

March 7, 2024

The Honorable Bill Cassidy, MD
U.S. Senate
455 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Maria Cantwell
U.S. Senate
511 Hart Senate Office Building
Washington, DC 20510

Dear Senators Cassidy and Cantwell:

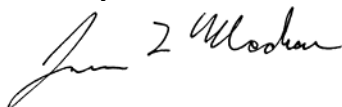
On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing in support of S. 3805, the “No Fees for EFTs Act,” which would prohibit health plans and vendors from charging physicians unnecessary fees for electronic fund transfer (EFT) payment transactions. The AMA believes that eliminating such fees is a vital step towards reducing administrative burdens on physicians, ensuring that they can focus more on patient care rather than navigating unnecessary financial complexities.

The necessity for this bipartisan legislation is underscored by the challenges faced by medical practices due to the imposition of EFT fees. Despite the Affordable Care Act’s requirement for health plans to offer standardized electronic payments, some insurers or their vendors impose fees ranging from two percent to five percent of the claim payment. These predatory fees are often levied without explicit agreement from practices, placing an undue financial strain on them. According to the Medical Group Management Association, nearly 60 percent of practices have been forced to acquiesce to these fees, while a significant portion of their revenue is processed through EFTs. For larger practices, this could translate into costs up to one million dollars annually, underscoring the urgent need for legislative action to protect physicians from such unwarranted expenses.

The imposition of fees for EFTs and related transactions has become an unnecessary and burdensome financial strain on physicians. These charges add to the operational costs of providing care, diverting resources that could be better used to enhance patient care. The administrative burden associated with managing these fees can also detract from the time and attention physicians dedicate to patient care. By removing these fees, S. 3805 will alleviate these unnecessary burdens, contributing to a more streamlined and efficient health care system.

We appreciate your leadership on this issue and look forward to working with you to advance this important legislation.

Sincerely,



James L. Madara, MD