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Lawsuit against Intermountain Healthcare draws calls for change

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SALT LAKE CITY -- It started with a Salt Lake City woman's medical bill dispute. It mushroomed into a class-action lawsuit. Now there are calls for something else: new laws to fix a system critics say is too costly and complicated.

The bill from Ann Maak's emergency surgery back in 2002 shows it cost more than \$11,000. But a closer look reveals Maak's insurance company, Regence Blue Cross, paid LDS Hospital more than \$12,000. That payment was more than \$900 over the cost of care, according to the bill.

Intermountain Healthcare then billed Maak another \$986. That brings the total charges to nearly \$1,900 more than the cost of care. Maak sued over what her attorney calls pure profit.

"I think IHC has profited from this. In fact, I believe IHC has received a windfall far beyond the healthcare services rendered," attorney Terry Welch said. "I believe it's improper. I believe IHC knows it's improper."

In a response, Intermountain Healthcare said Maak's situation happened because of contractual arrangements between her insurance company and the hospital. Those arrangements keep healthcare premiums lower, the company said.

But Maak's case has been in and out of various courtrooms since 2003. Recently, an appellate court finally ruled thousands of other patients could also sue for refunds.

The story has stunned lots of people, including House Speaker David Clark, a champion of health system reform. Over the phone Friday, Clark said legislation is in the works to increase simplicity, transparency and clarity of medical bills.

Those who work on these issues, agree: It's about time.

"We ought to have tools that will make that completely transparent for the consumer so there's no surprises," said Judi Hilman, with the Utah Health Policy Project.

Trudy Whitehead, a patient advocate who audits hospitals across the nation on behalf of patients, told KSL News it's a system ripe for reform.

"The charges in this situation to the insurance payer were greater than the services the patient actually received, and I have a real hard time with 20 percent of services that were not rendered," Whitehead said.

In a statement, Intermountain Healthcare said it plans to appeal the court ruling that opens the door to a class-action suit. That appeal could delay such an action from appearing in court.

E-mail: рпиatt@ksl.com