More health plans are paying claims with virtual credit cards (VCC), but physicians might not be aware of hidden fees associated with this payment method. New policy passed at the 2015 AMA Annual Meeting helps shine light on ways physicians can get paid fairly.

If your practice accepts VCC payments, you may be losing a significant amount of your contractual payments to high interchange fees charged by the credit card company. These payments often offer health insurers significant financial rewards while sticking physicians with all the associated fees and extra work.

For each of these payments, physicians are charged fees that typically amount to 3-5 percent of the total payment—and that adds up. If a physician contractually is owed $5,000, for instance, he or she could have to shell out up to $250 of that in fees.

An informal survey of more than 1,100 participants showed that more than two-thirds of respondents have received VCC payments, with 86 percent reporting that VCC payments have increased over the past year. More than 40 percent of respondents said they were unaware of practice revenue being lost to VCCs.

The results of this survey, conducted by the AMA, American Dental Association and Medical Group Management Association, point to physicians’ need for more information about this type of payment. That’s just what physicians called for in new AMA policy adopted last week.

The AMA will advocate for transparency in VCC payments. This would include advanced disclosure by third-party payers of transaction fees associated with VCCs and any rebates or other incentives awarded to payers for using this payment method.

Meanwhile, some states are taking on VCC payments with legislation. In Oregon, physicians must “opt in” before payers can use VCCs under a newly enacted bill. Two other states have attempted to pass VCC bills this year as well.

Learn the three things physicians can do to avoid high VCC fees, and access a free AMA resource
(log in) to help your practice with this type of payment.