



Visa AuthorizeFirst Healthcare Transaction Guidelines

Tools and Best Practices for Processing
Pre-authorized Healthcare Transactions



A decorative graphic consisting of two overlapping, curved shapes. The top shape is orange and the bottom shape is blue, both pointing towards the right.

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Introduction

Purpose

The healthcare industry has been identified as a market with significant payment processing improvement opportunities. To provide healthcare providers with an improved payment process, point-of-sale (POS) application developers may incorporate the AuthorizeFirst Healthcare Transaction process into their POS solutions.

The *Visa® AuthorizeFirst Healthcare Transaction Guidelines* offer tools and best practices to entities developing POS solutions incorporating the AuthorizeFirst functionality for the healthcare market. Following these guidelines will ensure that your POS solution is in compliance with *Visa U.S.A. Inc. Operating Regulations*.

AuthorizeFirst is a process based on the Preauthorized Healthcare Transaction described in *Visa U.S.A. Inc. Operating Regulations*. This guide may be used by acquirers, acquirer processors, merchants or third party vendors who develop POS merchant applications.

Healthcare Environment Background

Consumer out-of-pocket healthcare expenses are projected to reach almost \$500 billion by the year 2015. Industry surveys have shown that Healthcare providers typically collect about 50%¹ (on average) of their outstanding receivables. For providers, this translates into billions of dollars in potential lost revenue.

The Consumer AuthorizeFirst Healthcare Transaction (“AuthorizeFirst”) can be used by patients and providers to arrange a method of payment for patient receivables at the time of service, allowing the provider to better manage cash flow and increase revenues.

In the day-to-day consumer retail environment, cardholders determine the payment methods they will use to purchase goods or services; in the healthcare environment, the experience is considerably different.

Healthcare providers receive patients’ payments in a variety of ways (i.e., through co-pays, deductibles, co-insurance, or the patient’s health plan). After services are rendered, a healthcare claim is sent to the health plan for adjudication, a process that takes an average of 30 days before a final payment amount is determined. As a result, healthcare providers are not able to collect full payment from the patient at the time of service.

A shift toward consumer directed healthcare plans with High Deductible Health Plans (HDHP) compounds the issue as more patients become responsible for paying a larger portion of the overall cost (via a deductible) before their health plan begins to cover any costs. With rising co-pay and deductible amounts,

Note: All references to merchant or merchant provider in this guide are specific to healthcare merchant service providers. All references to patient in this guide are specific to consumers who utilize the services of healthcare providers.

¹ Source: The McKinsey Quarterly, “Overhauling the US health care payment system”, June 2007.

healthcare providers are faced with the challenge of collecting all (or a higher percentage of) patients' receivables after the patient has left the provider's office.

As the healthcare industry continues to work towards achieving real-time claim adjudication, Visa introduces the Consumer AuthorizeFirst Healthcare Transaction process. This transaction process provides the patient with a new payment option using their Visa card.

At the time of service, the patient can authorize the provider to use the patient's Visa card to process the payment once the claim has been adjudicated and the final amount of patient responsibility is known.

This option provides the patient with a familiar and convenient method of payment and alleviates the provider from having to collect the patient responsibility after the patient has left the office.

Merchant Benefits

AuthorizeFirst provides the following merchant benefits:

Secures Payments

- Presents another payment option to help ensure that providers receive timely payment for services rendered.
- Allows patients to make payment arrangements up-front, while they are still at the provider's office, for costs not covered by their health plans.

Reduces Costs and Accounts Receivable

- Streamlines the post-visit billing process, significantly reducing administrative expenses by reducing paperwork and check-handling costs.
- Improves cash flow by using payment card information on file to authorize a patient's "amount due" and automatically submitting the transaction for settlement as soon as the claim is adjudicated.
- Lowers bad debt, improving overall net revenue.

Improves Payment and Processing Efficiencies

- Provides timely payment for services after adjudication and reimbursement of insurance claims are complete.
- Reduces manual resources needed to process, track, and research delinquent fees, resulting in lower processing costs and overall billing expenses.
- Enables healthcare provider staff to control and manage cash; staff knows immediately when receivables are fully reconciled and processed.
- Promotes ease of reconciliation by authorizing and processing payments only after a claim is fully adjudicated.
- Potential to increase average transaction size by 20% - 30% due to increased amount of patient responsibility, which may result in reduced processing fees.

**Cardholder
Benefits**

AuthorizeFirst provides the following cardholder benefits:

Increased Convenience

- Authorization and transaction occurs only after a claim has been adjudicated, ensuring the maximum availability of funds.
- Removes the inconvenience of paying an estimated amount at the time of service.
- Eliminates the need to adjust estimated payments after a claim has been adjudicated.
- Reduces delinquent or collection agency fees by allowing patients to make payment arrangements for their portion of a medical service before leaving the providers office.
- Saves time by eliminating the need to mail in payments for medical bills or make additional post-service billing arrangements.
- Eliminates worry about missed billing due dates or payments.
- For providers offering a payment plan, AuthorizeFirst allows cardholders to make billing arrangements that fit their budget.

Security

- Visa's "zero liability" policy offers patient protection for charges that the patient did not approve.

Rewards

- Patients enrolled in a Visa card rewards program may take advantage of program benefits and earn rewards when they pay with their Visa card.

Eligibility

The Visa AuthorizeFirst Healthcare Transaction process is intended for use by Visa acquirers, acquirer processors, healthcare merchants, or third party service providers solely in support of payments processed using healthcare Merchant Category Codes (MCCs), as identified in Table 1-1.

TABLE 1-1: MCCS ELIGIBLE TO PROCESS VISA AUTHORIZEFIRST HEALTHCARE TRANSACTIONS

MCC	DESCRIPTION	MCC	DESCRIPTION
4119	Ambulance Services	8042	Optometrists and Ophthalmologists
5975	Hearing Aid Sales, Service and Supplies	8043	Opticians
5976	Orthopedic Goods, Prosthetic Devices	8044	Optical Goods and Eyeglasses
7277	Counseling Services—Debt, Marriage and Personal	8049	Podiatrists and Chiropodists
8011	Doctors and Physicians	8050	Nursing and Personal Care Facilities
8021	Dentists and Orthodontists	8062	Hospitals
8031	Osteopaths	8071	Medical and Dental Laboratories
8041	Chiropractors	8099	Medical Services and Health Practitioners

Healthcare providers are responsible for accurately identifying themselves using their assigned MCC. In some cases, healthcare providers may be assigned an MCC that does not accurately represent their business.

Example: A doctor's office purchased a POS device from a merchant in the retail industry who processed transactions using retail MCC 5999 (Retail Stores). Because the setting within the POS application was set to MCC 5999, all transactions generated from that POS device will automatically be processed using retail MCC 5999. In this case, the MCC on that device needs to be changed to one that accurately describes the doctor's business (e.g., MCC 8011—Doctors and Physicians), or the application must be designed to handle an exception process for these identified merchants.

Compliance

Today, consumers are more aware than ever of the risks associated with information and identity theft. Consumers want absolute assurance that their bankcard account numbers and other personal information are securely protected when they do business with their favorite merchants.

To address these concerns, Visa established the *Visa Cardholder Information Security Program (CISP)* and the *Visa Personal Identification Number (PIN) Security and Key Management Compliance Program*.

CISP is based upon the *Payment Card Industry Data Security Standard (PCI DSS)*, a comprehensive set of international security requirements for protecting cardholder data. The PCI DSS was developed by Visa and other major card brands to help facilitate the broad adoption of consistent data security measures on a global basis. These 12 requirements are the foundation of Visa's CISP.

INTRODUCTION

Separate from the mandate to comply with PCI DSS is the validation of compliance. Compliance validation identifies vulnerabilities and ensures that appropriate levels of cardholder information security are maintained. Visa has prioritized and defined merchant and service provider compliance validation levels based on the volume of transactions, potential risk, and exposure introduced into the Visa system.

The *PIN Security and Key Management Compliance Program* is based on the *PCI PIN Security Requirements* and is a global program designed to support all members, merchants, and service providers in the PIN acceptance transaction processing chain to maintain the highest level of PIN security.

More information about the PCI DSS, including Visa's validation requirements and a suite of security tools and resources to support compliance, is available at www.visa.com/cisp. For information on the PCI PIN Security and Key Management Requirements, go to www.visa.com/pinsecurity.

Section 1: Visa AuthorizeFirst Healthcare Transaction Process

Peace of Mind for the Patient

With AuthorizeFirst, patients can enjoy the convenience of easily completing a payment without having to mail in a check or stop in at the provider's office, and the peace of mind that goes with deciding in advance the maximum allowable amount that can be processed using their Visa payment card.

How it Works

Patients who complete and sign the AuthorizeFirst form (see page 13) can preapprove charges made to their Visa payment card up to a predefined amount. Once the claim has been fully adjudicated and the amount of patient responsibility is finalized, the provider can process the payment using the patient's stored Visa payment card details.

Peace of Mind for the Provider

AuthorizeFirst also restores peace of mind to the provider, who can now confidently process payments following a patient's visit.

How it Works

Once a claim has been fully adjudicated, the provider can immediately process the patient's portion of the bill using the patient's stored Visa payment card details. The provider can offer only the single payment amount option or provide his patient with the option to make regular installments aggregating up to the agreed upon maximum amount.

By giving patients the opportunity to make payment arrangements at the point of service, AuthorizeFirst streamlines the provider's payment process. Receivables that previously may have been written off can now be easily processed, increasing the provider's revenue stream.

Business Objectives

The business objectives of the AuthorizeFirst Healthcare Transaction process are:

- To provide consumers with a point-of-service payment option, allowing them to authorize a healthcare provider to use the patient's Visa card as the form of payment once the final amount of the patient responsibility has been determined.
- To enable healthcare providers to easily process payments on patient receivables once the claim is adjudicated.
- To help improve providers' business efficiency and profitability by reducing paperwork and administrative expenses and by lowering bad debt.

Key Elements

When participating in the Visa AuthorizeFirst Healthcare Transaction process, these elements are necessary:

- **Consumer Authorization of Payment Option**

The healthcare provider calculates an estimated amount of the patient's out-of-pocket expenses for services provided, and the patient agrees to a payment arrangement made with the healthcare provider before leaving the provider's office. The patient presents their Visa card, giving the provider authorization to charge the card once the claim is adjudicated and the final patient out-of-pocket amount is known.

To ensure that the account is in good standing, the patient's Visa card should be verified using the Account Verification Service, but **no funds will be held** on the patient's account at this stage of the process.

- **Visa Account Verification Service**

The Visa Account Verification Service enables healthcare providers to request account number verification as an initial check to ensure that the patient's card account number is valid and in good standing.

Due to the length of time it takes for a claim to be processed and adjudicated, a patient's card account status may change by the time a provider is ready to process the payment. Use of Account Verification Service **does not** guarantee that the authorization will be approved once the claim is adjudicated, but it does indicate the validity of the card at the time of service.

The use of Account Verification Service is optional, but highly recommended.

- **AuthorizeFirst Order Form**

The Visa AuthorizeFirst Healthcare Transaction Process requires that the patient sign an order form (i.e., a receipt) authorizing the provider to charge their Visa card account up to the agreed upon maximum amount for the healthcare services rendered.

The patient must present their Visa card and sign the AuthorizeFirst order form before leaving the provider's office. (This condition would also be required if the request to use AuthorizeFirst was made over the phone.) A copy of the signed order form must be provided to the patient and must also be kept by the healthcare provider's office in the event that any future cardholder dispute or retrieval request is made.

- **Initiating the Payment Process Post Adjudication**

Once the claim is adjudicated and the final patient out-of-pocket amount has been finalized, a payment to the Visa card can be processed. The provider utilizes the predetermined payment method (i.e., a one-time or recurring payment) and amount on the order form to process the transaction.

- **Authorization Request**

A card-not-present authorization request is submitted for the final patient out-of-pocket amount using the provider's standard card authorization process. The authorization amount must not exceed the maximum amount specified on the order form. If the patient agreed to make recurring payments, the provider must submit a separate authorization request for each installment period.

For example: If the total amount of the patient's responsibility is \$500 and the patient agreed to make five (5) monthly installments of \$100 each, the provider would submit an authorization request each month for \$100.

- **Settlement**

Upon receipt of an approved authorization response, the provider will submit a sales receipt to the acquirer using the standard bankcard deposit process. This ensures that the authorization and settlement amounts are the same and that the provider's office can easily reconcile the payment.

The provider will follow his own internal billing procedures to reconcile the patient's account within the provider's billing system. If the amount of the patient's out-of-pocket expense exceeds the maximum amount specified on the order form, the provider will process the card payment for the maximum amount and will bill the patient for any difference using their standard billing process.

For additional details on the process, please refer to the *Visa U.S.A. Inc. Operating Regulations*, Section 5.4.V—Preauthorized Healthcare Transactions.

How the Service Works

The AuthorizeFirst Healthcare Transaction flow can be described in three easy steps:

1. Patient Check-in

- The patient arrives at the provider's office and checks in for services.
- The provider collects the co-pay amount (if applicable) and estimates the amount of the patient's responsibility based on the patient's health plan coverage.
- AuthorizeFirst is presented to the patient as a payment option for the remaining estimated out-of-pocket amount (i.e., the patient's responsibility).

2. Setup the AuthorizeFirst Payment Option

- The provider defines the payment method (single or recurring) and the maximum estimated amount.
- The patient presents their Visa payment card and is given a completed order form to sign. **Note:** The order form may be presented in the form of a terminal receipt indicating the maximum amount to be charged when the cardholder's health plan claim is adjudicated.

- The provider swipes the Visa payment card to verify that the card is in good standing. **Note:** If the patient uses the same card that is used to pay the co-pay amount, additional account verification will not be required.
- A copy of the signed order form is given to the patient and another copy is kept on file at the provider's office.

Note: The healthcare provider is not allowed to submit an authorization for an estimated amount per *Visa U.S.A. Inc. Operating Regulations*, Section 5.2.K.1.c —Authorizations, which states, "The merchant must not use an arbitrary or estimated amount to obtain authorization, except as specifically permitted in the *Visa U.S.A. Inc. Operating Regulations*".

3. Process the Payment after the Claim is Adjudicated

- Match the claim remittance (835/ERA) to the corresponding AuthorizeFirst order form. **Note:** The order form should indicate the Visa account to be used for this payment, along with the maximum amount that can be processed.
- The provider submits a card-not-present authorization request for up to the maximum amount specified on the order form.
- Payment is processed using the provider's standard bankcard process.

Section 2: Acquirer and Merchant Implementation

To support Visa AuthorizeFirst Healthcare Transactions, acquirers, acquirer processors and merchants may use an existing solution or develop their own application using the standard merchant application development and certification process.

Getting Started

The healthcare provider may only process Visa AuthorizeFirst Healthcare Transactions with the concurrence of their acquirer. The provider's merchant agreement will specify the requirements for processing Visa AuthorizeFirst Healthcare Transactions. For more information, refer to Section 5.4.V - Preauthorized Healthcare Transactions of the *Visa U.S.A. Inc. Operating Regulations*.

The acquirer should discuss available solutions, including terminal-based and/or web-based solutions.

Solution Attributes

When developing or selecting an AuthorizeFirst solution, the solution should adhere to the standard regulations outlined in the *Visa U.S.A. Inc. Operating Regulations*, as well as the attributes described below:

1. Merchant Category Code (MCC)

The provider submitting a Visa AuthorizeFirst Healthcare Transaction must be classified within a merchant category whose primary business is providing Healthcare services (see page 4). **Note:** Pharmacies, drugstores and other retailers are not eligible to submit AuthorizeFirst Healthcare Transactions.

2. AuthorizeFirst Information for Patients

The provider should explain the AuthorizeFirst Healthcare Transaction process to the patient. Marketing materials that describe the payment option and provide answers to frequently asked questions are available on Visa Online (VOL) at www.us.visaonline.com. If you are a Visa member or other qualified party and you do not currently have access to Visa Online, you may enroll at www.volenroll.com.

3. Account Verification Services

To establish cardholder authenticity at the time of service, it is recommended that providers utilize the Account Verification Service. Account Verification Service Response Codes are 85—No Reason to Decline or 50—Do Not Honor.

4. Order Form (or Receipt)

A completed AuthorizeFirst order form must be presented to and signed by the patient at the time of service. The completed order form must include transaction data such as the date of service, the estimated patient out-of-pocket amount, the allowable maximum amount that can be processed, and a notation indicating whether the payment is one time or recurring (refer to Figure 3-1 and 3-2).

5. Ability to Match the Order Form to an 835/ERA

The provider must be able to match the claim remittance (835/ERA) for an adjudicated claim to the correct patient AuthorizeFirst order form on file. A separate order form must be generated for any subsequent services.

6. Process the Payment Correctly

Upon reconciliation, the healthcare provider must submit a Visa card-not-present authorization request for the amount of the patient's portion of the bill, up to the maximum agreed-upon amount. Once the authorization is approved by the issuer, the provider can submit the settlement clearing draft. As outlined in Section 5.4.V.2.c—Preauthorized Healthcare Transactions of the *Visa U.S.A. Inc. Operating Regulations*, providers must request authorization for the amount due and submit a transaction into interchange within 90 calendar days of the service date. For select decline reason codes, the AuthorizeFirst transaction allows you to resubmit an authorization up to four times within 16 days of receiving the adjudicated claim. For additional information, please refer to the *Visa U.S.A. Inc. Operating Regulations*. If the transaction is still declined, the provider should use their standard billing process to bill the patient.

7. Provide Patient with a Final Receipt

Providers must give to the patient a final copy of the receipt, indicating the payment amount processed. Providers should also:

- a. Retain a copy of the AuthorizeFirst order form.
- b. Provide the card issuer financial institution with a copy of the AuthorizeFirst order form upon request, in the event that the cardholder disputes ever having authorized the transaction.
- c. Avoid processing an AuthorizeFirst Healthcare Transaction after receiving 1) a cancellation notice from the patient or 2) an issuer-generated decline response. If requested by the issuer, the provider must provide the cancellation date of a patient's cancellation notice. For more information, refer to the *Visa U.S.A. Inc. Operating Regulations*, Section 5.4.V.2.b — Preauthorized Payment Cancellation Service Decline Response.

Standard dispute and chargeback processes would be applicable to the transaction.

8. Cardholder Chargeback Disputes

In the case of a dispute, the cardholder will contact the issuer; customer service will route the call to the chargeback area.

The chargeback area will follow the normal dispute handling process, including cardholder communications, investigations and adjustments, as well as chargeback and settlement processes.

The card issuer will follow the standard Visa guidelines detailed in the *Visa U.S.A Inc. Operating Regulations*. For additional information, refer to the *Prepaid Product Dispute Resolution Guide*.

Section 3: AuthorizeFirst Order Form

The AuthorizeFirst order form enables a patient to provide authorization allowing their healthcare provider to charge the patient's Visa card account for healthcare services. This order form can be used for a single, total transaction amount or, if available, a recurring payment plan. The healthcare provider must obtain from the patient a completed order form containing written consent indicating that the patient's Visa card account will be charged up to a predefined/estimated maximum amount. Both the patient and the provider should retain a copy of the order form for the duration of the payment arrangement and provide it, if requested, to the issuer. The order form should include, but it is not limited to, the following:

- Merchant Name and Location
- Visa Account Number
- Patient's Name
- Patient ID
- Visa Cardholder's Name
- Billing Address
- Transaction Date
- Estimated Maximum Transaction Amount
- Installment Payment Amount and Frequency of Installments (optional)
- Legend verifying the party to whom the transaction receipt will be delivered (merchant copy, patient's copy)
- Space for patient's signature, validating that the following statements are provided on the transaction receipt:
 - Authorization for the healthcare provider to charge the patient's Visa card account for only that portion of the bill due, subsequent to the provider's receipt of any applicable insurance payment.
 - Statement of assignment of insurance benefits to the healthcare provider.
- Duration of time that a given payment authorization is in effect will not exceed one year; after one year, the patient must be provided a subsequent AuthorizeFirst Healthcare Transaction order form to sign for that specific transaction.

FIGURE 3-1: SAMPLE AUTHORIZATION ORDER FORM

PREAUTHORIZED HEALTHCARE ORDER FORM	
<input type="checkbox"/> Yes, I want the convenience of paying through my Visa account. I authorize you to charge my account up to the estimated maximum amount listed below.	
Provider Name: _____	
Address _____	City, State, Zip _____
Estimated Maximum Amount for Transaction: \$ _____	
Description of Service Provided: _____	

Patient ID: _____	
Patient Name: _____	
Address: _____	City, State, Zip _____
Cardholder Name: _____	
Billing Address: _____	City, State, Zip _____
Account Number: _____	
Expiration Date: _____	
Home Phone: _____	Work Phone: _____
Name of Insurance Carrier: _____	
AUTHORIZATION AGREEMENT:	
I hereby authorize the merchant to charge my Visa account up to the estimated maximum amount shown for my financial obligation of the healthcare services provided.	
X _____	
CARDHOLDER'S SIGNATURE	
Top Copy—Merchant Bottom Copy—Patient	

FIGURE 3-2: SAMPLE AUTHORIZATION ORDER FORM WITH PAYMENT PLAN

PREAUTHORIZED HEALTHCARE ORDER FORM	
<input type="checkbox"/> Yes, I want the convenience of paying through my Visa account. I authorize you to charge my account up to the estimated maximum amount listed below.	
Provider Name: _____	
Address _____	City, State, Zip _____
Estimated Maximum Amount for Transaction: \$ _____	
Would patient like an installment plan? Y/N _____	
Indicate the day of month that payment is to be charged: _____	
Indicate number of payments: _____	
Description of Service Provided: _____	
SAMPLE	
<input type="checkbox"/> If you'd like your payment to be the same amount for every installment, check here.	
<input type="checkbox"/> If your payment amount is not to be the same amount for every installment, check here.	
List Payment Amount for Installment 1: \$ _____	
List Payment Amount for Installment 2: \$ _____	
List Payment Amount for Installment 3: \$ _____	
Patient ID: _____	
Patient Name: _____	
Address: _____	City, State, Zip _____
Cardholder Name: _____	
Billing Address: _____	
City, State, Zip _____	
Account Number: _____	Expiration Date: _____
Home Phone: _____	Work Phone: _____
Name of Insurance Carrier: _____	
AUTHORIZATION AGREEMENT:	
I hereby authorize the merchant to charge my Visa account up to the estimated maximum amount shown for my financial obligation of the healthcare services provided.	
X _____	
CARDHOLDER'S SIGNATURE	
Top Copy—Merchant Bottom Copy—Patient	

Section 4: General Acquirer and Merchant Program Considerations

Program considerations should be taken into account when electing to utilize the Visa AuthorizeFirst Healthcare Transaction process.

Merchant Agreement

A merchant agreement, the contract between a provider and an acquirer specifying each party's rights, duties, and obligations, should be reviewed. Acquirers may want to review changes to the merchant/provider agreement relative to the Visa AuthorizeFirst Healthcare Transaction process and document them in the merchant agreement. A new merchant agreement or an addendum to an existing agreement should include the following items:

- Requirements as specified in the *Visa U.S.A. Inc. Operating Regulations*, Section 5.4.V—Preauthorized Health Care Transactions.
- System requirements, cost, and installation considerations.
- Pricing changes, if applicable.

Recurring Payments

“Recurring Payments” is a payment option that providers and/or acquirers may want to consider for patients who want to set up an installment plan to pay for their balance.

Recurring Payment Option Considerations

- Keep the expiration date of the recurring payment option on file and include it in all authorization requests.
- Obtain an authorization for each installment payment amount.
- Ensure that all recurring transactions have a Mail Order, Telephone Order/ Electronic Commerce Indicator of “2” (Recurring).
- Establish and maintain proper controls to protect account and transaction information. All merchants must meet the basic requirements of the Visa Cardholder Information Security Program (CISP). For more information about CISP, visit www.visa.com/CISP.
- Do not store CVV2 data or any track data.
- Minimize chargebacks by submitting transaction payment data to the processor in a timely manner.
- Providers are not allowed to add finance charges to recurring payments. For more information, refer to the *Visa U.S.A. Inc. Operating Regulations*, Section 5.4.F—Recurring Transactions.

Cancelling Recurring Payments

- Adhere to Visa's requirements regarding recurring payments and consumer's request for cancellation or non-renewal requests related to recurring transactions. Take the appropriate action to comply in a timely manner.
- Process all credits promptly. If a cancellation request is received after the most recent recurring charge is posted to the customer's account, process the credit and notify the cardholder.

Merchant Implementation

Problems experienced during implementation can affect a successful launch. Adequate support and training will help ensure the smooth submission of a Visa AuthorizeFirst Healthcare Transaction. It is suggested that acquirers complete the following tasks prior to implementation:

- Evaluate potential physical changes to the provider environment based on system specifications.
- Supply the provider with training materials to help their staff understand new business procedures and prepare for the change.
- Supply the provider with patient materials about the AuthorizeFirst payment option to address features of the option and help staff answer patients' questions.

Note: Marketing materials describing the AuthorizeFirst payment option and answering typical questions for both providers and patients are available on Visa Online (VOL) at www.us.visaonline.com. If you are a Visa member or other qualified party and you do not currently have access to Visa Online, you may enroll at www.volenroll.com.

Section 5: Acquirer and Merchant Training

Acquirer Staff Training

While the AuthorizeFirst Healthcare Transaction process offers many benefits to the provider, the use of the tool requires a change to current business processing procedures. Understanding the typical healthcare provider's business processing procedures will help acquirers better articulate the benefits of AuthorizeFirst.

The amount and level of training will depend on the level of involvement of a particular organization. Organizational units with direct contact with healthcare providers may need more focused training than others.

Training should be conducted prior to launching the Visa AuthorizeFirst Healthcare Transaction process. Visa suggests these training topics:

- Benefits of using AuthorizeFirst Healthcare Transaction processing.
- Hardware and software implementation and operation.
- How Visa AuthorizeFirst Healthcare Transaction processing works.
- General provider workflow processes including revenue cycle management.
- General card acceptance and processing procedures and best practices.
- Visa Account Verification Service.

Merchant Staff Training

Healthcare provider staff must be aware of the provider's own office payment process as well as this new payment arrangement/payment option. They must understand and be able to explain the reason for this process change, the AuthorizeFirst payment processing procedures, and the participation benefits to their patients.

Training Considerations—To assist with provider training:

- Designate time at a staff meeting to review the AuthorizeFirst Healthcare Transaction payment option.
- Create systems and/or process flow materials or quick reference guides.
- Utilize Visa-created training materials such as Internal Staff Frequently Asked Questions (FAQ) and Patient Frequently Asked Questions (FAQ) to address:
 - What is AuthorizeFirst healthcare transaction?
 - What are the benefits?
 - Why are we doing this?
 - What will be changing?

Visit Visa Online (VOL) at www.us.visaonline.com to access Visa-created training/communication materials. If you are a Visa member or other qualified party and you do not currently have access to Visa Online, you may enroll at www.volenroll.com.

Suggested Training Topics:

- Visa AuthorizeFirst Healthcare Transaction processing.
- General card acceptance, processing procedures and best practices.
- Cardholder verification.
- End-of-day (cut-off time) procedures for creating and transmitting settlement batch files.
- Reconciliation procedures.
- Hardware and software implementation and use.

Section 6: Merchant Best Practices

This section will assist acquirers in educating healthcare providers by providing best practices and tools to maximize the AuthorizeFirst Healthcare Transaction process and Visa card acceptance in general. These best practices should be kept in mind when marketing the Visa AuthorizeFirst Healthcare Transaction process.

Use Your Visa Card

The Visa card is a payment method, not just a credit or debit card. When developing messaging for your patients, refer to Visa as a method of payment (i.e., refer to “paying with your Visa card”). Include the Visa logo in your design, it is as an easy-to-recognize visual reminder of the value of paying with Visa.

Utilize Existing Communication Channels

Use your existing patient correspondence methods to promote the Visa AuthorizeFirst Healthcare Transaction process in billing statements, remittance envelopes, websites and e-mails.

Train Customer Service and Billing Staff

Ensure that your customer service/billing staff has everything they need to register patients for the Visa AuthorizeFirst Healthcare Transaction process. Understanding the benefits of AuthorizeFirst and how it works, and being able to explain any changes to processing procedures will help your staff feel more confident when handling patient questions. Providing a script and a list of Frequently Asked Questions will also help your staff answer patients’ questions. In addition, staff should be trained on recognizing the most opportune times to educate patients.

Note: Marketing materials describing the AuthorizeFirst payment option and answering typical questions for both providers and patients are available on Visa Online (VOL) at www.us.visaonline.com. If you are a Visa member or other qualified party and you do not currently have access to Visa Online, you may enroll at www.volenroll.com.

The Most Opportune Times to Educate Patients

The best time to inform patients of the Visa AuthorizeFirst Healthcare Transaction process is when the opportunity is most relevant to them. Use these suggestions as a guide:

- When sending out appointment reminders, include a brief description of the AuthorizeFirst Healthcare Transaction process.
- At check-in/checkout time, provide materials on payment options including the AuthorizeFirst Healthcare Transaction process.
- Introduce the process to patients who have missed a payment in the past or are concerned about missing future payments.

- Introduce the process to patients going on vacation – they may be concerned about missing a payment while they are away.
- Introduce the process to patients who contact you to provide a new mailing address.
- Introduce the process to patients making recurring visits who will need to make associated regular payments.
- Encourage your staff to consistently reiterate the benefits of the AuthorizeFirst Healthcare Transaction process to your patients.

Ensure
Customer
Satisfaction

Provide patients with a toll-free number, e-mail address, and/or web address to use when cancelling recurring payment arrangements. Fully disclose all necessary transaction terms and conditions involved in setting up or cancelling recurring payments. Options include:

- **Internet:** Clearly display a disclosure statement on the web page. Require the cardholder to “click and accept” the disclosure statement to confirm that he or she has read it.
- **Telephone:** Verbally disclose information to the cardholder.
- **Mail:** Mail a written confirmation notice that includes disclosure details.

Section 7: Reference Documents and Websites

The following publications may be helpful in the development and implementation of the Visa AuthorizeFirst Healthcare Transaction for Visa members:

- *VIP Systems Services, Volume II, Account Verification Service*
- *Visa U.S.A. Inc. Operating Regulations, Volume I, Exhibit S, Electronic and Manual Transaction Receipts*
- *Cardholder Information Security Program (CISP) Payment Application Best Practices*
- *Payment Card Industry (PCI) Standards, Version 1.1*
- *AuthorizeFirst Marketing and Sell-in Materials*

To order the Visa materials listed here, call Visa Fulfillment at 800-235-3580 or visit www.us.visaonline.com or www.visa.com/merchants.

For More Information

Visit Visa Online www.us.visaonline.com for more information about Visa products. If you are a Visa member or other qualified party and you do not currently have access to Visa Online, you may enroll at www.vol enroll.com.

For more information on Visa Prepaid Employee Benefit Card products, please contact your Visa Account Representative or call (888) 847-2242 to talk with a Visa subject matter expert.

Appendix A: Provider Frequently Asked Questions

Below are healthcare provider questions and answers related to the Visa AuthorizeFirst Healthcare Transaction process.

Q. What is the new payment process?

A. The new payment process provides patients with a payment option authorizing their healthcare provider to use the patients' Visa card to pay for the patient's responsibility following the adjudication of a claim.

At the time of service, the provider will inform the patient of any estimated out-of-pocket expenses. The patient will present their Visa card at that time and provide approval, allowing the provider to process a payment (up to the estimated/maximum amount) once the claim has been adjudicated.

Once the claim is adjudicated and the amount of patient responsibility is finalized, the provider will submit a standard Visa authorization request for up to the estimated/maximum amount. The patient will then be billed only for any amount in excess of that maximum amount.

Q. How will I benefit from changing my payment process?

A. The new Visa AuthorizeFirst Healthcare Transaction process has the potential to reduce receivables, increase cash flow, and significantly improve a provider's revenue cycle. Patients will benefit from the convenience of paying by credit card vs. paying by check (or using another form of payment) and may avoid the assessment of delinquency fees. Patients who pay with a Visa Rewards-type card will also earn reward points.

Q. How will patients know about this change in our payment process?

A. Your front desk should notify patients of this new payment option when they call for an appointment and again when they check in. A brochure and Frequently Asked Questions (FAQ) sheet for patients will be available to further explain the new payment process. These materials may also be sent to your patients via postal mail or e-mail so that they are aware of the new payment option.

Q. What if patients have questions about our new payment process?

A. Provide your patients with copies of the Visa AuthorizeFirst Healthcare Transaction brochure, together with the Patient FAQ sheet, and direct them to the appropriate section. If they still have questions, refer them to your office manager.

Q. What's the new billing procedure at the time of checkout?

- A. Patients who opt to use the Visa AuthorizeFirst Healthcare Transaction process will be provided with an AuthorizeFirst authorization order form to sign. This form outlines transaction details and includes the estimated/maximum amount of patient responsibility.

Q. What is the Visa AuthorizeFirst Healthcare Transaction payment process?

- A. The Visa AuthorizeFirst Healthcare Transaction process helps providers work with patients to identify the payment process to be used prior to rendering services or submitting a claim. Once the claim is fully adjudicated, the provider can submit an authorization request and process the payment, reducing the number of outstanding receivables.

Q. How does the AuthorizeFirst Healthcare Transaction process work?

- A. At check-in/checkout, the patient is provided with an estimate of any out-of-pocket or responsibility amounts. The provider should ask the patient at that time if he would like to pay for that portion of the payment using his Visa card. If the patient agrees, then the provider will swipe the patient's card to verify its validity. A copy of the completed AuthorizeFirst Order Form should be given to the patient to sign. Upon signing, the patient authorizes the healthcare provider to charge his Visa card once the insurance claim has been fully adjudicated and the amount of patient responsibility is finalized. Both the provider and the patient should retain a copy of this form for their records.

The patient will only be charged the final patient responsibility amount due and never more than the agreed-upon estimated amount. Any remaining balance will be billed by the provider using the provider's standard billing process.

Q. How do patients benefit from the Visa AuthorizeFirst Healthcare Transaction process?

- A. By providing a Visa card for payment at the time of service and authorizing the provider to use it once a claim is fully adjudicated, patients will benefit from the convenience of paying by credit card vs. paying by check (or using another form of payment) and may avoid the assessment of delinquency fees. If the provider offers a recurring payment plan and the patient opts to use it, then the patient will benefit from having a set or known amount charged to his account on a regular basis, rather than having to pay the full amount at one time.

Q. How will the estimated patient responsibility be determined?

- A. If the patient's insurance company offers an estimator, you can use the information from that tool as the estimate for the Visa AuthorizeFirst Healthcare Transaction. If no estimator is available, you can use historical data from previous patient invoices.

Q. Will the estimated amount need to be authorized on the patient's card at the time of service?

A. No. The Visa card will only be verified (using the Account Verification Service) at the time of service to ensure that it is a valid card. An authorization request for the final amount will be submitted after the claim has been fully adjudicated.

Q. When will the patient's card actually be charged?

A. The patient's card will be charged after the insurance claim is fully adjudicated and the exact amount of the patient's responsibility is finalized. This usually occurs after an explanation of benefits has been issued. The exact amount due will then be charged to the Visa card for up to the maximum amount defined on the order form.

Q. What if the final bill is less than the preauthorized amount?

A. If the final amount of patient responsibility is less than the estimated amount, the authorization request will only be submitted for the final, lesser amount.

Q. What if the final amount of patient responsibility is more than the preauthorized amount?

A. The patient will only be charged up to the maximum preauthorized amount. Any remaining balance should be billed using other existing billing options.

Q. What if a patient wants to dispute the amount that their explanation of benefits says they owe?

A. The patient should pursue any disputes with the explanation of benefits by contacting his or her insurance company.

Q. What if a patient wants to dispute the amount charged on his card?

A. The patient should pursue any disputes with the amount charged to his Visa card by contacting the issuer. As part of the dispute, the patient should include a copy of the signed AuthorizeFirst authorization order form.

Q. How can I assure my patients that the Visa AuthorizeFirst Healthcare Transaction payment process is secure?

A. Let your patients know that they are protected by the Visa Zero Liability policy. They won't be responsible for charges that they did not approve.

Q. What if a patient wants to find out more about the Visa AuthorizeFirst Healthcare Transaction payment process?

A. Provide him or her with a copy of the Patient FAQ, the Visa AuthorizeFirst Healthcare Transaction brochure, and/or refer the patient to your office manager.

Q. What if the patient doesn't have a Visa card?

A. You can also preauthorize payments using non-Visa payment cards.

Q. What if the patient's Visa card is declined?

A. For some decline reason codes, the AuthorizeFirst Healthcare Transaction process allows for the resubmission of an authorization up to four times, within 16 days of receiving the adjudicated claim. If the transaction is still declined, the provider will need to bill the patient using the provider's standard billing process. For more information, please refer to the *Visa U.S.A. Inc. Operating Regulations*.

Note: Marketing materials describing the AuthorizeFirst payment option and answering typical questions for both providers and patients are available on Visa Online (VOL) at www.us.visaonline.com. If you are a Visa member or other qualified party and you do not currently have access to Visa Online, you may enroll at www.volenroll.com.

Appendix B: Glossary

TERM	DEFINITION
Acquirer	A Visa member that signs a merchant or disburses currency to a cardholder in a cash disbursement, and directly or indirectly enters the resulting transaction receipt into interchange.
Account Number Verification	An electronic process by which a member or its authorizing processor determines if there is negative information on an account number in the Exception File.
Authorization	A process, as specified in the <i>Visa U.S.A. Inc. Operating Regulations</i> , in which an issuer, an authorizing processor, or Stand-In Processing approves a transaction.
Authorization Order Form	<p>A document bearing the cardholder's signature, either written or electronic, authorizing that certain goods or services may be charged to his/her account. An order form may be any of the following:</p> <ul style="list-style-type: none"> ▪ Mail Order Form ▪ Recurring Transaction Form ▪ AuthorizeFirst Healthcare Transaction Authorization Order Form ▪ E-mail or other electronic record that meets the requirements of applicable law
Authorization Request	A merchant or acquirer's request for authorization.
AuthorizeFirst Healthcare Transaction	A preauthorized transaction completed (after obtaining written permission from the cardholder) by a merchant charging the cardholder's Visa account for healthcare services after a healthcare claim has been adjudicated.
Bill Payment Transactions	<p>A transaction that results from an agreement made between a cardholder and a merchant, in which the cardholder is billed for goods or services within an ongoing service cycle that is known and agreed upon, in advance, by both the merchant and the cardholder. Transactions may occur monthly or on a periodic basis. Such transactions include:</p> <ul style="list-style-type: none"> ▪ Single payments initiated by the cardholder in either a face-to-face environment or card-absent environment. ▪ Recurring Transactions ▪ Installment Billing Transactions

TERM	DEFINITION
Card- absent Environment	<p>An environment where the transaction is completed under both of the following conditions:</p> <ul style="list-style-type: none"> ▪ The cardholder is not present, and ▪ The card is not present ▪ Transactions in the Card-absent Environment include the following: <ul style="list-style-type: none"> ▪ Bill Payment Transactions ▪ Deferred Payment Transactions ▪ Electronic Commerce Transactions ▪ Mail/Phone Order Transactions ▪ Recurring Transactions ▪ Installment Billing Transactions ▪ Telephone Service Transactions ▪ Dynamic Currency Conversion Transactions in the T&E Express Service Environment. <p>Transactions in this environment exclude face-to-face transactions.</p>
Card Verification Value (CVV)	<p>A unique check value encoded on the magnetic stripe and replicated in the chip of a card or the magnetic stripe of a Visa TravelMoney Card to validate card information during the authorization process. The Card Verification Value is a calculated format that is encoded on the magnetic stripe or chip using a secure cryptographic process.</p>
Card Verification Value 2 (CVV2)	<p>A unique check value generated using a secure cryptographic process, as specified in the <i>Payment Technology Standards Manual</i>, that is indent-printed on the back of the Visa card or provided to a virtual account holder.</p>
Cardholder	<p>An individual to whom a Visa card is issued or who is authorized to use this particular Visa card.</p>
Cardholder Verification	<p>The process of validating a cardholder’s identity through verification of the cardholder’s signature or PIN or other method, as required by the <i>Visa U.S.A. Inc. Operating Regulations</i>.</p>
Healthcare Merchant	<p>A merchant, other than a pharmacy, whose primary business is providing healthcare services. A Healthcare Merchant is identified by the following Merchant Category Codes (MCCs): 4119, 5975, 5976, 7277, 8011, 8021, 8031, 8041, 8042, 8043, 8044, 8049, 8050, 8062, 8071, and 8099.</p>
Merchant Category Codes (MCCs)	<p>A code designating the principal trade, profession, or line of business in which a merchant is engaged, as specified in the <i>Merchant Data Manual</i>, Appendix C, Merchant Data Standards.</p>

TERM	DEFINITION
Recurring Transaction	A transaction for which a Visa cardholder provides permission, in either written or electronic format, to a merchant to periodically charge his/her account for recurring goods or services.
Transaction	The act between a cardholder and a merchant, or a cardholder and a member, that results in the generation of a transaction receipt.
Transaction Receipt	<p data-bbox="591 457 1409 594">An electronic or paper record of a transaction (or a copy, including microfilm), generated at the point of transaction. The <i>Visa U.S.A Inc. Operating Regulations</i> refers to the following types of transaction receipts:</p> <ul data-bbox="591 615 1117 1171" style="list-style-type: none"> ▪ Call Detail Report ▪ Cash Disbursement Transaction Receipt ▪ Counterfeit Transaction Receipt ▪ Domestic Transaction Receipt ▪ Electronic Transaction Receipt ▪ Exported Transaction Receipt ▪ Guest Folio ▪ International Airline Transaction Receipt ▪ International Transaction Receipt ▪ Order Form ▪ Sales Draft ▪ Substitute Transaction Receipt ▪ T&E Document ▪ Transaction Record
Visa Operating Regulations	See <i>Visa U.S.A. Inc. Operating Regulations</i> .
Visa U.S.A. Inc. By-Laws and Operating Regulations	The corporate by-laws that govern a member's participation in Visa U.S.A. and the rights, obligations and requirements associated with various Visa card programs, including Visa Prepaid cards.

