

# EMV: How Your Practice Will Be Affected By Credit Card Changes in October 2015



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e, we are big proponents of using a Credit Card on File (CCOF) system in medical practices to reduce expenses and improve cash flow. Knowing how your processing vendor's pricing plan and security features work are critical to implementing this system. You have to be able to understand and negotiate your costs, and stay current on best practices and technology that keep your patients' data safe.

Big changes are coming to the technology end of your credit card system in October of this year (as if you won't be busy enough with ICD-10!) and you need to make sure now that you have all the details handled for your employees and your patients. The new technology is called EMV, or "Euro Mastercard Visa" and has been used in most of the rest of the

world for awhile now.

Whenever we have questions about anything credit card related, we go straight to Michael Gutlove, Director of Merchant Services at IDT. Michael has been our own vendor, as well as our top recommendation to clients for almost three years now. We asked him to help us sort out the changes.

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***Mary Pat: Michael, what's your background?***

**Michael:** I've been helping business owners improve their bottom lines since 1997. Reducing costs are critical – now more than ever – for all business owners, and I've been able to repeatedly reduce operating costs by clearing away the traditional smoke and mirrors of credit card processing.

***Mary Pat: Are people in general and patients specifically using credit cards more than they used to? Do you foresee a time when people will only use credit cards, no cash or checks?***

**Michael:** While electronic payment volume has steadily increased year after year it's highly unlikely that cash or checks will ever be completely eliminated. Cash payments serve the "underbanked" population and checks remain a highly effective method of payment for high ticket (luxury) items.

***Mary Pat: What about payment via a smartphone or watch – do you see that becoming a predominant part of the American payment experience?***

**Michael:** Apple Pay is the first mobile wallet solution that's made any traction into the payment space. It's opened the door for cell phone manufacturers, wireless carriers, and any/every technology company under the moon to think about getting involved. The problem with suggesting that mobile technology

will replace the way we pay (or become the primary way we pay) is that it's not fixing an existing problem. Mobile payments are generally viewed as a convenience as opposed to a necessity and we've become accustomed to carrying a wallet or purse with actual credit cards.



**Mary Pat:** *The new acronym in credit cards is EMV. What is EMV?*

**Michael:** EMV stands for **E**uropay **M**asterCard **V**isa. It's an acronym for the Global standard of chip card technology facilitating electronic payment transactions. The United States is the last major country to adopt this method.

**Mary Pat:** *Why do readers need to know about EMV?*

**Michael:** October 2015 marks the deadline for business owners, accepting credit or debit cards, to upgrade their terminals for chip card acceptance. While it is not legally necessary to upgrade, doing so reduces the liability for fraudulent or counterfeit duplicate transactions.

**Mary Pat:** *What does accepting chip cards have to do with liability?*

**Michael:** EMV prevents "card present" duplicate fraud as the customer always maintains possession of their card. Instead of swiping the mag-stripe on the back, merchants will instruct customers to insert cards into the EMV ready terminal and enter a PIN or signature when prompted. Businesses that do not

have the ability to accept EMV cards will be held liable for fraudulent “swiped” transactions.

***Mary Pat: Does EMV eliminate fraud?***

**Michael:** EMV is not a cure all for all types of fraud. The programs put in place will help with duplicate card fraud charge-backs, but will not impact others. Visa, MasterCard, Discover, and American Express have different liability shift requirements.

***Mary Pat: What about “Card Not Present” transactions?***

**Michael:** EMV only applies to face-to-face transactions. When it was released in Europe increased levels of fraud showed up via ecommerce and MOTO (mail order/telephone order). A similar scenario is expected once the US adopts EMV making PCI-DSS compliance even more important.

***Mary Pat: What is PCI?***

**Michael:** PCI–DSS stands for the Payment Card Industry Data Security Standard. Most processors offer comprehensive programs to ensure PCI compliance and validation.

***Mary Pat: What should I do now?***

**Michael:** Reach out to your processor and determine your risk level for EMV. Accepting EMV can only help your business but it isn’t necessary to do anything prior to October. The majority of POS (point of sale) manufacturers haven’t released EMV readers and new hardware might not be necessary depending on your existing terminal make & model.

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Making sure you are getting the most you can from your credit card vendor is a critical part of protecting your data and your bottom line in today’s healthcare industry. You need to know the steps you and your vendors are taking to safeguard

patient data as well as being able to relay those steps back to patients and employees. That's why it's important for managers to understand EMV – and their credit card setup in general. Successful implementation of a credit card on file program or any credit card processing system will always require buy-in and communication.

***NOTE: [Credit Card on File](#) clients of Manage My Practice should know that Michael Gutlove will be swapping out your current swipers for EMV terminals for chip and non-chip cards at a considerable discount.***

For additional information, questions, or anything else credit card related feel free to reach out to Michael Gutlove at 201.281.1621.