

3 On Your Side: Medical Credit Cards

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Reporting [Jim Donovan](#)

PHILADELPHIA (CBS) – Each year, Americans spend billions of dollars on health care costs not covered by insurance. New research shows more people are paying with plastic and even using medical credit cards. 3 On Your Side’s consumer reporter Jim Donovan tells us what the pitfalls are.

When stacks of medical bills piled up, Angela Gifford faced a terrible dilemma. Her husband, who recently lost his job, needed two surgeries not covered by insurance. How would they pay \$6,000?

“He was in such extreme pain,” said Gifford.

Angela says opening medical credit card accounts helped them pay their hefty bills.

These are actual credit cards meant only for medical expenses accepted at certain doctors, dentists, cosmetic surgeons, and chiropractors.

“We couldn’t have afforded the surgery,” said Gifford.

Experts say specialized medical credit cards are very appealing, especially in today’s rough economy.

“People who don’t have the money in the bank to pay for these procedures are much more likely to sign up for a medical credit card,” said Ben Woolsey with CreditCards.com.

But consumer advocates warn medical credit card users could face some expensive potential pitfalls.

“They may be amplifying the problems they have for these bills they’re struggling to pay by taking on additional fees and paying high interest,” said Mark Rukavina with The Access Project.

The key to avoid paying more? Make sure you stick to the terms and conditions of the card!

“They’re typically marketed as a no interest payment option but unless the consumer pays the balance in full during that promotional period there are significant interest charges involved,” said Woolsey.

When can a medical credit card cost you more?

*if you fail to pay the balance within the promotional time you could face retroactive interest and penalties.

*late or missed payments could result in more fees and are reported to the credit bureaus.

Angela says she managed to pay off her balance within the one year interest free promotional period, but she warns others to be credit conscious.

“Credit cards can be dangerous. They can be really dangerous. It depends on how you use them,” said Gifford.

By the way, beware of pushy sales tactics. Attorneys General in New York and Minnesota are investigating some medical credit card companies for aggressive marketing.