



**Panel 1: EFT/ERA
Implementation; ORs for
Remaining HIPAA Transactions
NCVHS Subcommittee on
Standards
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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.

Electronic Funds Transfer

- Estimates are that:
 - Businesses save between \$.50 - 1.25 per payment for direct deposit. EFT savings could be greater
 - Providers could save almost \$3 per claim settled electronically
 - According to data from the US Healthcare Efficiency Index approximately \$11b would be saved if EFT alone were adopted across the health care industry
- MGMA estimates are that 3/4ths of practices take some EFT, few receive all payments via EFT

ACA 1104: EFT standards, EFT/ERA Operating Rules

- One EFT standard
- “Trace numbers” to reassociate EFT/ERA
- Standardizes enrollment data, requires online enrollment
- Requires release the EFT and ERA within a reasonable timeframe (e.g. 3 days or less) if the provider has enrolled for both transactions
- Uniform use of CARCs/RARCs
- CAQH EFT enrollment module-good opportunity that needs more health plan participation



The Value of EFT for Providers

- EFT more secure, nearly instantaneous (avoiding postal delays, lost checks)
- EFT - reduces administrative costs :
 - Manual handling of the mail, paper checks, deposits
 - Cost of associating paper check with electronic EOP/EOB/RA
 - Facilitates faster cash posting to patient receivable
 - Quicker turnaround on secondary billing
- EFT encourages usage of 835 by improving matching

Virtual Payment Cards

- Issue:
 - Some plans using virtual credit cards to pay providers
 - We do not believe these should constitute an EFT payment
- Concerns:
 - 2-5+% 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.
 - Additional costs-staff time
 - Could health plans require these in contract?
 - Are health plans sharing “profit” with CC companies?

MGMA Education

- Articles in online and hardcopy publications
- Live and on-demand webinars conducted and planned
- Face-to-face national and state presentations
- Newly-created *EFT/ERA Guide* for members



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
 - Supporting CORE in developing remaining operating rules
 - Supporting development of a PM system certification / accreditation process that would include e-transactions / ORs component