



# PULSE

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## National Health Care Spending Grows 2.7% as COVID-19 Relief Runs Dry

Health care spending slowed in 2021, compared to an increase of 10.3% seen in 2020—however, costs remain high as health expenditures reached \$4.3 trillion this year.

Health care spending in the U.S. increased by 2.7% in 2021 to reach \$4.3 trillion, a far slower rate than the 10.3% growth observed in 2020, according to a [National Health Expenditures \(NHE\) report](#). After rising in 2020, partly as a result of the COVID-19 pandemic, the federal government's health care spending decreased by 3.5% in 2021, which contributed to the slower rate of growth.

In 2021, the consumption of medical supplies and services rose in tandem with this drop. The health sector's contribution to the U.S.'s gross domestic product (GDP) decreased from 19.7% in 2020 to 18.3% in 2021; however, it was still larger than the 17.6% contribution in 2019. Additionally, as Medicaid enrollment surged in 2021, the number of uninsured persons decreased for the second year in a row.

The NHE report contained information that Centers for Medicare & Medicaid Services actuaries provided last month. The NHE report is released every year and measures total annual spending by the delivery of health care goods and services (e.g., hospitals, doctors, and prescription drugs), type of payer (e.g., commercial health insurance, Medicare, and Medicaid), and type of sponsor (e.g., businesses, households, and federal/state governments).

The report also found that federal government spending on health care decreased by 3.5% in 2021, as Provider Relief Fund and Paycheck Protection Program (PPP) funds for COVID-19 relief have dried up. Additionally, federal public health activity also decreased, while federal Medicaid payments grew more slowly, according to the report.

Greater health care use and insurance coverage more than offset lower government health care spending that year as well, according to CMS.

Additionally, compared to 2020, spending on hospital and doctor services decreased, and hospital care spending rose 4.4% in 2021 compared to the 6.2% growth in 2020. Spending on medical services reached \$1.3 trillion overall in 2021, and physician and clinical services saw an increase of 5.6% to \$864.6 billion, up from the growth of 6.6% in 2020.

Retail prescription drug services spending saw growth in 2021, with medication spending rising by 7.8% to reach a total of \$378 billion, a faster rate than in 2020 when spending only increased by 3.7%.

CMS credited this growth to more people using prescription drugs in 2021, while lower hospital and physician service spending was attributed to a significant reduction in funding from



federal programs, including COVID-19 relief. However, major payers of hospital and physician services, like Medicare, Medicaid, and private health insurance, among others, saw an increase in spending.

The study also found that overall out-of-pocket spending surged by 10.4% after barely declining in 2020. In 2021, patient financial responsibility grew as more people returned to the doctor for care unrelated to the pandemic. Health care spending by households grew overall at the fastest rate of all sponsors, at 6.1%.

With \$1.2 trillion in payer spending, private health insurance had the greatest spending. Medicaid enrollment grew as

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well, increasing from 4.8% in 2020 to 11.2% in 2021. Medicaid spending also rose from 9.2% in 2020 to 9.3% in 2021, reaching \$734 billion last year, despite greater enrollment numbers.

Medicare spending also saw a

considerable increase, rising by 9.2% (compared to 3.6% in 2020) to reach \$900.8 billion in 2021. Additionally, enrollment grew at a slower rate.

Notably, CMS actuaries indicated that increased Medicaid and private

health insurance enrollment led to a decrease in the number of uninsured people for the second consecutive year.

[Read the full report here.](#)

## Study Finds 93% of Employees Satisfied with Employer-Sponsored Health Insurance

Respondents of the study said that health insurance was the most important perk an employer could offer—above paid vacation time and retirement savings plans.

According to a [survey conducted by Seven Letter Insight for the Protecting Americans' Coverage Together \(PACT\) campaign](#), the majority of Americans are satisfied with employer-sponsored health insurance (ESI) and ranked it as the most important benefit that an employer can provide.

The survey was conducted between Nov. 14-19, 2022, and polled 2,334 people with employer-sponsored health insurance.

According to the survey, ESI was the most desired source of coverage, with 89% of respondents choosing employer-sponsored health plans over other types of coverage, such as government plans.

Seventy-six percent of employees said their employer-sponsored plan was better than those available on the free market in terms of quality, and 83% said it was more economical. The majority of respondents (95%) also agreed that obtaining insurance through an employer was more practical than shopping for

policies on the free market.

Overall, there was a high level of satisfaction with ESI, according to the report. Fifty-four percent of respondents who indicated they were extremely satisfied (out of a total of 93%) with their insurance. Additionally, 73% of respondents said their insurance was worth the price they paid, and 87% felt that their plans were cheap.

According to the poll, the words “affordable,” “high-quality,” and “comprehensive” were most frequently used to describe respondents’ ESI.

Health insurance was the most significant perk a company could provide, according to respondents of the poll. Nearly all employees (83%) said they thought having health insurance was extremely important, with 13% saying it was very important.

Among the many employee benefits a company could offer, health insurance came out ahead of paid time off for illness or vacation, retirement savings plans, and

dental coverage among the respondents.

Additionally, respondents ranked health insurance as the perk they would value most if they were looking for new employment. Over half (52%) of workers claimed they would reject any job offers that did not include health insurance.

“Employees value their employer-sponsored health coverage, and they believe it is fundamentally important for employers to offer it,” Katie Mahoney, vice president of health policy at the U.S. Chamber of Commerce, said in a [press release](#). “ESI is working for the people with access to it, and the goal of policymakers should be to strengthen and bolster the system to help more people.”

Lastly, nearly all respondents agreed that “a good company to work for provides quality health coverage to their employees” and “quality health coverage is an important way for companies to retain their valued employees.”

[Read the full report here.](#)

## FCC Opens Portal for Private Entities to Report Illegal Robocalls

Federal Communications Commission’s Enforcement Bureau chief says new tool will help support health care providers and other businesses report suspected robocalls that jam their phone lines.

The Federal Communications Commission has officially opened its new online portal for private entities to report calls and texts that may be unlawful and callers who are using legitimate businesses’ phone numbers. “For example, a private hospital or small business might use the portal to seek support from the FCC in cutting off

or taking enforcement action against robocallers flooding their institution’s phone lines with robocalls or spoofing the entity’s legitimate phone number to trick consumers,” according to a [news release from the FCC](#).

The FCC finalized a rule to create the portal under the [Telephone Robocall Abuse Criminal Enforcement and](#)

[Deterrence \(TRACED\) Act](#) earlier this year to implement a streamlined process for private entities to report calls and texts impacting their business.

“This new tool will help us support companies and businesses that see their phone lines jammed with robocalls or their valuable and hard-won brand awareness undercut by scammers spoofing

# NEWS & NOTES

## Health Care Industry Groups Unite Against Medicare Payment Cuts

Health care industry groups representing over 1 million physicians and other clinicians are pleading with Congress to stop the 4.5% Medicare payment cut that is set to take effect on Jan. 1, 2023.

The groups [sent a letter](#) organized by the American Medical Association (AMA) and signed by all 50 state medical associations to House leaders Nancy Pelosi and Kevin McCarthy, as well as Senate leaders Chuck Schumer and Mitch McConnell.

A [separate letter](#) was also organized by the AMA and signed by more than 100 national specialty societies.

The industry groups are sending the letters in the hopes that congressional leaders would address the significant Medicare payment reduction during the “lame duck” session and stop them

in their tracks as part of a final-quarter legislative spending agreement.

[Read the full article here.](#)

## Number of Uninsured Children Dropped During COVID-19 Pandemic

A report from the Georgetown University Center for Children and Families found that the number of uninsured children fell from 4.375 million in 2019 to 4.165 million in 2021 (-5%) due to the COVID-19 pandemic and Medicaid’s continuous coverage requirement.

Children’s insurance rates were growing prior to the pandemic, and job losses in the early months of the outbreak raised worries that this trend would continue. However, the uninsurance rate decreased as a result of federal initiatives that assisted people in maintaining

their Medicaid coverage and expanded premium subsidies in the marketplace.

While the overall uninsurance rate decreased, several states saw significant gains. For example, the most significant coverage gain was in Texas, where 65,000 additional children were insured. Georgia, Illinois and Indiana also saw decreases in the number of uninsured children. However, Idaho, New York and Maryland’s number of uninsured children grew.

[Read the full release here.](#)

## Learn More

For more health care collections news, visit ACA’s Health Care Collections page at [www.acainternational.org/pulse-newsletters-archive](http://www.acainternational.org/pulse-newsletters-archive)

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their numbers,” said FCC Enforcement Bureau Chief Loyaan A. Egal in the news release. “While we will always rely on consumer complaints about massive robocall campaigns and have existing lines of communications with many public institutions, we now also have a direct line of communications with private entities that sometimes seem under siege by robocalls and now have an avenue to reach out for help.”

Before [publishing the rule](#) in the *Federal Register*, the Office of Management and Budget (OMB) approved an information collection associated with rules governing implementation of the TRACED Act. Therefore, amendments to the rule remove text advising that compliance was not required until OMB approval was obtained, [ACA International previously reported](#).

“A private entity is any entity other than (1) an individual natural person or (2) a public entity, (which is) any governmental organization at the [f]ederal, state, or local level,” according to the FCC. “Thus, the portal is not intended for individual consumers who already have a mechanism to submit robocall or spoofing complaints via the [c]ommission’s informal complaint

process.”

Private entities may begin submitting information through the [Private Entity Robocall and Spoofing Portal](#).

### How Did We Get Here?

The TRACED Act directs the FCC to establish regulations to create a process that “streamlines the ways in which a private entity may voluntarily share with the Commission information relating to” a call or text message that violates prohibitions regarding robocalls or spoofing set forth in Section 227(b) and 227(e) of the Communications Act of 1934, as amended.

In June 2021, the FCC adopted a Report and Order to create an online portal located on the commission’s website where private entities may submit information about robocall and spoofing violations. The FCC’s Enforcement Bureau will manage this portal.

The new online portal will allow such entities to alert agency investigators of concerning incidents, including robocalls like those that have been known to impact hospital’s phone lines.

The new online portal will collect information from filers, including contact information and details about the robocalls. From there, Enforcement

Bureau staff may pursue investigations, work with partners like the Traceback Consortium to seek to cut off a robocall campaign, work with other federal and/or state partners, and/or work with the consumer affairs team to provide consumer protection support, according to the FCC.

### ACA’s Take

Legitimate calls from financial services companies and health care providers, for example, should not be blocked. ACA has advocated for call blocking and labeling improvements with the FCC.

Caller ID spoofing and robocalls impact legitimate callers. While this online portal will help private entities report and mitigate those issues, the FCC’s larger efforts in the work to mitigate call blocking should move forward.

ACA also continues [advocacy with the FCC on immediate notifications of call blocking](#), including comments with coalition partners supporting the FCC’s plan to implement caller ID authentication for networks that cannot support the STIR/SHAKEN industry standards, which digitally validates calls, [ACA previously reported](#).

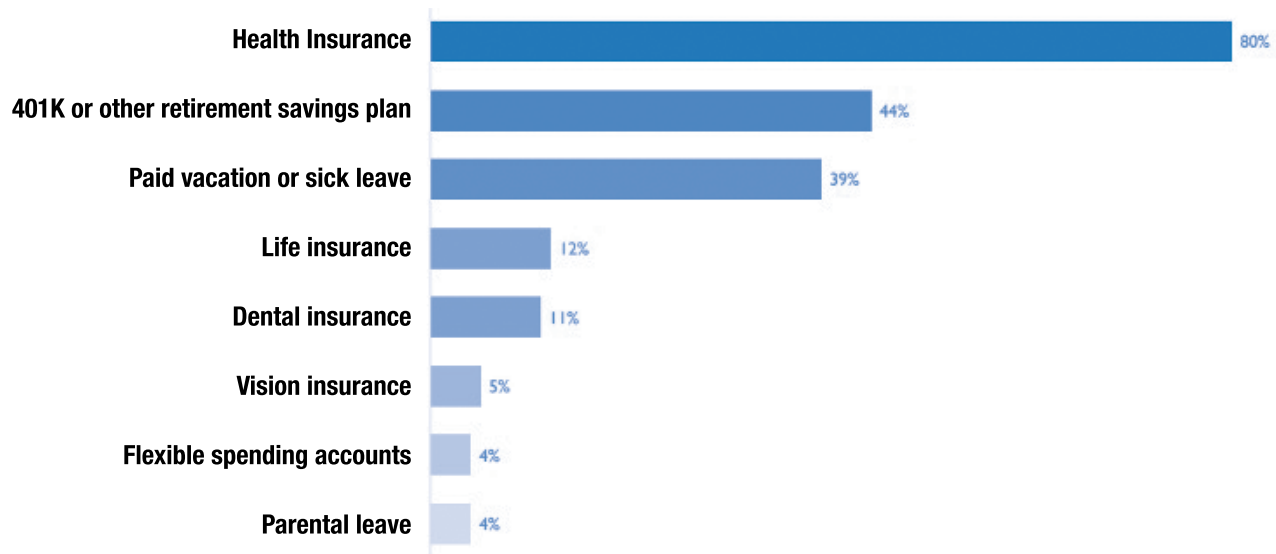
## Americans Value Health Insurance as the Most Important Employer Benefit

A survey conducted by Seven Letter Insight for the Protecting Americans' Coverage Together (PACT) campaign found the majority of Americans are satisfied with employer-sponsored health insurance (ESI) and ranked it as the most important benefit that an employer can provide.

According to the survey, ESI was the most desired source of coverage, with 89% of respondents choosing employer-sponsored health plans over other types of coverage, such as government plans.

Among the many employee benefits a company could offer, health insurance came out ahead (80%) of paid time off for illness or vacation (39%), retirement savings plans (44%), and dental coverage (11%) as the most important perk.

**Which of the following benefits would be the most important to you if you were looking for a new job?**  
(Top 2 responses combined)



Source: *Protecting Americans' Coverage Together and Seven Letter Insight, Employer Provided Health Care 2022 Report.* <https://bit.ly/3hD3bjf>



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