

## Virtual Credit Card Payments and the APS Process

When providers bill insurance carriers for the services they have rendered, they do not expect to pay a fee to receive those payments. Yet more and more carriers are moving towards paying providers through Virtual Credit Cards (VCCs), versus the standard Electronic Fund Transfers (EFT) or paper checks. Depending on the payment amount, a fee of about 2.5% per transaction can result in a substantial amount out of the provider's earnings. For example, if an insurance company pays on 150 claims and issues a bulk payment of \$100,000 through the VCC payment method with a 2.5% processing fee, that provider will receive credit card fees of \$2,500 for that payment.

The VCC process has raised compliance questions in the industry, but according to a recent article from The Department of Health and Human Services, "Health plans are not required to send health care EFT through the ACH Network. They may, for instance, decide to transmit a health care EFT via Fedwire or a payment card network." For additional background information and guidance from Medicare on this topic, please click [here](#).

Currently the top three vendors issuing payments through virtual credit cards are ECHO, Zelis and VPay. As APS receives VCC payments on behalf of our clients, our team will opt-out of these VCC payments, typically through a phone call or on their website. When opting out, we request a paper check or EFT since they have no additional cost to the providers. These claims that are now pending check issue from the carrier, are then moved to a separate financial class to allow for better payment tracking. Select vendors require us to opt-out every 90 days, which means APS will go back through the opt-out process once the 90 days resets and they begin submitting Virtual Credit Cards for payments again. Per The Centers for Medicare and Medicaid (CMS), if a provider requests a health plan pay the claims using the standard EFT and ERA process, the health plan must comply. If a provider believes a health plan has failed to comply after submitting a request to an insurance carrier to transition a VCC remit to an EFT/ERA payment transaction using the adopted standards and operating rules, they may file a complaint against the carrier with The CMS through the [Administrative Simplification Enforcement Testing Tool \(ASETT\)](#).

Historically, the volume of VCC payments were minimal, requiring a quick one time call to the carrier to update to EFT or paper check. We are seeing an increase in VCC volume from more carriers taking this route, which can cause some delays in receipt of the payment. APS continues to opt-out for all clients, to avoid the unnecessary fees associated with these types of payments.

Please Note: The APS opt-out process does not apply to patient credit cards, which are processed as normal.

APS looks to provide ongoing support and information to our clients. As always, APS will continue to monitor this upward trend in the industry and provide updates as they become available. Should you have any questions, please contact your APS Practice Manager.