And I'm just using orthopedic surgeons, even if you're not one. The doctor's absorbing an 8% Medicare cut fee and then absorbing another 20% cut. And the five companies who stand between the doctor and the patient posted the sharpest profit recovery in years.

They told investors that it came from pricing discipline and better utilization management, meaning screwing the patients and screw the doctor, you didn't build your clinic to feel like an employee in your own business.

I'm Matthew globally, and on out of the system hosted by doctor talks, we challenge the broken rules holding healthcare entrepreneurs back here from clinic owners, rebels and builders who are creating bold, profitable patient center practices and doing it their way.

Good morning, everybody. Happy Saturday morning. Or wherever you are, if you happen to be in London, it's Saturday evening. And they I'm in California, beautiful Los Angeles, and just woke up about 30 minutes ago.

Had a long, long week, but a fun week. For those of you that aren't familiar, we do a lot of what are called Dominion Path days here with our clients and clients come in and get their businesses reinvented because they are tired of the system.

And we had a couple in this week that I think tie in beautifully to this conversation of what went out into the. Internet space as we were talking about the latest changes to specifically joint replacement, we'll talk about that.

We're going to talk to the profits of the insurance companies. Why you should not be fooled by their one time charges that came out in 2025 that made them look significantly less profitable.

But it was all just accounting voodoo. And we're gonna talk. How do you take back control? And this isn't just me flapping my gums. Please feel free to ask questions.

Put them into the chat. You want to have a lively back and forth. I'm all for it. Got some coffee here. Have got my Martha's Vineyard mug, which is going to be by my longtime mentor, Rob Berkeley.

And so let's dive in. Let me tell you a little bit about this week. So this we had three separate orthopedic surgeons here in Los Angeles. For those that aren't familiar, We do what are called Dominion Path Days and it's one of our top levels.

It's 1 of the ways that you can work directly with me. We have a couple different ways of people work with us. This is actually probably 1 over most popular because they get to spend a day with.

In a room at the Aster, my private club here in West Hollywood hotel right there. Beautiful location. And they go through this process and they fill out about, we wind up creating about a hundred and twenty page internal coaching document.

We do a full review of their business. Doesn't matter if they're starting up with people that come to us that are starting off that don't have anything to leave in the hospital.

People that came to use that or doing fifteen million dollars a year. So it's a wide range. And the thing that fascinated me the most about this week is that we had three separate orthopedic surgeons come in now.

We had a lot of orthopedic surgeons coming this week because we have just been in a couple of work with a surgeon events. So, you know, here in the functional medicine space, like, three weeks ago, we had, a doctor in from Indiana that does, just shy of $10 million a year in GP and is converting a section of his practice into cash.

Again, it's, this is just not the only people we work, with, but this, is who we, had this. And the most amazing thing is we. Kind of a startup, it's been open for about a year, right at the year doing $1.2 million a.

year. We had another one that was doing about $3 million. And then we had. One that. Was doing. About $13 million and every single one of them, they started now.

First one still does surgery. Second one doesn't third one does. Surgery has a bunch of doctors that do surgery, every. Single one. Of them started with the whole thing of what the hell just happened with.

The reimbursement rates. Now I was having a conversation with Donnie Buford. Dr. Don Buford about a week and a half ago, and he said the orthopedic surgeons are in an uproar about the latest cuts with joint replacement.

Now, if you're not an orthopaedic surgeon, don't go like, oh, this doesn't relate to me. This is happening across the board. this is just indicative of what's going on.

So let me just give you some, let, me give me some background on this. I think this was really, really important. And then we're going to talk about that profitability of these insurance companies, which is really just, it's just insane.

So as you all know, obviously, the big cuts don't come from the commercial insurers. We all understand that they come form CMS, right? And the Commercial Payers, what they do is they just follow behind, which to me is complete and utter BS, because if you just stop right there, it doesn't take…

My youngest kid's 21, so I can't… A 12-year-old can figure this out pretty easily. Because there's a long history of inducement of our political apparatus in the United States, be it elected or bureaucratic.

So we all know what happened with the Sacklers and how they, in pharmaceutical companies, how would quote unquote induce members of the FDA to get approval because when they would move from government work, they will have a position waiting for them at the big pharmaceutical company with bonuses and money and all that other good stuff.

And so there's a lot of different ways to look at how much money you're giving to the PACs by the insurance companies and to all the political parties.

So to say that this is just coming from CMS is really BS because we know that the health insurance influence, undue influence. And what we also know is that the insurance companies on paper, not in the bank account, on the paper they had a statistically bad year in 2025. They had specific numbers where they, we'll talk about that or what their kind of hits were.

So in case of just joint replacement, as we know, there was an 8% net pay to joint-replacement surgery just in, uh, the prior year, in 2025, okay, beginning in That related, that was roughly about $60 to $95 less per case on a total need.

So practice that we're doing 480 joints per year, they lost $36,000 a year annually. Okay. Not only does the revenue go down, their All everything else goes up, right?

Like the cost is going to go up. There's payroll is gonna go. All these things are gonna. Go up okay? So if you then look at the latest changes, the proposed is now a proposed change of 19.6 for total hip and 16. 6 for Total knee.

Stacked with all of this, this is an effectively between that and the 8%. This is in effect in 25 plus percent reduction in fees and less than. in less than a year, 25% reduction in fees.

If you look at what this means, this needs that someone who was the same work that you were doing is now you're doing 480 joints in a, year. This is an effective $96,000 a.

Year. Let's think about that. Think about the fact that, you can be a surgeon who has done this for 35 years and you are paid the, same as someone, who comes just out of residency.

It's absolutely insane to me that that is the case. It blows my mind. I know of no other industry where this is a case where somebody who is paid the same amount, even in a law firm, if you want to work with a senior partner, it's $750 an hour.

If you wanna work in the junior partner who's overseen by the senior, partner it $250 an hours. You get to make the choice, but doctors, you don't even get set your own price based on your experiences.

which is just absolutely insane if you're in the insurance industry. Now, if he decided to be the cash side, obviously, then you can set your own prices.

But this is this. Is the fundamental thing that is the do you have what had doctors have done if they have given up in seated control of their ability to price based on their value?

Not based some value pricing, that's a whole other conversation, but they haven't given you given your right to determine your worth to Washington DC bureaucrats.

OK. And so this is. This is what's in here. That's even more discussed. Let's let's continue this and then I'll open this up for any questions or any comments.

So. When you when you start to really look at all of this. Oh, by the way, here's the other thing. With the 8% cut this year, the proposed, let's just call it 18% this upcoming year in 27, The payer won't approve any of the admission or the work in the first place.

The denial rates have gone up to something like 94%. just automatically because you're using AI, automatically, boom, denied, right? Which causes more work and more load for you as the doctor.

So that's an additional cost, okay? So, and if you don't own your practice, this just causes frustration. It causes an environment if we're working for a large group and you know, well, I don' deal with any of that.

This is causing even greater frustration, so now here's what makes it even worse. There's a big headline that came out in 2025, health insurance companies, was the industry's worst year ever in over a decade, which is complete and utter total BS.

It is not true in any way, shape or form. it is an accounting voodoo. Okay. Now there, what's happened, how we know this is in the first half of 2026, in first two quarters, there has been a sharp across the board rebound in health insurance companies profits.

And it did not come because all of a sudden, mysteriously, every single one of Americans got healthier. It came from what's known as repricing. They exit markets and another thing which is known is tighter utilization management.

So what does all this fancy business speak mean? What it means is that every dollar that didn't go out the door is profit. Okay. When they have the health insurance, right, and they take the premiums in, That dollar, the longer they can hold on to that dollar and it doesn't go out the door, that's not paid as a claim, they counted as profit.

So if I take this money and then I don't have to pay it out for two more quarters or two years, it sits in my books and I can make money on that what's called overnight funds.

The health insurance companies hold billions of dollars in cash reserves. Well, their paid a percentage, like a half a percent or quarter percent, or something like that, whatever the number is.

on what's called overnight funds. Well, that may not sound like a lot, but if you're paid, if they're being paid like

0.025% on your funds overnight and you have a billion dollars in there, whatever the number is, it could be $250,000. Will you do that every single night?

Okay. Over 30 days, big chunk of money, right? This is how like Amazon makes a lotta money. Walmart makes lotta money this way by holding the funds over night.

Same thing in the health insurance companies. So what happens is that Okay, so they have their worst year in a decade. Well, what really caused the worst here in the decade?

Now, by the way, watch this because it's actually kind of manufactured and it across the board with the big five. Cigna in twenty twenty four had a two point seven billion dollar non cash investment loss.

So what that is, is that's a loss on paper. So they go out and they've got, Oh, signal lost $2.7 billion. Okay. And that adjusted income from operations that that impacts.

So it's a, it' a paper loss. It's not like they lost 2. 7 billion dollars in cash. it is a non-cash investment loss, they re they recast the value of an investment that they made and then go, oh, It is now worth 2 point $7 million less than what we originally thought, which means that we can count that as a loss but they don't lose the money.

They don' write a check for $ 2.7 Billion. Senti, which usually is not counted in the big five, but it lost and had a single most important number on the page.

They lost $6.7 billion on a goodwill write down on Medicaid. Okay. Plus another 513 million tied to divesting in Magellan. This is basically an accounting admission that states that the Medicaid book that they purchased was worth far less than what they paid for it.

Again, it's a write-down. It's not that Let's not sit there and say they lost six point seven billion dollars. Now, the headline would be like something loses six points, seven million dollars and somewhere somebody some of some somebody's going, yeah, you know, good corporate money, corporate greed.

That's, that's you. Finally, they did not write a check. OK, this is a paper loss. This is a way to recast it so that then executives and people who are smart can come in and buy this stock because it's going to take a big hit in the stock market and then they can wait for it to rebound.

So classic move, okay? So what this does is this makes the overall headline for the health insurance company industry. And by the way, UnitedHealthcare in 2025, $12.1 billion net profit, OK?

Cigna, 6 billion. Elevance Health 5.7, CDS lost 1.8 one-time charge, Humana 1,2. These are all one time charges. Now here's what happens. Check this out.

The share of the premium dollars, when I say premium, the health insurance premium paid out in medical claims. If what happened is they were paying out more claims towards the end of 2025 across the board, CVS, Elevance, Humana, United Health.

They were all paying in the low nineties as a percentage of share premium dollars paid out in medical claims. What they target is anything in low eighties.

Okay. So what's happened, is that at Q4 of 2025, they're paying more in claims, guess what happens? in 2026, the first two quarters. They went from paying out in the low 90s, on average, 93% of their premium dollars were paid out and medical claims.

That was at the end of 2025. In the 1st 2 quarters of 26, they're paying up somewhere in their neighborhood of 87% as an industry. that means that they went for paying 93. So it's a 6% change, which dramatically, positively impacts to the tune of billions of dollars in profits for health insurance companies.

What does that mean? How do they do this? Okay. How they did this very simply. Actually, the consensus for the industry in the first two quarters, let me update my numbers were 85.5%. Okay, it's an enormous number.

Every major payer, except for Humana has raised their full year profit guidance. And what that means is they're telling Wall Street, we're expecting this trend to continue.

We're going to be very profitable by our stock. So what drove the recovery? Let's take a look at this. First and foremost, they all repriced their premiums.

In 2026, premium's were set. OK. and so what they did is, They charged more. They went through and did what's called a benefit redesign, which means that there's higher deductibles, narrower networks, and more cost is shifted to the member, and mortgage burden is shifting to medical industry, meaning specifically the doctors who run the practices enter the hospital groups.

They left unprofitable products. So, Aetna, for example, left the Affordable Care Act Exchange and shed six hundred thousand members. And what they basically stated is their strategy is margin.

This is literally what Aetna said. We are prioritizing margins, which is profit, over members." They analyzed it. They said, you know what? These 600,000 people, we don't need these.

this isn't profitable for us. Screw them. So they got rid of that. There's 600 thousand people. Which, now that there's not somebody else in that marketplace, that means that somebody comes along, swoops them up and says, hey, yeah, sorry, there are no other options, but we're going to charge you 25% more.

So now their health insurance has gone up, their group's health insurances have gone, and then on top of it, they probably have a reduction in coverage and they have probably a delay in claims being paid.

Okay? So if you run the numbers on this, one last thing, tighter utilization, which means More prior authorization, more denials, and more downcoating.

And what this means is they're using AI. 94% of all claims are denied. It used to take seven days. Don't quote me on this, but I know it used take on average seven day to hear back.

Now it's taking somewhere in the neighborhood of seven hours or seven minutes. So the denying claims, 94 percent of claims were denied on the first go-round.

Okay. That's what tighter utilization management means. More prior authorization, more denials, and more down coding. Or down-coding is, well, it's not this code.

It's going to be this. So we're going pay you less. Here's the thing. You have no control. As the doctor, you don't have control, the patient doesn't.

The control is all with the health insurance companies. Your big group that you work with, they think they have power to negotiate this, but really, where else are they going?

You see, health insurance companies own the market. They own. The patient, they own, the customer. OK. In in my world, when I first was coming up and I was starting to do events events, if you could put people in a room, that's where all the money was.

Right. And so it's the same thing we used to say, whoever owns the list, who ever controls the less wins. Well, how can insurance company's control the West?

And they think and they believe that you will not, under any circumstances, leave them because they have your customer that's you're not going to be able to figure out how to get your customers.

They haven't met me. Okay. This is what this is about. You see what we do at Mavericks. It's all about you having control. That may seem scary. I understand that, but it doesn't have to You made it through med school for God sakes.

Okay. So let's keep running these numbers. Just, just run the arithmetic on this tighter utilization management. Let's continue down this path. let s just show you what happens when there's small percentages, the power of small numbers United health, United healthcare, one of the 10 largest corporations in America by market cap in the same market, in same breath as Walmart, Nvidia, Face, Metta, okay.

Tesla, Okay, all of these, right. They're in that same group. What they did is they, um, they produced by 2.7% there. I want to get this right. Let me get the right number for you.

Okay. They dropped this number, this, uh, utilization. So when I was talking about the, you know, how like they want that number in the low eight, in mid eighties, that percentage of the MLR number.

so they dropped their number that. Entirely utilization management, they dropped that number 2.7 points year over year on a $112 billion of quarterly revenue, not the year, $112 billion quarterly.

What that means is that's an additional $3 billion in profit in a single quarter. That's $3 billion that would have gone out to claim to pay claims under last year's ratios that didn't.

So what they did is they titered their utilization management. They went from 93.7% of every dollar being paid out, to dropping it to like 89% or something like that.

I think it's a little bit higher there. And on $112 billion of quarterly revenue, What that meant is that UnitedHealthcare dropped an additional $3 billion in profits.

How is this good for America? How in the world is it a good thing for us? We spend almost 3x more than the next country in our healthcare, and we have the 50th worst results.

We have some of the highest cases of type 2 diabetes, of high blood pressure, high cholesterol, or some the largest users of anti-anxiety medications that don't work, by the way, they just mask it.

We also have the larger chronic health diseases in the world, and they, we have highest suicide rate for doctors in world. You are almost 3x more than any other professional industry in the United States.

More than lawyers, more then CPAs, blah blah, dentists, the whole thing. And they made an additional, this is just, by the way, just UnitedHealthcare.

This doesn't factor in Blue Cross Blue Shield, Aetna, Cigna. None of them, okay? An additional $3 billion in quarterly profits that were not paid to you.

Now, I don't know about you, but you probably didn't get invited over to that health insurance company's executive's new vacation home out in The Hamptons.

Because I didn' get my invite. So, when you really start to look at this and you look what they've done, in that same 12 months, what are they also going to do?

You're, and I'm just using orthopedic surgeons, even if you're not one, the doctor's absorbing an 8% Medicare cut fee and then absorbing another 20% cut.

And the five companies who stand between the Doctor and the patient posted the sharpest profit recovery in years. and they told investors that it came from pricing discipline and better utilization management, meaning screwing the patient and screw the doctor.

This is absolutely disgusting. And let me tell you why this drives me so much. When I tell that we're going to lead the exodus of 100,000 doctors out of insurance-based care by the end of 2040, And I'm very open about this strategy.

In the world of business, when you go to business school, and I don't have a, I didn't go get my master's in business. Okay. I want to talk about business goal.

And talking about, yeah, have my undergraduate in marketing and business but I've talked about the business of day to day, making payroll, growing a company, finding funds to grow a business I have been an entrepreneur for 25 years and have worked in corporate America.

But the thing that shares, so when, you have to look at You have to get strategy right when it comes to how you get to kind of look at. There's a basic concept of called supply and demand, OK?

And the best way I can explain it is I had a college professor explain this to me. He goes OK, he said it's 12 o'clock in the afternoon. And you said you're hungry and you want a pizza.

How much you willing to pay for pizza? Anne, you know what are back then $3, $4 just the 80s and he There's one pizza place open and he said, you're really high and you've got the munchies.

How much you want to pay for a pizza? $20 because that's applying to me. And that always took with me, OK? This was the 80s. You talk about being high so.

In in school. So I want you to think about it like this. Right now there is in there, is a open funnel to private equity. and the current corporate medical structure of a system, of the train that is delivering doctors who are trained.

Now if you think about this, if I am working at Goldman Sachs and I need to hire kids coming out of college, Wharton School of Business, so they're 26, 27 years old, They are coming in sort of trained, but they haven't really laid hands on stuff.

In the case of somebody coming out of medical school residency and then a fellowship. Well, you've actually physically let's use surgery as an example.

You've, actually, physically been doing surgery. Been doing it for a while, right? You'd been working in the ER. Even, working, in emergency surgery or doing orthopedic surgery, whatever it is.

Okay. even delivering babies or you've been urologist. You've got hands on training and you paid like they paid you, but they pay you a nominal fee for that.

So think about it. Your coming out and even invested half a million dollars, you're carrying $250,000 for the debt, $350,00 for a debt that you pay for your training.

That you are coming on your completely train. Great, great, still got a lot to learn. And so the big corporations are like this is great. These people are trained.

I don't have to invest that much money in training them. And then, so what do we do? My mission is really simple. They have a steady flow every year of doctors coming out ready to work.

What if we cut off the flow? What have we created an environment that doctors were leaving the abusive healthcare system, opening their own practices, going to cash, saving patients money, getting better patient outcomes.

And then we were able to get doctors as they were coming out of residency that they didn't go into the the mechanized, the industrialized medical industrial complex.

They went out on their own, like a Dr. Eisenberg has done. Now, we're hitting it from both places. Their supply chain is disappearing. That's where we start to impact.

That's where we start to get a seat at the table. And I'm very open about it, folks. I do not hide the strategy at all. Because I know when I look at these numbers, the health insurance companies are raping us.

They are absolutely rapeing us, they control the entire system. they Control the pharmaceutical industry through their pricing. The control, Washington, control.

control The entire System. they control the hospital groups, they controlled the practices, the control of the venture capitalists, that control all things.

They have a war chest that is massive. So that's the question, right? So I'm going to open this up for questions or comments about this. Feel free. That monologue went longer than I thought.

And happy Saturday morning. No, I am not in Martha's Vineyard. I came in late. Who has a comment or question? Put it into the chat. If you want to raise your hand.

You do not have to turn on your camera if you don't want to. It is not a requirement. But feel free to go ahead and put a question or comment to what I just shared in the chat.

And if don' know what to say, how does that make you feel? Does it piss you off? Anger you? Do you like you've been conned? All right. While those fly in, I'm going to put something in here and pull one other thing into the chap.

This is pissing you of so much with the send chat This is pissing you off so much. And you want to talk to Christine on her team about how you can get out.

You want take a look at ways that you could get of the industrialized complex, start your own practice, do your thing, grow your existing thing. I put a link in there, MavericksProfitSystem.com forward slash schedule.

Check it out and book a call with Christine. Let's go back to this. So let me take up a couple of other things that have come up here. So let's go back to where I started this morning.

Let's talk about the the people that were in So like I said three different orthopedic surgeons one was a startup one wasn't exit Mark Eisenberg than we had another client who was in who's been straight cash and June about three million and we have a doctor who does about 13 million in Florida doing orthopaedics into that in cashing Here's here's the fascinating thing Each doctor that is on a staff, meaning let's say you're part of a large group, we're getting more and more larger groups that are contacting us saying, hey, need to add in cash-based services.

We have a couple of our doctors that want to do it. And the thing is, is that they realize that each individual doctor, if they're generating $3 million a year in fees, in the cash side, and they are seeing whatever 40 patients in a day, They're starting to realize that they could generate the same three million dollars on 40 patients in a month.

Now, if I am a business owner, you have to understand the higher volume I have, the more wear and tear in the facility, bigger facility I need, The more systems, more tools, and more computers and staff, payable tax, health insurance, all of this.

But if i can increase my profitability and I can reduce my structure load, It's a smart thing you do now that does so then that comes up with the question what about the patients that can't afford it.

What about? The patients said can afford cash based services. I'm very open about this. And I you know when you have patients and you great profit margins and your patients are paying cash and the way we teach you how to structure payment so that you're highly profitable you take a portion of that.

to take care of people who can't afford the procedures. Now, it's not like we're charging $25,000 for a single PRP

injection. That's, that's how I'm saying.

Kindness are paying 2000, charging 2,025 hundred if they're packaging things together. It's 3,505 thousand somewhere in the neighborhood, but it is highly profitable.

There's margin, margin is profit. And so then what they are doing very simply is they aren't taking a portion of that. They are helping those who are less fortunate to me how society should work.

Okay. I'm not necessarily about let's tax the billionaires and the rich and take all their money. That's not what I was saying. It's an altruistic way of how I look at it.

And so there's over and over again, there is this ongoing transformation happening in the medical industry. Doctors are waking up. when they move out the reimbursement rate.

I'm going to let you go this morning. Take advantage of that. Go to MavericksProfitSystem.com forward slash schedule. Check it out. Uh, take advantage or get a copy of my book out of the system.

You can go to maverick's profit system dot com forward, slash the book or check out my podcast out, of this system on Spotify iTunes everywhere you can listen.

That's it, that's what I got for you this morning. Happy Saturday. I hope this doesn't depress you. Hope this motivates you and I look forward to seeing you at a conference in the future or and come over, shake our hand and thanks for joining me this one.

Take care, everybody. If this episode got you thinking differently, hit follow and share it with someone stuck in the system. Please leave a review, it helps us grow.

Want more? Visit MavericksProfitSystem.com to schedule your free discovery call and explore how far your business can go.