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Patients can challenge and negotiate through the maze of costly hospital bills

By DIANE STAFFORD and ALAN BAVLEY
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A mild heart attack put Lee Hircock in the hospital for a couple of days last year.

He recovered just fine.

But the sky-high hospital bill Hircock got afterward was enough to send even the stoutest heart into cardiac arrest.

Two days in the hospital, a stent in a coronary artery, plenty of high-priced medications ...

\$84,498.60

“Those numbers are staggering,” said Hircock, 45, of Shawnee. “Yes, I know they have high-tech equipment, and a stent is a medical miracle. But you think about \$40,000 a day.”

Hircock joined the ranks of countless patients who confront complicated billing codes, long lists of charges, unfathomable language about insurance coverage and sometimes sums they simply can't pay.

But what Hircock knew — he's a professional patient advocate — is that medical bills can be challenged.

Take the time to educate yourself about the mysteries of billing codes. You can catch errors and point them out to health care providers and insurance companies.

If you don't have the money to pay an eye-popping bottom line, you often can negotiate discounts with your doctors or hospital.

(You also can ease some of the pain up front by finding out how much a procedure will cost and how much your insurance will cover. Look at alternatives. Shop around.)

Don't expect health care reform to make this easier. Whatever plan Washington comes up with, patients will face confusing, complicated bills and potentially large out-of-pocket medical expenses.

The health care industry, for its part, said billing problems were rare and certainly unintended.

But mistakes were made.

Medical Billing Advocates of America is an association of professionals who help consumers with billing problems; its members find errors in eight out of 10 hospital bills they examine.

With medical expenses contributing to nearly two-thirds of bankruptcies, reduced charges and affordable payment plans could prevent financial ruin.

“Ask, ask, ask. Advocate, advocate, advocate,” urged Mark Rukavina, executive director of the Access Project, a nonprofit organization that helps patients work with doctors and hospitals on financially crippling bills.

Don’t be discouraged when a customer service representative explains over the telephone that your policy doesn’t cover a procedure or a hospital can’t discount your bill, Rukavina said.

Insurance companies have an appeals process. Most hospitals have policies for providing charity care.

“Health care providers generally are willing to deal,” Rukavina said.

Getting leverage

Consumer activists are pushing health care providers to be more transparent about their fees and billing practices — a godsend for patients who’ve encountered items like the “disposable mucus recovery system” on their bills.

For the uninitiated, that’s a box of tissues.

“Hospitals can charge \$15 for a box of Kleenex and say that’s what it costs them to provide it,” said Steve Luptak, an expert in deciphering medical bills. “And they can charge one price to the insured and a different price to the uninsured. It’s not easy, but it’s important to understand the system.”

Luptak operates HealthCare Advocacy in Kansas City, a service designed to help individuals navigate the health care billing and insurance waters. He’s part of a growing cottage industry of people who have worked in hospital billing departments or insurance companies and have switched sides to work for consumers.

The first step in challenging bills, Luptak advises, is to remove emotion from the process. Especially when you’re ill or recovering, it’s easy to get frustrated, angry or despondent, he said.

“It’s so important to be calm and diplomatic and pursue your questions until you reach the right person,” Luptak said. “If you can’t afford a lawyer or other professional, I always recommend turning to another family member, a friend, or someone who can be one step removed emotionally in fighting for you.”

Problems with a doctor’s or hospital’s bills should first be addressed with the billing office. A second step is to ask for help from a hospital social worker or patient advocate on the hospital staff.

Some people find help by asking around their churches or neighborhoods for someone who has worked in the industry.

Failing that, consumers are hiring professional advocates.

Hircock, an accountant by training, got into the advocacy business after working as an internal hospital auditor. He saw first-hand how billing errors occurred.

“Most consumers don’t have much leverage (over high bills),” Hircock said. “They don’t hold any trump cards.”

But Hircock the advocate knew how to scrutinize the hospital charges of Hircock the patient.

He asked for an itemized copy of his bill and combed through it line by line. He discovered that the hospital had charged twice for his stent procedure, both as an inpatient and an outpatient.

Hircock also checked what Medicare would pay. The government program reimburses hospitals based on their reported costs. By Medicare standards, his procedure was worth less than \$12,000, Hircock said.

“Unlike any other industry in the world, there is very little correlation between (hospital) charges and what it actually costs,” Hircock said. “That (bill) had a lot of profit built into it.”

He took the bill back to the hospital.

“I showed them in no uncertain terms where they had double billed,” he said. “Initially, I was met with resistance and defense.”

He also told his insurance plan, which had paid the inflated bill.

” ” he asked. “They got very defensive: ‘How would we know?’ ‘You guys realize you overpaid? Do you even care?’ “

Ultimately the hospital did refund the overpayment, Hircock said.

Managing costs upfront

The need for professional bill-deciphering services can be headed off, said Corrie Edwards, executive director of the Kansas Health Consumer Coalition. But patients need to become better-educated consumers of medical services.

When Edwards recently had diagnostic tests at a hospital, she caused a ripple effect at the admissions desk. As other patients overheard her calling her doctor’s office and insurance company asking for cost information, they whipped out their cell phones and made similar calls.

“Go in well-informed,” Edwards said. “If you’re talking about elective procedures, make sure you understand what your doctor is ordering, the names of the tests, and get the procedural codes from your insurance company.”

Patients also should find out from their insurance company what’s covered and what out-of-pocket expenses they can expect.

“If you know your co-pays and coverage, there shouldn’t be any surprises (on the final bill),” said Blake Williamson, senior medical director with Blue Cross and Blue Shield of Kansas City.

If you think your health plan should have covered something it didn’t, you can file an appeal to the insurance company, Williamson said.

“Frankly, mistakes can happen. But it’s a rare event. Ninety-nine percent or more of things are covered the way they are supposed to be.”

Working with the hospital

Patients also can ask the hospital to review bills when an error is suspected.

“We’ll get down to a line by line, nitty-gritty with (patients.) Our interest is to get it right,” said University of Kansas Hospital spokesman Dennis McCulloch. “... With all the computer coding these days, sometimes it’s simply someone keying in a wrong number.”

But the more common challenge for consumers is paying what they owe when the bill comes due.

Doctors and hospitals are increasingly willing to write down their charges now that the health care reform debate has put them in the spotlight, consumer advocates said.

“If the patient is willing to provide information (about their financial need), they’re generally willing to negotiate,” said Rukavina of the Access Project.

“The bottom line is they want to get paid something,” said Luptak, the professional patient advocate. “But if you negotiate them down, you need to follow through. If you set a payment plan, you need to stick to it. If you work with them, they will work with you.”

Three keys

- Learn the diagnostic and billing codes to make sure you’re billed correctly.
- Work with billing departments or outside medical billing specialists to pinpoint mistakes.
- Negotiate alternate payment plans if the agreed- upon bill is too big to pay when due.

Getting help

Experts can help decipher medical bills. Among them:

- Medical Billing Advocates of America, www.billadvocates.com
- The Access Project, www.accessproject.org
- Patient Advocate Foundation, www.patientadvocate.org
- Kansas Health Consumer Coalition, www.kshealthconsumer.com

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