

UNDERSTANDING THE HEALTHCARE ELECTRONIC FUNDS TRANSFER (EFT) STANDARD

WHAT IS THE HEALTHCARE EFT STANDARD

- The Patient Protection and Affordable Care Act (ACA) mandated the identification of a healthcare EFT standard, which was ultimately identified in 45 CFR 162.1602 as NACHA's ACH CCD+ Addenda.
- Providers can request delivery of claims payments via the healthcare EFT standard, and health plans must comply.

BENEFITS TO USING THE HEALTHCARE EFT STANDARD



Easy, Automatic Payments

Receiving healthcare EFTs via ACH is as quick as receiving Direct Deposit.



Smart, Cost-Effective Choice

The cost of claims via ACH is, on average, only \$0.34 versus \$10.73 or more for other EFT payment types.



Improved Efficiencies

Healthcare EFTs via ACH ensure funds are available up to 7 days faster than with paper checks, improving cash flow.



Safe and Secure

Checks continue to be the dominant payment form targeted by fraudsters. Replacing all checks with healthcare EFTs via ACH is the single best way to combat fraud.



HIPAA EFT Transaction

As a HIPAA transaction, under 45 CFR 162.925, providers can request delivery of the healthcare EFT standard and health plans must comply.



Automatic Reassociation

Only healthcare EFTs via ACH offer providers the ability to automatically reassociate remittance information.

ENROLLING TO RECEIVE THE HEALTHCARE EFT STANDARD

1. Contact health plans

Choose the healthcare EFT standard (the ACH CCD+ Addenda) for payment.

2. Provide payment information to health plans

Enroll in EFT with a few health plans each week. Start with the health plans that represent the largest percentage of your business.

3. Receive payments directly in your bank account

In the same way employees receive payroll via Direct Deposit, receive your claims payments on time, every time.

4. Receive Reassociation Trace Number directly from your bank

Contact your bank to receive the Reassociation Trace Number to begin automatically matching remittance information with payments.



UNDERSTANDING HEALTHCARE ELECTRONIC FUNDS TRANSFERS (EFTS)

HEALTHCARE ELECTRONIC FUNDS TRANSFERS (EFTS) OFFER HEALTHCARE PROVIDERS A SAFE, CONVENIENT, AND TIMELY ALTERNATIVE TO PAPER CHECKS OR CARD PAYMENTS FOR HEALTHCARE CLAIMS PAYMENTS.

WHAT IS AN EFT

- An EFT is the electronic exchange or transfer of funds from one account to another.
- EFTs serve as an efficient means of payment for providers and their practices.

EXPLORING EFT PAYMENT OPTIONS

Providers can utilize a number of EFT payment types that are available for claims reimbursement purposes. Each payment type has unique attributes, and providers have the ability to choose the payment type that best suits the needs of their practice. While providers have a variety of EFT options to choose from, 45 CFR 162.925 gives providers the right to request and receive the healthcare EFT standard from health plans for all reimbursements.

	HEALTHCARE EFT STANDARD (VIA ACH)	VIRTUAL CARD	WIRE TRANSFER
FUNDS AVAILABILITY (as measured from the time that a plan initiates payment)	Next Day	2-3 Business days	Same Day Funds irrevocable
AVERAGE COST (based on receiving \$2,500 EFT payment)	\$0.34 ¹	Percentage of total payment plus a transaction fee Example: 3% average interchange fee on \$2,500 plus \$.10 transaction fee = \$75.10	\$10.73 ²
ENROLLMENT/ ACCEPTANCE	One time with each health plan	Must have agreement with merchant card processing provider & POS processing system/terminal	One time with each health plan
RISK	Very low risk Financial institutions can support additional account monitoring tools such as debit filters or blocks	Higher risk Card numbers have information that can be used by anyone with the ability to accept card payments	Very low risk
MANUAL PROCESSING	None	Each payment must be processed manually	None
REASSOCIATION WITH ELECTRONIC REMITTANCE INFORMATION	Standardized inclusion of TRN Reassociation Data Segment in payment Delivered by financial institution after service is established	Not included with payment Manual access to each EOB through web portal	No requirement to include TRN Reassociation Data Segment with payment

¹ The Blue Book of Bank Prices 2012-13 published by Phoenix-Hecht - <https://www.phoenixhecht.com/treasuryresources/PDF/BBExecSumm.pdf>

² Ibid