

Chip Cards, Security & Savings

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Today's Take-Away

What you need to know

1. How credit card processing is changing
2. When to make the change
3. What is being provided to Members
4. Where to get help

Chip cards are the cards of the future.

- Chip cards are credit and debit cards embedded with a microprocessor on the front and the traditional magnetic stripe on the back. They are also known as "chip", "smart" or "EMV" (Europay, MasterCard[®] and Visa[®]) cards.
- Chip cards provide strong transaction security when used at a chip-enabled terminal. This added layer of security can help minimize cardholder impact when a data breach occurs.
- Chip technology is already used in over 130 countries around the world. It will become the standard in the U.S. as the number of retailers accepting chip cards is growing.

The speed of change

New credit cards issued:

- Per Day: 1.6 Million
- In 2015: 575 Million
- In 2014: 185 Million

What's taking place?

EMV

- 78% of Credit Card fraud is carried out in countries without EMV
- 47% of worldwide fraud is located in the U.S.
- In the UK, EMV security eliminated over 80% of fraud overnight. In the US it is expected to eliminate 95% of lost/stolen fraud and 90% of counterfeit fraud.
- **EMV stands for Europay, MasterCard, Visa which were the parties involved with creating the standard.**



Regulations

Changes to Credit Card Processing

- Federal Regulations - EMV Mandatory by October 2015
- EMV: Complying with the new “chip and pin” standard –
- Will your current equipment support the EMV technology?
- The Liability Shift - What are your liabilities?
- EMV draws the line in the sand as to merchant liability.

If a merchant is not processing on an EMV capable machine by Oct. 1st they **will be responsible for 100% of fraudulent transactions, fines and penalties and have absolutely zero recourse.**

- Do you have an EMV plan in place?

Chip Technology Helps Protect Your Practice

- **Improved Fraud Protection**
- A chip-enabled card has a small microchip built into it that contains the same information that's stored in the magnetic stripe on the back of the card. A chip adds another layer of security to cards by requiring the chip to produce a single-use code to validate the chip transaction — further protecting your and your patients card from unauthorized use.
- This added layer of security makes the chip card data much less valuable, decreasing criminals' incentive to steal that information and their ability to make a counterfeit card.

Industry Trends

Explosive Mobile Payments Growth

Growth of Apple Pay, Samsung Pay, Google Wallet

- Forecasted US mobile payment volume to grow at a five-year compound annual growth rate of 172%. Volume will rise to \$818 billion by 2019, or just under 15% of total US payment volume.
- The Apple Pay effect is real — in-store mobile payments volume will top \$800 billion in 2019
- Google Wallet would be preinstalled in Verizon Wireless, AT&T and T-Mobile USA, making it easier for users to get started with Google Wallet. New version called Android Pay release May 2015.

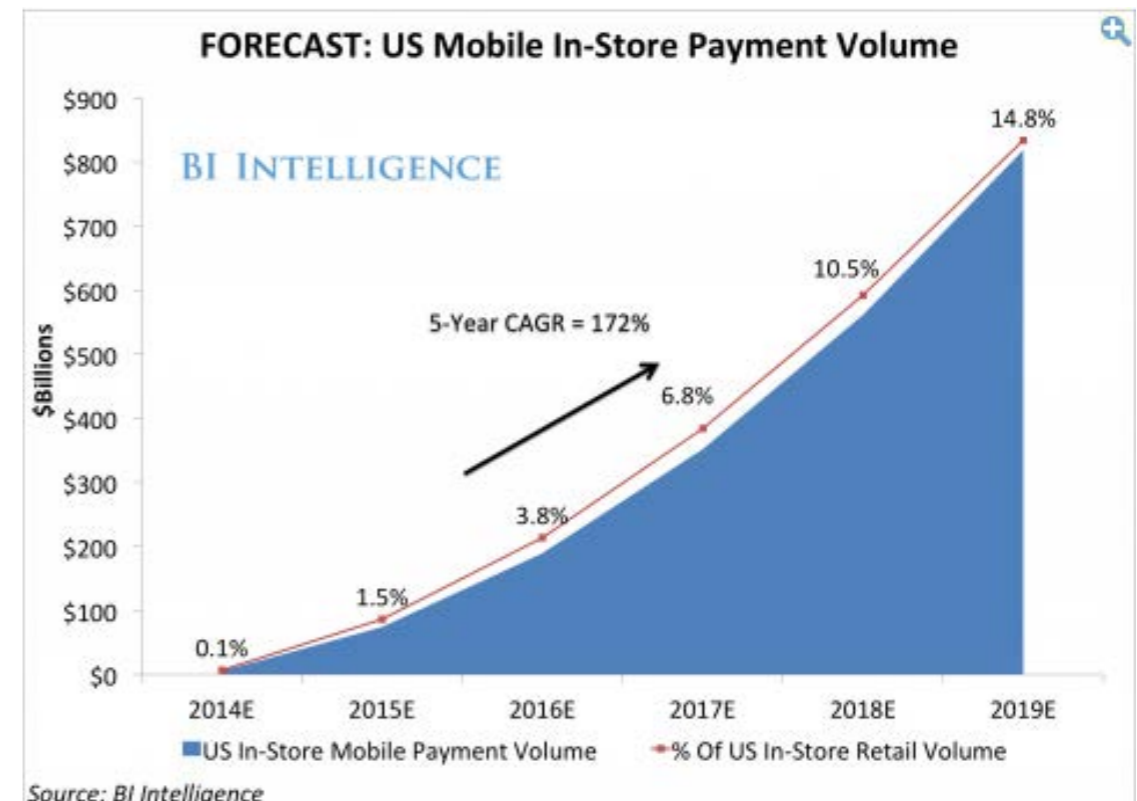
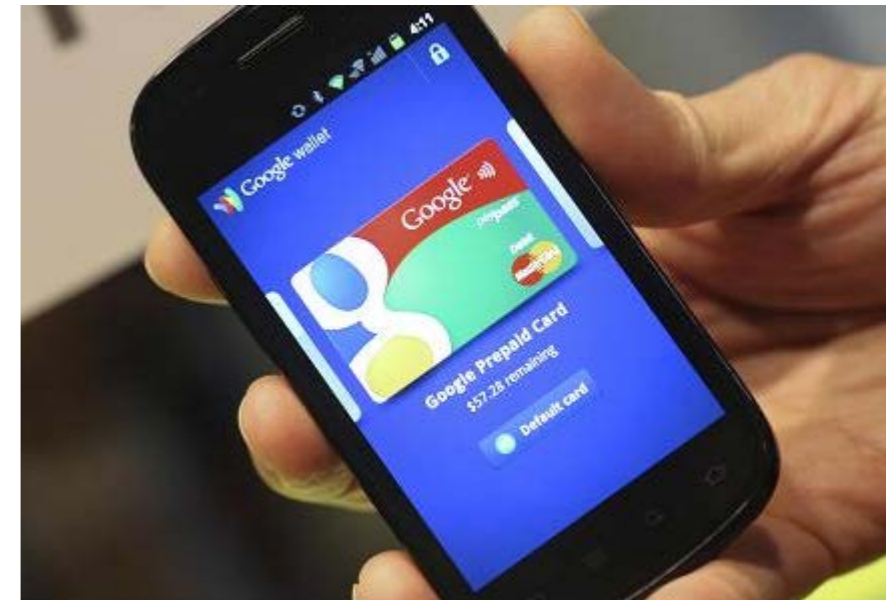
Mobile payment is the fastest growing segment

- **According to Gartner Research** by 2017 the total worldwide mobile payments market is expected to reach 450 million users (18% growth a year) and be worth \$721 billion (35% a year).

What's taking place?

Mobile Transactions

- Worldwide mobile payments are projected to grow by 60.8 per cent to **47 billion transactions** through to 2015, up from 29.2 billion in 2013
- Mobile payments reached \$256 billion in 2012, and are expected to increase threefold to **\$796 billion by 2016**.
- A New Payments Platform (NPP) will clear and **settle payments in real time** at the bank infrastructure level.



Source: ETA (Electronic Transaction Association)

Latest Technology

Chips on credit cards, mobile wallets loaded on smart phones – the way customers and patients pay is changing and merchants need a future proof terminal to accept these new transactions.

- **CHIP CARDS** - Fight fraud with the security of chip-enabled cards.
- **MOBILE WALLETS** - Smart phones loaded with mobile wallets may be the new payment juggernaut.
- **TAP** - Accelerate transactions with contactless payments.
- **SWIPE** - Accept all the payments you normally do.

Are you overpaying?

- Do you know what your rates are by card and transaction type?
- Are you adding AVS to your CNP transactions?
- Are you charged...
 - ✓ Downgrade Fee
 - ✓ Monthly Minimum
 - ✓ Monthly Service fee
 - ✓ Paper Statement fee
 - ✓ Early Termination Fee
- Are you leasing your credit card terminal?



Patient Payment Arrangements

Does Your Practice Have a Challenge Collecting Patient Deductibles?

- High deductible patients – Reoccurring payment feature
- Reducing AR timing – Scheduled monthly auto-payment when convenient to patient
- Reducing billing costs – Understanding how processing a credit card effects the fees charged

Contracts - Not Needed

How our System Works

- Rate comparison analysis.
- Know what you'll save up front before change.
- Next Day Funding, including American Express
- No contracts, no leases, no hassle:
 - * **Direct access to technical and account experts**
 - * **No Termination Fees**
 - * **No Setup Application Fees**
 - * **Good Customer Support**
 - * **Multiple Products and Services Offered**
 - * **Free Mobile App**
 - * **Online access to your merchant account**
 - * **Mobile Payment, Gift and loyalty acceptance**

New Terminal

- No Leases Required = Huge Savings!
- Benefits: EMV capable (Chip and Pin cards), NFC, Apple Pay, Soft Pay
- Retails: \$795 terminal, \$295 pin-pad
- *Physician Partners Member Cost:*
 - * *\$379.00 for the VX520*
 - * *\$239.00 for the VX805 Pin Pad, plus tax and shipping.*
- Combination discount: **\$569.00**
(includes Terminal & Pin-Pad)

VX 520 and VX 805 Bundle



What are the rates?

Example Member Rates: Tiered, including American Express

Tiered Rates

- Debit: .79%
- Credit: 1.79%
- American Express: Special!! Same as Visa & MasterCard
- Other: Mid Qual: 2.59%
- Other: Non Qual: 3.19%

Next steps...

How to get started:

1. Practice requests rate analysis
2. Capital Bankcard sends application request, with demographics, banking info
3. 24 hours or less Capital Bankcard sends back the rate analysis, showing savings and the completed application

Questions

We've covered quite a bit during the presentation...

Any questions?

Contact Information



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Thank you...
