Saving The World: Requested Explanation Of Nine Trillion Dollar Tax Evasion Scheme Posted Recently

"IRS and Healthcare Industry Clash Over Patient Revenue Recognition: Exploring the Root of the Nine Trillion Dollar Tax Evasion Allegations"

Fort Myers, Florida Jun 14, 2023 (Issuewire.com) - This introductory briefing, courtesy of Saving The World, offers an insight into pervasive customs prevalent in the healthcare sector. It's important to highlight that while these practices are not uniformly observed by all healthcare providers or insurance agencies, their ubiquity stems from exhaustive research and trending patterns. Do bear in mind that specific regulations can differ from one provider or insurance agency to another.

The SavingTheWorld.us website's platform houses authoritative testimonies and proof of a Tax Evasion Scheme detailed in this discourse. We urge our readers to scrutinize all the material for a more comprehensive grasp of this tax evasion plot that has inflicted profound damage to our nation and amplified our national healthcare expenses. A subsequent, intricate analysis conducted by a systems analyst uncovers the startling sophistication of this stratagem, encapsulating far-reaching kickbacks between healthcare providers and insurance companies. These undisclosed kickbacks primarily account for the escalated healthcare costs in the United States. It is our hope that, in the wake of a whistleblower revealing a staggering nine trillion-dollar tax evasion plot, the healthcare industry will find itself under increased scrutiny.

This mechanism operates via two agreements - one legitimate, the other illicit. Legitimate contracts exist between providers and patients for standard rate medical services. Meanwhile, illicit contracts between providers and insurance companies enable insurance companies to be 'rewarded' with the disparity between the patient's bill and what the insurance company pays. This reward, or 'kickback', averages a staggering 85% of patient bills and serves as an incentive for patient referrals.

This system has roots in the weakening of the Health Maintenance Organization Law of 1985. The law was intended to foster competition and lower healthcare costs by encouraging insurance companies to select the lowest cost providers. However, providers began to covertly pay insurance companies to secure their patients, driving up prices to cover these kickbacks. The providers paid these kickbacks to secure a steady stream of customers to the detriment of their competitors, therefore this practice is a restraint of trade.

Brokering, the illegal practice of making cash or equivalent payments for patient referrals, lies at the heart of the tax evasion allegations. Despite laws preventing brokering, it appears insurance companies have shielded such transactions from public view by labeling them as trade secrets. These payments are concealed as 'contractual adjustments', further complicating their traceability.

The signs of brokering become visible when an insurance company fails to pay the total amount billed to an insured patient. The difference between the patient's bill and what the insurance company pays is the concealed kickback. Common misconceptions often mistake this difference as a discount; however, such discounts must appear on the bill at issuance, a practice rarely observed.

According to accrual accounting, the charge on the bill becomes the patient's legal debt, which, if insured, transfers to the insurance company. The full bill amount is counted as income. If not paid in full, it should be reported as 'Bad Debt' or 'Canceled Debt'. However, when this debt is canceled or forgiven, it is converted into income for the insurance company and must be taxed accordingly.

The scheme allegedly involves approximately 70% of patients covered by private insurance, with 80% of private-pay patient bills implicated. Close examination of cost reports submitted to the Centers for Medicare/Medicaid Services (CMS) indicates almost 80% of providers and insurance companies could be complicit. Over the last four decades, the practice has skyrocketed, from around 1% in the 1980s to now encompassing more than 85% of an insured patient's bill. This means that for every six dollars billed, five dollars serve as a kickback to the insurance company.

Both the giver and receiver must pay taxes on these illegal kickbacks, effectively doubling the taxable amount. However, under the federal Anti-Kickback Statute, damages must be tripled, and each transaction incurs a $50,000 fine. Therefore, for every dollar paid by the insurance company, thirty dollars must be taxed, and a $50,000 fine imposed per transaction. The six-year statute of limitations for tax offenses places the total estimate of owed taxes and fines at nine trillion dollars.

A quick calculation of the taxable revenue: The taxable amount that is outstanding is the difference between what the provider charged the insured patient and what the actual amount collected, which the insurance company and the provider must pay taxes on. It is estimated that the kickback payment now exceeds 85% of the patients' bills. In other words, for every six dollars billed, the provider gets $1 and the kickback paid to the insurance company is $5, therefore the taxable amount is $10. The federal anti-kickback statute says the damages must be tripled and a fine of $50,000 imposed for each transaction, therefore the taxable amount is increased to $30. Taxes are subjected to a six-year statute of limitations; therefore, the taxable amount is increased to $180 for every dollar the provider gets from the private-pay insurance company.

It appears the IRS, in charge of tax collection, may have overlooked these practices, assuming only the amount paid by the insurance company was taxable. Additionally, they did not scrutinize contracts between insurance companies and providers due to a reported lack of training in contract law. However, the Supreme Court has stated that laws must be enforced, even if a U.S. agency makes an error, for the public benefit.

There was a misunderstanding regarding how patient revenues should be recognized by the IRS, which arose due to several contributing factors. The U.S. Healthcare Industry consists of two distinct business groups: private businesses and the government. Private businesses are required to follow all the accounting procedures outlined by GAAP and adhere to tax code regulations. On the other hand, the government business group follows specific billing and accounting practices mandated by law. For instance, when a bill is issued for a patient under Medicare, the listed amount is not considered a liability or added to the provider's gross income for tax purposes. Instead, the actual amount paid for these services is recognized as income. To address this issue on the government business, the Financial Accounting Standards Board (FASB) introduced the contractual adjustment account, which allows the reporting of the amount not collected and permits the deduction of these revenues from gross income.

Hospital income serves as the primary source of patient revenues. Approximately 80% of hospitals are not-for-profit corporations that are exempt from paying taxes on patient revenues. However, these corporations are still subject to the tax code, which specifies that any cash or cash equivalents paid for an illegal purpose, such as brokering expenses, must be taxed. This taxation ensures that providers do not engage in illegal activities.

The system analyst brought the misuse of the contractual adjustment account to the attention of the Financial Accounting Standards Board. In response, FASB clarified the account's usage and issued a new accounting procedure known as SAC 606 – Recognition of Patient Revenues in 2014. It should be noted that the contractual adjustment account and its procedures are not mentioned in Generally

Accepted Accounting Procedures when it comes to the private side of the healthcare business.

In response to these revelations, the IRS is likely to audit implicated providers and insurance companies. A recently passed Reconciliation bill has allocated close to $80 billion in additional funding for the IRS for enforcement and audits. President Biden is reportedly planning to hire 87,000 new auditors to assist in this enormous task. The added resources will be directed at the alleged two to three million tax violators within the healthcare industry.

The anonymous systems analyst who exposed this scheme has not only shone a light on an intricate tax evasion framework but has potentially started a domino effect that could see significant fines and even criminal charges brought against major players in the healthcare industry.

This groundbreaking revelation underscores the dire need for transparency and robust regulation in the healthcare industry, a sector that profoundly impacts millions of Americans. As investigations unfold, we can expect to gain a clearer understanding of these allegations and their implications for the healthcare and insurance sectors.

Patients are encouraged to stay informed and vigilant as the situation evolves. Patients are asked to examine their Explanation of Benefits form from your private-pay insurance company and ask them why there is a difference between what they are billed and what the insurance companies pay. if the provider was going to collect less than they should have billed what they were expected to get. I pray people have the courage to report the fraudulent activities to law enforcement and their Congressional representatives. Show the world you have the courage to stand up against these demi-gods and demand our laws be enforced. More details about the alleged tax evasion scheme and its potential effects on healthcare costs and insurance premiums are anticipated to emerge as the investigation progresses.

As this is a developing story, we will continue to keep you updated with the latest information as it becomes available. The depth and breadth of this alleged tax evasion scheme could have significant implications for the healthcare industry and taxpayers alike, so be sure to follow this story closely in the days and weeks to come.

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