Gentlemen:

Good morning and thank you for the opportunity to share a healthcare provider's perspective relative to the negative impact of health plan virtual credit card payments (VCC) on the health care provider. I represent the nation's largest healthcare provider, Hospital Corporation of America (HCA Inc.). HCA merchant credit card fees in 2013 increased by an estimated three million dollars as a result of the un-negotiated use of VCC payments by health plans and/or their clearinghouse/aggregator payment service agents.

HCA is not opposed to the use of VCC payments, as this form of payment may be appropriate for some providers. HCA is opposed to the misapplication of the Credit Card Association rules as the basis for the un-negotiated unilateral opt-in approach used by the health plans and/or their agents. HCA is also opposed to the concept that providers should pay health plans to receive a payment, either in the form of credit card interchange fees or as a direct fee to receive an ACA EFT/ERA compliant payment.

Health plans and/or their agents switch payments from check to VCC with no business discussion between the two parties (unilateral versus bilateral) effectively automatically enrolling the provider in the program (automatic opt-in). Health plans and/or their agents are also incorrectly leveraging the Credit Card Association rules, which apply to consumer to business (C2B) payments, and applying these rules to business (B2B) payments. This is a misapplication of the rules.

Once a provider realizes that an automatic opt-in event has occurred, the health plans and/or their agents have created an onerous process for the provider to navigate in order to opt-out and revert to receiving payment by check. In many cases, the provider is challenged just to make contact with the correct associate within the health plan, or agent organization, to begin dialogue. Once dialogue has been established, the steps that a provider must take to opt-out have clearly been structured to be as difficult as possible for the provider to complete. If a

provider is successful in completing the opt-out process, the health plan and/or their agent becomes very aggressive in attempting to migrate the provider from payment by check to their ACA EFT/ERA compliant payment process. In some cases, a provider is led to believe that payments may be delayed as a result of reverting to check payments.

Providers are interested in pursuing the ACA EFT/ERA payment dialogue with one caveat. The health plans and/or their agents typically present a fee schedule associated with receiving the ACA EFT/ERA compliant payment. Providers believe that this fee schedule is in direct violation of HIPAA section 45 CFR 162.925 (5). Providers do not pay a fee to a health plan and/or their agent to receive a check payment and providers should not pay a fee to receive the ACA EFT/ERA compliant payment. If this business practice/methodology continues, it will remain a significant barrier to achieving the goals of electronification and administrative simplification as intended by HIPAA and the ACA. Providers can typically process a check payment at a significantly lower cost than the fees being proposed by the health plans and/or their agents to receive the ACA EFT/ERA payment.

In conclusion, I reaffirm that this provider is not opposed to the use of VCC payments between health plans and providers. This provider is opposed to the unilateral approach currently used by health plans and/or their agents to implement this payment option. This provider is also opposed to the fact that health plans and/or their agents receive incentive payments resulting from the use of VCC's. This provider is a strong supporter and active implementer of the ACA EFT/ERA standard, but we remain opposed to any fee associated with receiving the payment standard.

Thank you for the opportunity to present this perspective.