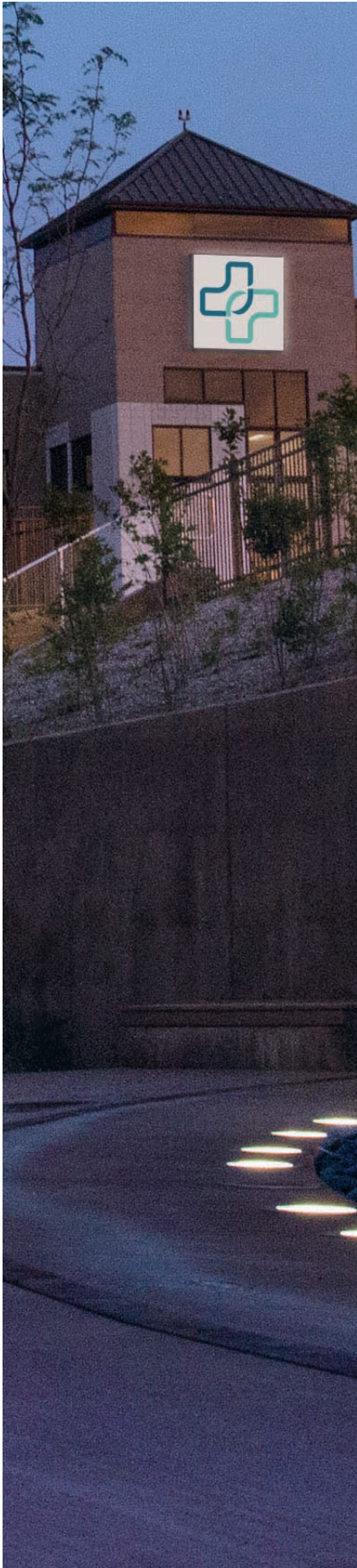




RULES, RED TAPE AND REALITIES: THE REGULATORY LANDSCAPE OF MODERN HEALTHCARE

By Jason Shenefield, President and CEO, Phelps Health

One of the most common questions I hear is, “Why is healthcare so complicated?”

It’s a fair question. From billing to insurance to electronic records, the amount of paperwork, reporting and regulation in healthcare can be overwhelming—not only for hospitals but also for patients and providers. Much of that complexity comes from the regulatory environment that has evolved over many decades.

The intent behind these regulations has always been good: protecting patients, improving quality and ensuring fairness. But the result has often been a system that’s incredibly difficult and expensive to manage.

In this article, I want to help explain how we got here, how regulation affects care and what we’re doing at Phelps Health to navigate it responsibly.

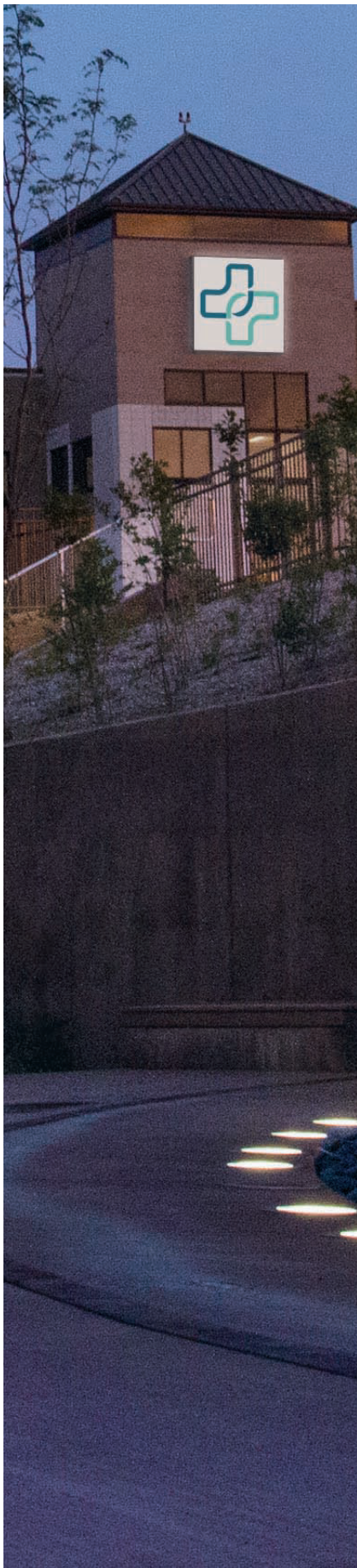
HOW WE GOT HERE

Healthcare regulation didn’t happen overnight. It grew over time as new laws and programs were created to address legitimate public concerns.

A few key moments shaped today’s landscape:

- 1965: The creation of Medicare and Medicaid brought millions of Americans under federal health coverage. These programs were essential in expanding access, but they also introduced detailed rules for how hospitals document, code and bill for care.
- 1996: HIPAA (the Health Insurance Portability and Accountability Act) was passed to protect patient privacy and health information. An important step, but one that added significant technical and administrative requirements.
- 2010: The Affordable Care Act (ACA) expanded insurance coverage and introduced quality-based reimbursement systems. Hospitals began receiving financial incentives or penalties based on a range of performance metrics.

Each of these efforts aimed to make healthcare safer, fairer and more accountable—and in many ways, they have. But they also layered new reporting systems, compliance standards and oversight requirements on top of an already complex structure.



THE IMPACT ON CARE AND COST

Today, hospitals and clinics operate under thousands of federal and state regulations—covering everything from infection control to billing codes to how long a patient record must be kept.

At Phelps Health, we fully support the spirit of these rules. They exist to ensure patient safety, protect privacy and encourage transparency. But each rule also carries administrative costs and time demands.

For example:

- Nurses and physicians spend hours every week entering data for compliance or reporting, which takes time away from direct patient care.
- Hospitals must invest in specialized staff and technology just to keep up with evolving documentation and billing requirements.
- New federal reporting programs can sometimes require years of preparation and millions of dollars in software and training.

Nationwide, hospitals spend billions of dollars each year on compliance—funds that could otherwise go toward patient care, facility upgrades or clinical innovation.

The key challenge is balance: how to maintain accountability and quality while allowing healthcare providers the flexibility to focus on what matters most—caring for patients.

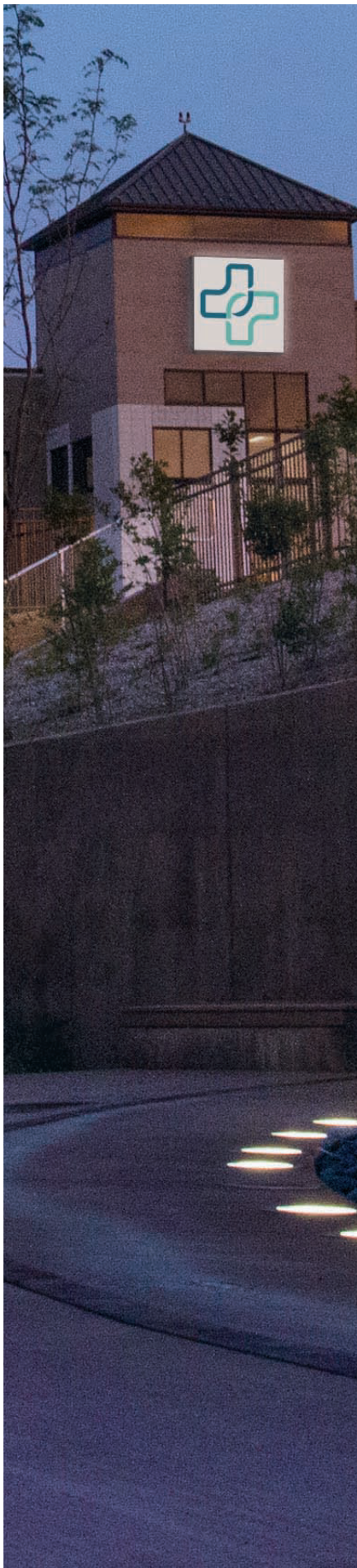
HOW PHELPS HEALTH NAVIGATES THE REGULATORY LANDSCAPE

At Phelps Health, we take our regulatory responsibilities seriously. Compliance isn't optional; it's part of how we protect our patients and ensure their trust.

But we also recognize that regulation should serve care, not complicate it. That's why we focus on:

- **Efficiency:** We streamline workflows and use technology to reduce unnecessary duplication of documentation.
- **Training:** Our staff receive ongoing education so that compliance requirements don't slow down care.
- **Advocacy:** We actively engage in state and national discussions about healthcare reform. When policymakers seek feedback, we make sure the voice of rural Missouri is heard.
- **Innovation:** By developing initiatives like Phelps Health Preferred (our direct-to-employer insurance product), we're finding creative ways to lower costs and improve access even within a heavily regulated system.

Our goal is not to complain about regulations—it's to make sure they work for our patients, not against them.



WHY THIS MATTERS TO YOU

You might never see the thousands of pages of rules we follow each year, but you experience their impact in the form of paperwork, wait times and sometimes even the cost of care.

When we say healthcare is complex, this is a big part of what we mean. Regulations can be well-intentioned but still add friction to the system—and that friction affects everyone, from the patient checking in at the front desk to the night shift nurse documenting medication safety at 2:00 AM.

Our team at Phelps Health works every day to manage that complexity so you don't have to. We want your experience to be as seamless as possible, even when the system behind the scenes isn't simple.

MOVING TOWARD A BETTER BALANCE

We believe that the best path forward is one that combines accountability with practicality. Rules and oversight are necessary, but they should empower providers to deliver excellent care—not bury them in red tape.

That's why we'll continue advocating for smarter regulation: systems that measure outcomes, reward value and respect the realities of rural healthcare delivery.

A FINAL THOUGHT

At Phelps Health, we embrace transparency and responsibility. We know the system can be frustrating at times, but we want you to know that we are constantly working within it—and, when possible, helping to improve it.

Our focus remains where it should be: on you, our patients, and on ensuring that every regulation, process and policy ultimately supports what matters most—safe, compassionate, high-quality care for our community.

About This Series

At Phelps Health, we know that while healthcare touches everyone in our region, the system behind it can feel complicated and confusing.

"Understanding the Realities of Healthcare" is a series of articles and podcasts that goes behind the scenes at Phelps Health to explain the pressures, decisions and changes shaping care today.

Created by Jason Shenefield, president and CEO of Phelps Health, this series explores topics like staffing, costs, regulations and innovation—and how they impact the patients and communities we serve.

We invite you to follow along, learn with us and help us build a future that delivers the care and compassion you've come to expect from Phelps Health.

Learn more at phelpshealth.org/realities-of-healthcare.