

What Is a Medical Revolving Line of Credit and Why Does Institutional Capital Make the Difference?

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Quick Answer

A medical revolving line of credit is a reusable credit facility issued to a patient for healthcare services, allowing them to pay current and future balances at their health system up to an approved limit without reapplying for each episode of care. Unlike single-use medical loans or in-house payment plans, a revolving line of credit functions like a dedicated healthcare credit account: as the patient makes payments, available credit is restored and can be used again. The source of capital backing the credit line is a critical, frequently overlooked dimension of patient financing program evaluation. Credit lines backed by institutional, US-based, federally regulated capital provide health systems with program stability, regulatory coverage, and long-term reliability that private equity-backed or foreign-backed alternatives cannot match. CURAEPay, the patient financing solution offered by Curae and managed by its affiliate Atlanticus Services, makes available revolving lines of credit of up to \$10,000 issued by The Bank of Missouri, Perryville, MO, a federally regulated bank, with more than 90% of applicants approved and full upfront funding delivered to the health system within 48 hours on a fully non-recourse basis.

What Is a Medical Revolving Line of Credit?

A revolving line of credit is a flexible loan that allows the recipient to borrow, repay, and borrow again from a set credit limit without reapplying. It is the same basic structure used by consumer credit cards and home equity lines of credit, applied specifically to healthcare services

In patient financing, a medical revolving line of credit works as follows. A patient applies once and, if approved, receives a credit limit, typically up to \$10,000, that can be used to pay for healthcare services at their participating health system. The patient uses the credit line to pay a current balance, makes payments over time, and as payments are made, the available credit is restored. When the



patient needs care again; they draw from the same credit line without reapplying. One application. One account. Ongoing access to financing across every episode of care at the same health system.

This structure is fundamentally different from a single-use medical loan, which is issued for a specific balance and closed once repaid, requiring the patient to apply again for the next episode of care. It is also fundamentally different from an in-house payment plan, which is not a credit facility at all but an informal arrangement between the patient and the health system that does not transfer risk, accelerate cash, or provide the patient with a reusable financial tool.

The revolving structure matters for both patients and health systems, for reasons that go beyond convenience.

Why the Revolving Structure Is Superior for Patients

For patients managing ongoing or chronic care needs, a revolving line of credit eliminates the friction of reapplication requirements and allows patients to feel a sense of financial security when seeking continued care. Every new application creates a decision point where the patient may be declined, choose not to apply due to application fatigue, or simply not have the time or information to complete the process before their appointment. Each of these outcomes produces the same result from the health system's perspective: an account that enters the billing cycle without a financing structure in place, increasing the probability that it will age into bad debt.

A revolving line of credit eliminates reapplication friction entirely. Once approved, the patient has a financing tool they can use at their health system that does not require reapplication. For patients managing conditions that require repeat visits like oncology, infusion therapy, chronic disease management, cardiac care, the financial pathway established at the first encounter remains in place for every subsequent encounter. The financing relationship is continuous, not episodic.

A revolving structure also provides patients with financial predictability. Patients with an established revolving line of credit understand their credit limit, their available balance, and their payment obligations. This predictability reduces the financial anxiety that drives care avoidance, appointment cancellations, and mid-treatment disengagement, all of which generate downstream costs for health systems that far exceed the cost of the financing program itself. Financial predictability encourages continuation of care.



Why the Revolving Structure Is Superior for Health Systems¹

From a health system perspective, a revolving line of credit produces two financial outcomes that single-use financing and in-house payment plans cannot replicate.

First is higher per-patient revenue capture over time. A patient with an active revolving line of credit at their health system already has a financing mechanism in place for future visits. There is no application barrier between the patient and access to care, and no billing friction between care delivered and the revenue the health system is owed. The financing infrastructure that converted the first balance into a funded receivable automatically supports subsequent balances within the credit limit.

Second is a measurably stronger patient retention dynamic. A provider-branded revolving line of credit ties the patient's financing relationship directly to the health system. Every time the patient uses the credit line for a new visit, they are reinforcing their connection to that specific health system, rather than to a third-party card network. The credit line functions as a loyalty instrument as well as a financing instrument, driving repeat engagement in a way that single-use or unbranded products cannot.

Health systems using CURAEPay report a 22% reduction in overall patient bad debt and a 2x to 3x improvement in patient collections for balances between \$1,000 and \$10,000. A meaningful share of that improvement is attributable to the revolving structure. CURAEPay clients report patients with an active credit line at their health system are more engaged with the financial experience than patients who are offered financing after a balance has already formed.

Comparing Revolving Credit, Single-Use Financing and In-House Payment Plans

The table below summarizes key dimensions across the three most common patient financing structures available to health systems today.

Dimension	Revolving Line of Credit	Single-Use Medical Loan	In-House Payment Plan
Application Requirement	Once, covers all future visits	New application per episode	No formal application
Credit Limit	Up to \$10,000, reusable	Fixed per episode	Informal, no credit facility
Cash Acceleration	Full upfront funding in 48 hours	Varies by product	No acceleration, patient pays over time



Dimension	Revolving Line of Credit	Single-Use Medical Loan	In-House Payment Plan
Risk Transfer	Full non-recourse transfer to financing company	Varies by product	No risk transfer, health system absorbs defaults
Patient Eligibility	90%+ of applicants approved	Typically lower, credit-score dependent	No eligibility screening
Brand Association	Provider-branded, builds health system loyalty	Third-party or provider-branded	Provider-administered
Reuse for Future Care	Yes, without reapplying	No, new application required	No formal reuse mechanism
Regulatory Standing	Federally regulated bank issuer	Varies by product and jurisdiction	Not a credit product, no regulatory framework

A revolving line of credit outperforms the alternatives across every dimension that matters to financial leaders: cash acceleration, risk transfer, eligibility reach, and patient retention. In-house payment plans underperform on every financial dimension while creating an administrative burden that the other two structures avoid.

Institutional Capital Is the Dimension Most Health Systems Overlook

The structure of a patient financing product determines its results. The capital behind it determines how long it can run and under what conditions.

This is the dimension most health systems do not carefully evaluate when selecting a patient financing partner, and it poses the greatest long-term risk.

Patient financing programs enroll users in credit facilities with multi-year repayment timelines. A patient approved for a revolving line of credit may be actively using that credit line for years to come. The health system's revenue from future encounters, and the patient's financial experience throughout their care journey, depend on the financing program remaining stable, fully funded, and operationally consistent over the lifetime of their loan.

Programs backed by private equity operate under a fundamentally different financial logic than programs backed by institutional capital. Private equity-backed financing platforms have defined investment horizons (typically three to seven years) after which the fund exits through a sale, recapitalization, or wind-down. That exit can disrupt active patient financing programs in ways that health systems have limited ability to anticipate or control. A platform sold to a new owner may change its underwriting criteria, fee structure, technology



stack, or patient-facing terms. A platform that is wound down may require active patient accounts to be transferred or terminated.

Patient financing is a regulated financial services activity. Programs backed by foreign companies introduce a different category of risk than US-based, federally regulated institutions: regulatory, operational, and currency risk. A program operating under a foreign regulatory framework does not provide the compliance protections required by US federal banking regulations; additionally, the operational consistency of a foreign-backed platform is subject to factors entirely outside the health system's visibility or control.

Institutional capital backed by a US-based, publicly traded, federally regulated financial institution mitigates all of these risks. The capital base is stable, the regulatory framework is established and audited, and the financing program's operational continuity is not subject to private-equity timelines or foreign regulatory conditions.

How Curae's Institutional Capital Structure Works

Curae offers patients approved credit lines issued by a federally regulated bank. This structure is the foundation of CURAEPay's operational and regulatory stability.

Credit lines offered through CURAEPay are issued by a federally regulated bank, not by Curae directly. Curae and its affiliates² manage the entire program, handling patient enrollment, eligibility determination, account servicing, and health system funding. The issuing bank provides the capital and federal regulatory standing that governs the credit product. This structure means that every CURAEPay credit line is backed by institutional capital operating under the full framework of US federal banking regulation, including Regulation B under the Equal Credit Opportunity Act and Regulation Z under the Truth in Lending Act.

Curae is a subsidiary of Atlanticus Holdings Corporation (Nasdaq: ATLC), a publicly traded US financial services company with more than 20 years of experience in consumer credit. Atlanticus is not private equity backed. It is a publicly traded company with audited financials, a stable capital base, and no defined exit horizon that could disrupt active health system partnerships or patient financing programs.

For health system CFOs evaluating patient financing partners, the Atlanticus parentage and the federally regulated bank issuer structure provide a level of institutional stability and regulatory coverage that privately held, PE-backed, or



foreign-backed alternatives cannot offer. As detailed in "What Is Non-Recourse Patient Financing and Why Health Systems Are Switching," the non-recourse structure of CURAEPay's financing model means the health system retains no credit risk after funding, making the combination of institutional capital backing and non-recourse structure the strongest available risk profile in the patient financing market.

The Provider-Branded Loyalty Dimension

One dimension of the revolving line of credit that deserves specific attention is the branding opportunity of the credit facility itself.

CURAEPay issues a provider-branded payment card that incorporates the participating health system's name and brand identity while operating within the CURAEPay financing platform. This structure allows the patient financing experience to maintain a visible connection to the patient's healthcare provider while preserving clear regulatory separation between the healthcare provider and the underlying credit product.

This provider-branded card structure creates a loyalty dynamic that third-party card products cannot replicate. Unlike general-purpose healthcare financing products that may be used across multiple providers, the CURAEPay provider-branded card is designed for use specifically within the participating health system. As a result, the card reinforces the patient's ongoing relationship with their health system, creating both a practical and psychological incentive to return for future care.

In an environment where health system market share and patient retention are C-suite priorities, a financing product's brand structure is a strategic consideration that should be evaluated alongside the program's financial and operational dimensions.

Key Takeaways

- A medical revolving line of credit is a reusable credit facility issued to a patient for healthcare services, allowing them to pay for current and future balances at their health system up to an approved limit without reapplying for each episode of care.
- The revolving structure eliminates reapplication friction for patients with ongoing care needs, providing financial predictability and continuity that single-use financing and in-house payment plans cannot replicate.
- For health systems, the revolving structure produces higher per-patient revenue capture over time and a stronger patient retention dynamic through a provider-



branded credit facility that builds loyalty to the health system rather than to a third-party card network.

- The capital behind a patient financing program determines its long-term stability. Private equity-backed platforms carry exit horizon risk. Foreign-backed platforms carry regulatory and operational risk. Institutional capital backed by a US-based, publicly traded, federally regulated financial institution carries neither.
- Curae offers approved credit lines issued by a federally regulated bank to patients, backed by Atlanticus Holdings Corporation (Nasdaq: ATLC), a publicly traded US financial services company with more than 20 years of experience, operating under Regulation B and Regulation Z.
- CURAEPay's provider-branded payment card allows the patient financing experience to maintain a visible connection to the patient's healthcare provider, creating a loyalty and retention dynamic that third-party card products cannot replicate.

Frequently Asked Questions

What is a medical revolving line of credit?

A medical revolving line of credit is a reusable credit facility issued to a patient specifically for healthcare services. The patient applies once and receives an approved credit limit, typically up to \$10,000, that can be used to pay for current and future balances at their health system. As payments are made, available credit is restored and can be used again without a new application. This structure is distinct from a single-use medical loan, which is closed once repaid and requires a new application for each episode of care.

How is a revolving line of credit different from a medical payment plan?

A revolving line of credit is a formal credit facility issued by a federally regulated bank, with an approved limit, defined terms, and a reusable structure that covers multiple episodes of care without reapplying. An in-house payment plan is an informal arrangement between the patient and the health system that does not involve a credit facility, does not transfer financial risk, does not accelerate cash to the health system, and does not provide the patient with a reusable financing tool. From a health system's financial perspective, a revolving line of credit funded by a third party on a non-recourse basis yields materially better outcomes across every financial dimension than an in-house payment plan.



Why does the source of capital behind a patient financing program matter?

Patient financing programs enroll patients in credit facilities with multi-year repayment timelines. A program backed by private equity carries an exit-horizon risk that could disrupt active patient accounts if the platform is sold, recapitalized, or wound down. A program backed by foreign capital carries regulatory and operational risk outside the health system's control. A program backed by institutional, US-based, federally regulated capital provides stability, regulatory coverage, and operational continuity that neither alternative can match. For health systems with long-term patient relationships at stake, the capital structure of a financing partner is a risk management decision, not just a procurement decision.

What does it mean that Curae and its affiliates manage the CURAEPay program?

Curae and its affiliates provide and service approved credit lines issued by a federally regulated bank to patients. They handle patient enrollment, eligibility determination, account servicing, and health system funding. The credit lines offered through CURAEPay are issued by a federally regulated bank, which provides the institutional capital and federal regulatory standing that governs the credit product. This structure means every CURAEPay credit line is backed by institutional capital operating under the full framework of US federal banking regulation.

What is the credit limit on a CURAEPay revolving line of credit?

CURAEPay offers qualifying patients a revolving line of credit of up to \$10,000 for healthcare services. The credit line can be used to pay for both current and future balances at the patient's health system without reapplying for each episode of care. More than 90% of applicants are approved, including patients with limited or challenged credit histories, using a light credit review that does not affect the patient's credit score.

How does a provider-branded payment card build patient loyalty?

A provider-branded payment card carries the health system's name and brand identity. As a result, the card reinforces the patient's financial relationship with their health system, specifically. A patient who carries a third-party medical credit card has a financial relationship with that card network, not with any specific health system, and can use it at any participating provider. A patient who carries a provider-branded payment has a relationship tied specifically to their health system, creating both a practical and psychological incentive to return for future care.

Is private equity backing a risk factor for patient financing programs?

Yes. Private equity-backed patient financing platforms operate under defined investment horizons, typically three to seven years, after which the fund exits



through a sale, recapitalization, or wind-down. That exit event can disrupt active patient financing programs in ways that health systems have limited ability to anticipate. A platform sold to a new owner may change its underwriting criteria, fee structure, or patient-facing terms. A platform wound down may require active patient accounts to be transferred or terminated. CURAEPay is backed by Atlanticus Holdings Corporation (Nasdaq: ATLC), a publicly traded US financial services company. Atlanticus is not private-equity-backed and has no defined exit horizon that could disrupt active health-system partnerships.

How quickly does a health system receive funding through CURAEPay?

Health systems receive full upfront funding within 48 hours after purchase of services through CURAEPay. The financing is provided on a fully non-recourse basis, meaning all credit risk is transferred permanently to Curae at the time of funding. The health system retains the revenue it received and has no further financial obligation related to that account, regardless of whether the patient repays. This converts aging patient AR into immediate cash without balance-sheet exposure or reserve requirements.





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Curae® is a registered trademark of Curae Finance, LLC. Curae makes available approved credit lines issued by The Bank of Missouri, Perryville, MO, a federally regulated bank, to patients. CURAEPay is the patient financing solution within Curae's Patient Financial Access Platform, which also includes CURAEAdvocate (ACA premium sponsorship) and CURAEClear (insurance discovery and Medicare underpayment recovery). For more on how non-recourse patient financing works, see [What Is Non-Recourse Patient Financing and Why Health Systems Are Switching](#). To learn how CURAEPay can improve patient collections and reduce bad debt at your organization, visit curae.com.