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## U. set to simplify patient billings

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University of Utah Health Care patients will soon be charged with single statements, under a long-anticipated overhaul of a system notorious for cluttering patients' mailboxes with confusing bills for various services.

Advocates for health care reform said such changes will benefit the public, but they also hope the new statements spell out patients' eligibility for financial assistance.

The U. wants the \$24 million system, which goes live Nov. 1, to help stem the flood of uncompensated care it provides and to pay for itself in less than a decade, through increased collections as patients get a better handle on what they're writing checks for.

"That will be a significant improvement," U. trustee chairman Randy Dryer said at Tuesday's meeting, where hospital officials described the overhaul while pitching their \$940 million budget for the U.'s health care network.

Patient advocates are concerned the new system does not go far enough in pointing out patients' financial options.

"If you find yourself needing help paying your hospital bill, chances are you also need clarity on financial assistance policies and procedures. The new billing arrangements look promising. But why not close the loop and include details on how this process relates to patients' eligibility for financial assistance," said Judi Hilman, executive director of the Utah Health Policy Project.

"We should expect nothing less from a teaching hospital, basically a nonprofit," Hilman said.

Referring to insurers' trend of shifting costs to patients, David Entwistle, chief executive officer for University of Utah Health Care, told trustees, "There have been some real changes in the payor mix. There has been a rapid increase in charity care. The economy is a factor in that."



Charity care and uncollected debt have risen to \$70 million annually from \$50 million three years ago, but they appear to be leveling off.

Under the 2011 budget, which trustees approved Tuesday, the network envisions increasing billings by 4 percent, or \$63 million, but it expects to net only an additional \$11 million.

“In health care there is a disconnect between what you charge and what you actually collect,” Entwistle said. “Are we recession proof? We’re not.”

The network is projecting a \$43 million profit, or a 4.6 percent. That operating margin is typical and will be plowed into capital needs, Entwistle said. The network also will divert \$67 million to the School of Medicine and other university entities.

The budget anticipates increasing patient revenue by 3.25 percent, or nearly \$29 million, with the help of the new billing system devised by Epic Systems Corp. It aims to make collections more efficient for the U. and billings more transparent and manageable for the customer.

“If you have surgery here, you get a bill for those services, then you get a bill from physician as well. So if you see five physicians, you get five bills, and then throw insurance into it, it’s a complex web of bills woven together,” hospital spokesman Chris Nelson said.

Such billing reflected a lack of coordination among departments, doctors and specialty clinics. New statements will delineate what is owed for what service and what insurance covers. Those who chose to pay a minimum monthly amount will be obligated to pay their debt in a year.

“We moved to an integrated health care system, where billing and registration systems match the patient care we provide,” Nelson said. “We have always prided ourselves on our front-end service. Now we are bringing up our back-end service to match it.”

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The U.’s network of caring

University of Utah Health Care’s 1,100-physician network includes the U.’s hospital, 10 community clinics, Huntsman Cancer Institute, a neuropsychiatric hospital, an orthopedic center and Moran Eye Center. This fiscal year, they expect to provide:

154,000 • in-patient days

540,000 • out-patient visits at specialty clinics

271,000 • additional visits at community clinics

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