

HYPOCRISY



By Ron Howrigan



hy·po·cri·sy: the practice of professing standards, beliefs, etc., contrary to one's real character or actual behavior, especially the pretense of virtue and piety

I have been around the block once or twice and have seen my fair share of corporate greed. I have grown to expect the worst out of many corporations, and sometimes I am pleasantly surprised. Even with that jaded view of life, every now and then I am surprised by the depths of hypocrisy that some companies will sink to in the name of profits.

For months now, insurance companies have been calling for federal legislation to end “surprise billing.” They try to take the moral high ground and say that the need for this legislation is to protect unsuspecting patients who did nothing wrong other than end up at a hospital where the emergency medicine, radiology or anesthesia physicians refuse to contract with their insurance carrier. They have told a story about how these greedy physicians refuse to contract with them so that they can bill these patients at inflated rates. They paint a picture of physicians making millions of dollars by forcing these patients into bankruptcy under the weight of massive healthcare bills. They did such a good job of developing this narrative that bipartisan support now exists in DC to end this terrible practice.

So, in the words of the late, great Paul Harvey, “and now for the rest of the story.”

The problem with this narrative is that it's mostly false. OK, I will admit that there are bad actors out there. There are some cases where a hospital-based physician group has taken advantage of their position and refused to contract with payers so that they can bill patients at higher rates. Like any profession, the practice of medicine is not without its problem children. However, the problem is not nearly as bad as the payers have made it out to be, and the real villain in this story is not physicians but rather the payers, or at least some payers.

Late last year, United Healthcare (UHC) began a process of preemptively terminating contracts with hospital-based groups across the country. By all accounts, thousands of physicians received a termination notice from UHC. These termination letters were accompanied by a demand that the groups accept a cut in reimbursement of at least 50%. That's right, in order for the group to remain in the UHC network, they would have

to agree to a cut in pay of over 50%. To many groups this was like being offered the choice of being shot in the head or poisoned to death. Not a very good set of options.

Why was UHC doing this? Well, it's because they knew that once federal surprise billing legislation was passed, they would be able to force these physicians to accept less reimbursement, either through these terrible contracts or the new federal law. But wait, it gets worse.

In the middle of this corporate strategy to cut reimbursement to hard working doctors, the country was hit with the Covid-19 crisis. Several physician groups that had received a termination letter requested that UHC delay this action until after the country got through this crisis. They tried to appeal to UHC by pointing out that balance billing a patient during this crisis was not something they wanted to be forced into doing. This appeal largely landed on deaf ears as UHC pushed forward with their demand for massive reductions in reimbursement.

Another thing to consider in all of this is the relative financial position of the two actors in this play. On one side are the physicians. Right now, physicians all across the country are hurting financially, like so many other businesses. With the restrictions on elective healthcare services, medical practices are suffering significant reductions in revenues. The difference between doctors and some other businesses during this crisis is that doctors don't have an option to shelter in place. They put themselves on the front line every day at personal risk while also suffering from a loss in revenue. On the other side is United Healthcare. They are doing very well through all of this. On April 15 they announced first quarter earnings and blew away the expectations of Wall Street. Second quarter earnings are expected to be even better. Not only are they not suffering economically from this crisis, they are actually benefiting from it.

All of this makes me wonder. It makes me wonder if the reality is that patients don't need to be protected from physicians, they actually need to be protected from insurance carriers like United Healthcare. ●