

WV HIMSS October 2022

The Truth About Virtual Credit Card Payments

Presented by:
Denise Walsh, CPC, CHSP

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Your Speaker



Denise Walsh, CPC, CHSP

Mrs. Walsh is a Certified Professional Coder (CPC) and a Certified HIPAA Security Professional (CHSP)

As a consultant, her responsibilities range from assisting clients in the creation and implementation of compliance plans, designing and implementing charge capture and coding systems that maximize reimbursements, and reviewing accounts receivable processes to strengthen revenue capture.

Denise provides consulting support in the review and implementation of EHR/PM systems, ICD-10 and HIPAA Privacy and Security compliance plans for physician practices. She has extensive experience in guiding the credentialing and payer contracting for new and established physicians and practices and lectures extensively on all of the above topics. Mrs. Walsh has also served in the capacity of Revenue Cycle Management Director and Practice Administrator for several specialty practices.

Mrs. Walsh received her BS Degree in Allied Medicine from the Ohio State University and is a member of the American Academy of Professional Coders (AAPC).

Program Abstract

Insurance companies continue to pinch pennies – so the expansion of paying providers using virtual credit cards are a no-brainer for them due to the cost savings of this type of payment. But did you know that this payment type does not meet the requirements for the PPACA electronic funds transfer (EFT) or the electronic remittance advice (ERA) mandate? By accepting virtual credit card payments, your organization is actually accepting a reduction in payment and creating internal vulnerabilities.

Learning Objectives

1. Learn the history and future of virtual credit card payments
2. Assess legislation related to virtual credit card payments
3. Formulate an internal plan to address virtual credit card payments within your organization

Polling Question

Do you accept virtual credit card (VCC) payments from insurance payers?

- A) Yes
- B) No
- C) Sometimes
- D) I don't know

Guidance:

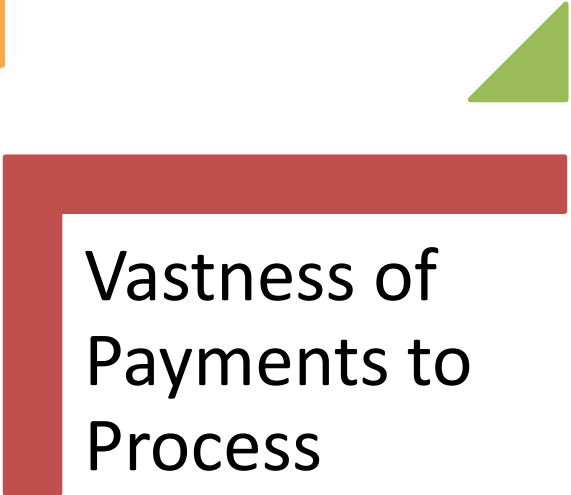
Virtual Credit Card payments although seemingly convenient, actual take away from the allowable amount due to a practice by incurring credit card fees. Consider requesting EFT or paper checks.

What is a Virtual Credit Card (VCC) Payment?



Is a form of payment made by insurance companies to healthcare providers to reimburse for services rendered to beneficiaries. VCCs are not actual credit cards but rather a document that is usually mailed, faxed or electronically sent to the provider. The document contains a credit card number, expiration date along with the payment amount. The payer and its TPA share in the “finance” fee charged to the practice for processing the VCC payment. This amount is deducted from the practice’s contracted allowable amount.

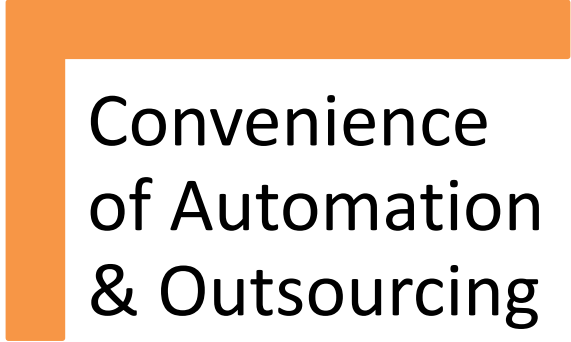
Why do Payers use VCCs?



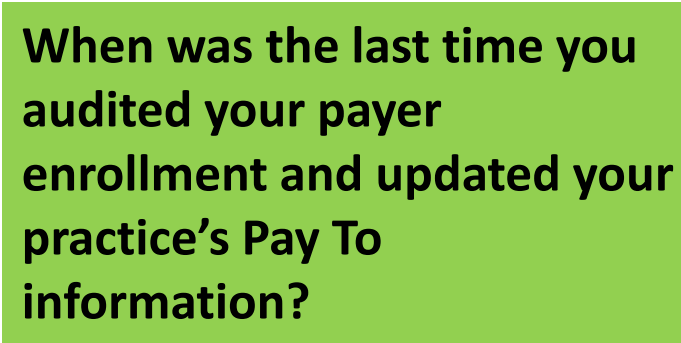
Vastness of
Payments to
Process



Income
Opportunity

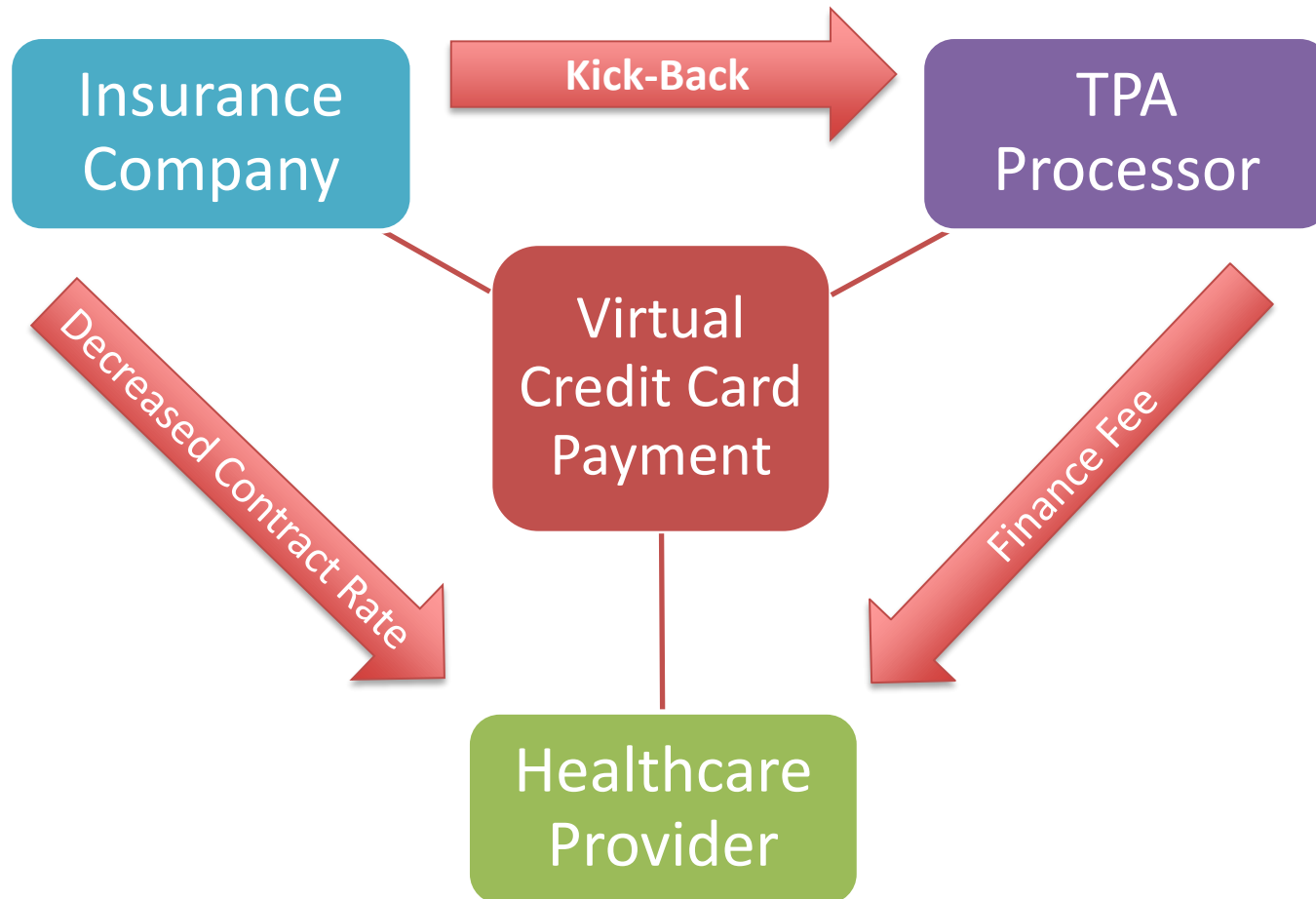


Convenience
of Automation
& Outsourcing



**When was the last time you
audited your payer
enrollment and updated your
practice's Pay To
information?**

Virtual Credit Card Payment Cycle



What's the Industry Saying About Virtual Credit Card Payments?

Medical Group Slams Insurers' Use of
Virtual Credit Cards



Private insurers using "virtual credit cards"
to loot physician payments



Footing the bill for insurers' pay methods
shouldn't fall on doctors



Practices should stand firm again VCCs, EFT
fees



Maryland General Assembly

House Bill 639: Health Insurance – Providers Claims – Payment by Credit Card Prohibited



This bill has been introduced by Delegate Kelly (at the request of MedChi). The bill prohibits a health insurance carrier from taking an additional reduction in payment by any bank surcharge for credit card payment. This payment method results from the implementation of a provision in the ACA (healthcare EFT standard and remittance rule under HIPAA) that requires electronic reimbursement options effective January 1, 2014.

More work is required to ensure that the definition in the original bill covers all forms of payment (credit card, virtual credit card, ETF, etc) that may have a bank service charge associated with the transaction. This is the first time being introduced in Maryland. There is currently no companion bill in the Senate. The bill hearing occurred on 2/18. Currently, amendments to require providers to “opt in” will be discussed in the sub-committee meeting on 2/23.

CMS's Guidance on VCCs



[CMS confirmed that providers cannot be forced to accept virtual credit cards.](#)

In fact, under Section 1104 of the Affordable Care Act, which standardizes health care business practices, EFTs and electronic remittance advice (ERA), providers have the right to refuse VCC payments and “request that a health plan use the Electronic Funds Transfer (EFT) transaction.”

The ERA and EFT rule, which was published in 2012 and took effect in 2014, requires all insurers, not just Medicare and Medicaid, to offer electronic payments upon request by providers.

Call to Action! – Opt OUT



Check with your payers to determine the path to opting out of accepting Virtual Credit Card Payments. Follow up to ensure that your request has been received, processed and completed.

zelis

Optum

InstaMed[®]
Healthcare Payments Simplified

Payer Contract Language (MRNs)

As of the Effective Date, Provider agrees to participate in each Product Category checked below. Important information on how Product Categories can be added to or deleted from the list is contained in the Agreement.

PRODUCT CATEGORIES

Commercial Health

Medicare

Medical Rental Network

EFFECTIVE DATE: `{{*_date_es_signer2}}` **TERM:**

“In accordance with §15-125(b) of the MD Insurance Article, this Agreement may not be assigned, transferred or subcontracted to a personal injury protection insurer without the written consent of Provider.”

Payer Contract Language - Payments

Claims Payment.

Subject to Applicable Law, the terms of each applicable **Product Addendum(a) and Service and Rate Schedule(s)**, and **Company's payment and review Policies** (e.g., prepayment review of certain claims), and except for applicable Member copayments, coinsurance and deductibles, Company agrees:

- (a) when it is the Payer, to pay Provider for Covered Services rendered to Members;
- (b) when it is not the Payer, to notify the Payer to forward payment to Provider for Covered Services,

within forty-five (45) days of receipt of a clean, complete, undisputed electronic claim. While Company may service or process payment for claims on behalf of Payers who are not Affiliates (e.g., self-funded plan sponsors), Provider acknowledges that Company has no legal or other responsibility for the payment of those claims. However, Company will use commercially reasonable efforts to assist Provider, as appropriate, in collecting payments from Payers.

CAQH EnrollHub



<https://www.caqh.org/programsolution/enrollhub>

“EnrollHub is an easy-to-use enrollment tool that enables healthcare providers (including dentists) to use a single, secure on-line process to sign up for electronic payments with multiple health or dental plans at once.”

“EnrollHub is available to all healthcare professionals and providers, at no charge. Health and dental plans may use EnrollHub independently, or integrated with current electronic funds transfer (EFT) and electronic remittance advice (ERA) tools to achieve broader adoption of electronic payments.”

[EFT/ERA Enrollment: Achieving a Win-Win Strategy for Health Plans and Providers](#)

[Increasing Provider Enrollment in EFT/ERA](#)

Your Money and Your Processes

Payer Payment Options

	Virtual Credit Card Payments	Electronic Funds Transfers	Mailed Check
Processing Time	4-6 Days After Remit Processing	2-3 Days After Remit Processing	4-6 Days after Remit Processing
Deposit Fees	2%-6% of Total Payment	\$0 - \$1/transaction	\$0
Remit Reconciliation	Remittance <u>may not</u> match total deposit due to merchant fees	Remittance should match the total deposit	Remittance should match the total deposit

Accepting VCC payments is a choice not a requirement. Contact your payers to make the switch.

Polling Question

Who in your practice has access to insurance payments?

- A) Front Desk (Mail Person)
- B) Internal Billing Staff
- C) Outsourced Billing Agency
- D) I don't know

Deposit Management: Internal Controls

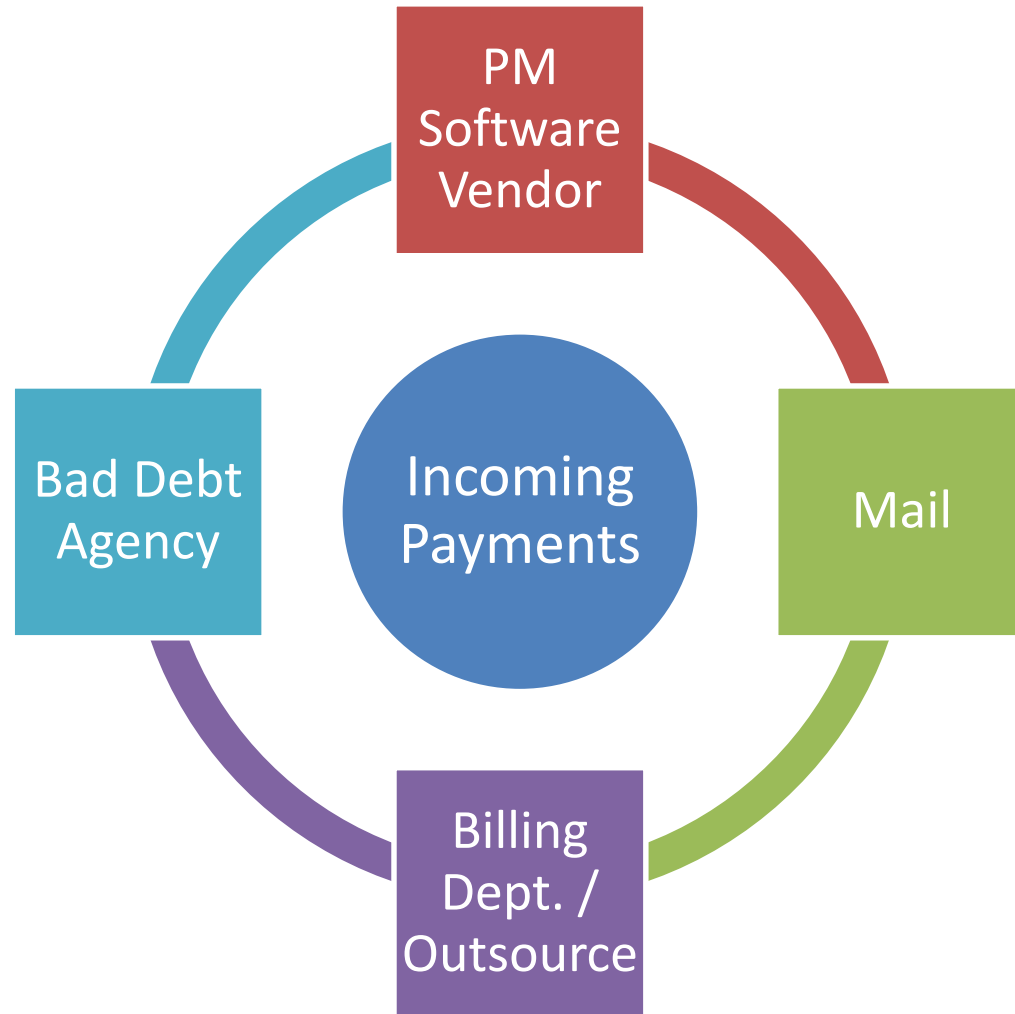
Step 1: Identify the functions or departments where VCCs are received.

Step 2: Reduce the number of individuals who receive payments.

Step 3: Reduce the number of hands checks and VCCs pass through.

Step 4: Decline to accept VCCs.

Step 5: Hold staff accountable for accepting VCCs.



Payment Types & Posting

Payment Types

VCCs

Internal Controls
Deposit
Management

Pt Credit Cards

PCI Compliance
Capturing Max Info

Payment Posting

Having payments posted at the time of receipt is typical for many medical practices; which decreases ability to monitor incoming payment types.

Whoever is managing the mail/payer incoming correspondence exerts some control of acceptance of VCC payments.

Regardless of your practice preference, make sure that you **securely structure your internal controls and processes.**

VCC Payment Posting

Answer these questions regarding your internal posting process of VCC payments

1. Will you “swipe” through your merchant services device?
2. Is your merchant services device interfaced with your PM software?
3. Do you have an adjustment code for the VCC finance fee?
4. Are you keeping a copy of the VCC and attaching it to your daily payment batch or to individual patient accounts?
5. Have you missed the timely payment receipt window to post the VCC?
6. How are you reconciling VCCs to zero out accounts?

EOB Guidance

Cutten Mend Health Insurance
Explanation of Benefits

Patient Provider	DOS	Proc	Mod	Billed	Allowed	Pt Resp	Paid	Remark
John Doe Dr. Smith	1/1/2021	99213		100.00	80.00	16.00 10.00	54.00	PR-2, PR-3, CO-45
	1/1/2021	96372	25	25.00	8.00	2.00	6.00	PR-2, CO-45
TOTAL				125.00	88.00	28.00	60.00	

Remark Codes


PR-2 Patient Coinsurance
 PR-3 Patient Copay
 CO-45 Charge exceeds maximum allowable

Payment: CHECK
Tracking#: 123456
Date: 1/31/2022

Fee Schedule Impact

Financial Assumptions:

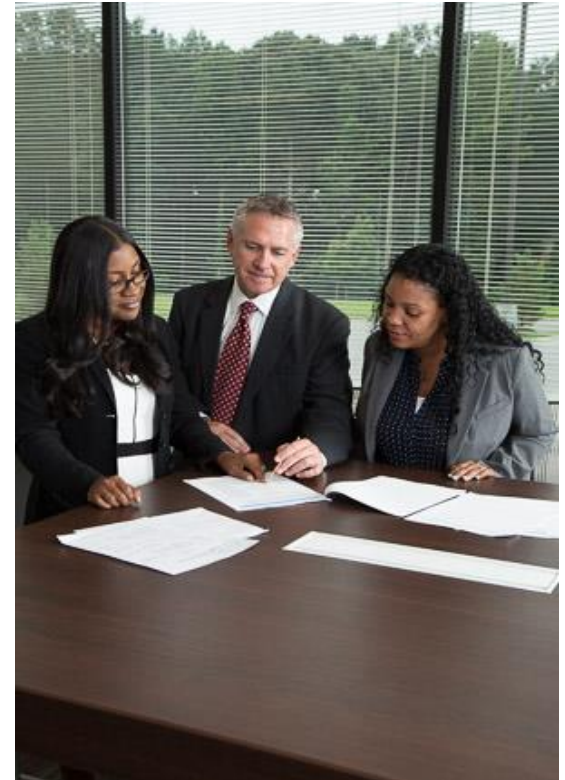
Payer #2 | 3% Finance Fee | 30% of Insurances paying via VCC | 6 months

CPT Codes	Description	Charge	Payer # 1	Payer # 2	Volume	VCC Payment Discount
99203	NP L3	145.00	117.01	125.00	1570	\$1,766.25
99204	NP L4	220.00	177.92	160.00	1200	\$1,728.00
99205	NP L5	250.00	223.39	239.00	1000	\$2,151.00
99213	Estab L3	100.00	80.46	70.00	2000	\$1,260.00
99214	Estab L4	125.00	117.58	119.00	1750	\$1,874.25
99215	Estab L5	150.00	157.40	160.00	1200	\$1,728.00
Amount Paid in Virtual Credit Card Fees 						\$10,507.50

Improve Revenue Integrity by Legitimizing Unconventional Practice Revenue Sources

What is Revenue Integrity?

Prevent recurrence of issues that can cause revenue leakage and/or compliance risks through effective, efficient, replicable processes and internal controls across the continuum of patient care, supported by the appropriate documentation and the application of sound financial practices that are able to withstand audits at any point in time. [National Association of Healthcare Revenue Integrity \(NAHRI\)](#)



Revenue Integrity

Enhances each RCM Element with:

Risk Management & Compliance Standards
Automation and technology

Oversight, accountability, coaching, & training

Ethical standard operating procedures and
workflows

Due diligence in monitoring, analyzing and
Corrective Actions

Anticipation, research and proactive actions
taken based on changes in the healthcare
reimbursement and regulatory landscape.



Avoid Devaluing Unconventional Revenue Sources



- Every dollar and cent adds up – and is worth keeping.
- It is typical to overlook particular areas in your practice and rather focus on high dollar, high volume claims.
- Rethink your strategy and place priority on prohibiting money earned from either leaving or not getting to your practice.
- Use automation and build in approaches to capturing revenue
- Create deposit notifications and internal checks and balances

Other Undervalued Revenue



- Underpayments which occur by not posting payments according to fee schedule
- CDM amounts lower or on par with allowable/fee schedule payments
- Failure to work credit balances
- Non-Par with Quality Payment Programs
- Lack of visit template customization (missing elements that can boost CPT levels)
- Documentation improvement, specificity
- Correct sequencing of DX & CPT codes
- Taxonomy code misuse
- Patient payment obstacles

Costly RCM Fees



- Failure to sign up for EFT during payer enrollment
- Virtual Credit Card payments
- Encouraging cash payments at TOS instead of cc payments which have fees
- Interest payments on delayed allowable amounts
- Claim submission costs (bundled submissions are cheaper)
- Insurance verification fees (time is money)
- Mailing patient statements
- Bad debt contingency fees for accounts your staff have worked

Results of Accepting VCCs

Slow Payments = Delayed revenue

Time = Money so Spend it wisely

Long term Impact = Culture of Leakage

Operational Take-Away's

Accepting VCCs is **OPTIONAL**

Do NOT post VCCs, request another form of payment – Create internal tracking processes

Do NOT sign payer contracts with VCCs with payment requirements

Use CAQH EnrollHub to identify payers that pay via EFT

File complaints against payers when necessary

Additional Resources

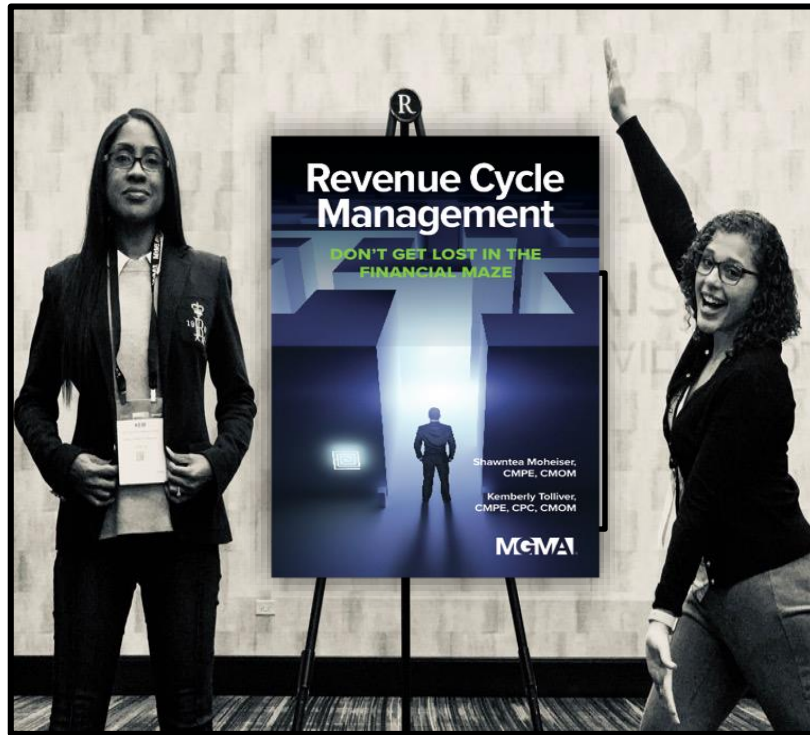


<https://www.ciproms.com/2017/10/cms-offers-guidance-virtual-credit-cards-eft-fees/>

[A Workgroup for Electronic Data Interchange \(WEDI\) task group, which is co-chaired by representatives from MGMA](#)

Resource Alert

MGMA's Revenue Cycle Management *Don't Get Lost in the Financial Maze*



**“Slice of
Healthcare”
Podcast:**



www.mgma.com/RCM

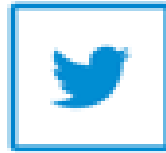
Stay Connected with Us

Medical Revenue Cycle Specialists

P: 301.249.8500

F: 301.249.8511

www.medrevenuecycle.com



Admin@medrevenuecycle.com