



the SHORR THING

Your Credit Card Processing Problems: Solved

Seven Shorr-fire ways to save money on credit card processing fees today

By Jay A. Shorr, BA, MBM-C, CAC I-VII

Did you know that as a medical provider, you are eligible for a special reduced rate from American Express? It's true, and this rate may be as low as 2.45% depending on the processor you use. This isn't all you can do to lower your credit card processing fees, either.

A credit card processor is the third-party merchant who handles the work associated with processing your credit card transactions. Standard fees charged by the major processors are not negotiable, but the fees charged by the third-party processors just may be.

Here are Seven Shorr-fire ways to save money on credit card processing fees.



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1 Give the Processor What They Want

You are charged more if you don't provide the information requested during processing. For example, if you don't enter a ZIP code, ca-ching.

3 Debit it

If a patient gives you a card that can act as a debit or credit card, ask if you can swipe it as a debit card. This costs you considerably less because the funds are immediately removed from the patient's checking account. Credit card companies consider this to be a lower-risk transaction.

4 Own it

Processing terminal fees come into play if you rent/lease a swiping terminal. Purchasing a swiping terminal is your best and most cost-effective option because you only have to make one payment. Processors who lease terminals can charge you up to 10 times more in the end.

5 Do it Yourself

Security or Payment Card Industry (PCI) Compliance Fees provide for security of patient information. You can actually do this reporting yourself, which can significantly reduce the processing charge. Ask your processor if this is an option.

6 Negotiate the Negotiables

Monthly statement charges can range anywhere between \$5 and \$10

Another item up for negotiation is the early termination fee. This can range as high as \$395. Ideally, you want this clause eliminated from your contract in the very beginning, but it can't hurt to ask at any point. Some processors may even pay the cancellation fee from your current contract if you switch to the new processor.

7 Shop Around

Some processors charge a whole lot less for the "negotiable" fees. The only fee that is set in stone is the interchange rates. Credit card processors make their money on the rates they charge that are over and above the interchange rate, plus a small fee per transaction. The add-ons are always negotiable. We have teamed up with a large credit card processor to offer the best rates available.

Taking some or all of this advice will save you thousands of dollars per year. If you process even a minimum of \$500,000 in credit card charges each year, you can save an average of \$2,500/year or \$7,500 during the next 3 years. And the more you process, the more you save. ■

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2 Swipe it

You are charged more if you type/punch in the card number instead of swiping it through. If your Internet isn't working properly, and you have to call and get a manual authorization, ca-ching.

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per month. These can also be eliminated, so ask your vendor for concessions. What's more, every transaction has a transaction fee. These fees can also range anywhere between \$.05 and \$.25 per transaction. Negotiate your best deal up front.

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PlasticSurgeryPractice.com 23