SNG-Nowlan-health care costs-4-8-13

How to deal with heart-stopping medical bills

By Jim Nowlan

Veteran journalist Steven Brill recently tapped out a burly 24,000-word article for Time magazine that skewers the health care sector for gouging many uninsured, paying executives exorbitantly and profiteering.

His article ("Bitter Pill: Why Medical Bills Are Killing Us," Feb. 20) has reignited the debate over how we pay for medical care. Here I try to distill Brill's major points and also identify practical actions you can take if hit with a breathtaking, heart-stopping medical bill.

The almost-poor are the people typically driven to bankruptcy by the health care system, the people not on Medicaid or Medicare or without good insurance.

Brill cites several horror stories of the sort we have heard before. Such as the 42-year-old struck with serious cancer who had to come up with $48,900—*before* he could simply be examined at the M.D. Anderson Cancer Center in Houston.

And the young man who was charged $87,000 for a single day of out-patient care at another hospital, which did include insertion of a $19,000 back stimulator for which he was charged $49,237.

There are several villains in Brill's piece. One is the "charge-master," the hospital database of charges for every service and item imaginable, down to the gauze pads to clean your arm before a shot.

According to Brill, even the hospitals seem embarrassed about their charge-masters, which apply stratospheric prices all the way down to those mundane alcohol gauze pads ($7 each

on one hospital's charge-master, when a box of 200 can be bought online for less than two bucks). There seems to be no relationship on the charge-master between wildly inflated charges and the actual costs.

Nonprofit hospitals, at least many of them, are also caught in Brill's cross-hairs. The original premise of non-profit policy was to avoid burdening the struggling do-gooder, Little Sisters of the Poor groups with taxes on their property, purchases or income.

Yet Brill points out that today's nonprofit hospitals are indeed overall making more profit than actual for-profit hospitals and are often paying their CEOs in the millions, up to $12 million a year in one case.

In contrast, Julie Hamos manages quite well the $16 billion-a-year Illinois state government Medicaid program, with its 3 million enrollees, on a salary of $150,000.

Brill also fingers big pharmaceutical companies and medical device manufacturers for successfully lobbying Congress to prohibit the federal government Medicare program from negotiating with them on price, even as they reap big profits.

There are several reasons the health care colossus (almost $1 out of every $5 of our economy; $7,000 per person annually) is apparently so bloated. First, most of us don't feel the pain of price, as our insurers or Medicare and Medicaid pay the bills. Nor is there transparency on prices charged and quality offered, and there is little competition.

Brill is high on Medicare. The program sets its own prices based on average hospital costs, which are a fraction of the charge-master bills that go out to the uninsured.

[He clearly thinks a Medicare-for-all, single-payer program would be best for America, but he laments that many of the politically powerful beneficiaries of the present system will block that from happening.]

In Illinois, according to the Illinois Hospital Association (IHA), recent reforms mitigate the abuses cited in Brill's article.

IHA vice president Danny Chun says, for example, that under the Illinois Uninsured Patient Discount Act, "The people cited in the Brill article (generally of modest income) would get their care for free or at a substantially discounted level."

[Further, says Chun, Illinois now provides transparency and clarity on billing and has streamlined the financial aid process.]

The Brill article strongly suggests that if an uninsured or lightly insured person faces a huge hospital bill, the person is well advised to hire a medical billing advocate. This patient's advocate is often able to negotiate a large percentage off the bill.

[There is an association of such professionals on the Web, and they charge about $100 an hour.]

Brill has too many suggestions for change to squeeze all into this space, such as requiring all of us to make some co-pay so as to feel the costs, if only a bit, as an aid to good decision making. He would also allow Medicare to make purchase decisions on the basis of comparative effectiveness of the drugs or operations, which the medical community hotly disputes.

We all know in our bones that ever increasing health care costs cannot be sustained. Brill's article, like Rachel Carson's book "Silent Spring" vis-à-vis the environment, might serve as a clarion call to shake up a system that appears to benefit some excessively as it drives many good citizens into bankruptcy.