

Fix USA Healthcare draw the Curtains on the Fallacy of Negotiated Fees

A Threat to the Nation's Financial Well-Being

Fort Myers, Florida May 29, 2024 ([Issuewire.com](https://www.issuewire.com)) - [Fixing USA Healthcare](#) Fix USA Healthcare is a website containing a team that is dedicated to providing important information and valuable insights to general people about the country's healthcare system and industry. Run by Roy Meidinger, an independent law practice professional, its mission is to shed light on the ugly truth behind USA healthcare practices while empowering individuals to make more informed decisions about their well-being in the country. The country navigates through difficult financial challenges, exacerbated by the increasing economic burden imposed by the healthcare industry, and the team at Fix USA Healthcare notices an alarming scenario. The deeper the team delves into understanding the true workings of the country's finances, the more it feels like the light at the end of the tunnel is the headlight of an oncoming train. This indicates an impending disaster that seems impossible to avert.

Historical Context

The team at Fix USA Healthcare focuses on a quote that is often attributed to the Scottish historian and economist Alexander Fraser Tytler, also known as Lord Woodhouselee. It perfectly captures the nature of democracies and economic policies: "A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largesse from the public treasury. From that moment on, the majority always votes for the candidates promising the most benefits from the public treasury, with the result that a democracy always collapses over loose fiscal policy, always followed by a dictatorship." According to Tytler's proposed cycle, the average lifespan of great civilizations is around 200 years. This reflects the vulnerability of democratic systems to financial mismanagement and the eventual rise of the autocracy.

Present-day Financial Challenges

Fix USA Healthcare discovered that the U.S. healthcare system is increasingly burdening the national economy. Healthcare billing practices must ensure compliance with legal and ethical standards. This will make providers recognize revenue based on the billed amount, but any forgiveness of debt to insurance companies must be considered as additional income for tax purposes. The distinct contracts between providers and patients, and providers and insurance companies, should be treated separately, without influencing each other.

To improve the situation, providers must navigate these complexities, ensuring that billing practices comply with anti-kickback statutes, antitrust laws, and tax regulations. The enforceability of the billed amount in legal contexts confirms it as the definitive financial obligation between the provider and the patient. At the same time, the assumption of debt by the insurance company and subsequent notification to the patient of their share of the medical debt highlights the intricate interplay of responsibilities and legal obligations in healthcare transactions. The forgiven debt will be included as income, ensuring accurate tax reporting and adherence to legal standards.

The Hidden Costs of Negotiated Fees: A Call For Reformation

As the U.S. grapples with escalating healthcare costs, Fix USA Healthcare finds a growing debate has emerged over the practice of negotiated fees between healthcare providers and insurance companies.

While negotiated fees were supposed to control costs. The current facts showcase the opposite. Healthcare costs increased because the healthcare industry learned how to get more money for itself. This happened due to the Internal Revenue Service's failure to recognize the tax revenues to be collected from providers and insurance companies. This occurred due to the inability of law enforcement, resulting in continuous break-ins by the perpetrators to the detriment of others— in this case, the citizens of the United States.

Challenges of Using Negotiated Fees

Negotiated fees are agreements between healthcare providers and insurance companies that allow providers to accept lower payments than their standard charges in exchange for being part of an insurer's network. Previously these agreements were intended to control costs and provide affordable premiums for policyholders. But now they also create significant disparities in billing practices.

The Key Issues with Negotiated Fees

- **Price Inflation:** The dedicated team at Fix USA Healthcare noticed that providers often increase their standard charges to compensate for lower negotiated fees. This practice inflates overall healthcare costs, impacting patients who pay out-of-pocket or those with high-deductible plans.
- **Restraint of Trade:** Negotiated fees can also act as a restraint of trade by reducing competition among providers. This lack of competition allows both providers and insurance companies to continue raising prices unchecked.
- **Lack of Transparency:** Patients often have little understanding of the true cost of their medical care due to complex billing practices and hidden negotiated rates.

Uniform Pricing

Advocates for uniform pricing vote for all customers or patients to be charged the same amount for medical services. This approach aligns with the principles of a competitive, capitalistic market, where transparency and competition drive costs down and service quality up.

Benefits of Uniform Pricing

- **Transparency:** Patients would have a clear understanding of medical costs, leading to more informed healthcare decisions.
- **Enhanced Competition:** By removing negotiated rates, providers would compete based on the quality and efficiency of their services, fostering innovation and improving care.
- **Fairness:** Uniform pricing eliminates disparities in billing, ensuring that all patients are treated equally regardless of their insurance status.

A Call for National Healthcare Reform

Given the complexities and inefficiencies of the current system, some experts advocate for adopting a national healthcare system similar to those in other industrialized countries. According to the team at Fix USA Healthcare, this approach would eliminate the need for negotiated fees entirely, ensuring universal access to healthcare and reducing administrative burdens.

Arguments for a Better National Healthcare System

- **Universal Coverage:** Ensures that every citizen has access to healthcare, regardless of their financial situation.
- **Cost Control:** National systems often achieve better cost control through centralized negotiations and streamlined administrative processes.
- **Equity:** Provides a more equitable healthcare system where all individuals receive the same standard of care.

Comparing U.S. Healthcare Costs to Other Industrialized Countries

Other industrialized countries have healthcare costs that are substantially lower than those in the United States. These nations have managed to control costs and ensure quality care through competitive pricing and the absence of practices like kickbacks. These are illegal and should be properly taxed. For example, the United Kingdom provides universal coverage through the National Health Service (NHS), which is funded by taxation. Canada employs a single-payer system that negotiates fees directly with providers. On the other hand, Germany uses a system of social health insurance with regulated pricing. These countries demonstrate that healthcare can be both affordable and high-quality without the distortions created by negotiated fees and kickbacks.

Difference Between Financial Realities and False Beliefs

False economic statements have misled the public into believing that negotiated fees help control healthcare costs. However, the evidence shows the opposite. The lack of taxes on kickbacks has allowed these practices to flourish and led to an industry-wide tax evasion scheme.

The Financial Truths

- **Kickback Reporting:** Providers must navigate complexities to ensure billing practices comply with anti-kickback statutes, antitrust laws, and tax regulations. The billed amount must be enforceable as the definitive financial obligation between the provider and the patient.
- **Maintaining Integrity:** Compliance with these requirements ensures the integrity of the healthcare billing system and prevents tax evasion schemes in managed care insurance.
- **Tax Compliance:** Both providers and insurance companies must recognize the tax implications of canceled debt. Providers are obligated to report forgiven debt on Form 1099-C, while insurance companies must include forgiven debt as taxable income under IRC Section 61(a)(12). The IRS and courts have consistently held that canceled debt is a form of cash equivalent income, subject to taxation.

Fix USA Healthcare has debunked that this problem can only be solved when healthcare billing practices start to ensure compliance with legal and ethical standards. Providers recognize revenue based on the billed amount, but any forgiveness of debt to insurance companies must be considered as additional income for tax purposes. These distinct contracts between providers and patients, and providers and insurance companies, should be treated separately, without influencing each other.

Providers must also navigate these complexities, such as ensuring that billing practices comply with anti-kickback statutes, antitrust laws, and tax regulations. The enforceability of the billed amount in legal contexts confirms it as the definitive financial obligation between the provider and the patient. It is the assumption of debt by the insurance company and subsequent notification to the patient of their share of the medical debt that highlights the intricate interplay of responsibilities and legal obligations in healthcare transactions. Here, the inclusion of forgiven debt as income ensures accurate tax reporting and adherence to legal standards.

Both the insurance companies and providers must recognize the tax implications of canceled debt. According to the law, providers are obligated to report forgiven debt on Form 1099-C, while insurance companies must include forgiven debt as taxable income under IRC Section 61(a)(12). The courts and IRS have consistently held that canceled debt is a form of cash equivalent income, subject to taxation. Compliance with these requirements ensures the integrity of the healthcare billing system and prevents tax evasion schemes in managed care insurance.

While negotiated fees were intended to control costs, in practice they have led to increased healthcare expenses and perpetuated financial inequities. Healthcare providers and insurance companies can contribute to a more efficient, fair, and legally compliant healthcare system by adhering to ethical practices and transparent reporting. Fix USA Healthcare finds this approach to support the financial integrity of all parties involved and helps safeguard against the misuse of healthcare funds. For more such revolutionary information about the country's economy and healthcare, visit <https://savingtheworld.us/>.

Media Contact

Saving the World

RoyJMeidinger@comcast.net

954-790-9407

14893 American Eagle Ct.

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