



March 25, 2024

The Honorable Bill Cassidy  
United States Senate  
455 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Maria Cantwell  
United States Senate  
511 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senators Cassidy and Cantwell:

On behalf of the American Academy of Family Physicians (AAFP), representing more than 130,000 family physicians and medical students across the country, I write to offer our support for the *No Fees for EFTs Act* (S. 3805).

The AAFP has previously [expressed](#) concerns to the Centers for Medicare and Medicaid Services (CMS) about physicians incurring fees for electronic payments from health plans. Family medicine practices report that they are increasingly forced to pay mandatory, percentage-based fees for the receipt of electronic payments made from health plans via the electronic funds transfer (EFT) transaction standard. These fees are adding to practices' already overwhelming administrative burden and ongoing financial strain.

CMS implemented the Automated Clearing House EFT standard in 2012 to streamline payer-to-physician claims payments and eliminate administrative and cost burdens associated with processing paper checks for both payers and physician practices. Health plans were required to comply by 2014. The AAFP [strongly supported](#) the implementation of the EFT standard, citing its potential to reduce administrative burden, and analysis has confirmed that the EFT standard produces savings for both health plans and clinicians.

Unfortunately, health plans are increasingly requiring physicians to contract with third-party vendors for EFT payment processing, who then attach mandatory, percentage-based fees for receipt of payment through the EFT standard. A survey conducted this year by the Medical Group Management Association confirms this trend: two-thirds of surveyed medical practices reported that health plans charge fees that the practice has not agreed to when sending payments via the EFT standard, with average fees of two to three percent of the claim payment.<sup>1</sup> These fees are often represented as charges for additional "value-added" services. However, many vendors do not offer physician practices the choice of electing basic EFT payments without these additional services and associated fees, forcing physician practices to pay a fee to get paid for the essential health services provided to patients.

These inappropriate fees are also contributing to ongoing financial and practice strain. Over 40 percent of primary care clinicians surveyed in March 2022 reported being financially fragile, with one third of clinicians reporting that they are currently denied and/or have seriously overdue payments from insurers and health plans on top of previously reported and unaddressed financial losses.<sup>2</sup> Practices cannot afford to lose a percentage of each claim payment due to EFT fees. Disenrolling in EFT payments is often not permitted by payers, but when allowed it leads to additional administrative tasks that take time away from patient care.

## STRONG MEDICINE FOR AMERICA

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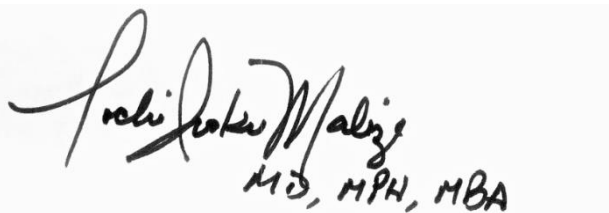
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The AAFP has asked CMS to issue guidance affirming physicians' right to receive basic EFT payments without paying for additional services and to undertake the associated enforcement activities. However, while the agency released guidance in 2022 clarifying certain practices relating to EFT transactions, they have not taken steps to unequivocally prohibit health plans from charging clinicians fees for EFTs. Therefore, the Academy is pleased to support your legislation, which would reign in these unfair practices by explicitly prohibiting health plans from imposing fees on health care clinicians for EFTs and health care payment and remittance advice transactions.

Thank you for your continued bipartisan leadership to protect physicians, practices, and their patients. The AAFP looks forward to working with you to ensure swift passage of the *No Fees for EFTs Act*. Should you have any questions, please contact Natalie Williams, Senior Manager of Legislative Affairs at [nwilliams2@aafp.org](mailto:nwilliams2@aafp.org).

Sincerely,

A handwritten signature in black ink that reads "Tochi Iroku-Malize" with "MD, MPH, MBA" written below it in a smaller, less cursive script.

Tochi Iroku-Malize, MD, MPH, MBA, FAAFP  
American Academy of Family Physicians, Board Chair

<sup>1</sup> Medical Group Management Association, "Electronic Funds Transfer (EFT) Fees Issue Brief," 2023. Accessed online at: <https://www.mgma.com/getkaiasset/8fc1b787-d6f1-45de-b07e-117cff381606/MGMA%202023%20EFT%20Fees%20Issue%20Brief.pdf>.

<sup>2</sup> The Larry A. Green Center, "Quick COVID-19 Primary Care Survey Series: 37 Fielded February 25 – March 1, 2022." Accessed online at: <https://static1.squarespace.com/static/5d7ff8184cf0e01e4566cb02/t/623ca361a42fff66942aa83c/1648141153593/C19+Series+35+National+Executive+Summary+vF.pdf>.