

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

- ◆ **David Ellison said** he envisions turning Paramount Global into a media and tech hybrid to transform the beleaguered entertainment company into a viable competitor against Disney, Netflix and Warner Bros. Discovery. **A1**
- ◆ **The S&P 500 and Nasdaq** extended their run of records, rising 0.1% and 0.3%, respectively, while the Dow industrials slipped 0.1%. **B9**
- ◆ **The FBI is probing** allegations of rape and sexual assault by three brothers in one of the most famous families in luxury real estate, according to people familiar with the matter and a document viewed by the Journal. **B1**
- ◆ **Boeing's agreement** to plead guilty to misleading air-safety regulators in the run-up to two deadly 737 MAX crashes fell short of what families of the crash victims wanted. **B3**
- ◆ **Carlsberg agreed** to buy soft-drinks maker Britvic for the equivalent of about \$4.23 billion as part of a plan to expand in the nonalcoholic-beverage market and reduce reliance on beer sales. **B3**
- ◆ **Devon Energy agreed** to acquire Grayson Mill Energy in a cash-and-stock transaction valued at \$5 billion. **B3**
- ◆ **Canada averted** a labor disruption at its Pacific Coast ports after Ottawa's labor-relations board deemed as illegal a strike notice issued by a union representing ship and dock foremen. **B2**
- ◆ **China added Shanghai** to a list of top-tier cities allowing the use of driverless robotaxis in which no safety supervisors are present. **B4**

### World-Wide

- ◆ **Biden dug in**, telling a broad array of fellow Democrats that he was committed to “running this race to the end” and that it was time for conversations about changing nominees to stop, as concerns about his candidacy grew louder. **A1**
- ◆ **Republicans released** a party platform that was much shorter and less detailed than those of the past, sidestepping many policy specifics and the potential internal fights that could have been triggered by a more-detailed document. **A4**
- ◆ **Private insurers** involved in the government's Medicare Advantage program made hundreds of thousands of questionable diagnoses that triggered extra taxpayer-funded payments, including wrong ones, from 2018 to 2021, a Wall Street Journal analysis found. **A1**
- ◆ **A global coalition** of nations that advocates for a free press condemned the Russian prosecution of Wall Street Journal reporter Evan Gershkovich and called for his release. **A9**
- ◆ **Israel launched airstrikes** and sent ground troops back into Gaza City, where it said militants continued to operate months after heavy fighting concluded there. **A9**
- ◆ **Most medical students** at Johns Hopkins University are set to receive free tuition after the school received a \$1 billion gift from Bloomberg Philanthropies. **A3**
- ◆ **Three Columbia deans** were removed from their positions and placed on indefinite leave over text messages they sent during a panel about Jewish life on campus, the university said. **A3**

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## Russian Missile Strikes Children's Hospital in Kyiv



**IN PERIL:** Women hold patients at Okhmatdyt Children's Hospital, which was damaged in a Russian missile strike Monday. A barrage of more than 40 missiles that struck several cities in Ukraine killed at least 33 people and injured more than 100. **A8**

## Medicare Paid \$50 Billion To Insurers for Untreated Ills

Gloria Lee was perplexed when the phone calls started coming in from a representative of her Medicare insurer. Could a nurse stop by her Boston home to give her a quick

*By Christopher Weaver, Tom McGinty, Anna Wilde Mathews and Mark Maremont*

checkup? It was a helpful perk. No cost. In fact, she'd get a \$50 gift card.

After several such calls in 2022, Lee agreed. A nurse showed up, checked her over, asked her questions, then diagnosed her with diabetic cata-

tracts.

The finding was good news for Lee's insurer, a unit of UnitedHealth Group. Medicare pays insurers more for sicker patients. In the case of someone like Lee with diabetic cataracts, up to about \$2,700 more a year at that time.

But the retired accountant doesn't have diabetes, her own doctor later said, let alone the cloudy vision sometimes caused by the disease.

Private insurers involved in the government's Medicare Advantage program made hundreds of thousands of questionable diagnoses that triggered extra taxpayer-funded pay-

ments from 2018 to 2021, including outright wrong ones like Lee's, a Wall Street Journal analysis of billions of Medicare records found.

The questionable diagnoses included some for potentially deadly illnesses, such as AIDS, for which patients received no subsequent care, and for conditions people couldn't possibly have, the analysis showed. Often, neither the patients nor their doctors had any idea.

Medicare Advantage, the \$450-billion-a-year system in which private insurers oversee Medicare benefits, grew out of the idea that the private sector could provide healthcare more

economically. It has swelled over the last two decades to cover more than half of the 67 million seniors and disabled people on Medicare.

Instead of saving taxpayers money, Medicare Advantage has added tens of billions of dollars in costs, researchers and some government officials have said. One reason is that insurers can add diagnoses to ones that patients' own doctors submit. Medicare gave insurers that option so they could catch conditions that doctors neglected to record. The Journal's analysis, however, found many diagnoses were added for

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## Vanguard Fans Hope New CEO Improves The Service

*By Jack Pitcher*

Vanguard won an army of loyal customers by cutting fees to the bone and promoting simple index-tracking investing. Now many of those fans are fed up.

New Chief Executive Officer Salim Ramji took the helm of the beloved fund manager on Monday, the first outsider in that role, and many clients are hoping he will finally fix a longstanding source of frustration: the customer service.

Social media, review websites and online forum Reddit are frequently flooded with Vanguard brokerage customers complaining about issues spanning glitchy trades, incorrect balance information and hard-to-reach customer representatives.

Theodore Wagenaar, a 75-year-old retired college professor in Sarasota, Fla., suffered through years of such problems before deciding to move all of his accounts to Fidelity this year. The final straw was being locked out of his account for days.

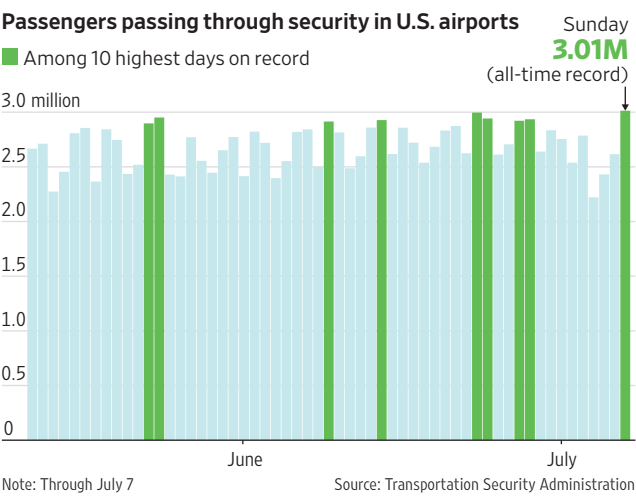
"It was difficult for me to leave them. My heart is with Vanguard and their mission," said Wagenaar, who had been a customer for 40 years. "But it just continually got worse. The service is abysmal."

Vanguard ranked last out of eight major brokerages for customer satisfaction with website performance and mo-

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## Airport Screening Hits Record

The Transportation Security Administration said more than three million people passed through U.S. airport security Sunday, setting a daily record amid a surge in summer travel. **A3**



## Cities' New Fix for Downtowns That Are Dying? Bring In Jugglers

Local leaders hire street performers to try to make office districts less depressing

*By Konrad Putzier*

The musician who goes by the stage name Martini Shakers travels across the South playing Rockabilly songs on his guitar, accordion, saxophone and harmonica. He has performed at barn raisings, hog killings and classic-car shows. He has entertained at fine-dining restaurants and played before TV celebrities.

One thing he wouldn't do was play for tips on the streets. There was no real money in that. That all changed two years ago, after he received an email from a downtown development non-

profit in Birmingham, Ala. The organization said it would pay him \$200 to play on the street for two hours at lunchtime. Any tips he could keep.

"I was like well, yeah, absolutely," said the musician, whose real name is Jory Lee Heindel. Within a few weeks, he was serenading office workers out for lunch with songs by Elvis Presley and Johnny Cash.

Heindel is one of thousands across the U.S. who have stumbled into the country's hottest new job market: Street performer. Once tolerated at best and seen as a nuisance at worst, these entertainers are now in high demand. Down-

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## New Paramount Boss Has Long To-Do List

*By Jessica Toonkel and Joe Flint*

David Ellison mastered flying planes in his teens. Now, Hollywood's newest mogul has to avoid a hard landing in merging his Skydance Media and Paramount Global.

Hours after the merger was announced, Ellison on Monday made the kind of cautious remarks one would expect from someone seeking to win over skeptics from the entertainment industry, on Wall Street and among Paramount executives.

"We really want Paramount

## President Digs In, Reiterates He Won't Quit Race

Biden tells party lawmakers that voters selected him as their nominee

*By Catherine Lucey*

WASHINGTON—President Biden dug in Monday, telling a broad array of fellow Democrats that he was committed to “running this race to the end” and that it was time for conversations about changing nominees to stop, as concerns about his candidacy grew louder.

In a letter to congressional Democrats, Biden said he had had “extensive conversations” with party leadership, members and voters during the past 10 days and said he wasn't blind to the concerns about his age and his candidacy that have emerged since his disastrous June 27 debate performance. But he said he was heartened by “rock-solid, steadfast support” from many and wouldn't continue if he wasn't confident he could again defeat former President Donald Trump.

The missive to Capitol Hill, followed by a morning television appearance and a call with donors, was intended to head off defections in Democratic ranks, after several top House Democrats said that they wanted Biden to step aside and a round of public appearances by the 81-year-old president did little to assuage doubts.

Rep. Adam Smith of Washington, the top Democrat on the Armed Services Committee, said Biden's debate performance was alarming and that he should end his run as soon as possible to give the party time to nominate a new candidate. He was one of a series of committee chairs who had privately expressed that stance in

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## Property-Fraud Cases Snowball as Values Fall

*By Konrad Putzier*

U.S. prosecutors are cracking down on commercial mortgage fraud, a growing push that is sending shudders through the \$4.7 trillion industry by raising questions about the numbers underpinning major property loans.

Regulators and federal prosecutors say that property loans based on doctored building financials and valuations have been rising. This type of fraud became more widespread between the mid-2010s and 2021, federal investigators and real-estate brokers say, when commercial-property prices surged to new highs and landlords had much to gain from such maneuvers.

Now, the drop in property values caused by higher interest rates and a rise in defaults

is exposing more of these schemes, dealing another blow to a commercial real-estate market suffering through its worst stretch since the 2008-09 financial crisis.

"It's a general trend throughout history that fraud occurs during boom times and is revealed during bust times," said John Griffin, a professor of finance at the University of Texas' McCombs School of Business.

In most cases, real-estate fraud is made possible because lenders take a hands-off approach to assessing a building's value. As long as the numbers look in line with those of similar properties, lenders usually trust that they are accurate, brokers say. Auditing books is expensive and time consuming, and lenders competing for deals may be

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