NSA Implementation Issues Are Failing Patients & Providers

Pay-Day Loans: *Insurer Shakedown?*

Background

Congress passed the *No Surprises Act* (NSA) in 2020 to protect patients from out-of-network surprise medical bills while preserving access to in-network care. Since the NSA's implementation, however, patients have been suffering the loss of in-network care. The culprit is abusive action being taken by insurers that pushes medical practices out of network. As detailed in earlier Impact Alerts and AFHC's national survey of more than 48,000 providers, insurers are taking highly abusive action including the following:

- They are slashing the reimbursement they owe providers and shifting costs onto patients.
- They are delaying payment by ignoring Independent Dispute Resolution (IDR) decisions.
- They are explicitly violating the No Surprises Act with financial ties to IDR Entities (IDREs).
- They are denying services to at-risk patients – including women at risk of breast cancer.
- And, they are exacerbating Medicare and inflation pressures burdening many medical practices.

But That's Not All…

After this abuse puts medical practices at financial risk, some insurers are going one egregious step further: they are selling "pay-day loans" to struggling providers. *In other words, having created the problem, they are now pushing a "solution" that further burdens the healthcare delivery system.* For example, a UnitedHealth Group subsidiary called Optum Financial markets "Optum Pay Advance" to financially strained practices.

Optum Financial®

	Optum Pay Advance**
Financial cost	$1,750
Implied annual percentage rate (APR)	6%

Excerpted from Optum's "sell sheet"

Optum Pay Advance makes lump sum loans to practices struggling with late, denied, and slashed payments. In return, Optum charges a fee and a significant interest rate. Optum also holds back a portion of future reimbursement to pay off the loan – putting practices in an even deeper financial hole. And should a practice find itself unable to pay off its debt, Optum can exercise the "security interest" in the practice it obtains as part of this transaction. Perhaps not coincidentally, UnitedHealth is now the nation's largest employer of physicians.

In Personal Terms

Imagine it's Pay Day … but instead of giving you the paycheck you've earned, you're told you have to supply paperwork – a lot of paperwork. That hassle takes time, delaying when you get paid. You may even have to sue to get the payment you're due. And if and when you finally do get paid, you discover it's for a lower amount than you earned. Your bills are piling up, so you're in a real bind. But then the people doing this to you make an "offer" they hope you can't refuse: a loan for which they'll charge you a fee and interest … and for which they'll take a cut out of your future paychecks as payback. **That's a pay-day loan.** And it's exactly what insurers are "offering" to providers being squeezed by insurer abuse.

Congressional Oversight is Needed to Preserve NSA's Safeguards

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