

Supreme Court Decision Impacts Revenue Reporting in Healthcare

IRS Chief Counsels Office Seeking Resolution to Past Years Tax Issues

Fort Myers, Florida Oct 5, 2023 ([Issuewire.com](https://www.issuewire.com)) - Supreme Court Decision Impacts Revenue Reporting in Healthcare

SavingTheWorld: In a review of a landmark ruling, *Spring City Foundry Co. v. Commissioner*, 292 U.S. 182, the Supreme Court has unequivocally stated that for those using the accrual accounting method, the recognized income should equate to the amount billed to the customer. This significant verdict could reshape the landscape of total revenue reporting for many sectors.

The healthcare industry is at the forefront of those affected by this judgment. Traditionally, a large portion of healthcare providers, particularly those catering to private-pay patients, reported only the fees negotiated with private insurance companies on their tax returns. This often meant sidelining the full amount they billed to insured patients.

The crux of the debate now centers on insurance companies' responsibilities: Will they be mandated to settle the complete billed amount, or can they deduct the difference between this and the negotiated fee, especially the referral fees? This distinction can be gleaned from the Explanation of Benefits form, which delineates the gap between the billed and agreed amounts, shared with both the patient and provider. If obligated to meet the higher billed amounts, insurance companies might find themselves revising premium rates upwards.

For an in-depth dive into the nuances of healthcare billing and its interactions with broader legal frameworks, the updated website, SavingTheWorld.us, serves as a comprehensive resource.

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Source : Saving the World

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