

New billing standards to help patients with debt

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The last thing anyone wants to deal with after a serious illness or injury is a mountain of debt and repeated calls from bill collectors. Yet that's the scenario in which many patients find themselves.

Patients can avoid some of those headaches and minimize the risk they'll need to file for bankruptcy protection. To do that, they must discuss costs and payment options early on with their hospital or medical provider, and be sure that they have tapped into any available discounts and financial assistance.

But new standards, coming from government and the hospital and bill collection industries, should make resolving disputes and paying bills easier and fairer for patients, experts say. That's really needed as consumers face growing medical bills.

Health care spending jumped from an average \$2,854 per person in 1990 to \$8,915 per person in 2012, according to the Centers for Medicare and Medicaid Services; although the rate of increase slowed beginning in 2008 due to the Great Recession. Now employers are aggressively shifting health costs onto employees, through higher co-payments and monthly premiums, bigger deductibles and reduced coinsurance, which sticks patients with a bigger chunk of major medical bills — sometimes tens of thousands of dollars. For uninsured patients, it's even worse.

The number of working-age Americans who said they were having trouble paying medical bills or were paying them off over time hit 75 million, or 41 percent, in 2012, according to surveys by The Commonwealth Fund, a foundation working to make health care better and more accessible. Meanwhile, medical debt is a top cause of personal bankruptcies.

"People are generally shocked when they find out what things cost. Try to negotiate (with the care provider). Talk to them up front," says Mark Rukavina, founder of Boston-based Community Health Advisors. It works with hospitals around the country to develop financial assistance, billing and collection policies that meet new regulations.

New industry guidelines for resolving disputes about medical debt, announced on Jan. 15, should help patients struggling financially. Although voluntary, they're expected to be widely adopted because they were developed by groups including ACA International, an association of collection agencies, and the Healthcare Financial Management Association, which represents financial officers at health care

providers and insurance companies.

Joe Fifer, HFMA's president and CEO, calls the guidelines "mostly common sense." Among other standards, they recommend making bills easy to understand, ensuring hospitals and collection agencies aren't sending a patient bills at the same time, and notifying credit agencies when a billing dispute is resolved so it's removed from the person's credit history.

Meanwhile, the Internal Revenue Service is expected to soon issue regulations, required by the Affordable Care Act, barring nonprofit hospitals — about half those in the U.S. — from charging uninsured patients more than the discounted rates for insured patients.

In the meantime, patients getting expensive treatments should work with the provider to avoid sticker shock.

Some tips:

- If insured, review your policy to see what your deductible is and what other costs you could face.
- Get cost estimates up front so you can decide whether to proceed or perhaps should delay elective procedures.
- Contact the hospital's financial counseling department before planned treatment or soon after emergency care. Ask about charity care, both from the hospital and government programs such as Medicaid. Even insured patients may be eligible. Fifer notes nearly all uninsured patients get discounts off the "list price" for hospital services, just as insured patients do.
- Ask whether there's a prompt payment discount, which can be 20 percent. If the bill's not huge, perhaps you can put off other expenses. Otherwise, set up a schedule to pay the hospital over time.
- Try to reach agreement with the hospital on what you'll have to pay and the time frame.
- If the hospital doesn't provide enough financial aid, contact the Patient Advocate Foundation. It helps patients with expensive chronic conditions or sudden large medical bills, offering co-payment or insurance assistance, dispute mediation and other services. Go to www.patientadvocate.org or call 800-532-5274.
- If pricey medication is adding to your debt, be aware that drug companies generally offer aid to patients taking their medicines. Also an industry group, the Partnership for Prescription Assistance, at www.pparx.org, helps patients without prescription drug coverage.
- Check your credit report to make sure resolved bills or any errors are removed from your credit history.

BUSINESS Insights

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As the Affordable Care Act gets adjusted and tweaked, you can imagine it might be a tad difficult to nail down Jason Blomquist, Senior Vice President and one of the Practice Leaders for Assurance's Employee Benefits division. The independent insurance brokerage firm maintains laser focus on delivering the best results for clients in terms of business, employee benefits and personal insurance services — so these are some hectic times at the office. But, no matter what, there's always time to work out the brain and the body for Assurance employees.

"We do learning lunches where our employees expand their insurance knowledge and better understand our clients' day-to-day challenges," Blomquist explained. "We also offer fitness classes to help employees focus on their personal wellness goals."

What better way to help client businesses wrangle wellness than by doing it yourself? The Schaumburg-based company has offered yoga outdoors, boot camp classes, kickboxing, strength training and many more get-moving options for employees. "It gives people a chance to try something new in a comfortable environment with others that they trust," Blomquist said. "It's not one size fits all. We've found that different people enjoy different types of classes. We also vary the times of day that the classes are offered to give more flexibility." Employees are sent a survey by the firm's "Wellness Committee," a 5-year-old group made up of Assurance employees who chart their interests and ideas. Employees then drive the activities, iron out the details and execute the events.

It's not just an occasional cardio class here and a Pilates session there. When the weather heats up, so does the Assurance Olympics.

"We give them a country to represent," Blomquist chuckles, "and some teams come in crazy



costumes. There was tricycle racing and boy, that was funny to watch! We also had a bean bag throwing contest, traditional sack race, tug of war and other activities like that, which were held in the afternoon on the open grass area by our building."

Like the various wellness programs held on-site to get new individuals involved in their own health, the company customizes and fine tunes service plans for clients, too. High goals are set in both areas: addressing clients' specific needs and getting the gang moving. "We set a goal that 85 percent of our employees would finish a 5K — whether they walked, ran or crawled it," Blomquist explained. A portion of the profit sharing bonus was linked to it. "We held our very own Assurance 5K in Busse Woods to make it easier for employees to participate. And, by the end of the year we blew that goal out of the water with 93% of employees completing a 5K!"

So, it's not a stretch that Assurance got involved in the Daily Herald's Fittest Loser contest. "We feel very strongly about wellness and are proud to be a sponsor of this great competition," he said. "People spend more of their waking hours at work and if you get them involved and moving in the workplace, it just makes it easier for them to stay well. Everyone's busy, but if you can bring it to the workplace and people begin to think that it's part of their work responsibilities to get some

exercise — employees experience benefits beyond the workplace in their homes and personal lives."

Blomquist went on to say, "Maximizing employee health is key to managing the ever-increasing cost of health care. We've seen the tremendous impact wellness can have on an organization firsthand, and we're on a mission to help our clients achieve even greater success."



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