

# How to manage the maze of medical debt

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**By TOM MURPHY, AP Business Writer**

Prostate cancer hospitalized Ernest Patton for only a few days in 2007, but that was long enough to push the North Carolina man toward financial ruin.

His radiation treatment cost \$65,000. The total bill topped \$100,000, and almost none of it was covered by the insurance he received through his fast-food restaurant job.

But thanks to his sister, who quickly learned the ropes of debt reduction, most of that debt has been forgiven.

"If it hadn't been for family, I wouldn't have survived," Patton said.

A recovery like this is not unusual, but people swamped with medical debt often don't know how to find relief, according to debt experts. They say both insured and uninsured patients have more leverage than they think to lighten the sometimes crushing weight of medical bills.

And more people are feeling that weight. The nonprofit Commonwealth Fund estimated that a third of all working-age Americans were struggling to pay medical bills in late 2007, the latest figures available. The New York-based private foundation supports independent research and offers grants on health care issues and policy.

Researchers say that percentage likely has risen, given the growing number of people who have since lost jobs and insurance coverage in the recession. About 46 million Americans are uninsured, according to recent estimates.

Medical bills can skyrocket quickly for the uninsured, who often face larger charges because they don't have insurers negotiating prices for them.

But even people with insurance can get pinched if they chose a plan that provides limited coverage. More employers also are reducing insurance offerings or asking their employees to pay a greater amount.

Medical providers also have become more aggressive in collecting because fewer patients are paying, said Kevin Flynn, president of Philadelphia-based Health Care Advocates Inc., a for-profit business that works with patients on debt resolution and insurance disputes.

Flynn said he started noticing the trend about four months ago, and it will grow worse as the economy weakens.

Still, he estimates that the average patient can shave as much as 15 percent off a bill even before seeking help from a company like his.

## **NAVIGATING THE PROCESS**

Patton's debt recovery began when his sister, who helped manage his bills after he became sick, asked for help. Leatha Tripp, 70, knew her 56-year-old brother's insurance wouldn't dent his bills.

She applied for charity help and offered proof of Patton's wages. The hospital wrote off the cost of his stay, and the cost of the radiation treatment was eventually forgiven as well.

"I was really shocked that these places would work with you," said Tripp, who received help from the nonprofit Patient Advocate Foundation.

A patient's first step should be to learn about public aid programs or hospital discounts, said Carol Pryor, policy director for The Access Project, a Boston-based nonprofit that works to improve health care access.

Patients also should ask for a bill copy that shows every item of care delivered. Scrutinize it and question anything suspicious. Negotiate that \$10 charge for Tylenol.

Look for errors too. Flynn frequently sees overcharges for operating room time. They may list six hours when a procedure took four.

Some mistakes really stick out. Flynn once saw a hysterectomy listed on a man's bill.

Ask about payment options, too. Hospitals frequently offer steep discounts if a bill can be paid all at once. Some may set up no-interest payment plans.

Patients with insurance also should be wary of balance billing. That's the difference between the amount billed by a provider and the amount paid by the insurer after patients pay copays, coinsurance or deductibles.

Patients should not be balance billed if they use providers in their insurance network. They should check with their insurer if they're billed for anything beyond standard payments like co-pays or deductibles.

Insurance also can be scrutinized. Most insurers offer a toll-free phone number people can use to ask questions or request a review of their coverage.

Many state governments provide independent panels of experts that examine claims if that review fails to resolve problems.

## **ENLIST AN ADVOCATE**

Sometimes a patient advocate makes a huge difference. It did for Domenico Pelliccione. The 62-year-old suburban Denver resident lost his wife of 21 years, Donna, to colon cancer last July.

Donna had no insurance, and bills totaled more than \$300,000 after she started treatment in July 2007.

Meanwhile, Pelliccione was working 12-hour days as a truck driver and then heading to the hospital immediately afterward.

Nasty phone calls and letters started coming from the hospital, Pelliccione said. "I was getting so tired by the end that I didn't really care about it," he said. "All I needed to do was be there for her."

Then someone told him about Patient Advocate Foundation, a nonprofit that helps people with life-threatening or debilitating illnesses negotiate their debt.

The foundation helped whittle his bills down to \$190,000 and then to only \$5,000 over several months.

The foundation's services are free, but some for-profit advocates do charge. Potential customers should ask what fees or percentage of savings a company may charge. Other nonprofit agencies like the American Cancer Society can provide referrals to these advocates.

## **OTHER AVENUES**

Even after exhausting these resources, many patients can still wind up with large bills. That's where friends and family and word of mouth can help.

The North Carolina brother and sister, Leatha Tripp and Ernest Patton, held a yard sale to help with remaining debt. They also rallied their eight siblings and raised about \$5,000.

That topped Patton's insurance contribution, which covered only a few hundred dollars, Tripp said. Her brother had signed up for the least expensive insurance option at work because it was all he could afford.

Community support has helped the Summerlin family of Avon, Ind., as their 8-year-old son, Tommy, fights leukemia.

His parents, Linda and Tom Summerlin, both work full-time, and they have insurance. But they still face daunting costs. Doctors plan to give Tommy a bone marrow transplant, which runs at least \$250,000 without complications.

Linda Summerlin noted that even if insurance covers 80 percent of that bill, \$50,000 remains.

"I remember when he got the diagnosis," Summerlin said. "I was like, 'I'd sell my house, I'd sell my car, I'd sell the shirt off my back to pay for it, if that's what it took for him to live.'"

So far, she hasn't had to do any of that. Several local restaurants helped raise money. A woman the Summerlins had never met organized a golf outing that brought in several thousand dollars.

"If we hadn't had the fundraising, our Christmas would have been very meek," Linda Summerlin said.