NEW RULES FOR OFFERING CREDIT TO PATIENTS

SB 639 (2019)
Effective July 1, 2020

SB 639 prohibits health care professionals and their staff from offering an open-end credit or loan to a patient that contains a deferred interest provision. "Deferred interest" means interest charged on portions of the original balance that has already been paid off.

SB 639 allows health care professionals to arrange an open-ended credit or loan extended by a third party with deferred interest under the following required conditions:

Required Conditions

Before arranging for a loan extended by a third party and before charging any treatment costs, you must provide patients with a written treatment plan, which includes:

- Anticipated services and estimated cost of each service.
- If the patient has a private or government health plan and you take assignment of benefits, you must include an estimated share of cost for each service.
- If you do not take assignment of benefits from the patient's health plan, you must indicate treatment may or may not be a covered benefit and the patient has the right to confirm coverage before treatment.
- If you accept Medi-Cal, you must indicate if Medi-Cal would cover alternative, medically necessary service, that patients have the right to ask for only services covered by Medi-Cal, and that the provider agrees to follow Medi-Cal rules to secure Medi-Cal covered services before treatment.

Prior to establishing or arranging a loan, you must provide patients with a specified one-page or screen written or electronic notice in at least 14-point type and obtain their signature. The notice language can be found HERE.

Loan may not be established in the patient treatment area, such as an exam room, unless the patient agrees to fill out paperwork in the treatment area. No portion of the application may be completed by anyone other than the patient.

You cannot charge for treatment or costs more than 30 days in advance of treatment rendered or costs incurred. Within 15 days of a patient's request, you must refund to the lender any payment received for any treatment or costs that have not been incurred or rendered.

If the patient communicates primarily in a language other than English that is one of Medi-Cal's threshold languages, e.g. Spanish, Tagalog, the notice must be in that language.

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