

Does Your Clinic Accept Credit Cards?

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You will be surprised what a difference it can make to your patients if you accept credit cards for payment on products and services. This is one way to differentiate yourself from the acupuncturist down the street, and if you have a pharmacy; books; aromatherapy products; or whatever else you sell in your clinic, you are more likely to turn those products into income faster if you have a credit card machine. The decision to buy then becomes only a question of whether people want your items, not whether they have adequate cash on hand. It may also boost your income and help you gain more time, because you'll have fewer statements to send out at the end of the month if people pay on the spot.

How many purchases do you personally make with a credit card that you might not make if you have only a checkbook or crisp \$20 bills in your wallet? Do you appreciate being able to use a credit card because:

- you get airline miles?
- it gives you an automatic extra 30-45 days to pay for the product or service?
- it allows you to track your purchases monthly, and helps you with budgeting?
- you get cash-back bonuses from your credit card company?

If these reasons are true for you, they also are true for your patients. Moreover, you (hopefully) want to offer your patients as many services and conveniences as possible. Extra services and conveniences are the difference between a "C+" clinic and an "A+" clinic, and if you are an "A+" clinic, it will make a financial difference for you in a short period of time. One of the biggest mistakes I personally made as a full-time practitioner was not operating a credit card-friendly clinic.

So, how do you get set up with a credit card machine? Many companies sell credit card machines and will serve as the interface between your patient's credit card company and your bank account. (The cost for the machines and the service fees vary widely, so don't necessarily take the first one you find.) First, call the bank where you have your clinic checking account. Most banks provide credit card services, and approval is usually not too difficult. If you run your clinic out of your house, you may have a tougher time being approved for a merchant account. If this is your situation, make sure your financial statements and tax returns are in order, so you can show you are a "real" business.

One place to check for a good deal is Costco (800-774-2678, www.costco.com). If you join as an executive member, they have an excellent program for merchant credit card services, and you can apply to accept all types of credit cards. (The monthly paperwork will come separately from American Express and Discover, while Visa/Mastercard are on one statement.) Your discount fees will be somewhere between 1.5 percent and 3.5 percent per transaction. Fees for American Express and Discover are different, but they all are usually lower if the person buying the product with a credit card is present (rather than by mail order, for example). Processing fees are often based on volume and risk factors, so your initial fees may be a little higher. However, if your in-clinic sales were to

increase by \$300 to \$500 per month, wouldn't that be worth \$10 to \$15 in fees? The electronic processor will cost you \$200-500, depending on several factors (new or used, fancy or basic), and there may be a modest setup fee (\$40-60).

Here's an idea. Try to get your state acupuncture association or national organization to negotiate good rates for transaction fees and equipment for its members. Many organizations do this; why not ours?

There are several questions you should ask when searching for a merchant account provider:

1. What type of encryption/security technology is used to protect your patients' transactions?
2. What is the provider's credit card fraud protection policy? What happens if someone pays you with a fraudulent card? What is the charge-back policy for people who pay and then dispute the charges? What are your rights as a merchant in such cases?
3. What kind of customer service does the merchant account provider offer? Is there someone you can call 24/7 if you have questions or problems with your equipment, or with someone's account?
4. What about debit cards instead of credit cards? Does the provider treat/process these payments any differently?
5. If you have returns for any reason, does the provider refund the fees to you on those returns?
6. How long does it take for the money to hit your bank account? Can you access your account online to check your records?

Those are the basics on offering credit card services to your patients. If you have any other tips about getting or using credit card machines and merchant services, I'd love to hear from you. Actually, send me any kind of business and marketing tip, and I'll post your idea (with your name) on my Web site.

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