

AMERICAN MEDICAL ASSOCIATION PRIVATE PRACTICE PHYSICIANS SECTION

Resolution: 2  
(A-26)

Introduced by: Alex Shteynshlyuger, MD

Subject: Oppose the Legal Position that Virtual Credit Cards are a Legal Method of Payment under HIPAA

Referred to: PPPS Reference Committee  
(, MD, Chair)

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1 Whereas, the AMA General Counsel acknowledged that the AMA members are free to advocate  
2 for any issue as they wish, and the House of Delegates is free to pass policy that serves the  
3 physician interests; and  
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5 Whereas, virtual credit cards are a perennial problem to physician practices, causing significant  
6 administrative burnout and imposing high costs, collectively greater than \$10 billion per year;  
7 and  
8

9 Whereas, virtual credit cards have not been adopted as a legal payment method for health  
10 plans to make electronic payments to physicians under HIPAA and their status is at best legally  
11 contested; and  
12

13 Whereas, the Centers for Medicare and Medicaid Services (CMS), under lobbying from the  
14 virtual credit card industry including Mastercard and Zelis, decided to take a contested position  
15 advocated by Mastercard and UnitedHealthcare Vpay that virtual credit cards are a legal way for  
16 paying physicians by health plans, however CMS has never promulgated a proposed rule under  
17 the Administrative Procedure Act to promulgate such policy as required by law; and  
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19 Whereas, CMS, incredulously and contrary to the law and under lobbying from Zelis, United  
20 Healthcare Optum Vpay, Echohealth, and Mastercard took the position that even as the law  
21 states that physicians are entitled to get healthcare payments via the adopted standard no-cost  
22 ACH EFT, CMS decided that health plans are free to send the first payment through  
23 nonstandard electronic payment formats; and  
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25 Whereas, health plans allegedly coordinate with virtual credit card industry vendors to require  
26 fees from physicians for getting paid by ACH EFT, a federally recognized low-cost payment  
27 method, but CMS accepted vendor arguments that vendors can impose administrative costs on  
28 physicians by forcing physicians to fill out the same form 700 times to enroll in the same  
29 electronic transaction for every plan that is administered by virtual credit card companies or pay  
30 2.5 percent of revenue while HIPAA mandates lowering administrative costs; and  
31

32 Whereas, for any legally unsettled and contested issue, the American Medical Association is  
33 legally free to take a position that is most favorable to its members and the legality of virtual  
34 credit cards is such an issue; therefore be it  
35

36 RESOLVED, that our American Medical Association takes the position that virtual credit cards  
37 have not been adopted as an electronic payment method from health plans to healthcare  
38 providers under HIPAA and that under HIPAA physicians must be able to designate a

1 preference that the first payment from a health plan is made in a HIPAA-compliant manner  
2 using a HIPAA-adopted standard (Directive to Take Action); and be it further  
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4 RESOLVED, that our AMA will advocate, publicly announce, and communicate to the Centers  
5 for Medicaid and Medicaid Services that it has adopted a position that physicians are entitled to  
6 receive the very first payment from health plans in compliance with the adopted HIPAA  
7 electronic transactions regulations and must be allowed to elect no-cost electronic funds  
8 transfers (EFTs) prior to the health plan issuing the first claim payment to the physician  
9 (Directive to Take Action); and be it further  
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11 RESOLVED, that our AMA will advocate that a vendor or clearinghouse that offers a multiplayer  
12 platform may not create separate payer-specific enrollment mechanisms into standard adopted  
13 HIPAA transactions, as that is contrary to the spirit of the law that specifically aims to lower  
14 administrative costs in healthcare and creating multiple enrollment processes to accomplish the  
15 same task with the primary goal of forcing physicians to pay for multi-payer platforms is contrary  
16 to the law as authorized by Congress (Directive to Take Action); and be it further  
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18 RESOLVED, that our AMA advocate that a health plan may not use a vendor for electronic  
19 transactions that unnecessarily creates duplicate administrative work for physician practices by  
20 creating separate mechanism of enrollment in the same standard transaction for different health  
21 plans (Directive to Take Action).  
22

Fiscal Note: (Assigned by HOD)

Received: 4/5/2026

## REFERENCES

1. Madara, James. (June 6, 2025). [AMA comment letter to CMS Administrator Mehmet Oz regarding “Unleashing Prosperity Through Degregation of the Medicare Program (Executive Order 14192) – Request for Information”]. AMA federal and state correspondence finder.
2. Whyte, John. (July 10, 2025). [AMA comment letter to Health and Human Services Secretary Robert F. Kennedy, Jr regarding “Ensuring Lawful Regulation and Unleashing Innovation to Make American Healthy Again – Request for Information”]. AMA federal and state correspondence finder.

## **RELEVANT AMA POLICY**

### **Virtual Credit Card Payments H-190.955**

1. Our American Medical Association will educate its members about the use of virtual credit cards by third party payers, including the costs of accepting virtual credit card payments from third party payers, the beneficiaries of the administrative fees paid by the physician practice inherent in accepting such payments and the lower cost alternative of electronic funds transfer via the Automated Clearing House.
2. Our AMA will advocate for advance disclosure by third-party payers of transaction fees associated with virtual credit cards and any rebates or other incentives awarded to payers for utilizing virtual credit cards.
3. Our AMA supports transparency, fairness, and provider choice in payers' use of virtual credit card payments, including: advanced physician consent to acceptance of this form of payment; disclosure of transaction fees; clear information about how the provider can opt out of this payment method at any time; and prohibition of payer contracts requiring acceptance of virtual credit card payments for network inclusion.

Citation: Sub. Res. 714, A-15; Reaffirmed: BOT Rep. 09, A-25

### **Update the status of Virtual Credit card policy, EFT fees, and lack of Enforcement of Administrative Simplification Requirements by CMS D-190.965**

Our American Medical Association will report at the Annual 2026 Meeting on the progress of, and action items for implementation of AMA Policies D-190.970, H-190.955, and D-190.968.

Citation: Res. 819, I-25

### **Amend Virtual Credit Card and Electronic Funds Transfer Fee Policy D-190.968**

1. Our American Medical Association will advocate for legislation or regulation that would prohibit the use of virtual credit cards (VCCs) for electronic health care payments.
2. Our AMA will advocate on behalf of physicians and plainly state that it is not advisable or beneficial for medical practices to get paid by VCCs.
3. Our AMA will engage in legislative and regulatory advocacy efforts to address the growing and excessive electronic funds transfer (EFT) add-on service fees charged by payers when paying physicians, including advocacy efforts directed at:
  - a. The issuance of Centers for Medicare & Medicaid Services (CMS) regulatory guidance affirming physicians' right to choose and receive timely basic EFT payments without paying for additional services.
  - b. CMS enforcement activities related to this issue.
  - c. Physician access to a timely no fee EFT option as an alternative to VCCs.

Citation: Res. 819, I-23

### **CMS Administrative Requirements D-190.970**

1. Our American Medical Association will forcefully advocate that the Centers for Medicare and Medicaid Services (CMS) investigate all valid allegations of HIPAA Administrative simplification requirements thoroughly and offers transparency in its processes and decisions as required by the Administrative Procedure Act (APA).
2. Our AMA will forcefully advocate that the CMS resolve all complaints related to the non-compliant payment methods including opt-out virtual credit cards, charging processing fees for electronic claims and other illegal electronic funds transfer (EFT) fees.
3. Our AMA will communicate its strong disapproval of the failure by the CMS Office of Burden Reduction to effectively enforce the HIPAA administrative simplification requirements as required by the law and its failure to impose financial penalties for non-compliance by health plans.
4. Our AMA will through legislation, regulation or other appropriate means, advocate for the prohibition of health insurers charging physicians and other providers to process claims and make payment.

Citation: Res. 229, I-21; Reaffirmed: A-22