

Oct. 5, 2017: Advocacy spotlight on Physicians protected from health plan credit card fees

Physicians protected from health plan credit card fees

The Centers for Medicare and Medicaid Services (CMS) has weighed in with definitive guidance saying that health plans cannot require physician practices or other health care organizations to accept payments made using so-called virtual credit cards that are often accompanied by exorbitant service fees.

In this and other respects, persistence has paid off on AMA advocacy to clarify the Health Insurance Portability and Accountability Act (HIPAA) standard payer-to-provider payment method for electronic funds transfer (EFT).

Ever since the Automated Clearing House (ACH) EFT standard went in effect in 2014, the AMA has advocated that CMS issue guidance spelling out physician rights regarding insurance company electronic payments. The effort proved to be successful as CMS recently posted the requested clarification of its EFT operating rules and standards on its HIPAA Administrative Simplification frequently asked questions webpage.

Section 1104 of the Affordable Care Act expanded efforts to standardize health care business practices, EFTs and electronic remittance advice (ERA). The CMS ERA and EFT rule was published in 2012 and took effect in 2014. The standards apply to all insurers, not just Medicare and Medicaid.

But not all private insurers followed the letter or spirit of the regulations. Some insisted on making payments with so-called virtual credit cards (VCCs) (PDF), a 16-digit number emailed, faxed or mailed to a provider in order to make a one-time payment.

For the past three years, the AMA has been alerting (PDF) physicians to their rights to refuse payments via VCCs and advocating against the coercive tactics used by payers and their vendors to force physicians' acceptance of VCC payments.

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