

Healthcare

There are numerous challenges facing the healthcare industry which affects the treatment we get. Our current healthcare system is not sustainable. Despite spending far more on healthcare than other high-income nations, the United States scores poorly on many key health measures, including life expectancy, preventable hospital admissions, suicide, and maternal mortality. And for all that expense, satisfaction with the current healthcare system is relatively low. In fact, no one would design the system we currently have — well, other than those who are profiting from it. It is a national embarrassment that the richest, most technically advanced country in the world has such a poor health care record and an excessive cost. We have a long way to go to make healthcare in the United States safe, effective, and affordable.



The four main issues that challenge our healthcare system today are:

- **Rising costs**
- **Insured, uninsured or underinsured**
- **Healthcare system complexity**
- **Regulations**

Rising costs

The number one challenge facing the healthcare industry is the rising costs. Healthcare costs are increasing at a feverish rate. The U.S. ranks highest in healthcare costs among comparable countries with normal medical procedures that are close to or more than 50% higher in the U.S. These increased costs affecting the patient are the result of increased costs to the provider.

Hospitals, physician practices, clinics and other healthcare entities are seeing costs increase, primarily brought about by:

- Staffing needs remain an expensive challenge for healthcare entities. Thousands of nurses left the profession during or immediately after the pandemic and unfortunately, the trend continues. Physician shortages are a lingering issue, especially in rural areas creating widespread access problems throughout the healthcare system. A shortage of healthcare professionals can lead to the hiring of those who are not adequately trained or experienced. This, in turn, can result in negative consequences regarding patient care. An aging population has led to an even further demand for healthcare services. This demographic shift places immense pressure on an already limited healthcare workforce. Staffing shortages have driven an increase in wages, forcing hospitals to invest significantly in recruiting and retaining staff. This has exacerbated financial hardships for hospitals, with a considerable number projected to operate at a loss.
- Lower reimbursements & claim denials cause more administrative work for providers, less cash flow for hospitals and postponed patient care. Medicare & Medicaid Services issued a 1.25% decrease in payment rates from 2023 to 2024. These changes, such as the new add-on code for complex care in primary settings, impact healthcare providers' financial operations.
- Diagnostic testing and medical care offered primarily to minimize the chance of getting sued drives up costs. Malpractice lawsuits are so common in the US that for doctors in certain specialties, it's not a matter of if but when they are sued.
- Financially strained providers may limit services or reduce patient capacity, potentially limiting healthcare access for some communities. The sector is dividing into groups with varying credit quality, which affects their operational stability and ability to provide services.



- Financial constraints may also lead to tough decisions that could compromise care quality. This includes staff reductions, service cutbacks, or deferring equipment upgrades. Providers with unionized staff face additional challenges due to increased labor costs and organized labor activities.

Half of U.S. adults say they have difficulty affording healthcare, saying they have delayed or gone



without medical care due to cost. Unaffordable healthcare service prices, increased deductibles and increased co-pays, often lead individuals to postpone or forego necessary medical treatment. This delay can result in more severe health conditions, further driving up healthcare costs. Some individuals accrue massive debts or are forced to declare bankruptcy due to unmanageable healthcare expenses. It has become one of

the leading causes of bankruptcy in the United States. These skyrocketing medical bills force individuals into difficult financial predicaments. Many find themselves struggling to meet these expenses, leading to financial instability and stress.

Insured, uninsured or underinsured

Many people are hopelessly confused by how their insurance works. About half of consumers say they do not understand some aspect of their coverage, including about one-third who do not understand what costs their plan covers or what costs they will owe. Many have also said they had a problem using their coverage. The issues ranged from the most basic, such as not getting an appointment with a physician covered by their plan, to discovering that their medications are not covered or being denied prior authorization for care recommended by their physician. Of those who reported insurance problems, 15% said their health declined as a result. More than one-quarter of those who reported problems say they had to pay more for their care.

High costs combined with high numbers of underinsured or uninsured means many people risk bankruptcy if they develop a serious illness. Prices vary widely, and it's nearly impossible to compare the quality or cost of your healthcare options — or even to know how big a bill to expect. And even when you ask lots of questions ahead of time and stick with recommended doctors in your health insurance network, you may still wind up getting a surprise bill.

When patients with no or inadequate insurance and minimal financial resources are admitted to the hospital with a serious illness, the cost of their care is borne by charities, increased hospital

charges for insured patients, or funding involving state, local, or federal taxes administered by a variety of agencies. In the end, we all contribute to paying these bills. Thus, health care for the uninsured is not free: the bills are paid, often inadequately, with the financial burden distributed over several sources.

Many health insurance companies restrict expensive medications, tests, and other services by declining coverage until forms are filled out to justify the service to the insurer. True, this can prevent unnecessary expense to the healthcare system — and to the insurance company. Yet it also discourages care deemed appropriate by your physician.

Healthcare system complexity

The idea of making the health care system simpler and more transparent certainly sounds good, at least in concept. Who could disagree with the principle that everyone should be able to learn which physicians and hospitals are in their network and taking patients, or that patients should get easily understandable explanations of benefits, statements, and medical bills? And does anyone want an artificial intelligence algorithm to deny claims without any review by real medical professionals?

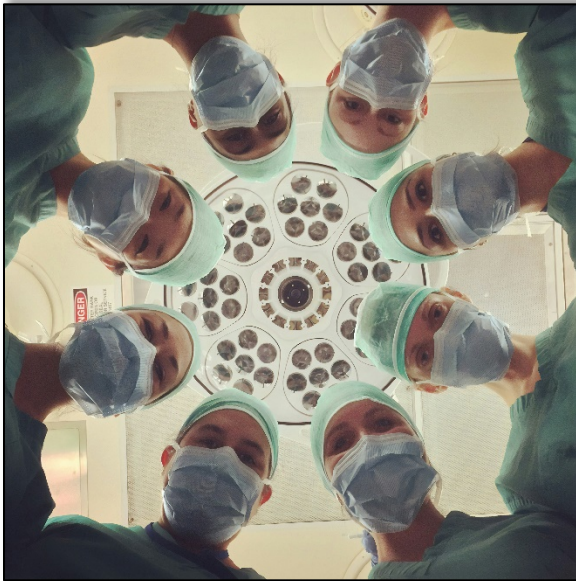
Yet, any push for health care simplification inevitably clashes with commercial interests. The health insurance system is structured to simultaneously maximize profits, control costs, and serve consumers, which are competing goals that add to the challenge of simplifying it.

Consumers often wait weeks or months for an appointment in areas with provider shortages, a backlog of credentialing and regulations that prevent providers from practicing across state lines limit the number of providers available. Compounding the lack of access are health plans that won't authorize care. Plans denied about 6% of 35 million prior use authorizations.

For public programs, the complexity also extends to signing up for coverage. Some individuals are no longer eligible for Medicaid, but about three-quarters have been terminated for "procedural" reasons, meaning they have been tangled in red tape or unable to be reached, and it is unknown whether they are still eligible for the program.

In Medicare, beneficiaries can now choose from an average of 43 private Medicare Advantage plans, and during open enrollment season, the airwaves are flooded with ads that may do more to confuse than illuminate. And people getting ACA coverage through healthcare.gov have a choice of more than 100 plan options on average. Choice in health care is generally believed to be a positive feature, but the complexity of too many choices can also lead to paralysis on the part of consumers or suboptimal decisions.

Health care simplification does not necessarily resonate in the same way as rallying cries for universal coverage or lower health care prices, but simplifying the system would address a problem that is frustrating for patients and is a barrier to accessible and affordable care.



Regulations

The regulatory landscape in healthcare is in a constant state of evolution. New laws and regulations, both at the federal and state levels, are being introduced, amended, or repealed, posing a formidable challenge for healthcare providers. Health systems often find these compliance requirements complex and time-consuming.

Healthcare providers are grappling with an ever-increasing compliance burden, as they must adapt to new regulations while maintaining adherence to existing ones. This not only demands significant financial resources but also strains administrative capacity.

Rapid regulatory changes introduce financial uncertainty. Providers may face reimbursement cuts, penalties for non-compliance, or unexpected costs associated with adapting to new requirements. This uncertainty can hinder long-term planning and investment.

The ongoing litigation and the evolution of state-level regulations, especially regarding paid leave laws and prescription drug pricing reforms, create a dynamic and sometimes uncertain regulatory environment. Healthcare providers must navigate these changes while managing the risk of non-compliance and adapting to different regulatory requirements across states. This can lead to operational complexities and require additional resources to ensure compliance at both state and federal levels.

With the increasing digitization of healthcare, regulatory changes often involve stricter data privacy and security requirements. Healthcare



providers must invest in robust cybersecurity measures to protect patient information, adding to their operational challenges.

The regulatory structure largely already exists to require explanations of benefits that make sense to consumers, clinician directories that are accurate, and rights to appeal when claims are denied. What is missing is effective enforcement of these requirements and support for consumers (especially those with serious and chronic health conditions) to comprehend and navigate the complex labyrinth the US health insurance system has become.

Conclusion

I support common-sense reforms that will lower costs, ensure quality health care that Americans deserve, and end lawsuit abuse. I oppose government-run health care, which won't protect the physician-patient relationship, won't promote competition, and won't promote health care quality and choice. "Obama Care" is not and will not be the answer. The government has a proven record of not providing quality health care. Health care should remain privatized. Insurances should be able to transcend state lines and patients should have the freedom of choice.

America! What a great place to live.

Thanks, Semper Fi, and Stay Safe !

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