



**Testimony Before the
Senate Health Care Committee regarding Support for HB 3021-A
Presented by Cindy Madden
on behalf of the Oregon Medical Association
May 13, 2014**

Thank you for allowing me to testify today. My name is Cindy Madden and I am the business manager at Baker Allergy, Asthma and Dermatology in Lake Oswego. I have a bachelor's degree from Oregon State University in Healthcare Administration. I have been working in healthcare for 30 years. I currently represent a multi-specialty practice of 3 physicians and 5 mid-level providers including nurse practitioners and physician assistants.

HB 3021-A increases payment method transparency for providers and establishes clear criteria for how virtual credit card payments are made to providers. Virtual credit cards are an electronic form of reimbursement that is utilized by health plans to pay providers. Virtual credit card payments are sent to our office in the form of a number and pin that can be entered using our standard credit card technology. However, due to the lack of a physical card being present, the transaction is subject to higher processing and interchange fees, sometimes as high as 5%! In order to receive the payment, we must pay the processing fees which reduces our overall reimbursement from the insurer. We are not generally given advance notice of these fees and "opting-out" of this form of payment has been a hassle. I'd like to share my experiences with virtual credit card payments and opting-out.

At our clinic, we submit approximately 1,700 insurance claims per month and have 356 active insurance carriers that we submit claims to on behalf of our patients.

Receiving payment by virtual credit card has cost our clinic not only direct fees but administration time beyond our control. It has been my experience that the payers opt-out process is intentionally difficult, meant to deter us from opting-out. The request to discontinue this type of payment is a maze of intentional confusion that is often complicated by the use of a third party; in other words, we have to work with both the payer and the third party clearinghouse to figure out who sent the payment, where to return the payment and how to opt-out.

As a third party, the clearinghouse relies on the information contained in the virtual payment notice to identify the practice and create the opt-out preference. For this reason we are not able to be proactive and opt-out prior to receiving a payment voucher. When making the request to opt-out of virtual payments it takes multiple calls, each consuming 10-15 minutes of staff time to accomplish. They often ask for information on the voucher/remittance notice for identification

and deal with only one at a time. I am frequently told it will take 30 days to update in the claims system during which we continue to receive virtual payments. When I recently asked a clearinghouse why they were not able to set up an opt-out to include all the payers they process for our tax ID I was told it would be a HIPAA violation. When pressed they backed off and claimed it was a company policy. The virtual credit card payment method is yet another way medical practices are being financial hurt by incurring more administration costs which do nothing to provide quality care to our patients.

HB 3021-A doesn't take away a provider's ability to accept a virtual credit card payment or prohibit the health plan from offering this type of payment; instead, it sets up clear expectations of the health plan and ensures provider flexibility in how they accept payment.

I would like to thank you once again for the opportunity to address the committee regarding this very important topic and I'm happy to answer any questions.

The Oregon Medical Association serves and supports over 8,200 physicians, physician assistants and student members in their efforts to improve the health of all Oregonians. Additional information can be found at www.theOMA.org.