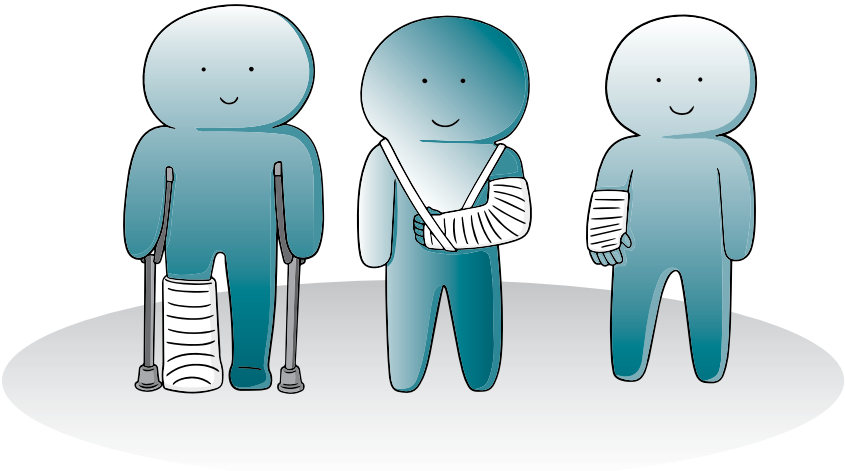
December 2018 – Vol. 34 No. 12
Published for Health Care Providers by ACA International
www.acainternational.org
pulse

Emergency Brake

Common collection challenges that arise from the emergency room.

By Anne Rosso May



The health care world has many moving parts. As a debt collector, it's your job to be the health care expert—which means it's often up to you to explain medical bills and insurance coverage to consumers.

You'll hear things like, "My insurance should have paid that!" and "I was told I was covered." In an emergency situation, medical bills get even more confusing. The patient might not even have been conscious at the time of care to consent to the treatment.

The Emergency Medical Treatment and Active Labor Act requires hospitals to evaluate and stabilize patients regardless of their financial situation. These requirements are mandatory and not affected by payment considerations. The hospital still bills the patient, and the patient is responsible for paying that bill. This is particularly stressful if patients aren't satisfied with the treatment and find out their health insurance won't cover it.

Sometimes patients go to the emergency room, change their mind and refuse treatment, but are still charged a facility fee. Facility fees are charges for a hospital's services and equipment, and they often come as a surprise to patients.

Even if patients disagree with these charges, unless they can negotiate a lower amount with the health care provider, they are responsible for paying the bill.

Sometimes patients aren't familiar with their copays. Depending on the insurance plan, copays can vary depending on the type of service used; for instance, payments often differ when you have a preventative medical exam in your doctor's office versus going to the emergency room after you tumble off a ladder.

Many emergency room doctors–and even ambulance services–are private contractors who might not be covered by a patient's insurance plan. When a patient receives care from an out-of-network physician, even if it's at an in-network facility, the patient may be charged for the out-of-network fees.

When patients apply for financial assistance through the hospital, they may believe their bills will be taken care of completely. However, the hospital's financial assistance policy only covers the hospital's bill—not those of the emergency room physician, the radiologist, the anesthesiologist or other providers that gave medically necessary care in the hospital. Hospitals must list which providers delivering emergency or medically necessary care are covered by financial assistance and which are not.

Here are some helpful questions you can ask the patient:

- "What does your explanation of benefits tell you is owed?"
- "Why do you feel you are not responsible? Tell me what happened."

Many consumers feel by carrying insurance, they've fulfilled their financial obligation to the medical provider. But insurance doesn't relieve patient responsibility. The terms of a patient's insurance policy will differ between insurance companies. The bottom line: the patient is responsible to pay for services not covered by insurance.

Anne Rosso May is editor of Collector *magazine.*

Survey Shows Greater Financial Strain for Consumers with Serious Illnesses

Consumers and their families face challenges paying medical bills and for their medicine.

Consumers with serious illnesses face greater financial risks and burdens, according to findings in a new survey from The Commonwealth Fund, the Harvard T.H. Chan School of Public Health and *The New York Times*.

Overall, the survey of consumers with serious illnesses or consumers who have family members with serious illnesses shows 53 percent of respondents face the risk of financial ruin and 63 percent experience serious problems with their care, according to a news release from The Commonwealth Fund.

"The survey asks respondents, all of whom either have a serious illness or are caring for a sick friend or family member, to answer questions about their hospital stays, their interactions with health professionals involved in their care, their dealings with health insurance companies, and their experiences paying for their care," it reports.

Among the findings on the impact of serious illness, such as heart disease and cancer, on consumers' finances, the survey, according to the news release, shows that:

- Fifty-six percent of very sick consumers reported challenges paying one or more of their medical bills, and 27 percent reported their illness caused a major financial burden on their family.
- Among very sick consumers with health insurance, 31 percent struggle to pay medical bills and 27 percent have challenges paying for medicine.
- Thirty-seven percent of very sick consumers spent most or all their savings and 23 percent couldn't afford essentials including food, heat or housing.

> "What is not recognized is that many insured seriously ill people have health insurance that does not protect them from large uncovered medical bills."
>
> – Robert J. Blendon

Overall, concerns with health care costs are among the biggest struggles consumers with serious illnesses have.

"What is not recognized is that many insured seriously ill people have health insurance that does not protect them from large uncovered medical bills," said Robert J. Blendon, Richard L. Menschel professor of Health Policy and Political Analysis at Harvard T.H. Chan School of Public Health, and co-director of the survey, in the news release.

And serious illness can impact a person's ability to work and do their job, which can also cause financial strain.

Accounts receivable management industry professionals working with health care clients are mindful of added challenges consumers face as they try to resolve accounts related to unexpected medical bills. Taking extra time to hear their concerns goes a long way in finding a workable solution and payment plan that meets the needs of clients and consumers. Read more about collection tips and challenges when it comes to health care accounts on Page 1.

"The goal of this survey partnership is to open a window into what it's like for our sickest family members, friends and neighbors," Commonwealth Fund President David Blumenthal said in the news release. "In my years as a practicing physician, I walked into many a patient's room to find that, on top of managing their illness, they were overwhelmed by administrative red tape, worried about their health insurance, and fearful of what their treatment would cost."

More information: https://bit.ly/2yyNG1K

STUDY

Medical Debt Declines with Patients' Age

Research for *Health Affairs* shows medical bills in collections are on the decline while spending increases among older consumers.

Credit report data for more than four million Americans examined by researchers for *Health Affairs* shows medical bills in collections are declining among older consumers, but their medical spending is increasing.

According to the research, "the share of people with at least one medical bill in collections decreased nearly 40 percent from patients age 27 to 64."

Overall, as of 2016, about 16 percent of consumers' credit reports showed unpaid medical bills referred to collection agencies, *Health Affairs* reports.

While aging consumers' medical bills in collections decline, spending increases.

For example, the mean medical spending for 2011-2015 ranges from $4,000 to $6,000 for consumers ages 70 to 80.

The authors of the *Health Affairs* study, Michael Batty, an economist at the Federal Reserve Board, Christa Gibbs, economist at the Bureau of Consumer Financial Protection, and Benedic Ippolito, an economist at the American Enterprise Institute, also found that "uninsurance rates tracked closely with total medical debt, with younger adults having both higher dollar amounts of medical debt and a higher likelihood of being uninsured. However, the number of people who accumulate medical debt by age was less closely tied to insurance coverage rates."

Read more on the study on the *Health Affairs* website: https://bit.ly/2o9cFmQ.

The mean medical spending for 2011-2015 ranges from $4,000 to $6,000 for consumers ages 70 to 80.

NEWS & NOTES

Health Care Collection Education at Your Fingertips

ACA International has the resources to help health care collectors be their best. Earning ACA's Healthcare Collection Management designation (HCM) requires participants to complete three ACA Core Curriculum courses as well as the HCM Capstone Assessment. Visit our online events calendar (https://www.acainternational.org/events) for a complete list of upcoming seminars required to complete the designation. More information: https://bit.ly/2qwYWap

Physicians Feel Value-Based Care Has Negative Impact

A survey of more than 3,400 physicians by The Doctors Company, a physician owned malpractice insurer, shows some negative views on the impact of value-based care among respondents. For example, 43 percent of physicians said they believe value-based care will have a negative impact on the physician-patient relationship and 61 percent said they believe it will have a negative impact on their practice. More information: https://bit.ly/2qgxT3n

We Want To Hear From You

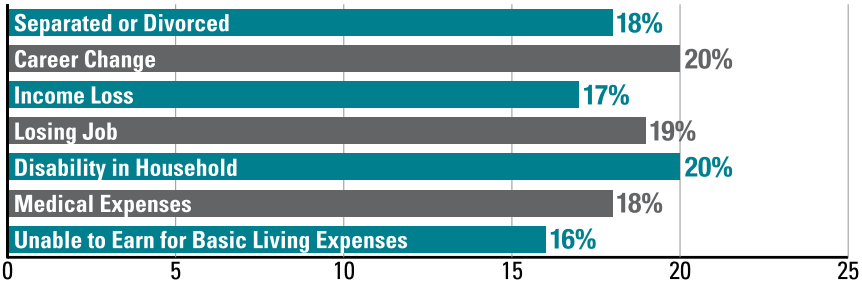
Pulse is published for ACA health care collection agencies to provide current industry information for health care providers. ACA International welcomes article ideas and submissions for consideration in *Pulse* to the Communications Department at comm@acainternational.org.

For more health care collections news, visit ACA's Health Care Collections page at www.acainternational.org/pulse.

datawatch

Medical Expenses and Debt Burden for Consumers

A study of consumers' finances and expenses from pymnts.com and Unifund, The Financial Invisibles Report™, shows credit continues to be a popular payment method for consumers and as such results in some debt burdens. According to the report, 28.2 percent of respondents surveyed say past-due medical bills result in debt burden. See what factors lead to financial crisis for consumers, including medical expenses, in the graph below.



Source: *The Financial Invisibles Report*™ https://www.pymnts.com/financial-invisibles-report/

pulse

is a monthly bulletin that contains information important to health care credit and collection personnel. Readers are invited to send comments and contributions to:

Communications Department
ACA International
P.O. Box 390106
Minneapolis, MN 55439-0106
comm@acainternational.org

Note: Requests for reprints or additional information on material herein must be made through the ACA International member who sponsored your receipt of this publication.

Do we have your correct name, title and address? Please advise your sponsor of any corrections.

This information is not to be construed as legal advice. Legal advice must be tailored to the specific circumstances of each case. Every effort has been made to assure that this information is up to date as of the date of publication. It is not intended to be a full and exhaustive explanation of the law in any area. This information is not intended as legal advice and may not be used as legal advice. It should not be used to replace the advice of your own legal counsel.

© 2018 ACA International.
All Rights Reserved.

ACA® INTERNATIONAL
The Association of Credit and Collection Professionals