Doctors ask CMS to enforce rules on zero-fee EFT payments

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What’s the news: Adopting electronic funds transfer (EFT) transaction standards was promoted as a way to increase efficiency. Instead, it has piled on more administrative burdens for physician practices and added expenses under the premise of “value-added” services that practices did not request.

The AMA, 50 state medical associations, the Medical Society of the District of Columbia, and 40 specialty societies have sent a letter to the Biden administration’s Centers for Medicare & Medicaid Services (CMS) requesting that it issue guidance affirming physicians’ right to choose and receive basic EFT payments without paying for these additional services and that the CMS National Standards Group enforce laws and regulations prohibiting health plans or vendors from requiring these add-on fees.

Why it’s important: Nearly 60% of practices surveyed in a Medical Group Management Association (MGMA) poll reported that health plans charge fees for services the practice has not agreed to when sending payments via the EFT standard, with most being charged between 2% and 3% of the claim payment.

Most often these fees are assessed by a third-party vendor that health plans require practices to contract with. The fees represent charges for such “value-added” services as a customer-service hotline.

“Physicians are left with no option but to ‘pay to get paid,’” says the letter to CMS Administrator Chiquita Brooks-LaSure. “This outrageous situation is analogous to an employee being required to enroll in a program that would deduct a percentage of each paycheck to receive direct deposit payments from an employer.”


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Attempts to disenroll in EFT fee-based programs result in significant administrative burdens and the loss of valuable practice time and resources that would be much better spent on direct patient care.

These “coercive EFT fee-based programs” can also have downstream negative consequences for patient care, the letter adds. That’s because paying these charges means practices have less capital to invest in additional staff, equipment, data analytics and information technology that could improve access and quality of care.

The CMS National Standards Group has been reluctant to use its enforcement authority to curb what the letter calls “an obvious statutory and regulatory violation.”

“Statutory and regulatory language grants CMS the authority to immediately act to protect the right of physicians and other health care professionals to choose EFT payments without being forced to pay for additional services,” the letter states, citing the regulation that grants that authority.

The AMA and the other physician organizations recommended that the administration move to:

- Swiftly issue guidance stating that health plans and their contracted vendors must offer at least one EFT standard transaction that doesn’t require purchasing extra services for an additional fee.
- Require full transparency from health plans and their contracted vendors in all EFT enrollment communications to include the clear option to select basic EFT without additional fees and to provide a complete description of any “value-added” services and to list any associated fees.
- Enforce compliance with this guidance to ensure that health plans and their vendors are offering physicians the option of receiving EFT without additional services or fees, and that this choice is clearly communicated in all EFT enrollment materials.

“By taking these actions, CMS will be supporting the underlying administrative simplification goals intended by the EFT regulation and creating the much-needed transparency that physicians and other providers need to make informed, independent choices regarding the appropriate payment method for their businesses,” the letter says. “CMS and organized medicine share a mutual goal of improving the quality and efficiency of health care in our country.”
Learn more: The AMA is committed to reducing physician practices’ administrative burdens by offering electronic transaction toolkits for administrative simplification and advocating before Congress, federal regulators and advisory bodies to reduce revenue cycle complexity and expense.

Know your rights and make the automatic clearing house EFT work for your practice.