

STEELE MEMORIAL MEDICAL CENTER

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Press Release

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Medical Billing, A Nightmare at Best

We at Steele Memorial Medical Center consistently have to manage billing issues and when we inquire at other facilities we find they face the very same issue. Much of what we do is dictated by government entities and private health insurance companies. Their approach is "do it our way or don't get paid".

The cost of running a healthcare facility is the same whether you are paid or not. One of the most difficult aspects of healthcare financial management is related to cost shifting which is in essence, those who pay, pay for those who do not pay.

To clarify, if one out of ten people do not pay their bill, the facility which runs basically at zero profit, must charge 10% more to the remaining nine patients in order to avoid an operational deficit. While this is not fair, it is the way all health care has been handled for a very long time and was borne out of the country doctor who charged the rich more and the poor less.

This concept of charging based on the ability to pay, on face value is not a bad concept, however when people who could pay but choose not to, responsible people must unfairly pick up the slack.

The other downside of healthcare is that anyone presenting for emergent care cannot be turned away. Because patients can access emergent care without paying up front, many of those who have no intention to pay show up in the nation's emergency rooms for a free ride. This again puts a great burden on those that pay as the cost of emergency care is greater than at a clinic.

To make matters worse, insurance companies have a mission not to pay, and if they find any way to avoid paying they do, this causes the healthcare facility to have to hire staff just to bill and collect from these companies further driving up the cost of healthcare. They also are for profit entities and their profit comes out before they pay the doctor or hospital.

A government payer such as Medicare simply pays far less than insurance and is causing many doctors in more populated areas to refuse to take Medicare patients, again driving that population to the emergency room for care. In addition, all payers are raising the co-pays, and the patient's share of cost, causing the amount of bad debt to steadily climb. The bad debt is then absorbed by the person who pays, driving up the cost per test or procedure.

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Hospitals are then forced to have high prices, aggressive collections and try to remain competitive. This is at best a no win scenario which stymies Boards, Administrators, and politicians. Senator Crapo and many of his colleagues advocate for a “market” system which works fine for those who can pay, but until we as a society are willing to turn people away who cannot afford to pay, we must live with a system which shifts costs to those who can.

Until that is resolved, we are a social system, taking care of the indigent in a most inefficient way and the cost continues to skyrocket for everyone else.

Many factors drive up the cost of healthcare such as demand for technology, frivolous lawsuits, oil costs, and the cost of trained personnel. Just like the patient, all of us in healthcare would prefer to simply care for the sick and not have to deal with paying bills, but the bills are there. At Steele Memorial Medical Center we have several programs to help people with their bills; however we find that these programs are underutilized simply because patients will not fill out the necessary forms. We invite your comments if you have any problems with your bill and ask that you please contact the financial counselor, Darci Daniels or Marie Freitas.