



MasterCard[®] Solutions for the Healthcare Industry

The faster, simpler way to manage your business



The MasterCard® card. An easy payment option for your patients. A smart opportunity for your business.

Keeping your patients healthy is your first priority. Keeping your cash flow circulating and your bottom line financially fit are also vital to your professional success. Balancing the needs of the patient with the needs of your practice can be daunting, especially when the costs of healthcare in America are rising every year. MasterCard offers payment solutions that make it easier for patients to pay for their care when it is given.

Vital Statistic: Total healthcare expenditures in the U.S. in 2003 were \$1.6 trillion; approximately \$227 billion of these outlays were in out-of-pocket payments.¹

The health-wealth connection.

Your patients want to get well and stay healthy. But some may not be able to pay for care when and as often as they need it. This is surely the case for the 75 million² Americans without any health insurance. Of those who have postponed an emergency visit, 25% have done so for financial reasons.

Patients who put off a visit for financial reasons can compromise your ability to treat them effectively.

Vital Statistic: In a recent study among patients who have postponed a routine medical appointment (62% of those surveyed), 29% said it was for financial reasons. Of those who have postponed an emergency visit, 25% have done so for financial reasons.³

Choosing between one's physical well-being and financial well-being does not have to be a trade-off. Now there are debit and credit card payment solutions that are fast becoming the easy way to pay for healthcare, for patients and providers alike.

Vital Statistic: Almost half the U.S. adult population uses or would like to use cards for health-related expenses and, 82% of surveyed healthcare providers in private practice already accept credit or charge cards.³

The facts suggest that a majority of office managers and payment policy decision-makers recognize the value of payment card acceptance in their practices, which benefits both themselves and their patients.

Vital Statistic: 21% of surveyed practices that currently do not accept credit/charge cards said they definitely/probably will do so in the next year. 23% of patient respondents say they would be more likely to go to a healthcare provider that accepts a credit card payment option.³



1 Health Care Financing Administration (HCFA) Statistics for 2003

2 Families USA Study 2003

3 Attitudes and Trends Toward Credit and Debit Card Use for Healthcare Services. ©2004 MasterCard International Incorporated
Research results obtained from two market research studies, commissioned by MasterCard in 2003. The studies entailed interviews of 1,025 American adults 18 years of age and older and 857 healthcare providers in private practice across a variety of practice areas, including Primary Care Physicians, Specialists, Plastic Surgeons, Dentists, Optometrists and Chiropractors. A sampling error of plus or minus 3% and plus or minus 4% respectively, apply to these two studies.



MasterCard Acceptance. Good for patients. Smart for business.

MasterCard card acceptance offers your patients the financial flexibility to get treatment sooner than later, without them worrying about their own cash flow needs.

In turn, your cash flow can improve significantly because you get paid in as little as 24-72 hours. Think about how much money that saves you tracking and chasing overdue bills, hiring collection agencies, and paying returned check fees.

At the same time, you can streamline your payment processing significantly, cutting down not only paperwork, but also your overhead and billing-related expenses.

Benefits for Professionals and Patients

For healthcare professionals

- You receive payment in as little as 24-72 hours.
- You receive prompt receipt of billables.
- You have minimal paperwork and billing-related expenses.
- Your patients appreciate you for providing more convenient, budget-friendly payment options.

For patients

- They get the healthcare they need when they need it.
- They don't have to postpone or cancel appointments because they don't have available cash.
- They don't have to spend cash from their own pocket while awaiting insurance reimbursement.
- They can track their healthcare expenses each month on one easy-to-read statement.

MasterCard Acceptance. A sound business practice for a successful healthcare practice.

MasterCard International is a global payments company with one of the most recognized and global brands with acceptance at millions of locations around the world. Managing a full range of payment programs and services to thousands of service providers, MasterCard serves consumers and businesses, both large and small, in 210 countries and territories.

To Begin Accepting MasterCard

To begin accepting MasterCard, establish contact with an acquirer—or merchant services provider to apply for an account. You'll need to set up a merchant account with a member bank or one of its agents known as a "Member Service Provider" (MSP).

To obtain a list of acquirers/MSPs, visit www.mastercardmerchant.com. There you can complete a merchant profile form online. Once you complete and submit your form, you can review the acquirer and MSP profiles that match your request. Soon you'll be on your way to enjoying all the benefits of MasterCard acceptance.

Flex Pay Cards. An employee benefit that benefits you.



When you accept MasterCard cards, you get more than one way to receive prompt payment. You also can tap into the vast number of patients who take advantage of Flexible Spending Accounts offered by their employers. In fact, employers who introduce the MasterCard Flex Benefit Card see that employee participation and election amounts increase dramatically. That means more of your patients will feel free to get the attention they need and pay you at the time of service. Plus, they can plan ahead for anticipated healthcare expenses with ready cash available.

The Role of MasterCard International

MasterCard has played a critical role in both the early and the ongoing success of bankcards which have become the most popular type of payment card. MasterCard performs several key functions in support of merchants. In addition to the ongoing management of settlement and authorization systems, MasterCard:

- Administers operating rules and regulations
- Develops programs to open new merchant categories
- Creates new payment programs and services
- Implements risk management and security measures
- Promotes and advertises the various MasterCard brands

Who's Who in the Bankcard System

In addition to the card brand, the other key constituents in the payment process include:

- **Issuers:** Member banks issue revolving credit cards (unsecured loans) and debit cards (withdrawals from checking or savings accounts) to consumers.
- **Acquirers:** Also known as acquiring or merchant banks, acquirers reimburse merchants for their transactions. They provide merchants with payment processing, hardware and software, statements and more. In turn, some acquirers enlist third-party Member Service Providers (MSPs) contracted by some MasterCard-licensed member banks to handle merchant services and function as sales agent for an acquirer.
- **Merchants:** Businesses and industries that accept the MasterCard card as a form of payment by their customers work directly with acquirers for payment processing and payment reimbursements and other related services.
- **Cardholder:** A consumer who is solicited, screened and approved by the issuers who establish a line of credit for the customer and issue the bankcards.



How transactions work:

1. The cardholder purchases goods or services from the merchant.
2. The merchant, in effect, sells the transaction to the “acquirer” and is reimbursed the amount of the sales ticket less a “discount fee.”
3. The acquirer then submits the transaction to the issuing bank for payment via MasterCard’s interchange and settlement system.
4. The issuing bank pays the merchant acquirer, less an interchange fee which partially reimburses the issuer for its expense, through MasterCard’s settlement system.
5. Finally, the cardholder repays the issuer for the goods or services originally purchased from the merchant.

Avoid the complications of late payments.

Wouldn’t you prefer payment when services are rendered, instead of waiting for checks to clear and having to follow up with statements and phone calls when they don’t? What about when the patient visit comes after your billing cycle? You won’t see payment for almost two months. If the patient pays on time, that is.

Processing a credit/charge card payment is less costly than the costs of collection, repeat invoicing, and returned check fees. For example, processing a bank card payment for a \$10 patient co-pay costs less than a postage stamp. Compare that with the cost of deferred billing and collection losses.

Cash Flow Check Up.

To keep your cash flow moving and your profits growing, here are some guidelines to help you determine if your business is on the right track.

- **Annual Collections:** Should realize 99% of production in one year.
- **Total Accounts Receivable:** Should equal 45 days, or almost two months production (including insurance reimbursements and co-pays). No more than 20% of your receivables should be over 60 days.

Turn your billables into receivables.

Late payments can be a chronic condition that usually worsens over time. Experience shows that those who don’t pay bills on time are less and less likely to pay past due bills with every month that passes.

Vital Statistic: *Survey respondents reported that, on average, 36% of their patient payments are 60 days past due, across all sizes and types of practices.¹*

¹Attitudes and Trends Toward Credit and Debit Card Use for Healthcare Services. ©2004 MasterCard International Incorporated





Strategies for keeping payments up to date and up to speed.

1. State payment policies simply and clearly. Patients are preoccupied with the reason for their visit. Don't burden them with complexities which they aren't likely to absorb or remember.
2. Adhere to a strict payment policy. Set your fee schedule and the acceptable payment arrangements.
3. Be specific about payment options. Inform patients of all available payment options, insurance reimbursement policies such as who is responsible for submitting claims and any accommodations you are willing to make. This is also a good time to ask the patient if their insurance information is the same.
4. Be mindful of patient response. Make sure your policies are in sync with patient needs. Invite them to tell you ahead of time if it will be difficult for them to comply.
5. Put policies in writing. Post your policies on invoices, in-office signage and new patient medical history forms. You may also wish to send your new patients advance notice before their first visit. Inform all patients in writing of any changes to your policies, including new insurance plans you accept.
6. Train your staff. Make certain that your office staff is completely familiarized with office payment policies. Training, practice and patience will help your staff get up to speed on any new policies. Staff should also be encouraged to ask for payment with confidence, professionalism and conviction, but always with respect.
7. Accept the MasterCard card for payment. It's an easy way to clear up outstanding balances due. Patients are likely to use their cards once they are aware of it and won't put off payments or future visits because of financial constraints.

8. Review your policies every six months. Make sure that your policies are working by checking whether your cash flow has improved and paperwork is more manageable. If not, identify the problem and make necessary adjustments.

Additional credit and debit card solutions for maintaining healthy cash flow.

Mail Transactions:

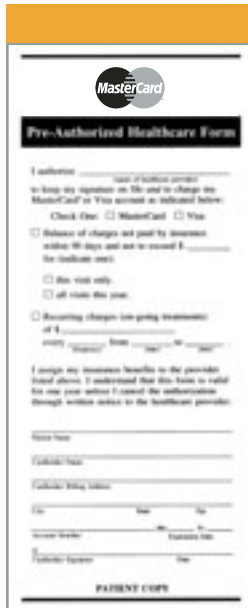
1. Incorporate card acceptance into your invoice with a space for the patient to write the account number, expiration date, and name on the card.
2. Have the cardholder sign the invoice and mail it back.
3. Call the authorization center to receive the authorization number. You will be asked for information written on the invoice, plus the amount and your merchant number. Keep the signed invoice in the patient's file.
4. Write the authorization number on the sales receipt.
5. Write "Signature on File" to indicate a mail transaction.
6. Send the patient their "Customer Copy".

Phone Transactions:

1. Obtain the same information required for mail transactions over the phone, verify it by reading it back to the patient and proceed with steps 3-6 used for mail transactions.
2. You may also use "Signature on File" to indicate a phone transaction.

Pre-Authorized Payments:

This option allows you to automatically bill the patient's MasterCard account for all recurring visits or balances not covered by insurance. Not only does this streamline paperwork, but it can improve your cash flow with prompt, accurate payments that don't require the patient's presence or signature.



1. Have your patient fill out and sign a pre-authorization form during an office visit.
2. If the patient is not the cardholder, such as a spouse or dependent, be sure to record the cardholder's information accurately and to obtain the cardholder's signature.
3. Make sure the form has the cardholder's name exactly as it appears on the MasterCard card, along with account number, expiration date and cardholder's signature.
4. Each time you process a transaction for the patient, follow Steps 3-6 used for mail transactions until you reach the signature line.
5. Keep the original form on file.
6. For balances not covered by insurance, write "Pre-Authorized Healthcare" on the signature line.
7. Distribute copies of each receipt as you would for mail transactions.

Putting MasterCard to work in your office.

Display the MasterCard name and logo on effective signage displayed in your office. The receptionist desk is usually the best place, but you may also want to display a decal on your front door.

Prominently display the MasterCard logo on your invoices so patients clearly understand that they have the option to make payment by credit or debit card.

Use pre-authorized healthcare forms to establish automatic billing to your patients' MasterCard cards, whether for the full bill, co-payments, charges not covered by insurance or recurring charges.

Include the MasterCard logo in your communications materials such as Yellow Pages listings, in-office brochures or local advertisements.

Inform patients that you accept the MasterCard card in appointment reminder letters and new patient information kits. Sample wording might be,

"For your convenience, we gladly accept the MasterCard® card for payment."



Take the first step and visit mastercardmerchant.com.

You'll find a list of payment processors online so you can contact them directly and explore the best processing options right for your organization.

MasterCard is committed to helping your business grow and increasing patient satisfaction. Contact your payment processor of choice to learn how MasterCard acceptance can meet your needs as a healthcare professional.

*MasterCard
International*

