

POLICY & PRACTICE

FDA Warns on Tanning Product

The FDA has urged those using a product called Melanotan II to stop immediately and contact their physicians if they have had an adverse event they suspect is tied to the injectable agent. Melanotan's maker, Hendersonville, Tenn.-based Melanocorp Inc., claims that it protects against skin cancer and rosacea. The product is not FDA approved, and thus is being illegally promoted, the agency said in its warning to the company. At the same time, the FDA warned consumers against "injecting any substance, particularly products that are not FDA approved, into their bodies without the oversight of a licensed health care provider."

U.S. Women Less Wrinkle Tolerant

American women are the least likely to tolerate wrinkles, closely followed by Italian, British, Spanish, French, and German women, but women in France and Italy are more likely to use dermal fillers, according to a recent survey. A total of 10,647 women and men in the United States, United Kingdom, France, Italy, Spain, and Germany responded to the survey, which was sponsored by Allergan Inc. About 50% of Italian women felt they looked younger than their age, compared with about 35% of American women. American and British women were the most likely to report that they believe they look stressed and tired. Overall, among women considering injectables, the top reasons were to look good for their age, to look more refreshed, and to improve self-esteem. When asked about their grooming habits, men also cited those reasons as key motivators, although American men said looking professional was one of the most important reasons. Italian men spent the most on grooming products, while American men spent the least.

Wal-Mart Expands \$4 Generics

Wal-Mart has added 24 medications to its growing list of generic prescription drug products that patients can receive for \$4 for a 30-day supply. The prescriptions can be filled at 4,005 Wal-Mart, Sam's Club, and Neighborhood Market pharmacies in the United States. Among the 24 new medications are timolol, carvedilol, terbinafine, and benzoyl peroxide 4% creamy wash. The company also expanded its reproductive drugs offerings. For \$9, patients in most states can now purchase a 30-day supply of clomiphene (50 mg), and two additional oral contraceptives. Wal-Mart claims that since its \$4 generic program began in the fall of 2006, customers have saved \$613 million. The generics represent 40% of all prescriptions filled in the last year. Because of state laws, some of the drugs cost more than \$4 in California, Colorado, Hawaii, Minnesota, Montana, Pennsylvania, Tennessee, Wisconsin, and Wyoming.

NJ Task Force Examines M.D. Gifts

The New Jersey Attorney General's Advisory Task Force on Physician Compensation, which met for the first time in September, is examining the potential impact of payments and gifts to physicians from the drug and device industry. The task force also will consider public disclosure of gifts, direct disclosure to patients, and limits on payments to physicians. Vermont, Maine, Minnesota, West Virginia, and the District of Columbia have passed laws requiring some form of reporting of payments made to physicians by drug and medical device companies. In response to the formation of the task force, the Pharmaceutical Research and Manufacturers of America issued a statement citing its 2002 Code on Interactions with Healthcare Professionals as an important safeguard. The code declares all forms of entertainment to be inappropriate gifts and says that any gifts given to physicians should support medical practice and be valued at less than \$100.

One-Third of Americans Uninsured

According to a September report by Families USA, almost 35% of Americans had no health care coverage for at least part of 2006-2007, up from about 30% in 1999-2000. Of these, 19% were uninsured for the entire period and 19% were uninsured for longer than 1 year; more than half were uninsured for longer than 6 months. Of the 89.6 million individuals who lacked health care coverage, 71% were employed full time and another nearly 9% were working part time; only 17% were unemployed. The numbers in the report are substantially larger than those published by the U.S. Census Bureau (which cites 47 million uninsured in 2006, or 16%), because Census Bureau statistics include only those who were uninsured for a full year. The report is available at www.familiesusa.org.

Insurance Premium Increase Slows

Employer-sponsored health insurance premiums rose on average 6.1% in 2007, reflecting a continuing slowdown in premium increases. The 2007 premium increase is the smallest hike since 1999, according to an employer survey by the Kaiser Family Foundation and the Health Research & Educational Trust. But experts said that the slowdown probably is temporary and is not providing relief to individuals or employers. In fact, the 6.1% increase is higher than the average increase in wages (3.7%) and in the overall inflation rate (2.6%). In 2007, the average premium for family coverage in the United States is \$12,106, with workers paying about \$3,281 for their share of their policies. The market continues to be dominated by preferred provider organizations, which insure about 57% of covered workers; consumer-driven plans account for only about 5%. For more details, visit www.kff.org/insurance/7672.

—Alicia Ault

MANAGING YOUR DERMATOLOGY PRACTICE

Credit Card Processing

Last month, I outlined the advantages of accepting credit cards in your office, both for capturing charges immediately at the time of service and for billing residual balances which come in later. (If you missed that column, you can find it at www.skinandallergynews.com. Click on "The Archive Collection" on the left-hand side.)

This month, I'll discuss the nuts and bolts of acquiring credit card processing for your office at the best possible price.

Several sources of processing services are available. Which you choose will depend not only on cost, but on which specific services you need.

It will also depend on which cards you wish to take. MasterCard and Visa require you to establish a merchant account through an intermediary, but American Express and Discover give you the option of applying directly to them.

Your current bank is probably the easiest intermediary to turn to, but many offer credit card services as part of a package that will include other merchant services you may or may not need.

Another option is an independent sales organization (ISO), which is essentially a broker who represents one or more card processors. An ISO will set up and service your office but, like a bank, will not do the actual processing itself: It outsources that job to a third-party credit card processor.

If your state or city has a small business and trade association, ask if it offers credit card processing at discount prices. This is a particularly good option in many areas.

Consider only processors that provide excellent customer service. Call colleagues and ask which banks or processing companies they use, and ask each candidate company for a list of the medical offices they already service. Call some of those offices and ask hard questions: How difficult is it to reach customer support? Are problems handled quickly? How does the provider deal with "chargebacks" (charges later disputed by the cardholder)?

Also question the processors closely about their level of support: Do they have phones staffed 24 hours a day? Do they charge for support, either monthly or per call?

Compare prices carefully. Some providers charge application fees of up to \$200, and they may be nonrefundable, even if you change your mind. You may also be asked to pay setup or account activation fees, Internet processing fees, customer support fees, etc. As always, be sure you have a com-

plete understanding of all the charges you will incur before making your decision and signing a contract.

The principal equipment cost will be for the terminal, the machine used to swipe cards. Basic terminals typically cost between \$150 and \$300, terminals with printers are \$200 to \$600, and wireless terminals can run from \$600 to \$1,000. Leases start at \$35 a month and rise depending on the sophistication of the terminal and the length of the lease.

The primary ongoing fee is the "discount rate" or "swipe rate," a percentage the provider takes off the top of each transaction. Some processors charge different rates for in-person transactions and for mail/telephone/Internet transactions. If you plan to sell products via mail order on your Web site, you'll

want to ask about that. Ask about reduced rates for high volume or for total receipts higher than a specified amount per month.

Watch out for extra charges, such as "per transaction" fees and monthly transaction summary preparation fees. Such fees may be negotiable or even waivable, although the company may not volunteer that information.

Beware of long-term leases with early termination fees. If you are unhappy with your service, you don't want to have to pay a hefty charge for the privilege of changing companies. Also watch out for a trick borrowed from the consumer credit card industry: low introductory rates that increase significantly after a few months or a year.

Find out how long it takes for receipts to be deposited to your account, since this can vary widely. A marginally lower swipe rate won't be worth it if you don't have the use of your money for months after the transaction.

If your office will be selling merchandise over the Internet, you will need either a secure server that can encrypt credit card information or a processing company that provides secure ordering, or (preferably) both.

Finally, if you are not using a bank or financial company you know well, make sure it is legitimate. Contact the Better Business Bureau to check the company's status. And if the company is based primarily on the Internet, as happens more and more frequently, make sure you get a physical address and phone number, plus recommendations from existing clients. ■



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