

Panel 7: Healthcare Payment, Remittance Advice and EFT

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Advancing Leaders. Advancing Practices.™



About MGMA

- MGMA is the premier association for professional administrators and leaders of medical group practices
- Since 1926, the association has delivered networking, professional education and resources, political advocacy and certification for medical practice professionals
- Through its national membership and 50 state affiliates, MGMA represents more than 33,000 medical practice administrators and executives in practices of all sizes, types, structures and specialties.



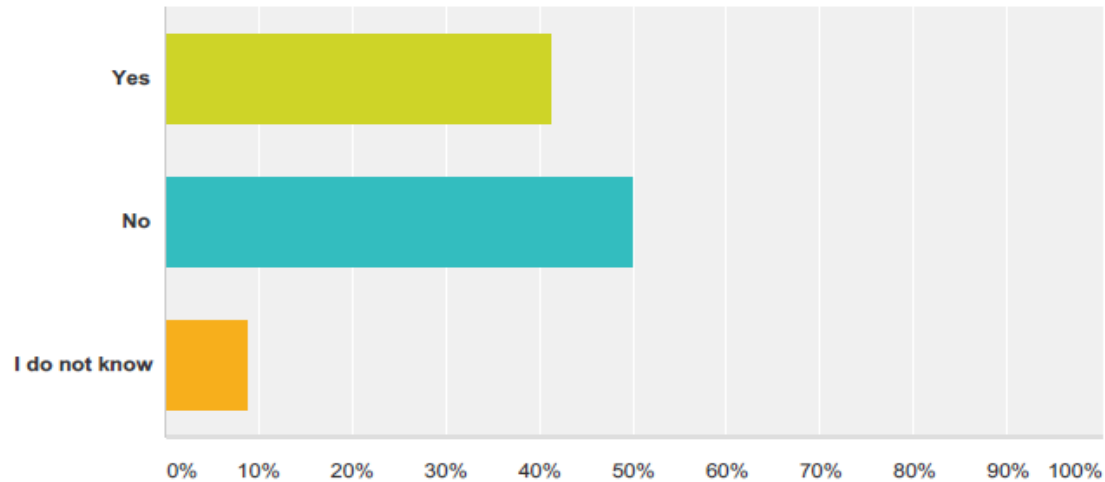
Survey Data

1. Joint survey with the American Dental Association, American Medical Association and MGMA
 - April-May 2015
 - 1151 respondents
2. MGMA member survey
 - June 2015
 - 547 respondents

Use of VCCs (ADA/AMA/MGMA Data)

Q2 Does your practice currently accept virtual credit cards for claims payments?

Answered: 1,137 Skipped: 14

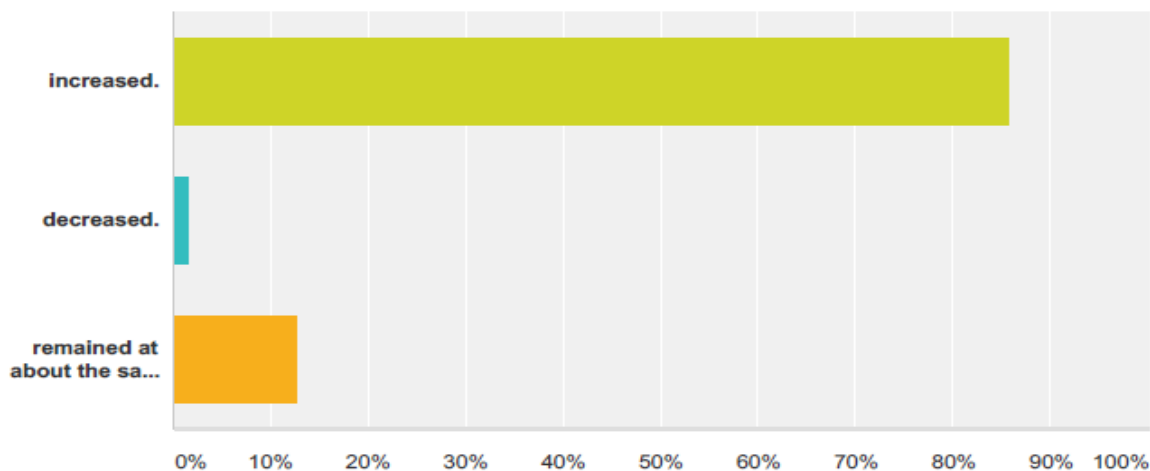


Answer Choices	Responses	
Yes	41.34%	470
No	49.96%	568
I do not know	8.71%	99
Total		1,137

Increased use of VCCs (ADA/AMA/MGMA Data)

Q4 Over the past year, the number of virtual card payments that your practice has received has:

Answered: 457 Skipped: 694

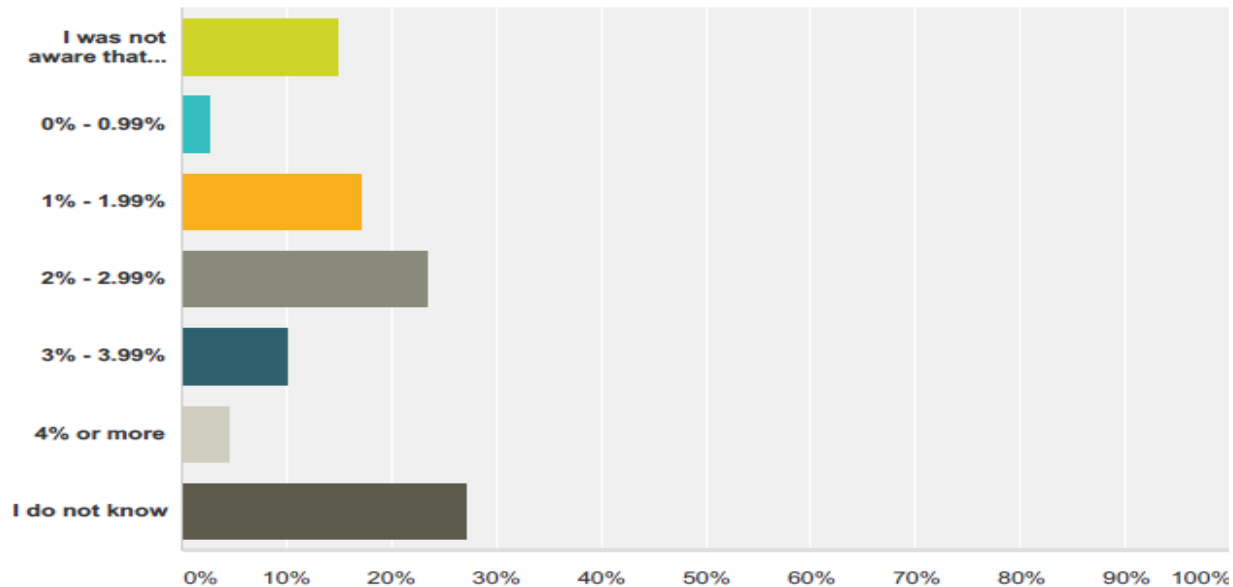


Answer Choices	Responses	
increased.	85.78%	392
decreased.	1.53%	7
remained at about the same level.	12.69%	58
Total		457

VCC Fees (ADA/AMA/MGMA Data)

Q5 What is the average credit card interchange fee for your virtual credit card payments?

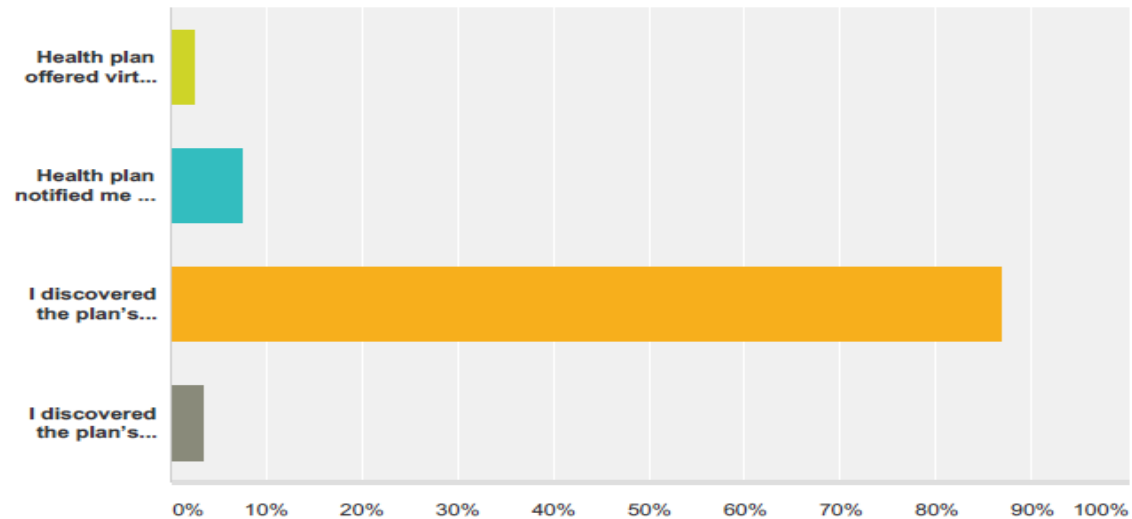
Answered: 456 Skipped: 695



VCC Communication (ADA/AMA/MGMA Data)

Q6 How has your practice typically learned that a health plan had switched to virtual credit card payments?

Answered: 456 Skipped: 695

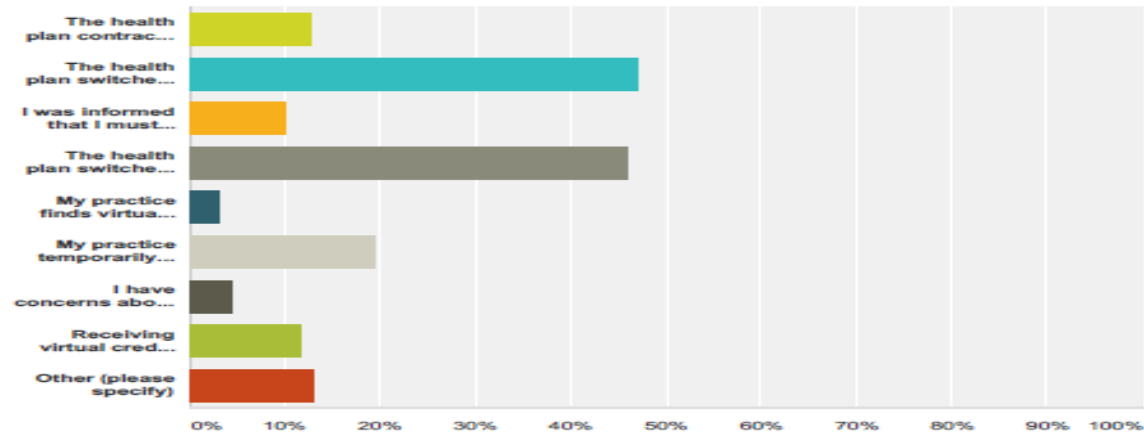


Answer Choices	Responses
Health plan offered virtual payment option, and I signed up to receive	2.41% 11
Health plan notified me in advance of the date on which I would be automatically transitioned to virtual credit cards	7.46% 34
I discovered the plan's usage of virtual credit cards when receiving my first payment	86.84% 396
I discovered the plan's usage of virtual credit cards when I saw an increase in fees on my credit card statement	3.29% 15
Total	456

Why Accept VCCs? (ADA/AMA/MGMA Data)

Q7 Why does your practice accept virtual credit card payments? (Check all that apply)

Answered: 453 Skipped: 698



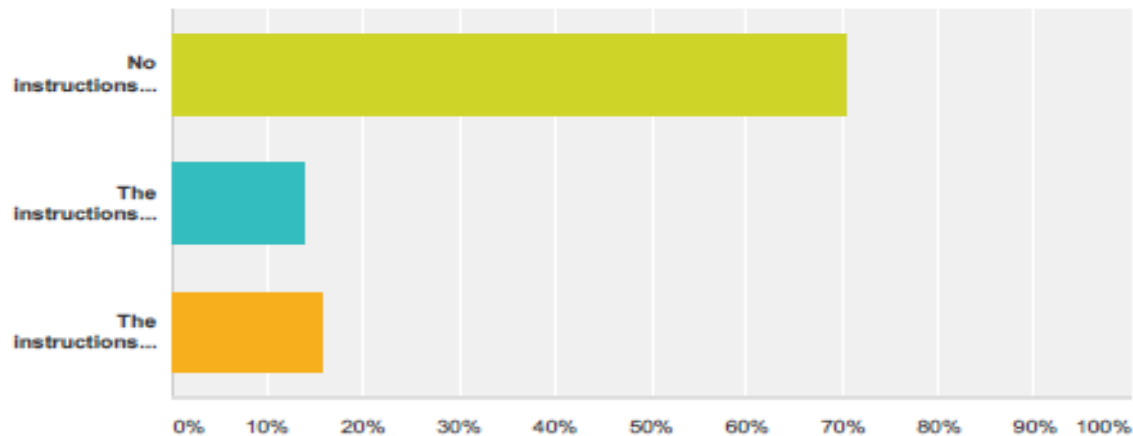
Answer Choices	Responses
The health plan contract requires that I accept virtual card payments.	12.80% 58
The health plan switched to this payment method, and I have not actively tried to change to another form of payment.	47.24% 214
I was informed that I must accept virtual credit card claims payment because I accept credit cards from patients.	10.15% 46
The health plan switched to this payment method, and I was not aware that I could switch to another form of payment.	46.14% 209
My practice finds virtual cards to be more efficient than paper checks and ACH-EFT payments.	3.09% 14
My practice temporarily accepts virtual credit cards and is currently trying to transition to another payment method.	19.43% 88
I have concerns about providing bank account information to health plans in order to receive ACH-EFT payments	4.64% 21
Receiving virtual credit cards from health plans with which we do not have a contract is less burdensome than enrollment and receipt of ACH-EFT from those plans.	11.70% 53
Other (please specify)	13.02% 59
Total Respondents: 453	

#	Other (please specify)	Date
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Instructions on Changing (ADA/AMA/MGMA Data)

Q8 Which of the following best describes the typical instructions from your health plan, clearinghouse, or payment vendor regarding changing from virtual cards to another payment method?

Answered: 455 Skipped: 696

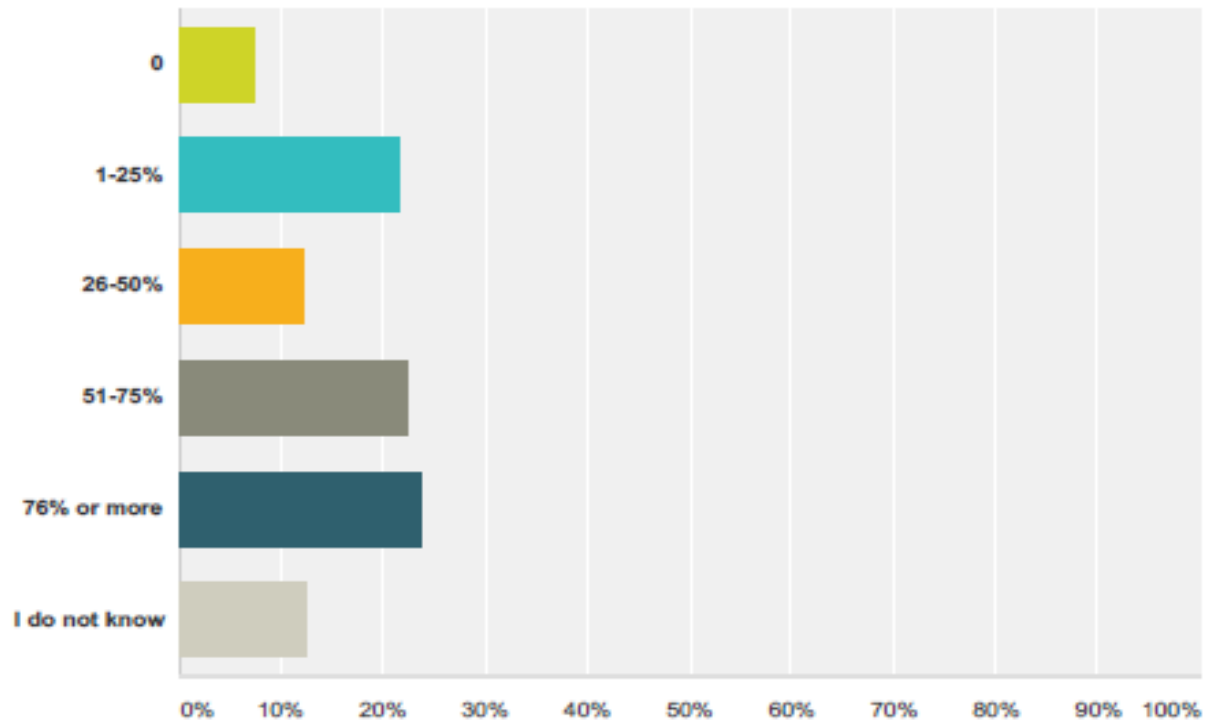


Answer Choices	Responses	Count
No instructions were given	70.33%	320
The instructions were unclear	14.07%	64
The instructions were clear	15.60%	71
Total		455

Revenue from EFT (ADA/AMA/MGMA Data)

Q9 Approximately what percentage of your total revenue from health plans is received via ACH-EFT payments?

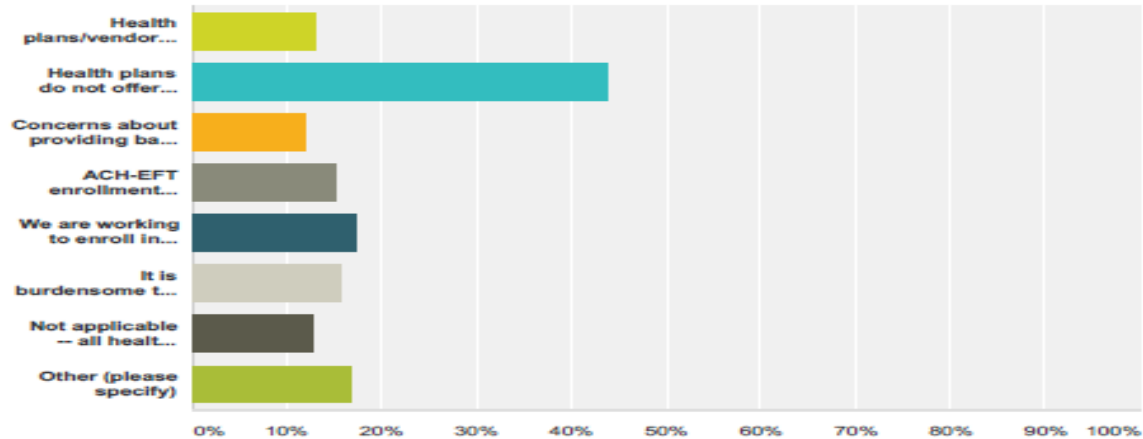
Answered: 1,101 Skipped: 50





Q10 For what reasons does your practice either not receive any payment using ACH-EFT or not receive ACH-EFT from certain vendors? (check all that apply)

Answered: 799 Skipped: 352

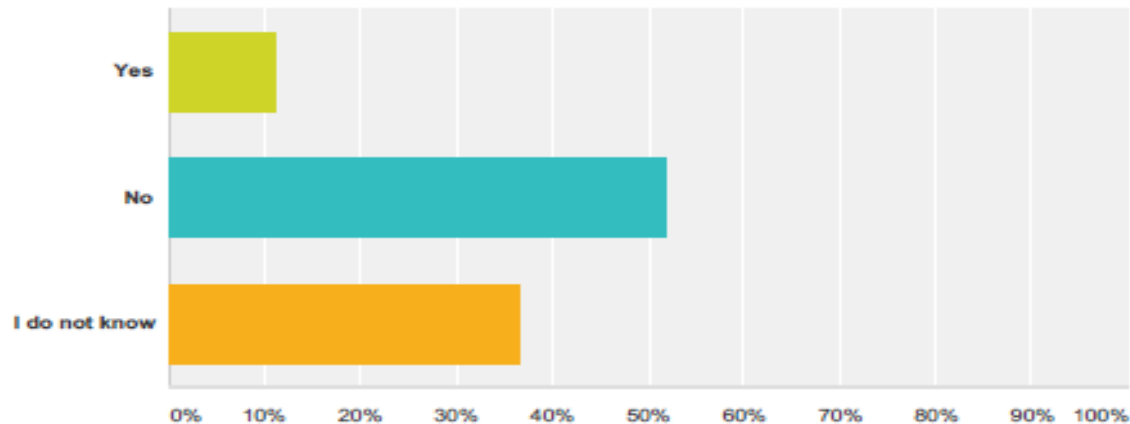


Answer Choices	Responses	Count
Health plans/vendors are charging ACH-EFT payment fees	13.02%	104
Health plans do not offer payments via ACH-EFT	43.93%	351
Concerns about providing bank account information to health plans in order to receive ACH-EFT	11.89%	95
ACH-EFT enrollment process is too burdensome	15.14%	121
We are working to enroll in ACH-EFT payments, but the process is not complete	17.27%	138
It is burdensome to enroll in ACH-EFT for health plans with which we do not have a contract.	15.64%	125
Not applicable -- all health plan payments are received via ACH-EFT	12.64%	101
Other (please specify)	16.65%	133

EFT Fees? (ADA/AMA/MGMA Data)

Q12 Does your practice pay percentage-based fees to receive ACH-EFT payments from any health plans, clearinghouses, or payment vendors?

Answered: 993 Skipped: 158



Answer Choices	Responses	
Yes	11.28%	112
No	52.06%	517
I do not know	36.66%	364
Total		993



VCCs and EFT Concerns

- 2-4+% per transaction when card number entered in a credit card reader by practice
- The fees are not always transparent
- Payment is less than the negotiated price for services.
- Opt “in” versus opt “out”
- Additional costs-staff time
- Could health plans require these in contract?
- Are health plans sharing “profit” with CC companies?



Use and Potential Savings

- According to the *2014 CAQH Index™ Electronic Administrative Transaction Adoption and Savings Calendar Year 2013*
- Fully Electronic payment - Transaction Adoption Rates, Health Plans Reporting 2013 Data = 57.1%
- **Potential provider savings: \$3.04 per claim payment transaction**



MGMA Recommendations

- CMS should consider:
 - Expanding provider education on EFT/ERA standards and operating rules
 - Not permitting virtual cards to be EFT
 - Encouraging the development of a single sign-up for all e-transactions (i.e., CAQH EFT EnrollHub)
 - Just 30 payers involved
 - Limiting “excessive fees” for EFT
 - Better guidance to industry could discourage “bad actors”



MGMA General Recommendations

- Short-term
 - CMS should significantly increase provider education on use of EFT
 - CMS should identify EFT “best practices” guidance
 - CMS should endorse/support the EHNAC/WEDI PMSAP
- Longer term
 - CMS should proactively audit HPs for EFT compliance
 - CMS should consider incentives to move industry toward wide-scale adoption (similar to meaningful use)