

# Taking Account of Rising Health Care Costs

Have your out-of-network insurance bills skyrocketed? Chris Hamby, an investigative reporter for The Times, may have an explanation.

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An illustration of confused people walking through a maze that's made out of a health care bill. Credit...Philip Lindeman

By [Josh Ocampo](#)

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Navigating the health care system in the United States can often feel like being lost in a maze. What kind of doctor should I see? Who takes my insurance? What even is a co-pay, anyway?

For that reason, Chris Hamby, an investigative reporter, has devoted much of his five-year career at The New York Times to guiding readers through such dizzying questions. His latest article, [which was published online this month](#), explored the complex subject of insurance bills.

Last year, Mr. Hamby began investigating MultiPlan, a data firm that works with several major health insurance companies, including UnitedHealthcare, Cigna and Aetna. After a patient sees an out-of-network medical provider, the insurer often uses MultiPlan to recommend how much to reimburse the provider.

Mr. Hamby's investigation revealed that MultiPlan and the insurers are incentivized to reduce payments to providers; in doing so, they score larger fees, which are paid by the patient's employer. Many patients are forced to foot the rest of the bill. (MultiPlan said in a statement to The Times that it uses "well-recognized and widely accepted solutions" to promote "affordability, efficiency and fairness" by recommending a "reimbursement that is fair and that providers are willing to accept in lieu of billing plan members for the balance.")

In an interview, Mr. Hamby shared his experience poring over more than 50,000 pages of documents and interviewing more than 100 people. This conversation has been edited.

**Where did your investigation begin?**

We were broadly looking at issues in health insurance last year. MultiPlan kept coming up in my conversations with physician groups, doctors and patients. At first, it was unclear what exactly MultiPlan did. There were [some lawsuits](#) regarding its work with UnitedHealthcare, but it was difficult to understand the company's role in the industry. We eventually accumulated more information about MultiPlan's relationship with big insurance companies.

**What were doctors and other providers saying?**

Mostly that they'd seen their reimbursements dramatically cut in recent years and that it was becoming difficult for them to sustain their practices. They said they previously had more success negotiating and obtaining higher payments.

**Of your findings, perhaps the most surprising is that MultiPlan receives a cut of the money it saves employers.**

Yes, but I wouldn't call it a cut. It's very complicated. MultiPlan charges a fee based on the savings that they obtain for employers. But in some cases, that savings is passed onto a patient as a bill. Both insurers and MultiPlan have financial incentives to keep payments low because they receive more money, in many cases.

**But it wasn't always that way, correct?**

Right. MultiPlan was founded in 1980, and it was a fairly traditional out-of-network cost containment company. Doctors and hospitals agreed to modest discounts with

MultiPlan, and agreed not to try and collect more money from patients. It was a balancing act.

But that balancing act changed over time. MultiPlan's founder sold the company to the Carlyle Group, a big private equity firm, in 2006. It moved away from negotiations and toward automated pricing. They bought one company in 2010, and another, key company in 2011, and in doing so, acquired these algorithm-driven tools that became the backbone of MultiPlan's business.

**You read more than 50,000 pages of documents for your investigation. How does one begin to sift through that much information?**

I love a good trove of documents. There wasn't some big leak. It was more about piecing together information from many different sources — legal filings, documents that providers and patients shared with me, their communications with MultiPlan and insurers. We asked federal judges to unseal a few documents that had previously been confidential, including emails between Cigna executives, paperwork describing how some of MultiPlan's tools worked and data on thousands of medical claims.

**What was the greatest challenge in your reporting?**

Finding patients and providers who were willing to speak on the record about their experiences, because this is a really sensitive subject. A number of providers were concerned that if they spoke on the record, insurance companies would retaliate. For many of the patients I spoke with, it also meant putting their personal medical history out there for the public to read.

**What about health care and the pharmaceutical industry drew your interest as a reporter?**

For many Americans, health care is an almost universally frustrating or confusing experience. It's one that has direct effects on people's health, their pocketbooks or both. I really like learning about the stuff that impacts people's health. I try to make that information accessible to millions of people who are affected by it but who might not have a lot of time to understand it.