



## **Envision Healthcare's Response to May 15, 2018, Forbes Article**

An article posted in [Forbes](#) highlights Envision Healthcare's efforts to eliminate billing confusion for Emergency Department patients created by "surprise coverage" – the financial exposure faced by patients with poor and narrow insurance networks or high deductibles.

As the article notes: "The problem, Envision says, is not doctors' "surprise billing" but insurers' "surprise coverage" from increasingly common high-deductible plans which shift more cost to the patients. 'Patients are often surprised by their financial responsibility whether they visit an in-network or out-of-network provider,' chief executive Christopher Holden said."

The article also correctly notes that we are the nation's leading provider of physician services such as emergency medicine, radiology and anesthesiology. We have more than 25,000 clinical professionals who take great pride in their work and provide the highest quality of care to our patients. We appreciate the attention given to this aspect of our [Patients First Initiative](#).

At the same time, we would like to set the record straight on where we stand as a company on issues raised by the article.

### **Envision Recognizes the Current Challenge**

Envision agrees that there is a problem with the current U.S. healthcare reimbursement system. Patients are caught in the middle of a dispute between insurance companies and the medical professionals seeking fair coverage for their patients and payment for their services. The result is that patients may be subject to unexpected billing for care they have received at no fault of their own. This is especially true in emergency situations, where the duty to treat comes first, and billing is settled later.

### **UnitedHealthcare Lawsuit**

The article mentions our lawsuit with UnitedHealthcare. Envision has enjoyed a long-standing contractual relationship with UnitedHealthcare, which currently is in place until January 2019. The parties are negotiating the continuation of that relationship.

### **The Cooper Working Paper is Flawed**

The Forbes article cites an outdated and flawed [payor-funded](#) working paper about out-of-network billing and our criticisms of its methodology. Given that this paper has [misled the public](#) and our patients about our company, we believe it is worth reiterating why this is a flawed study.

#### **1. The Data Is Narrow, Dated and Biased**

The authors make grossly inaccurate conclusions based on a significantly narrow sample size of only 16 hospitals, half of which are in one health system. In addition, the data is dated and comes from only one insurer making it both biased and not representative. Thus, the results are not generalizable and make it impossible to draw statistically valid conclusions from the paper. The paper is simply a tool for a researcher's personal gain.

## 2. Inaccurate Conclusions

The data in the paper is inaccurate, including the authors' claim that hospitals that contract with our subsidiary EmCare have an average out-of-network billing rate of 62 percent. As was reiterated in the article, hospitals that contract with EmCare have an average out-of-network billing rate of 21 percent, which is consistent with profession-wide national averages.

### **Dubious Motives of Short Sellers**

As the Forbes article notes, short-seller Jim Chanos is on a misguided crusade against Envision. He continues to make cavalier and erroneous statements. He does not understand our business model and how we contract with physicians. If he took time to read [Envision's current 10-K](#), he would find that we amortize acquired contracts over the life of the contract – usually 17 to 20 years.

He is operating under an old playbook that does not include the current market dynamics. The biggest difference, which he fails to recognize, is that Envision adds value to its hospital and health system partners through facility-based contracts. This is unlike the dated business models Chanos uses for his inappropriate comparison, and on which he bases his assumptions.

### **Envision Is Part of the Solution**

As previously mentioned, for Envision, putting patients first means putting them in-network. In fact, we just publicly launched our [Patients First Initiative](#) to proactively tackle the systemic problem we call [surprise coverage](#). Patients are often surprised to learn what they owe versus what the insurance company is going to pay.

As mentioned in the Forbes article, here is what Envision is doing to fix the billing issues created as a result of our broken reimbursement system:

- In [February 2017](#), Envision announced plans to move most of our \$1 billion, or 12 percent of our \$8 billion annual revenue from out-of-network sources to privately insured in-network status.
- In 2017, Envision moved \$500 million of that revenue to in-network status. So far in 2018, an additional \$100 million of previously out-of-network revenue has been converted.
- We are on track to shift more than 70 percent of the previously \$1 billion out-of-network to in-network revenue. Thus, less than 5 percent of Envision's overall revenue will be out-of-network.

As detailed in our [white paper](#), Envision Healthcare wants to work with all stakeholders – policymakers, providers and payors to fix the nation's broken healthcare reimbursement system. Everybody wins when we put the patients first.