

Rocky Mountain News

No surprised patients

Hospitals testing way to forecast what bills will be after insurance

By Bill Scanlon, Rocky Mountain News
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Rachel Zenzinger loves her daughter, but didn't much care for the doctor bill when it arrived several months after Olivia was born two years ago.

"We were quite shocked when we received our bill," Zenzinger said of her and her husband Ted's reaction to the \$3,500 in out-of-pocket costs.

The Zenzingers, like many Colorado consumers, would like to see more cost transparency at hospitals, so they're not surprised when they get their bills.

Most Coloradans have no clue what a hospital stay will cost them, whether insurance will cover most everything, or whether they'll face an out-of-pocket charge of tens of thousands of dollars.

Several area hospitals are trying to change that. Denver-based Catholic Health Initiatives, in partnership with Centura Health, is testing new software aimed at letting consumers know what they'll pay before they register as patients.

"What do I expect to pay based on how I am insured?" is the question that needs answering, said Pete Savini, vice president of patient financial services at CHI.

It's not enough for consumers to know that a hip replacement might cost \$32,000 at one hospital, \$35,000 at another. What they really need to know is what their cost will be, after the overnight charges, the pain pills, the bandages and the insurance deductions are considered.

"The hospital is the bad guy, but it's not really their fault," said Travis Gentry of Denver-based Financial Healthcare Systems, which developed new software so hospitals can share estimates of out-of-pocket costs with potential patients.

CHI is testing Financial Healthcare Systems' software and likes what it sees so far.

"We've had great feedback, saying emphatically that the price estimation software works," Savini said, "and that it addresses a very specific, defined need."

In a year, the estimation tool should be online, for anyone contemplating going to one of CHI's 70 hospitals in 20 states, including Colorado.

"With our tool, the specific procedure is matched against the patient's specific insurance," Gentry said. It looks at co-pays, deductibles, the 10 percent or 20 percent of hospital costs charged to the patient, whatever the coverage stipulates.



"We come up with an estimate: 'You're looking at \$2,300.25,'" Gentry said. "Patients are demanding this, and hospitals really do want to tell them."

Slower to the dance are insurers, who worry that too much proprietary information will be revealed that blunts their competitive edge, said Steve Summer, president of the Colorado Hospital Association.

Still, "A number of Colorado hospitals are looking at how they can implement price transparency," Summer said. "I know Health One is looking at it."

At CHI, a dozen employees worked with focus groups to simplify the medical terminology that will appear on the Web sites, to make sure that the prospective hospital patient knew what an MRI was, not just what it would cost.

Savini said he thinks the tool will give his hospitals a competitive advantage.

He noted that in today's marketplace, a hospital needs to find ways to get most of its patients to pay remaining charges within 30, 60 or 90 days.

Removing the surprise should help reach that goal.

In the case of the Zenzingers, their daughter Olivia was born prematurely and was in intensive care for five weeks after the delivery, said Rachel Zenzinger, who lives in Arvada.

"We were under the impression that this was one of those medical emergencies that would be covered" by insurance, she said. "Of course, we weren't going to not give our daughter all the treatment she needed. We really didn't have a choice."

Turns out that their insurance covered 80 percent of certain services and treatments.

"We set up a payment plan on the bill, and we've just finished paying it off, as our daughter turned 2," she said.

"We joke with friends, 'We finally own our daughter. We were just renting her until now.'"

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