

TESTIMONY OF

Senator Gale D. Candaras

RELATIVE TO

H. 975, S. 574: “An Act Relative to Bank Fees”

February 12, 2008

Thank you, Madame/Mister President; I rise in favor of H. 975, which is accompanied by S. 574, “An Act Relative to Bank Fees.” This bill will exempt senior citizens from being charged copying fees for bank account records when the information is being requested by an applicant for MassHealth long term care.

Currently, these senior applicants can be asked to produce bank records going back three years. Due to a change in federal law, this retroactive record production will increase to five years by 2011. The cost of obtaining monthly bank statements varies by banking institution, but is generally quite expensive.

Most banks charge a fee on average of \$5 per monthly statement. Many charge an additional \$25, either as a flat fee or an hourly research fee. These fees quickly add up into the hundreds of dollars. At this time, banks do not assess fees for the reproduction of monthly statements if the request comes directly from an employee of MassHealth. However, in most cases MassHealth requires applicants to request the records themselves.

By the time most seniors initiate the MassHealth application process, they have spent down their assets to the allowable level of \$2,000. In 2011, if the average fee charged per monthly statement remains at \$5 dollars, it will cost a senior at a minimum \$300 dollars—nearly a quarter of their allowable assets—to produce 5 years of monthly statements for MassHealth. It is unfair and unreasonable to expect elders who may be ill and impoverished to expend their few remaining resources to obtain bank records, particularly in an increasingly unstable economic climate.

Again, I urge the passage of this important cost saving legislation.