



# Universal Solutions

Leveling the Healthcare Playing Field

## Healthcare Initiatives

### Let's look at some staggering facts:

- Nearly **90% of all medical claims** go out with at least one error. Of those, only about 15% are ever corrected.
- Patients account for paying nearly **\$35 billion dollars** annually they should not be liable for.
- In a speech given on June 15, 2009, President Obama stated that by the year 2012, \$1 out of every \$3 earned by you and I will go towards healthcare expenses.
- As much as **\*\$226 billion dollars** is billed fraudulently by healthcare providers annually or 10% of all healthcare spending. That is more than \$900.00 per insured in America per year.

*\*The National Health Care Anti-Fraud Association (NHCAA) estimates conservatively that 3% of all health care spending—or \$68 billion—is lost to health care fraud. That's more than the gross domestic product of 120 different countries, including Iceland, Ecuador, and Kenya.<sup>[1]</sup> Other estimates by government and law enforcement agencies <sup>[2]</sup> place the loss due to health care fraud as high as 10 percent of our nation's annual health care expenditure—or a staggering \$226 billion—each year. And the cost of health care will only continue to rise <sup>[3]</sup>, which means the price tag associated with health care fraud will rise too unless we can work together to combat it.*

- As many as **30% of all medical claims** are denied incorrectly by the insurance carrier.
- A new study finds that more than **60% of personal bankruptcies** in the United States in 2007 were caused by health-care costs associated with a major illness. That's a 50% increase in the number of bankruptcies blamed on medical expenses since a similar study in 2001.

In an article published in the August 2009 issue of the *American Journal of Medicine*, the results of the first-ever national random sample survey of bankruptcy filers shows that illnesses and medical bills contribute to a large and increasing share of bankruptcies.

"The US health care financing system is broken, and not only for the poor and uninsured," said Harvard Medical School researcher David U. Himmelstein, M.D. "Middle class families frequently collapse under the strain of a health care system that treats physical wounds, but often inflicts fiscal ones."



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A report out last month from the Commonwealth Fund found that 28 percent of the population said they were paying off medical debt in 2007, up from 21 percent in 2005.

"Two-thirds of the people who go into medical debt have insurance," said Mark Rukavina, executive director of the Access Project. "When medical debt hits, it hits very quickly. It's a jolt, and it's generally not very predictable."

*Taken from CNN Health August 28, 2008*

- In 2007, total health care spending was \$2.4 TRILLION, or \$7,900 per person. In 2008 total national health expenditures rose 6.9 percent -- two times the rate of inflation. Total health care spending represented 17 percent of the gross domestic product (GDP).
- The total 2009 medical cost for a typical American family of four is \$16,771, compared with the 2008 figure of \$15,609. This is a 7.4% increase from 2008 to 2009. **1**
  - ◇ Premiums for employer-based health insurance rose by an average minimum of 5.0 percent in 2008.
  - ◇ Since 1999, employment-based health insurance premiums have increased 120 percent as well as a 120 percent increase to employee out of pocket expenses.
  - ◇ Health insurance expenses are the fastest growing cost component for employers.
- **In the last 2 years, employers have cut healthcare benefits by 30%, and 15% of all employers have eliminated healthcare benefits altogether.**



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- The recent economic downturn is affecting total healthcare expenditures in the United States. **1**
    - ◇ **Private business revenues are down.** Businesses are responding with layoffs and increases in employee payroll deduction contributions to health insurance.
    - ◇ **The national unemployment rate is at its highest level since the Great Depression.** As workers become unemployed, they adjust their utilization of healthcare services, sometimes accelerating utilization if they expect to lose their insurance coverage, and sometimes postponing care to avoid incurring out-of-pocket expenses.
    - ◇ **Government tax revenue is down.** This has obvious implications for Medicare and Medicaid. Some governmental entities may respond in the same way as private businesses: *by cutting employees or reducing benefits.*
    - ◇ **For some healthcare providers, gross revenues are down.** Price pressure from purchasers and decreases in utilization mean that revenue may not keep pace with expenses. While this might result in overall healthcare costs in the short term, it might also increase pressure on providers to increase their average charge per service delivered, accelerating unit cost trends.
- 1 2009 Milliman Research Report**
- Each year, more than 4.1 million in the United States suffer a workplace Injury or occupational injury. More than 2 million of these workers are injured severely enough that they miss work and need ongoing medical care.
    - ◇ In 2008, workers compensation cost employers \$126 billion.
    - ◇ The average medical cost for the average work comp claimant has tripled in the last 2 years.
    - ◇ The employers costs associated with these increases are expected to quadruple in the next 3 years.



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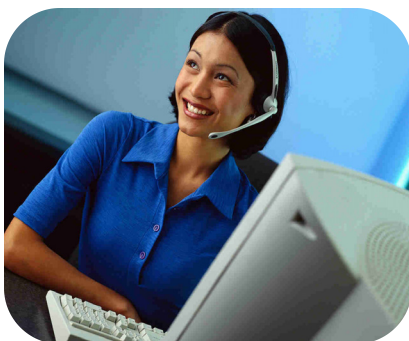
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## We see example after example of:

- *Insurance carriers not checking claims thoroughly enough because of the sheer volume. Many times it's easier to pay claims now and worry about overcharging trends later. This is why many providers go years without being caught, and then get a slap on the wrist for their behavior. But by this time, the damage has been done.*
- *Providers overcharging (up coding) their charges to get more reimbursement or billing for services never performed. Providers billing private insurance companies differently from workers compensation insurance companies.*
- *Providers billing patients for errors their offices made because after all, does the provider of service care where the money comes from? No, as long as it comes from somewhere.*
- *The patient, clueless as to what the provider should actually be charging and what level of codes they should be billing, goes along paying their co pays while the insurance company pays on inflated fees. When claims are denied, the patient has no recourse and very few tools at their disposal to help navigate the bureaucracy.*

*The real solution is an advocacy program that address's all issues, from the healthcare provider to the insurance carrier to the patient getting proper care. We can eliminate up to 90% of all fraudulent billing and assist in keeping insurance premiums regulated for employers.*

If you have questions regarding this information,  
or if you would like to know how we can be of service,  
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