

PREYED ON:

How Insurance Corporations Are Bleeding Hospitals

Mark Craig



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	<h3>Learning Outcomes</h3> <ol style="list-style-type: none"> 1 Impact of payer abuse on our clinicians 2 Identify common insurer tactics that drive revenue loss 3 Get practical tools to fight back 4 Advocate for broader policy reforms by engaging lawmakers
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Jon Green, CEO Taylor Regional Medical Center



Patient care is the number one
thing we do!



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Hawkinsville, GA



“Harness Racing Capital of Georgia”

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The Cards Are Stacked Against Him

- Supply costs up 300%
- Labor costs up 40%
- Clinician recruitment
- Rising cost to collect
- Uncompensated care
- 50% of MA claims denied



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Jon Green, CEO Taylor Regional Medical Center

“We pretty much lose money on every payer that we have right now. Reimbursement rates have not changed, but supplies and labor have skyrocketed in cost.”



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Loss of Critical Services



Maternity Unit



ICU

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State and National Impact

When Critical Services Are Cut:

- OB deserts
- Increased health disparities
- Loss of healthcare access
- Lack of pandemic preparedness



"It will lead to a national bed shortage."

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State and National Impact

When Hospitals Close:

- Entire communities devastated
- Local economies falter
- Exodus of residents



When Rural Hospitals Close:

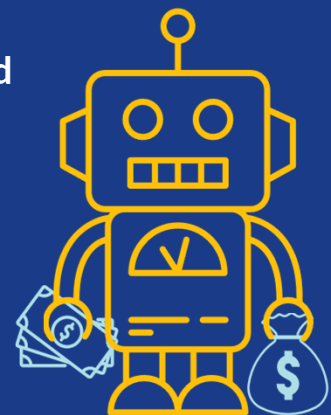
- Threat to national food supply and energy production
- Increased price volatility

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Clean Claim – Denied with AI

- 15% of claims denied, including many pre-approved
- MA denies 17%; 57% overturned
 - 7% net reduction in MA revenue
- Average denied hospital claim = \$14,000

Annual cost of overturning = \$20 BILLION



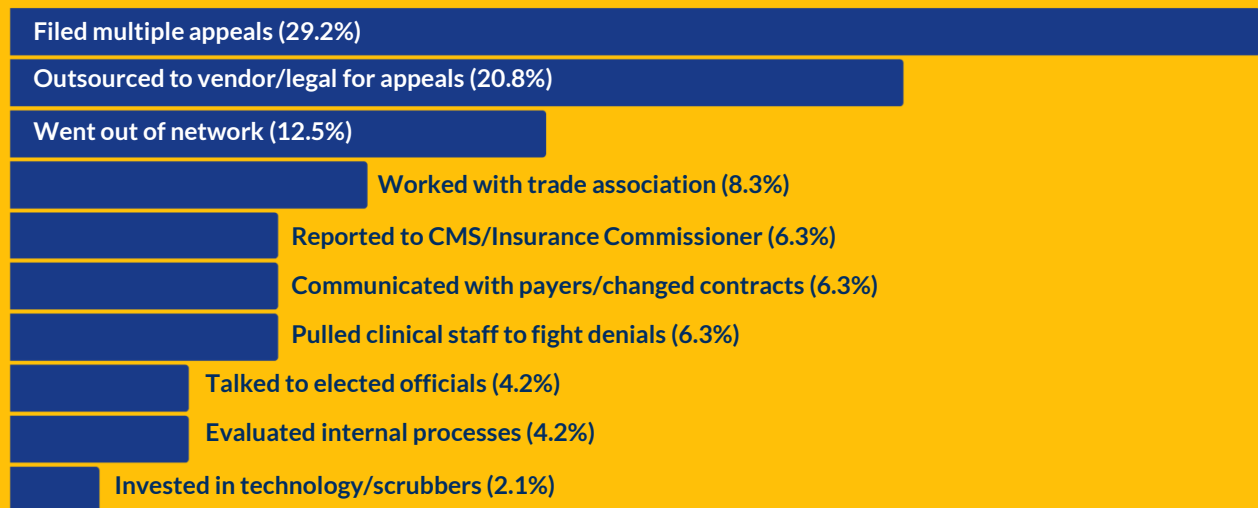
Sources: AHA, Health Affairs, US Senate Subcommittee on Investigations

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WHAT STEPS HAVE YOU TAKEN TO RESOLVE INSURANCE REIMBURSEMENT ISSUES?

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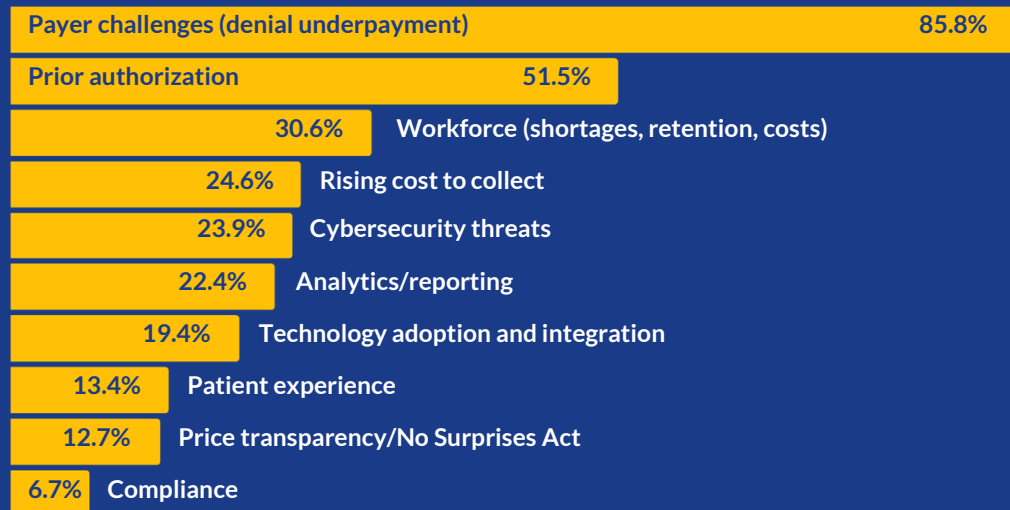
WHAT STEPS HAVE YOU TAKEN TO RESOLVE REIMBURSEMENT ISSUES?



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2024 HFMA Revenue Cycle Management Survey

Top 3 Areas of Stress for RCM Teams



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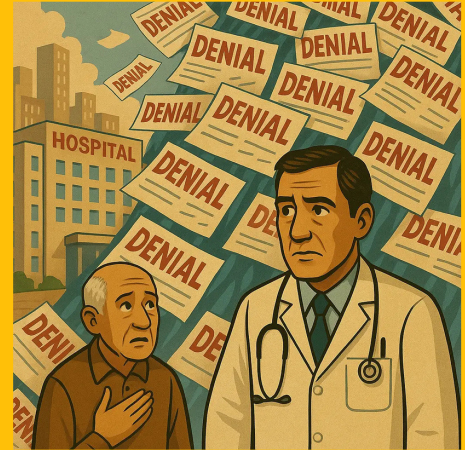
Nearly 50% of RCM leaders now view payer denials as the *single greatest threat* to their organization's financial performance

Source: HFMA

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It's Going To Get Worse

- Wall street pressures
- Medicare Advantage growth
- Expansion of AI-driven claim review
- Increasing complexity of payer rules
- BBB - Medicaid redeterminations
- RACs - recoupments

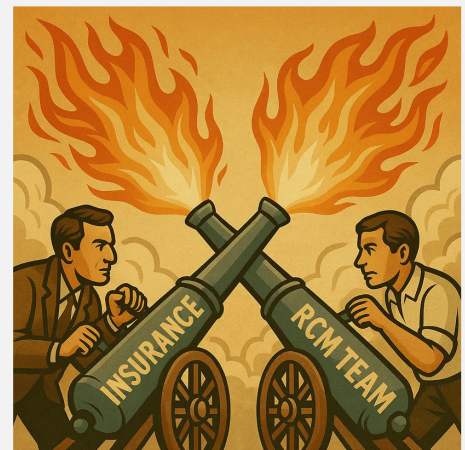


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Fight Fire with Fire

- AI for prediction and prevention
- Underpayment evaluation
- Automated appeals generation
- Repeatable appeals playbook and processes

Every successful appeal helps
save service lines and keep the
doors open.



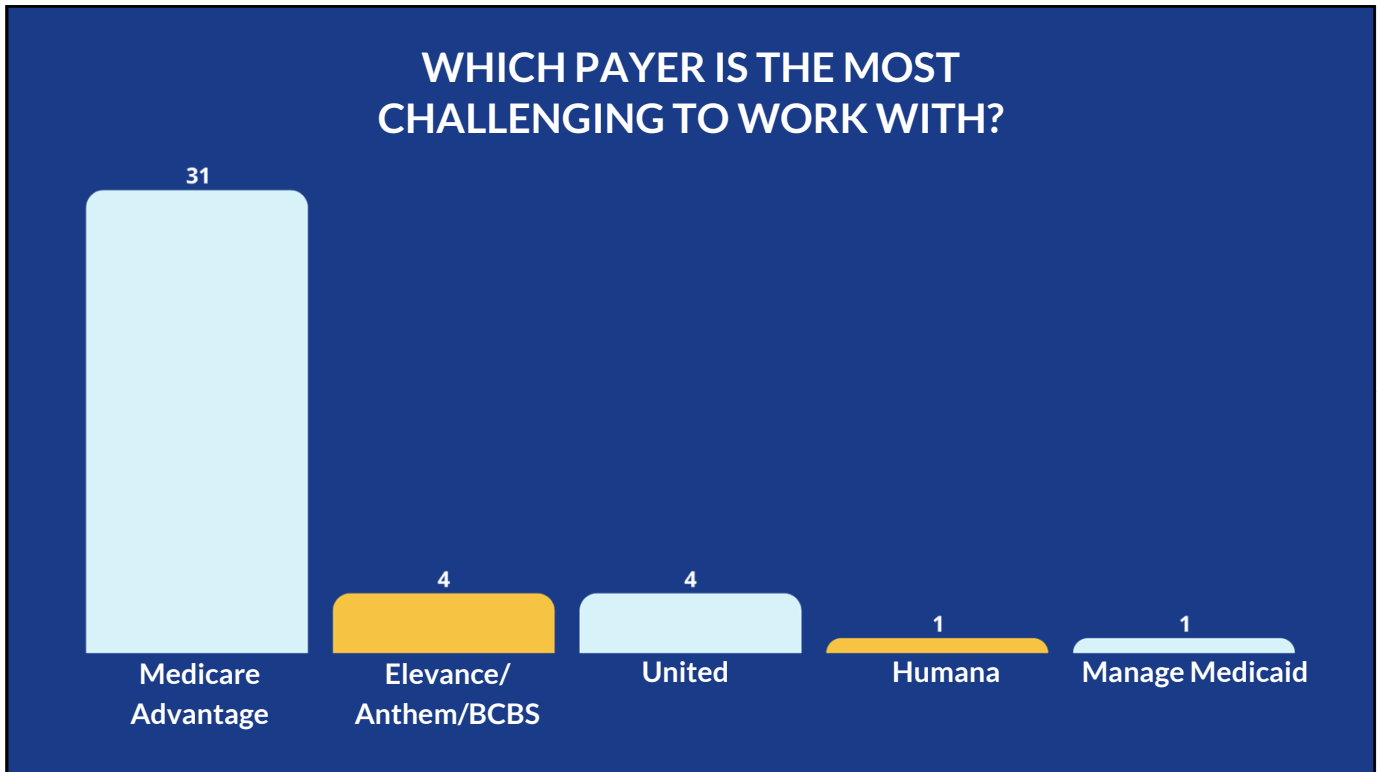
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WHICH PAYER IS THE MOST CHALLENGING TO WORK WITH?

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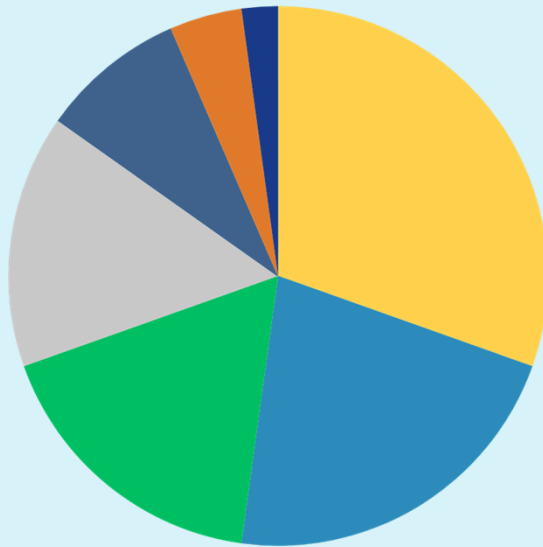


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**WHAT MAKES MEDICARE
ADVANTAGE SO CHALLENGING?**

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WHAT MAKES MEDICARE ADVANTAGE SO CHALLENGING?



- Excessive denials (30.4%)
- Excessive authorizations (21.7%)
- Delayed payments/reimbursement (17.4%)
- Unable to negotiate/Contract issue (15.2%)
- Not following rules of traditional Medicare (8.7%)
- Excessive takebacks and recoupments (4.3%)
- Year-end cost report deduction (2.2%)

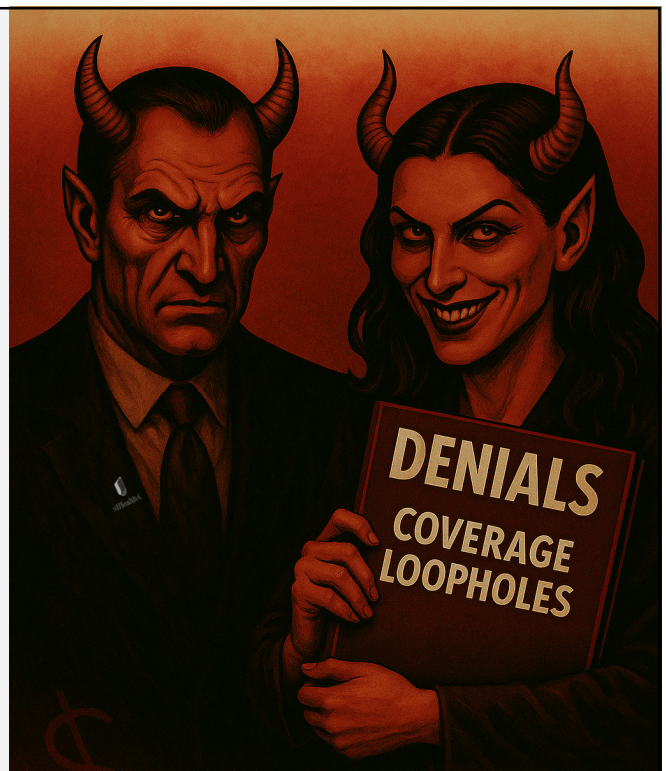
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Quote From Study



UnitedHealthcare is Satan, and Humana is his sister.

Revenue Cycle Director, NE



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Toby Terwilliger, MD

“ The most disheartening aspect of being a clinician is realizing that the care my patients receive often hinges on algorithms designed to profit insurance companies.

I feel utterly powerless.



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Carol Paris, MD

“ We need freedom from the shackles of a corporate health insurance industry that constrains us from giving patients the treatment we took an oath to provide.



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“Moral Injury”



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Impact of Burnout and Moral Injury

- Physician shortage: 124,000 by 2034
- Primary care shortage: 40,400 by 2036
- Nearly 70% of doctors in their 40s want to retire in their 50s
- Cost to replace - Recruitment, credentialing, time loss
 - \$500,000 - \$1,000,000

Sources: AOA, Medscape, AAMC, Stanford Medicine

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Arkansas

Already:

- #46 nationally in physicians per capita
- 74 of 75 counties are underserved
- 27% of PCPs are age 60+
- Shortage of in-state residency slots
- Wait times of 3–4 months for primary care



Sources: Axios, AR Center for Research in Economics, AR Center for Health Improvement, AR Advocate

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What About Nurses?

- 190K+ openings projected annually through 2032
- 65% report high levels of stress and burnout
- 600K+ intend to leave by 2027
- Cost to replace
 - Average turnover costs for one bedside RN: \$61,110
 - Average 1% turnover change cost to hospital: \$289,029



Sources: Florida Atlantic University, NCSBN, Social Science Research Network, NSI Nursing Solutions

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Arkansas Nurses

Already:

- 9,000 nurses short of meeting care demands over the next decade
- Salary among lowest 10% nationally
- Inpatient care unavailable in some rural areas due to staffing shortages

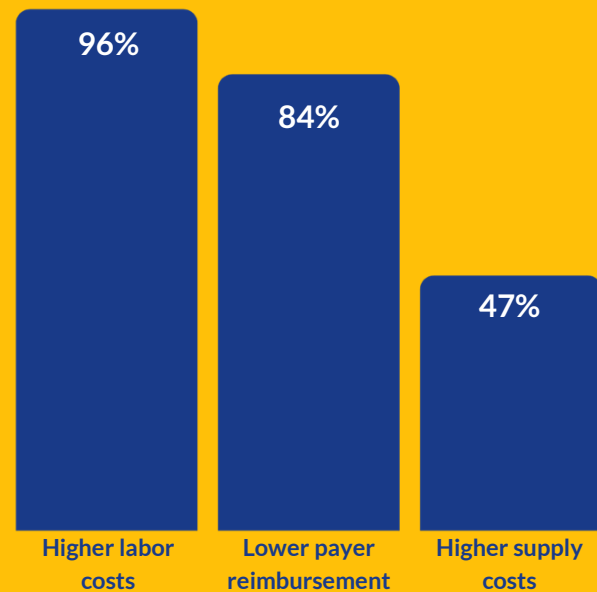


Sources: PBS, nurse.org, PNS

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HFMA Health System CFO Pain Points 2024

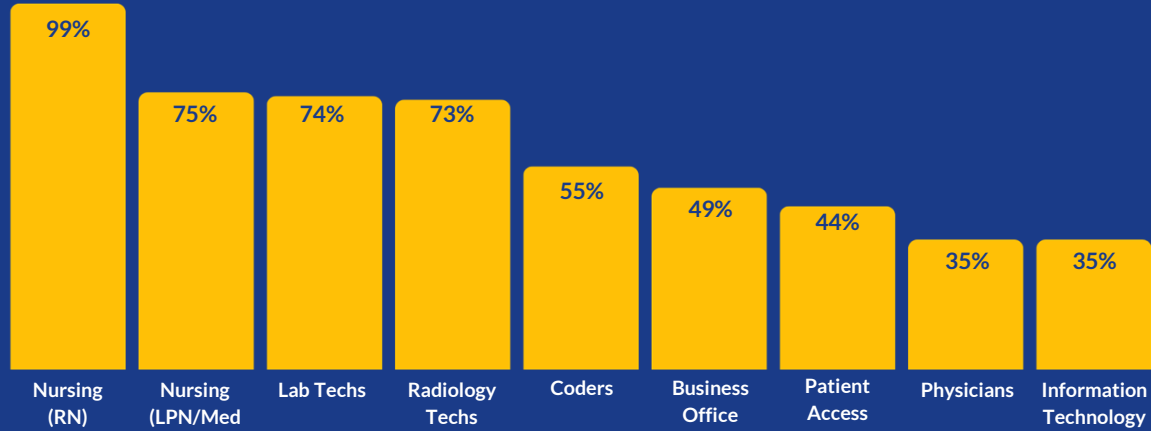
Top Causes of Margin Pressure



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HFMA Health System CFO Pain Points 2024

Labor Shortage by Role

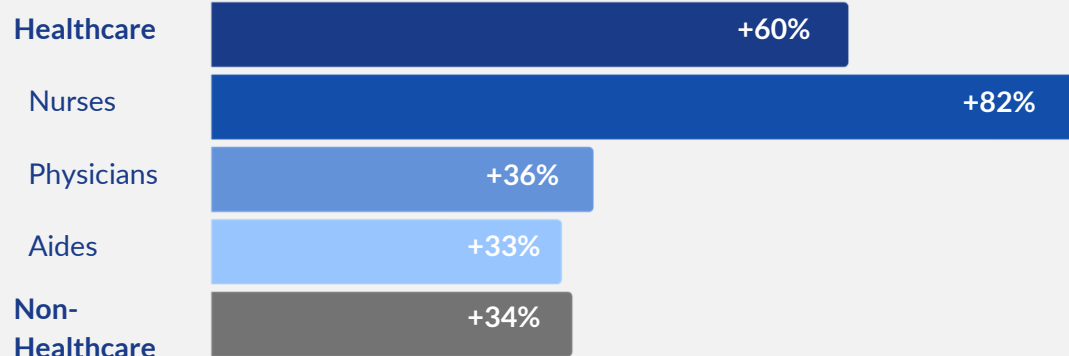


Nursing shortages have a significant impact on health system margins.

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Rising Healthcare Labor Costs

Percentage change in average earnings, 1980-2022



Source: New York Times analysis of 1980 census and 2022 American Community Survey, Gottlieb et al.; public and private sectors, adjusted for inflation

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How to Relieve Moral Injury and Burnout:

FIX PRIOR AUTHORIZATION

89%

of physicians say PA leads to:

- Missed medication doses
- Treatment interruptions
- Break in continuity of care

29%

say that PA has led to a serious adverse event including:

- Hospitalization
- Permanent injury
- Death

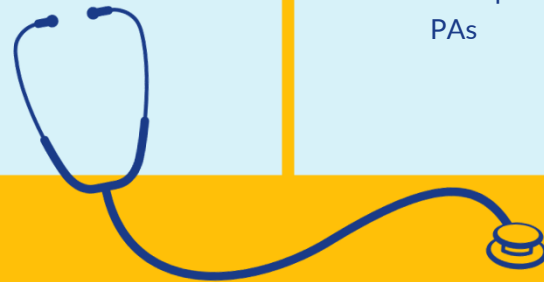
95%

say that PA increases physician burnout

13 Hours per Week

spent by physicians and staff completing PAs

Source: AMA



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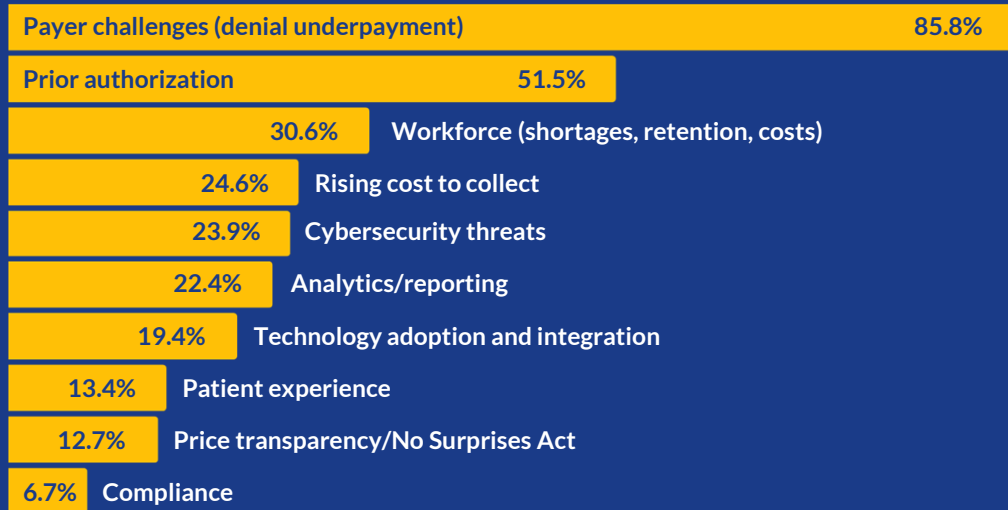
Elisabeth Potter, MD



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2024 HFMA Revenue Cycle Management Survey

Top 3 Areas of Stress for RCM Teams



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Dr. Oz, CMS Director



“Staging a Coup Against
Traditional Medicare”

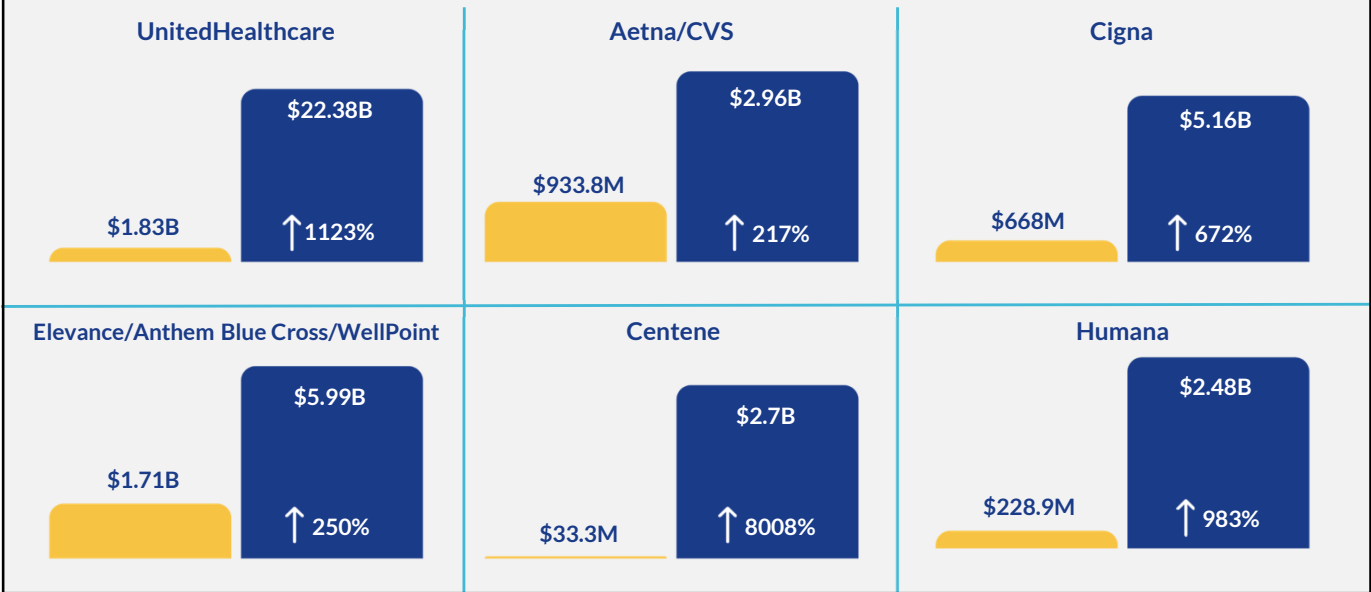
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Insurance Payers: 2003 Medicare Modernization Act

Insurance Name	2003 Profit	2023 Profit	Profit Increase	2003 Fortune 500 List	2024 Fortune 500 List
UnitedHealthcare	\$2.03B	\$23.14B	1040%	63	4
Aetna/CVS	\$933.8M	\$2.75B	195%	88/68	6
Cigna	\$469M	\$5.16B	1001%	87	16
Elevance/Anthem/WellPoint	\$774.3M	\$5.99B	674%	146/103/381	20
Centene	\$33.3M	\$2.7B	8008%	NA	22
Humana	\$228.9M	\$2.49B	987%	169	38

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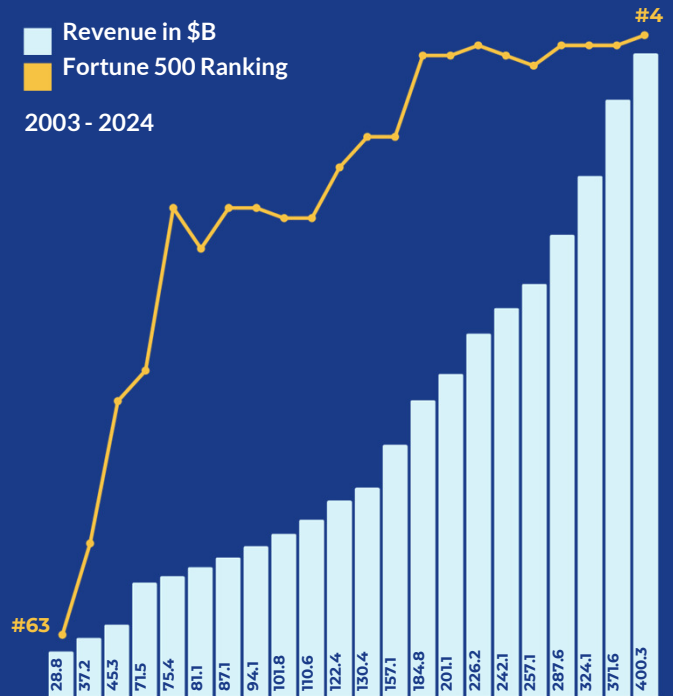
Health Insurance Profit 2003 - 2023



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UnitedHealth's Climb

SINCE ENTERING THE
MEDICARE ADVANTAGE
MARKET



Sources: sec.gov and fortune.com

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Targeting Seniors



October 1 - December 7, 2022:

643,852 ads for Medicare
Advantage Plans

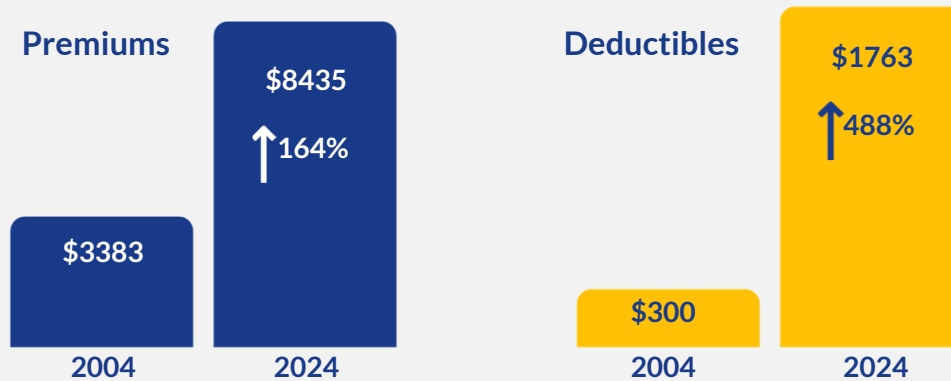
9,500 ads per day

AARP
Medicare Advantage
from  **UnitedHealthcare**

Source: KFF

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A System Built for Insurance Profit



Source: KFF

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Preventable Deaths



- 8.7% overall increase in mortality rate
- Medicaid patients: 11.3% increase
- Racial minorities: 12.6% increase

10 additional deaths out of every 1000 people who need care

Source: National Bureau of Economic Research

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A portrait of a middle-aged man with a grey beard and glasses, wearing a dark brown suit jacket over a black shirt. He is standing with his arms crossed against a solid green background.



The New Tobacco



Distract people from the real problem; generate fear; split communities with rhetoric, pitting one group against another; encourage people to doubt scientific conclusions; question whether there really is a problem; and say one thing in public while working secretly to do the opposite.

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Impact on Taxpayers

In 2025: A 22% spending increase in Medicare Advantage plans over Traditional Medicare...

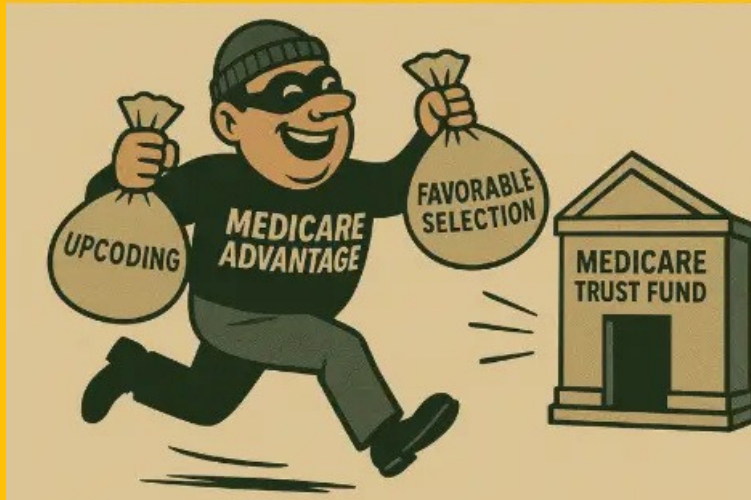
...costing an additional \$83 billion per year



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Medicare Advantage

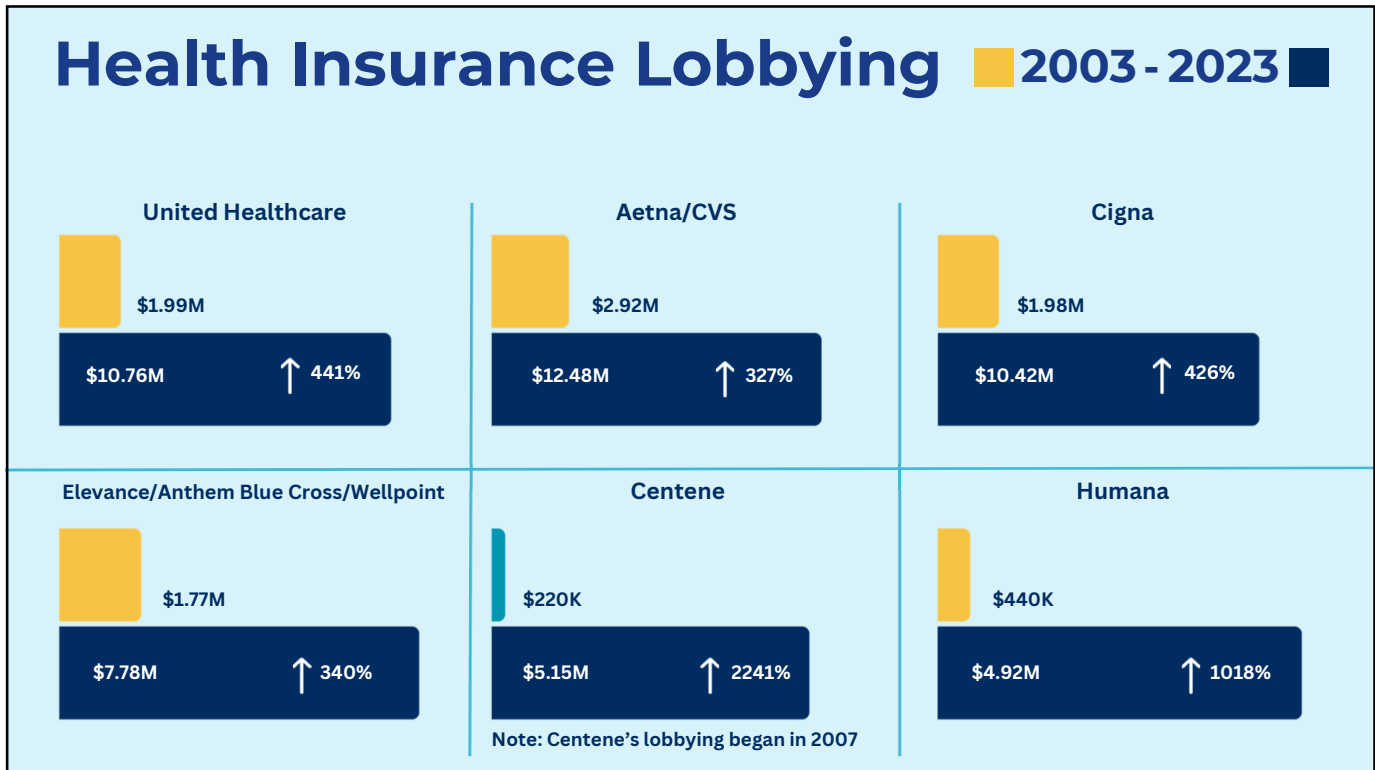
Impact of Medicare Trust



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**HOW IS THIS
POSSIBLE?**

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The Draculas of Healthcare



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A Growing Bipartisan Issue

REP. GREG MURPHY, MD (R-NC)

From LinkedIn - One of the 4-5 things I wish to get accomplished in Congress is to put Medicare Advantage back into the space where it was supposed to be. Insurers like United have fraudulently played a system that reaps profits for them but screws over those who actually deliver the care. The executives of the company know this, especially the ones with medical degrees.

FORMER REP. JIM GREENWOOD (R-PA)

I was proud to support the Medicare Modernization Act. But I never imagined that Medicare Advantage would become a vehicle for such waste and abuse.

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A Growing Bipartisan Issue

We all recognize that there's a problem. It's people's health and it's critical.

REP. MIKE KELLY (R-PA)

I thought Medicare Advantage was a good thing when it came out. But unfortunately, it's been manipulated.

SEN. ROGER MARSHALL (R-KS)

The apparent fraud, waste, and abuse at issue is simply unacceptable and harms not only Medicare beneficiaries, but also the American taxpayer.

SEN. CHUCK GRASSLEY (R-IA)

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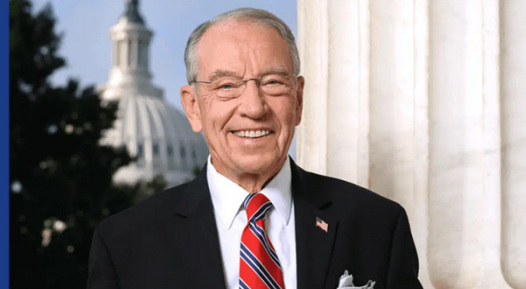
Senator Chuck Grassley

Participants

- Iowa physicians
- Hospital CEOs and CFOs

Topics

- Clinical decision
- Reduced authorizations
- Denials and reimbursement



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A Simple Solution

Hold Medicare
Advantage to the same
standards as
Traditional Medicare



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A MA MAC Would:

- Standardize prior authorization processes
- Eliminate bad faith denials
- Reduce admin burden for providers
- Enforce timely, fair payments
- Provide Congressional oversight
- Rein in insurer abuse



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Increase Lobbying Efforts

Tell your story

- Media: Local paper, TV, radio
- Representatives

Work together

- Coalition-building
- Resource sharing

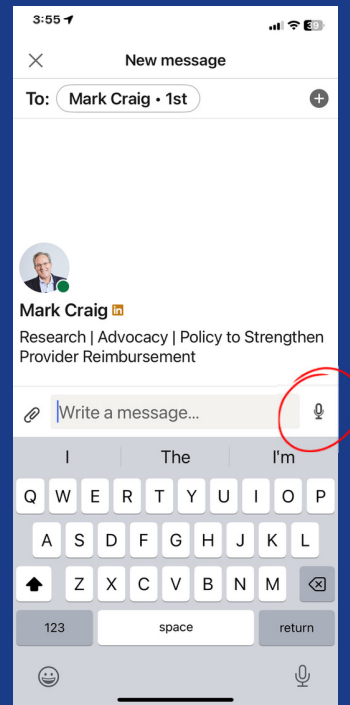


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Connect



mark@writeoffwarrior.com

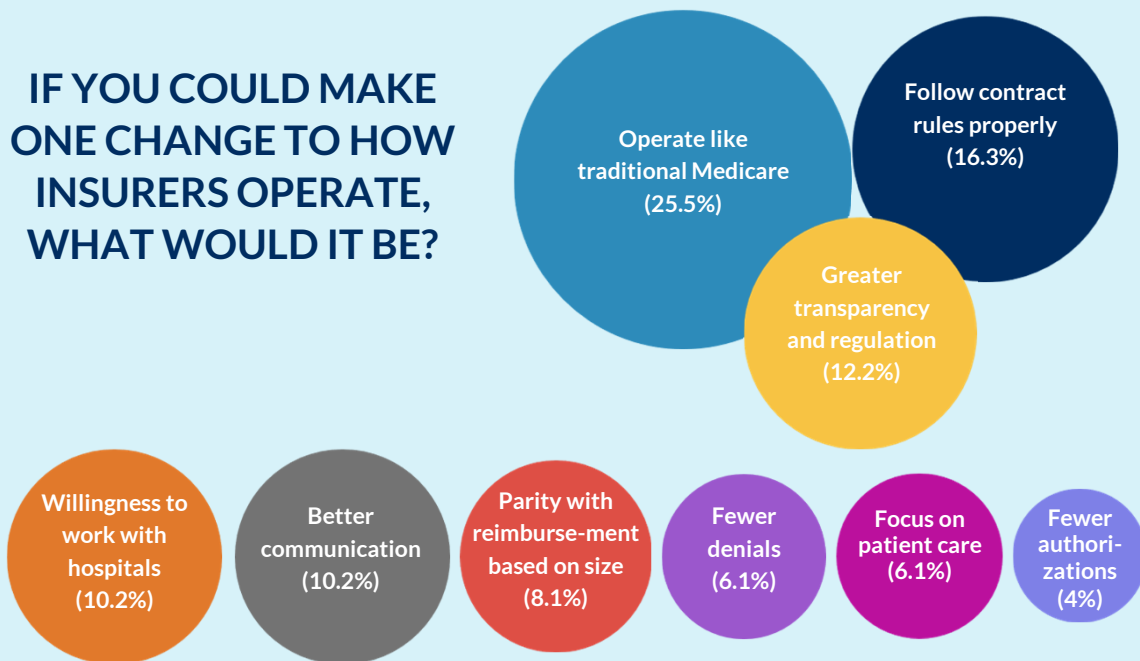


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**IF YOU COULD MAKE ONE
CHANGE TO HOW INSURERS
OPERATE, WHAT WOULD IT BE?**

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IF YOU COULD MAKE ONE CHANGE TO HOW INSURERS OPERATE, WHAT WOULD IT BE?



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Discussion With Medical Students



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What is Revenue Cycle Management?



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The Griever: Insurance Payer



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Honestly, I'm grateful. We talk about physician burnout, but without revenue cycle teams fighting through this maze, we wouldn't be able to provide patient care.

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Judith's Story



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Platte, South Dakota



Platte Medical Center

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Mark Burket, CEO



At the end of the day, do not lose sight of the bigger picture; why we put up with these challenges.

The nucleus, the motivator, is the patient.
The patient is always worth the effort.



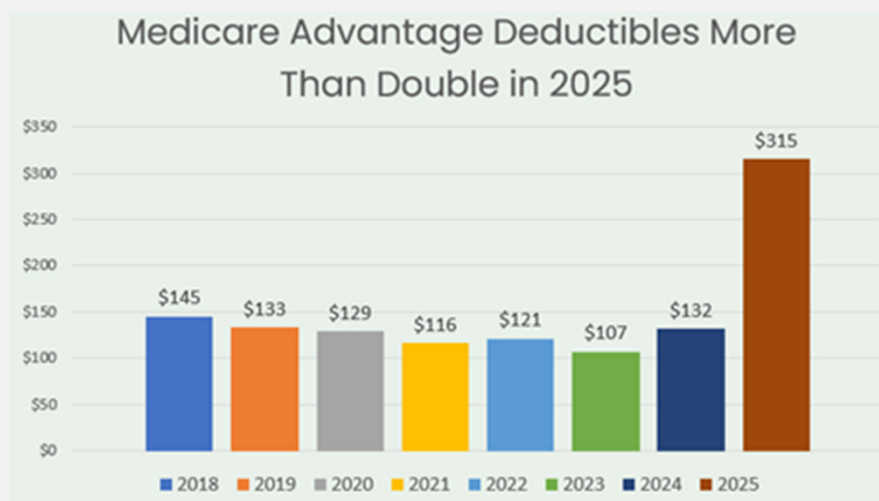
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Who is the Real Culprit?



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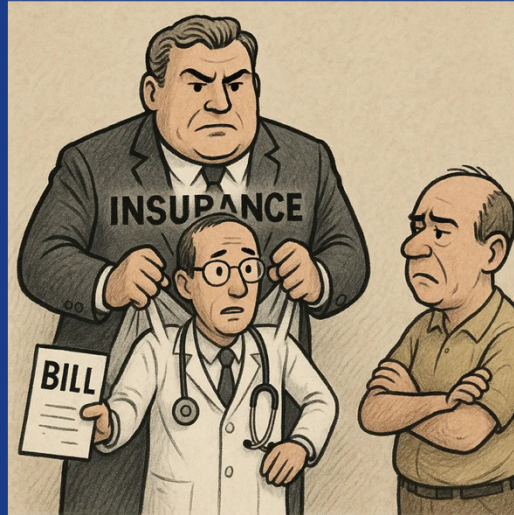
Medicare Advantage Deductibles



Source: EHealth

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Making Providers the Bad Guys



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Communicating with Patients

- Focus on Relationship not the Transaction
- Collection Scripts:
 - Lead with empathy
 - Educate who is the real villain
- SHIP: State Health Insurance Program
- Evaluate insurance plan

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**WHAT CAN WE LEARN
FROM THIS?**

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The Challenge

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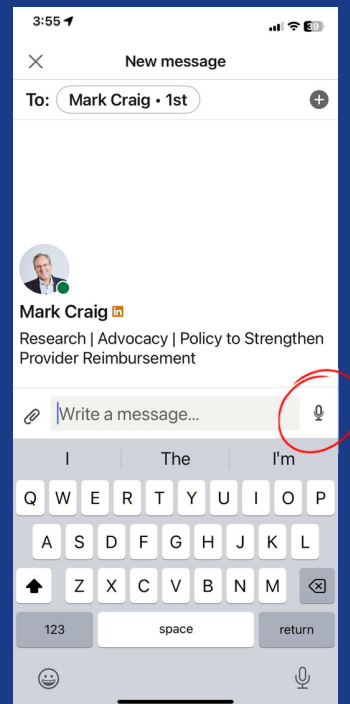
Questions?

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Connect



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