

MGMA Comes Out Against Insurer Charged EFT Fees

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The Medical Group Management Association (MGMA) is calling for a prohibition on insurers charging electronic fund transfer (EFT) fees.

According to a news release, a recent MGMA Stat poll found that 57 percent of medical groups reported being charged fees by health insurers. This is a large increase from the 26 percent who reported paying the fees in 2020. The EFT charges are usually between 2 and 3 percent of the total reimbursement amount, which has a significant impact on the practice's bottom line without any clear value added.

“Efforts have been underway for more than a decade to create a more efficient U.S. healthcare system and move away from using paper checks in favor of electronic deposits or EFT,” Anders Gilberg, MGMA SVP of Government Affairs, says in the release. “The sad reality is for some health insurers and third-party vendors, it’s simply another way to hinder progress by taking a cut out of what they agree to reimburse physicians. The Centers for Medicare & Medicaid (CMS) was given the authority by Congress in the Affordable Care Act (ACA) to regulate and prohibit insurer fees for EFT transactions. MGMA looks forward to working with the current Administration to promote efficiency in our healthcare system and prohibit predatory business tactics.”

The poll shows that, of those respondents who have been charge EFT fees, 10 percent say they were charged a fee of 1 percent of their total reimbursement, 43 percent say they were charged 2 percent, 43 percent say they were charged 3 percent, and 4 percent reported they'd been charged 4 percent or more per EFT transaction.

MGMA has sent a letter to CMS Administrator Chiquita Brooks-LaSure urging the agency to prohibit the imposition of EFT fees by insurers on medical groups as part of the authority given by the ACA, according to the release.

“Given that CMS has a both a statutory requirement and the authority to prohibit EFT fees, the industry guidance removed by the prior administration in 2017 should be reposted or clearly restated by CMS in a definitive manner,” the letter says. “If CMS will not provide clear guidance, we ask the agency to expeditiously and clearly state why it is not using its legal authority to prohibit these abuses.”