

2018 HEALTHCARE OUTLOOK

TREND #5: THE FALL, AND LIKELY RISE, OF UNPAID MEDICAL BILLS

Hospitals have experienced improvements in uncompensated care revenue due to the ACA. But reform and economic uncertainty are creating a perfect storm that could erase this momentum.

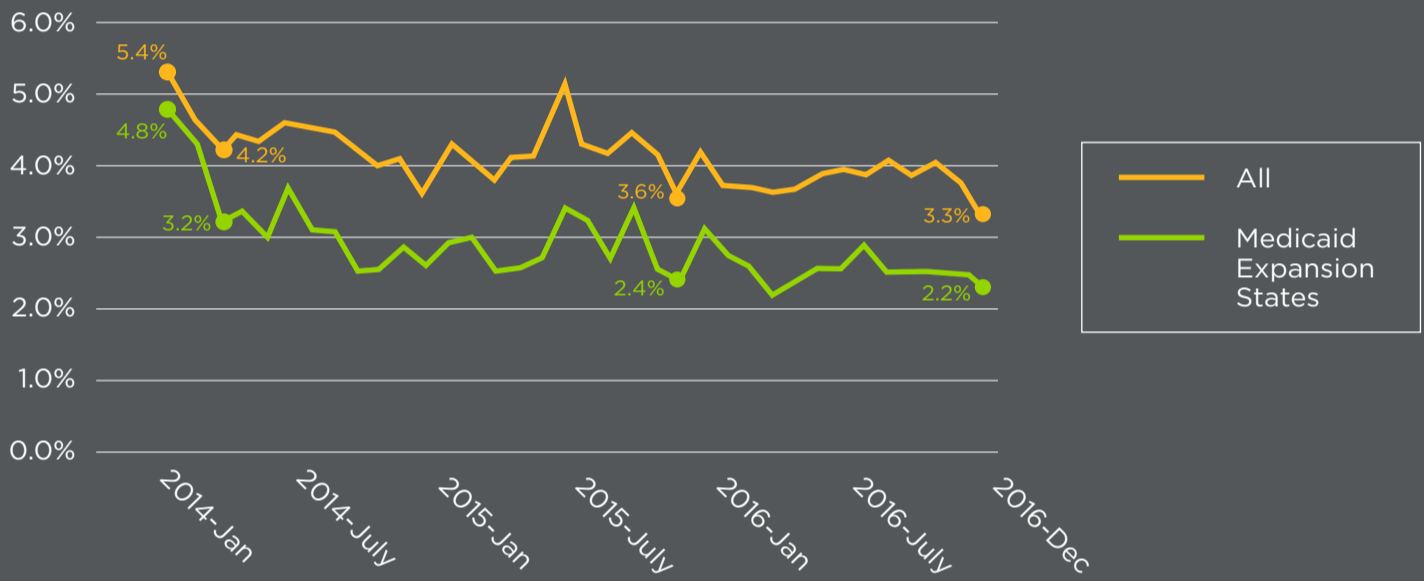
HFMA/NAVIGANT UNCOMPENSATED CARE REVENUE ANALYSIS*

* Source: HFMA MAP App database, ~300 hospitals (2014-2016)

✓ Uncompensated care **revenue down 39%**, cut in half in Medicaid expansion states

MAJOR REASON FOR THIS: Jan. 2014 launch of ACA exchanges, Medicaid expansion in 24 of 31 states

Uncompensated Care % of Gross Patient Revenue*



FACTORS POISED TO DERAIL UNCOMPENSATED CARE IMPROVEMENTS:



Policy uncertainty projected to increase uninsured rate



Potential for an economic downturn



High-deductible health plans challenging cash-strapped consumers, negatively impacting admissions

WHAT THIS MEANS FOR HOSPITALS AND HEALTH SYSTEMS: A SPIKE IN CONSUMER SELF-PAY LIABILITY

WHAT PROVIDERS NEED TO DO:

Tighten revenue cycle functions, including:

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