

**TESTIMONY OF**

Senator Gale D. Candaras

**RELATIVE TO**

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

**BEFORE THE JOINT COMMITTEE ON  
FINANCIAL SERVICES**

May 15, 2007

I am testifying today in support of S. 574, “An Act Relative to Bank Fees.” This legislation 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, MassHealth applicants for long term care can be asked to produce bank records going back 36 months. Due to a change in federal laws, this retroactive record production will increase to 5 years by 2011. The cost of obtaining monthly bank statements varies by banking institution and 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 employees require the applicants to request the records from the banks 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 being charged per monthly statement by banks 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 are ill and impoverished to expend their few remaining resources to obtain bank records.

Upon consideration of these facts, it is my hope that the Committee will report this bill favorably to the benefit of our elderly constituents.