

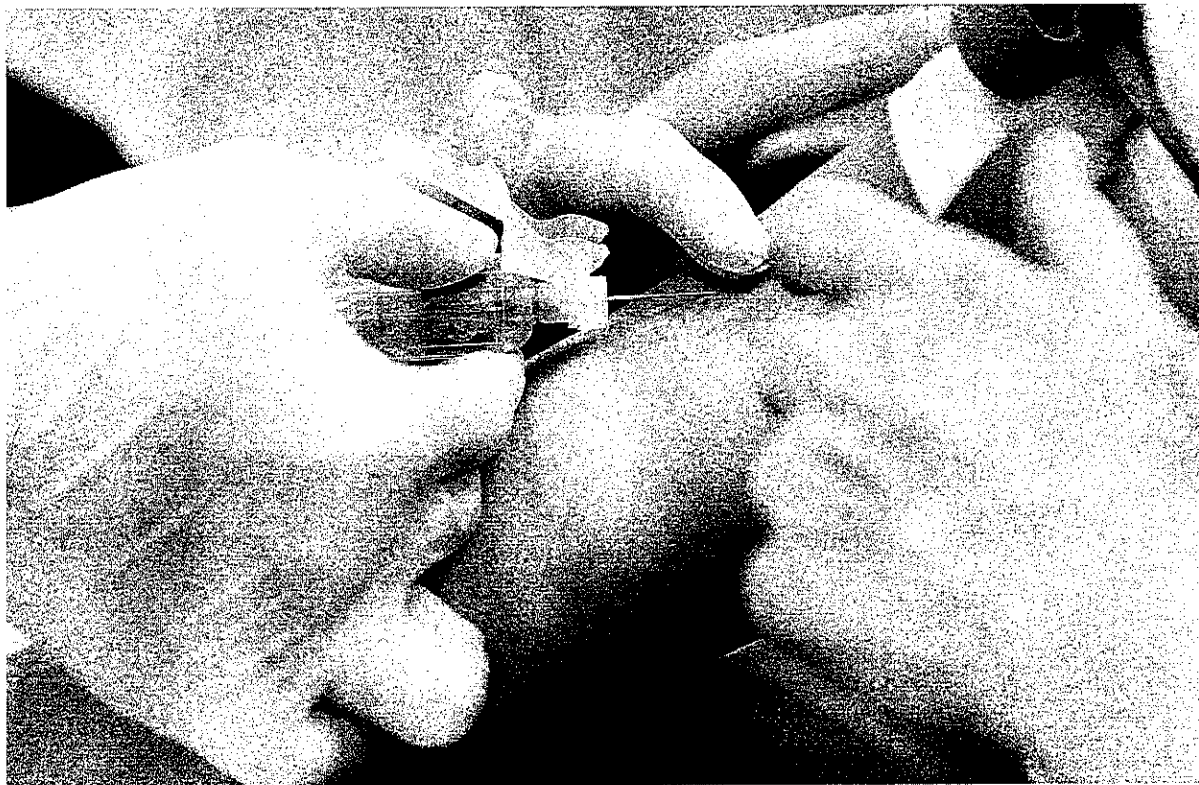


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HEALTHCARE

## Kansas among worst states for 'surprise medical bills,' according to Kaiser Family Foundation study

KANSAS NEWS SERVICE - JANUARY 8, 2020 7:11 AM



Even when patients use a hospital covered as part of their health insurance company's network, they may be charged out-of-network fees for the work of doctors or technicians who work on their case. Photo credit Chris Neal for the Kansas News Service.

**By Celia Llopis-Jepsen**

Chris Costantini lay in a cold sweat, his shoulder dislocated after slipping on a porch in Kansas City, Kansas.

He'd been out alone, knocking on doors and rustling up voters for the upcoming midterms in October 2018. Now he waited for an ambulance, full of anxiety about how the injury could hinder his next performance at the Kansas City Ballet.

"I'm not afraid to admit it was the most pain I've ever been in," Costantini recalled. "The shoulder was probably out of the socket for about 45 minutes."

A different anxiety only began later, when the bills rolled in. That ambulance, it turned out, didn't fall in his insurance network. So Costantini found himself on the hook for a \$900 bill.

Americans frequently get slapped with costs for out-of-network services in situations where they never had the chance to shop for an in-network option. But research suggests Kansans may be especially vulnerable.

A Kaiser Family Foundation study put Kansas in the five worst states for how often patients ran into out-of-network providers in 2017 during emergencies or during inpatient care at their in-network hospitals.



The extra bills that land in their mailboxes often come as a surprise, and pile onto in-network medical costs that already have patients' heads spinning.

Costantini's emergency led to more than \$6,000 in in-network charges alone, for the hospital and doctor. His insurance company's pre-negotiated rates knocked those charges down to less than \$2,000.

He tackled that and the ambulance in more manageable monthly increments, counting his blessings that he could afford it.

"Perversely, I feel lucky," Costantini said. "You would think that we wouldn't have to feel lucky."

#### THE 'BLACK BOX'

Kaiser tapped a database with claims for 19 million people nationwide who got their health insurance through large-employer plans.

Nearly one in five emergency care visits meant running into a doctor or someone else outside a patient's network. The situation was only slightly better for inpatient care at in-network hospitals.

But those figures mask a more complex picture: The situation varies widely by state. While Kansas fell at the bottom of the pack, neighboring Nebraska rose to the top.

What explains higher out-of-network rates in Kansas? Experts aren't sure.

Hospitals and billing are "very much a black box," said Karen Pollitz, the study's co-author.

That complicates research. And patients wonder whether they'll make it out the hospital door without bumping into an out-of-network assistant surgeon or radiologist.

"It just feels like a minefield, you know," Pollitz said.

Nationally, experts know some hospitals are far worse than others, though it's difficult to pinpoint the culprits behind wide regional and even local disparities. And situations can vary year by year, as insurance networks change, as hospitals buy up physician groups, or as new staffing companies land on the scene with business models built around aggressive billing.

The Kansas Insurance Department doesn't oversee the nitty-gritty details of insurer-provider contracts that might shed light on Kaiser's analysis of Kansas claims. The kind of private insurance studied by Kaiser overwhelmingly falls under federal, not state, law.

#### WHERE LOGIC FAILS

Patients often don't realize they've received out-of-network services until an extra bill arrives from a provider they never chose.

"The anesthesiologist is who's on call when you show up," Pollitz said. "If you're having cancer surgery, you'll never meet the pathologist who looks at your slides."

Laura Burton made the common assumption that the doctors walking the halls of her in-network hospital in Topeka work for that hospital and fall in the same network.



"Absolutely," she said. "One hundred percent, that's what I believed."

Then came a letter from a Michigan mailing address demanding \$400 for a pediatrician employed by an external staffing firm who checked on baby Amelia soon after her 2014 birth.

"It was not something we could pay off off-hand," Burton recalled. "Who would ever anticipate that a random physician would come in who wouldn't be covered?"

After a pregnancy full of complications, her bills surpassed her deductible and out-of-pocket maximum well before labor. She and her husband went into the final stretch thinking delivery wouldn't cost more. They paid off the unpleasant surprise gradually.

A Federal Reserve survey found an unexpected \$400 bill would cause problems for 40% of U.S. adults, making them borrow money, sell property or fall behind on credit card debt. And surprise bills are, by definition, impossible to plan for.

"It's a really frustrating, powerless feeling for patients," said Chris Garmon, an economist at the University of Missouri-Kansas City who previously worked on antitrust investigations at the Federal Trade Commission. "The more things that are done to you in the hospital, the more likely you are to encounter an out-of-network provider."

Even a brief drop-in to someone's room can lead to a hefty surprise bill.

"That's called drive-by doctoring," he said. "That's a real source of this."

#### IN SEARCH OF A SOLUTION

People like Burton in Topeka have done things right, said Jack Hoadley, a health policy researcher and professor emeritus at Georgetown University. They got insurance and went to an in-network hospital.

Yet none of that helps if the pediatrician who pops by has no deal with your insurer.

"You run into a situation that — how do you control?" he said.

Experts warn that some providers — such as hospital staffing companies backed by private equity funds — avoid joining networks to cash in on the lucrative world of surprise billing. That lets them charge more than the rates negotiated by insurance companies.

A Stanford University analysis of millions of insurance claims found more than 80% of ambulance rides fell outside patients' insurance networks. New research from Yale University, meanwhile, estimates that reining in out-of-network billing by anesthesiologists and others could cut health care spending by tens of billions of dollars annually.

"It's (a problem) that jumps up and bites people for a significant amount of money that they can't afford," Hoadley said. "And it's one that that is fixable."

A recent push in Congress has advocates hopeful that 2020 could finally bring a federal solution, though details remain up in the air. Surprise billers have pressed Congress not to curb charges too much.

Meanwhile, half of states — red and blue alike — didn't wait for a federal fix. They've passed some level of consumer protections against surprise bills.

Kansas hasn't. And though it might be especially useful in a state where the ACA health exchange offers only plans that



are particularly unhelpful for out-of-network care, advocates say action in Washington, D.C., is the ideal.

State laws can't help most people with private insurance through work, for example. Only changes to federal law can.

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