



October 22, 2021

The Honorable Chiquita Brooks-LaSure  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Administrator Brooks-LaSure:

On behalf of the American Academy of Family Physicians (AAFP), which represents more than 133,500 family physicians and medical students across the country, I write to share concerns with physicians incurring fees for electronic payments from health plans. Specifically, family 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. **The AAFP requests the Center for Medicare & Medicaid Services (CMS) issue guidance affirming physicians' right to receive basic EFT payments without paying for additional services and undertake the associated enforcement activities.**

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. One recent analysis 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 recent poll by the Medical Group Management Association (MGMA) confirms this trend: 57 percent of medical practices surveyed by MGMA reported that health plans charge fees that *the practice has not agreed to* when sending payments via the EFT standard, with 86 percent reporting average fees of two percent–three percent of the claim payment.<sup>i</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. One third of primary care practices reported in an August 2021 survey that they have been unable to make up pandemic-related lost revenue and fewer than 30 percent of practices were able to report that they were financially healthy.<sup>ii</sup> These 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 it is it leads to additional administrative tasks that take time away from patient care.

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**The AAFP urges CMS to swiftly address this issue. We believe existing statutory and regulatory language grants CMS the authority to immediately act to protect the right of physicians and other health care professionals to choose EFT payments without being forced to pay for additional services.**

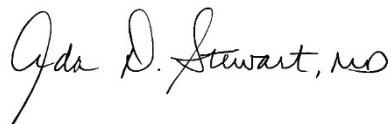
Specifically, we recommend CMS:

- Quickly issue guidance stating that all health plans and their contracted vendors must offer at least one EFT standard transaction that does not require purchase of extra services for an additional fee. This guidance should also require full transparency from health plans and their contracted vendors in all EFT enrollment communications, to include (a) the clear option to select basic EFT without additional fees and (b) for any enhanced options with additional costs, a complete description of the “value-added” services and associated fees.
- Appropriately enforce compliance with this guidance to ensure all health plans and their vendors are offering the option of receiving EFT without additional services and fees, and such an option is clearly communicated in all EFT enrollment materials.

These actions are consistent with the underlying administrative simplification goals in the EFT regulation, as well as our shared goals of ensuring a robust primary care workforce and improving the quality and efficiency of health care.

Thank you for your consideration of this important issue. Please contact Meredith Yinger, Senior Regulatory Strategist, at (202) 235-5126 or [myinger@aafp.org](mailto:myinger@aafp.org) with any questions.

Sincerely,



Ada D. Stewart, MD, FAAFP  
Board Chair  
American Academy of Family Physicians

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<sup>i</sup> MGMA Stat. More than half of medical practices report being forced to pay to receive electronic payments from insurers. August 11, 2021. Available at: <https://www.mgma.com/data/data-stories/more-than-half-of-medical-practices-report-being-f>.

<sup>ii</sup> Quick COVID-19 Primary Care Survey: Series 30 Fielded August 13-17 2021. The Larry A Green Center. Available at: [https://static1.squarespace.com/static/5d7ff8184cf0e01e4566cb02/t/615653643c3097648325ce4c/1633047398171/C19\\_Series\\_30\\_National\\_Executive\\_Summary.pdf](https://static1.squarespace.com/static/5d7ff8184cf0e01e4566cb02/t/615653643c3097648325ce4c/1633047398171/C19_Series_30_National_Executive_Summary.pdf).