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BURDA ON HEALTHCARE

Know Fake News in Healthcare When You See It

By David Burda
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Fake news continuously floods the healthcare industry. I don't know the ratio of healthcare marketing, communications and public relations people to healthcare business reporters, journalists and writers. But based on my inbox, it might be 100 to one. Worse than patient-nurse staffing ratios!

Combine that lopsided ratio with the pressure to write copy monthly, weekly, daily and hourly for myriad healthcare business, trade and policy publications, a lot of fake news is going to slip through and into the eyes and ears of executives across healthcare industry sectors. It's the lucky reporter, journalist, writer or editor who has the luxury to vet or just delete all the pitches that come floating across their screens.

I'm one of the lucky ones. Over my more than four decades as a healthcare business journalist, I've been in a position thanks to many editors and publications to ignore the fake news and pursue what I think is the real news. It wasn't easy at times, with flaks and executives and advertisers going over my head and complaining to my publishers that I didn't take their bait. But I could live with every decision I made and the consequences of each decision.

IT'S HOSPITAL-INSURER CONTRACT DISPUTE TIME

What's the point of that trip down memory lane? The point is a new study in Health Affairs on contract negotiations between hospitals and health insurers. Three researchers from Brown University wanted to know what ultimately happened after a hospital threatened to drop a health insurer or a health insurer threatened to drop a hospital. With contract renewals coming up for 2027, there will be a lot of these threats, and most of those threats will deliberately become public.

The reason these contract disputes go public is because either the hospital or the health insurer wants to make them public. They want to gin up public pressure to resolve the contract dispute in their favor. Part of that negotiating tactic is seeking favorable coverage in healthcare trade publications and mainstream media. Hey hospital patients, your health plan is trying to screw you. Call your health plan and complain. Hey health plan members, your hospital is trying to screw you. Call your hospital to complain.

In my early days as a healthcare business reporter, I saw enough of these faux disputes to know that the hospital and the health plan almost always reached a contract agreement, even after they threatened to sue each other. It was a rare case in which the hospital stopped accepting the health plan's coverage or the health plan stopped covering care provided by the hospital. That was the real news. The rest was fake.



RECOGNIZING OTHER FAKE HEALTHCARE NEWS



When I became editor of Modern Healthcare in 2001, one of the first things I did was put a ban on those stories. Writing about contract disputes and threatened lawsuits between hospitals and health insurers was a complete waste of time because they always were settled. I didn't want flaks from either side using our coverage as leverage against the other. That wasn't our job.

I also banned a few other types of pitched stories that were a complete waste of time because they were all fake news:

- Company issued guidance before a quarterly earnings report.
- Earnings reports themselves unless something extraordinary happened or was disclosed.
- Self-serving sponsored surveys, polls, reports and research, e.g., "Ninety-five percent of executives say they have this problem that our solution just happens to solve!"
- A group purchasing organization (GPO) stealing a hospital or health system member from another GPO.

Maybe I was wrong to do that. But like I said, I could live with it.

IDLE THREATS DOMINATE CONTRACT DISPUTES

Anyway, let's get back to what the three Brown researchers found when they looked into these contract disputes between hospitals and health insurers. They labeled these disputes as "public brinkmanship." They defined public brinkmanship as a publicly announced threat of network "departicipation" by either side of the dispute. In other words, the hospital or insurer announced plans to end or not renew their relationship unless certain conditions were met.

Over the study period of August 2021 and July 2025, the researchers identified 14,918 hospital-insurer contracts. Of those, they found 1,249 episodes of public brinkmanship. In other words, the hospital or insurer threatened to end the relationship in 8% of the cases.

Of those 1,249 episodes of brinkmanship, 72% ended with a signed contract. They made up. But in 28% of the cases, they didn't. The hospital and the health insurer split up.

Digging deeper, the researchers found that public brinkmanship was more common when the hospital or insurer had a dominant market position that they could leverage against the other. They also found that public brinkmanship was more common with for-profit hospitals than with not-for-profit hospitals.

"This is consistent with a tendency toward more aggressive profit-maximizing behavior observed among for-profit hospitals in other contexts," the researchers said. "However, for-profit hospitals rarely, in fact, departicipated during our study period."



ALL BARK AND NO BITE

"Hospital-insurer brinkmanship is qualitatively common," the researchers concluded.

Common. As in no news. Well, well, well. Nothing to see here. Move on to something else.

Just like I said 25 years ago. They are fake news.

There's a lot of real healthcare business news that we should be pursuing right now. Ignore the pitches and emails and go after the good stuff.

AUTHOR



David Burda began covering healthcare in 1983 and hasn't stopped since. Dave writes this monthly column "Burda on Healthcare," contributes weekly blog posts, manages our weekly newsletter 4sight Friday, and hosts our weekly Roundup podcast. Dave believes that healthcare is a business like any other business, and customers — patients — are king. If you do what's right for patients, good business results will follow.

Dave's personal experiences with the healthcare system both as a patient and family caregiver have shaped his point of view. It's also been shaped by covering the industry for 40 years as a reporter and editor. He worked at Modern Healthcare for 25 years, the last 11 as editor.

Prior to Modern Healthcare, he did stints at the American Medical Record Association (now AHIMA) and the American Hospital Association. After Modern Healthcare, he wrote a monthly column for Twin Cities Business explaining healthcare trends to a business audience, and he developed and executed content marketing plans for leading healthcare corporations as the editorial director for healthcare strategies at MSP Communications.

When he's not reading and writing about healthcare, Dave spends his time riding the trails of DuPage County, IL, on his bike, tending his vegetable garden and daydreaming about being a lobster fisherman in Maine. He lives in Wheaton, IL, with his lovely wife of 40 years and his three children, none of whom want to be journalists or lobster fishermen.

Visit 4sight.com/insights to read more from David Burda.