that has issued the card. Contact information is typically located on the back of the card.
- Q11. What if I do not consent to your charging my credit card?
- A11. When you complete an order for product, you consent to our use of the method of payment stated in the order, which may include a credit card you have authorized us to retain on file for later orders. Depending on the product or service, you may have the option to cancel an order placed prior to delivery. You may consult with a member advocate about our cancellation policies.
- Q12. May I withdraw my consent to use my credit card for future payments?
- A12. You may withdraw your consent to charge your credit card at any time either by modifying your account's payment profile or by speaking with a member advocate. Note, however, that this process will not affect orders already submitted.

## Relevant Background

Effective October 20, 2024, the State of New York has passed a consumer protection law requiring health care providers to give patients notice of certain risks associated with paying for medical services with a credit card. The rule is part of the General Business Laws. It provides:

§ 519-a.3. Hospitals and health care providers shall notify all patients about the risks of paying for medical services with a credit card. Such notification shall highlight the fact that by using a credit card to pay for medical services, the patient is forgoing state and federal protections that regard medical debt. The commissioner of health shall have the authority and sole discretion to set requirements for the contents of such notices.

[\(NY Gen Bus L § 519-A.\)](#)

The New York State Department of Health later issued the following guidance:

### 4) Credit card risk notification

- a. **Each** time a credit card is used to pay for services, patients must be notified of the risks of paying for medical services with a credit card; including:
  - i. Medical bills paid by credit card are no longer considered medical debt.
  - ii. By paying with a credit card, patients are forgoing federal and state protections around medical debt.
  - iii. Protections that patients must acknowledge forgoing include:
    - 1. Prohibitions against wage garnishment and property liens
    - 2. Prohibition against reporting medical debt to credit bureaus
    - 3. Limitations on interest rates
  - iv. Patients must affirmatively acknowledge forgoing these protections by paying with a credit card.

(See p. 4, New York State Department of Health, [DAL CPSO 2024-01](#), October 18, 2024. Emphasis in original.)