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No more 'pill-now, pay-later' at Utah hospitals

Health care • Faced with growing bad debt, major health systems, including some in Utah, no longer assume patients will pay their bills.

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Two days before undergoing a diagnostic CT scan of her misfiring heart, Jessica Pierce got a phone call from Intermountain Healthcare's Valley View Medical Center asking her to pay for the procedure up front.

The 24-year-old college graduate is on her dad's insurance plan. But the billing office was adamant: pay your portion of the bill now or we may not schedule the scan.

"They had already rescheduled the test once, moving it from Tuesday to Friday, because they said they needed authorization from my insurance," said her father, Mark Pierce, who paid the \$283. "I would be one pissed-off dude if my daughter had had a heart attack. This isn't, 'I have a boil I need lanced.' This is a heart issue. I wonder what they'd do to her if she didn't have insurance."

Consumers pay in advance for all types of goods and services, from groceries and gas to airline tickets. But national outrage over news that a debt collection firm, Accretive Health Inc., placed bedside bill collectors in emergency rooms at nonprofit hospitals in Minnesota suggests Americans view health care differently.

Intermountain, also a nonprofit, signed a five-year contract with Accretive in November, but says their relationship is different than the deal struck — and since canceled — by Minnesota's Fairview Health Sciences.

Regardless, the Pierces' experience has nothing to do with Accretive, said a hospital spokesman Daron Cowley. Intermountain has sought advance payment in elective and nonemergency situations for about five years, he said.

Faced with growing bad debt, major health systems, including the University of Utah and IASIS healthcare, no longer assume that people will pay their bills.

Patients routinely fork over \$10 to \$30 co-payments when they visit the doctor. Increasingly they're also being asked to pay up front for their deductible and co-insurance, which, depending on the procedure, can total thousands of dollars.

"In the last five years we've gotten better at accurately predicting peoples' out-of-pocket costs. Most people like knowing what their financial obligation is up front," said Cowley.

Having these early conversations also aids hospitals in linking patients with financial assistance and public programs such as Medicaid, so they can focus on healing, he said.

But for patients weary of soaring health costs, assertive bill collectors are the last straw, another symptom of high-tech medicine.

"I found Intermountain extremely brusque," said Lisa Hansen Mietchen, vice president of a fundraising consulting firm in downtown Salt Lake City.

Last fall, Mietchen's daughter had a small wart surgically removed from her foot.

Mietchen knew she'd have to pay cash because she hadn't met her deductible, which her company had increased to preserve its health benefits. It was either that or "pay a premium greater than our mortgage," she said.

Still, the final bill of \$5,000 was a stunner, and might have been less had her insurer allowed the procedure to happen at a surgical center, instead of the hospital.

"When [the hospital] called to do the preauthorization paperwork, they asked me if I wanted to prepay the bill," Mietchen said. "I told the woman that I am in the habit of paying bills on time, but certainly not beforehand. She became belligerent. I then asked if we would get a discounted rate for paying cash up front. She actually laughed out loud. It would take wild horses for me to pick [Intermountain], if I had a choice of where to go."

Consumer advocates sympathize, but say hospitals have financial responsibilities, too.

"I don't like bill collectors at the bedside, especially if it delays care and it happens at a nonprofit," said Judi Hilman, executive director of the Utah Health Policy Project. "But if it's part of the registration process, I don't have a problem with that."

In exchange for tax breaks, nonprofits give free and discounted care to the poor and uninsured. Intermountain doled out \$175 million in charity care last year, more than any other health system in Utah. That total represented a leveling off of its charity care, with fewer patients qualifying last year than in 2010, possibly because of an improving economy.

But bad debt remains a problem, said Christopher Nelson, a spokesman at the U., which wrote off \$46 million in unpaid medical bills last year. And once a bill goes to an outside collection agency, chances of recouping that money are almost nil, he said.

Intermountain approaches patients in the ER, but only after they've been assessed and stabilized, said Cowley.

Prepayment is required only of those patients with scheduled visits and a history of unpaid bills, he said.

Jessica Pierce, though, said she doesn't owe Intermountain a penny and was badgered before her CT scan and in the ER.

She was diagnosed in late April with Wolff-Parkinson-White syndrome after she passed out at work. She was prescribed medicine to help regulate the electrical signals in her heart, which was misfiring and beating erratically.

A bad reaction to the drug last week landed her in the ER.

"The doctors have been great. I have no complaints about the care I'm getting," she said. "But I'm sitting there, I have no idea what's going on with my heart, I feel like crap, the nurses are trying to talk to me and this lady comes in and says, 'How are you going to pay your co-pay? Can you pay part of it now, all of it?' She was very pushy."

The billing clerk also asked for more information than she is used to giving, including her mom's and dad's birth dates and Social Security numbers.

Cowley said if the clerk was rude, "that's not appropriate. We would apologize for that."

Requiring prior authorization before doing nonurgent procedures is common, but appointments are rescheduled only with the doctor's permission, he said. "If an insurance company has not OK'd the test, they typically will not pay for it, which leaves the patient on the hook for the full cost."

But Mark Pierce contends threatening to delay the CT scan unless he prepaid is flat wrong.

"I've never been hounded like this," said the 59-year-old, who retired in 2010 after 40 years in the U.S. Army. "It tells me the billing people are now driving the train for the doctors and the fulcrum has shifted from patient care to getting paid."

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