
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 199 Session of
2023

INTRODUCED BY VENKAT, MADDEN, HADDOCK, SANCHEZ, BRENNAN, KHAN,
PROBST AND CIRESI, SEPTEMBER 12, 2023

REFERRED TO COMMITTEE ON COMMERCE, SEPTEMBER 12, 2023

A RESOLUTION

1 Urging the Congress of the United States to pass legislation
2 that would require the United States Secretary of Health and
3 Human Services to update or issue new regulations to prohibit
4 disproportionate electronic payment fees for physicians.

5 WHEREAS, The Health Insurance Portability and Accountability
6 Act (HIPAA) addressed the need for a consistent framework for
7 electronic health care transactions; and

8 WHEREAS, The Patient Protection and Affordable Care Act
9 amended the Social Security Act to add electronic funds transfer
10 (EFT) transactions to the list of electronic health care
11 transactions, requiring the United States Secretary of Health
12 and Human Services to adopt standards under HIPAA; and

13 WHEREAS, The passing of the Patient Protection and Affordable
14 Care Act encouraged the use of electronic payments in health
15 care; and

16 WHEREAS, In 2012, the Centers for Medicare and Medicaid
17 Services (CMS) published its rules for electronic payments,
18 which specified the standards for paying providers through EFTs;
19 and

1 WHEREAS, CMS believed that if a health plan implemented EFT
2 standards, it would save physician practices and hospitals
3 between \$3 billion and \$4.5 billion over the next 10 years; and

4 WHEREAS, The publication of CMS's rules led to physicians
5 sending complaints to CMS regarding the disproportionate fees
6 that they were being charged by insurers and third-party vendors
7 for electronic payments to which the physicians were entitled
8 for patient care; and

9 WHEREAS, More than \$2 trillion per year in medical claims are
10 paid electronically to physicians; and

11 WHEREAS, In 2021, an estimated 60% of medical practices were
12 required to pay fees for electronic payments; and

13 WHEREAS, Electronic payment fees can cost larger medical
14 practices an estimated \$1 million annually; and

15 WHEREAS, Electronic payment fees can cost roughly \$100,000
16 annually for smaller medical practices; and

17 WHEREAS, As an example, a representative of a payment
18 processor company quoted an inquiring physician a 2.5% fee for
19 each electronic payment; and

20 WHEREAS, In 2017, CMS published a notice to remind the health
21 care industry that electronic payments were not a profit-making
22 opportunity; and

23 WHEREAS, Within six months of the notice being published, CMS
24 removed the notice from its website; and

25 WHEREAS, CMS released a statement regarding why it removed
26 the notice, concluding that CMS had no legal authority to
27 prohibit fees; therefore be it

28 RESOLVED, That the House of Representatives of the
29 Commonwealth of Pennsylvania urge the Congress of the United
30 States to pass legislation that would require the United States

1 Secretary of Health and Human Services to update or issue new
2 regulations to prohibit disproportionate electronic payment fees
3 for physicians; and be it further

4 RESOLVED, That a copy of this resolution be transmitted to
5 the presiding officers of each house of Congress and each member
6 of Congress from Pennsylvania.