

HOSPITALS' PRICE LISTS

Costs still hard to decipher despite web tool, some say

You need your knee replaced, but how much is it going to cost?

That's a question that could take a chunk of time to figure out — checking the hospital's website for the price, making calls to your doctor and your insurance company and then circling back to the hospital to make sure you understand what the price includes.

It sounds complicated, and it is, health care experts said.

To make health care costs more transparent, the federal government is requiring hospitals nationwide to post their prices online. The lists uploaded by Long Island's hospitals show the costs for everything from a semiprivate room to surgical screws to a chest X-ray.

The lists also show that the medical world speaks a language foreign to the average consumer and that each hospital has its own dialect, which makes comparison shopping tough at best.

A few examples: North Shore University Hospital in Manhasset lists SP ABLAT RF LIVER TUMOR(S) at \$15,520. At Good Samaritan Hospital Medical Center in West Islip, HC DX Chest 2 Views cost \$561. Stony Brook University Hospital charges \$464 for the 4.0MM X 35MM LOCKING SCREW 464. And a Card Left Heart Cath goes for \$8,390.54 at Nassau University Medical Center in East Meadow.

But even if the hospitals didn't talk in code and presented all their numbers uniformly, a price is nearly impossible to figure out because each patient's circumstances are different — a pre-existing condition, the stage of the disease or the procedure actually performed by the doctor.

On top of that, hospital executives said, the prices typically are more than anyone pays — insurance companies, Medicare, Medicaid and even the

This story was reported and written by **David Olson, David Reich-Hale and Craig Schneider.**

uninsured.

"I don't think the numbers produced online will give you any meaningful information from a consumer standpoint," said Richard J. Murphy, who is both the president and chief executive of South Nassau Communities Hospital in Oceanside and the chairman of the Healthcare Association of New York State.

At first, the notion of a price list encouraged Diana Gladd, who has been trying to decipher the \$5,193 bill from Good Samaritan Hospital Medical Center for her 5-year-old's asthma attack. The Sayville mom spent a half-hour trying to make sense of the abbreviations and codes before she threw up her hands. When all was said and done, she managed to match up three of the dozen items.

"It's worded in a way that regular folk wouldn't understand," she said.

Clear as mud

The price list is indelibly tied to the early days of private health insurance.

In the 1930s, a hospital issued a bill and the insurance company paid it — in full, said Dr. Norman Edelman, a professor at Stony Brook University's Renaissance School of Medicine.

Soon, though, insurance companies discovered they couldn't cover all the cost and still turn a profit. Their solution was to negotiate rates with the hospitals. And the hospitals protected their interests by using their list prices as the starting point for negotiations.

"They raised the prices to where they were quite unrealistic," Edelman said of the hospitals. "You've heard of the \$5 aspirin."



The federal government ordered hospitals to post prices by Jan. 1, with the goal of giving transparency

FIVE WAYS TO CUT MEDICAL COSTS

Save on meds: Ask your doctor if you can switch to a generic brand or if there is a less expensive drug. And order through the mail.

Use your insurance: Get your annual physical to stay ahead of health problems. If your plan offers health advocates, talk with one. They can help you get the most of your benefits or manage a chronic condition like diabetes.

SOURCE: National Institutes of Health

In or out: You'll save money if your procedure can be done at an outpatient clinic instead of a hospital.

Go in-network: Choose providers who are in your insurer's network. If not, you could end up paying more.

An apple a day: Take control and stay healthy. If you do, you stand a better chance of avoiding a hospital stay or a chronic condition.

The price list mandate is found in the Affordable Care Act, the landmark health reform legislation passed in 2010, which states every hospital in the country — every year — should make its prices public. And hospitals did — if patients asked.

Then, the Trump administration pressed the point. The De-

partment of Health and Human Services ordered all hospitals to post their price lists by Jan. 1, with the two-pronged goal of giving transparency to consumers and forcing hospitals to keep their prices competitive.

On a hospital website, the list is usually called the "chargemaster," and it looks different

for nearly every hospital.

Absorbed in each item on a chargemaster are the salaries of nurses, technicians, administrators, cleaners and other hospital staff members as well as equipment, utilities and other costs, said Richard Miller, executive vice president and chief business strategy officer at

SPEAK DIZZYING DIALECT



JESSICA ROTKIEWICZ



ANDREW THEODORAKIS

Mary Sagarino says having “no surprises” is important.



ANDREW THEODORAKIS

Pam Praetorius has seen her out-of-pocket costs rise.

the chargemaster, though. There is the DRG, or diagnosis related group, a list of procedures — not items — and their prices.

Not all hospitals have posted a DRG yet because of confusion over the mandate’s wording, officials said.

A few hospitals have uploaded their DRGs, but consumers also will find that those lists are only so helpful, because the categories are broad and the prices are averaged based on past costs, Fullerton said.

Stony Brook University Hospital’s DRG lists a procedure described as “major joint replacement or reattachment of lower extremity,” which includes hip replacements. One cost is for patients with major complications, another is for those without major complications.

Fullerton brings up the point yet again about how the cost can vary greatly depending on the patient.

“I’m going to have a huge range, because every patient is treated individually based upon their needs,” he said.

The other aspect stressed by hospital administrators is that the price lists, be it a chargemaster or a DRG, don’t include bills from the orthopedic surgeon, the oncologist or any

had to stay overnight.

Gladd didn’t think much more about it because she has insurance. What she didn’t realize was that her plan had changed for an inpatient stay. Ten months later, in November, she received a bill for \$5,193, which she is appealing with her insurer.

Last week, Gladd tried to make sense of the bill by checking it against the price list on Good Samaritan’s website.

Her first challenge was finding the spreadsheet. She had to click on the home page menu, which had a tab called “pricing transparency.” Then, she had to click on a link called “Good Samaritan Hospital Medical Center Chargemaster.”

But there was more. Then, she had to download Microsoft Office because the price list of 14,456 items is on a spreadsheet.

She found what she thought was the charge for the emergency room visit: HC ER Level 5 for \$2,200. Then, the hospital room: HC Semi Private Pediatric, \$6,099. And then, the item for two chest X-rays: HC DX Chest 2 Views for \$561.

In the end, Gladd considered her half-hour hunt through the chargemaster an exercise in futility.

The prospect of comparing the costs at one hospital to another seems altogether too daunting, Gladd said.

“I don’t believe it’s possible.” Going through a serious illness has left Mary Sagarino wanting to be in control of her health care, including knowing the costs ahead of time.

In 2009, doctors diagnosed Sagarino with Stage 2 breast cancer. At the time, Sagarino was a self-employed hairdresser without insurance. Today, she has insurance through her job as a school paraprofessional in Dix Hills.

Fortunately, Sagarino, of North Babylon, had help paying her bills from Nassau University Medical Center’s breast cancer grant program and Medicaid.

“I think it’s good when there

to consumers and forcing hospitals to keep prices competitive.

Northwell Health, which has 13 hospitals on the Island.

Northwell Health’s chargemaster has 2,052 items. On line 59 is SC SP RPLC NON TUN CVLINE, which has a list price of \$6,249. For the consumer, abbreviations are gibberish. To an expert, the letters make perfect sense.

The procedure is the implantation of a central venous line that allows for infusion of medications without needles, Miller said. “SC” stands for surgical charge; “SP,” special procedure; “RPLC,” replace; “NON TUN,” non-tunneled, or temporary; and “CVLINE” means central venous line, he said.

Other hospitals have chargemasters with many, many more items than Northwell. South Nassau Communities Hospital

has 6,025. The number shoots to 14,453 for Good Samaritan Hospital Medical Center and 46,303 for Stony Brook University Hospital.

Northwell’s number is low because each line includes more costs — the cost of a room, for example, factors in the cost of acetaminophen, a pain reliever, Miller said.

The price list for Stony Brook University Hospital is more detailed, said Brian Fullerton, director of revenue cycle for Stony Brook Medicine, which as a health system includes hospitals as well as the medical school. There are separate lines for each size of a screw used in operations, for instance.

“We charge a la carte,” Fullerton said.

The numbers don’t stop with

The patient’s perspective

Early last year, Gladd’s young son had an asthma attack. She rushed him from their Sayville home to the emergency room at Good Samaritan, where he

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New year's new expense

Higher insurance deductibles hit patients' purses

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Rising deductibles have patients dealing with sticker shock as their health care policies reset for the new year.

About 85 percent of covered workers nationwide have a policy that includes a deductible, according to statistics compiled by the Kaiser Family Foundation, a nonprofit that focuses on health care policy.

More than half of those employees — 58 percent — had a deductible of \$1,000 in 2018, up from 38 percent in 2013. Another 26 percent must meet a deductible of \$2,000, up from 15 percent in 2013, according to Kaiser.

A deductible is the amount the insured pays for health care services before the insurance



Nathan Mohan, owner of New Island Pharmacy, says higher deductibles have made it harder for some to pay for their medicine.

plan kicks in. For example, a policy with a \$1,000 deductible means the first \$1,000 of health care costs are paid for by the patient. After the deductible is met, insurance begins to pay its share, although the amount a patient remains responsible for varies depending on the plan.

Also, many plans pay for regular checkups before the deductible is met.

Often, prescription drug deductibles also must be met before those benefits kick in, experts said.

Larger deductibles can be attributed, in part, to the rising

cost of health care in general, said Gary Claxton, a vice president at Kaiser in Washington.

A policy with a lower deductible generally has a higher premium, while a policy with a higher deductible carries a less expensive premium. In an attempt to keep premiums down, many companies offer, and employees select, plans with higher deductibles.

But higher deductibles are becoming prohibitive for many patients who don't have thousands of dollars to spend on care, Claxton said.

"Some of the benefit plans employers are offering are starting to upset workers," Claxton said. "You don't want to offer health benefits to upset workers. You want to give benefits to attract talent."

Higher prescription deductibles have made it harder for some patients to pay for their drugs, said Nathan Mohan, owner of New Island Pharmacy in Deer Park.

He said one patient recently couldn't afford to pay for a \$265

prescription for diabetes, and went back to her doctor to get free samples.

He added that other patients never reach their deductibles for prescription drugs because the caps are higher than the amount they spend annually on less expensive, common medicines tied to asthma or high blood pressure.

If they do pass the deductible late in the year, "Patients rush to get their refills in so they have a little breathing room before the new year and new deductible starts."

Patients who haven't met their health care deductibles often ask for assistance from hospitals to handle their medical bills, said Kevin Dahill, chief executive of the Nassau-Suffolk Hospital Council, which lobbies on behalf of 26 member hospitals on Long Island.

"Very often, the hospitals work out a payment plan," he said. "As deductibles have risen, so have the number of questions and concerns the hospitals receive."

Hospital costs subject to many variables

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are no surprises when they get the bill in the mail," she said.

Pam Praetorius, of Huntington, didn't worry about her health care costs when she went through breast cancer 15 years ago. She had good insurance.

She's more concerned now, having seen her out-of-pocket costs increase.

"I'm more likely to ask questions, to the doctor, the hospital, the insurance company," she said.

At the same time, Praetorius doubts the hospital price lists would help her much in the future.

"I think people choose doctors, not hospitals," she said.

Hospitals know that the pricing information is difficult to understand and many let consumers know up front that they are going to get — at best — only a rough idea of what a procedure will cost.

On its website, Northwell posted these cautionary words: "The chargemaster is not a

helpful tool for patients to compare shop between hospitals or to estimate out-of-pocket costs for health care services. Your own charges and out-of-pocket expenses will depend on the actual services you receive, the terms of your insurance coverage, and/or your eligibility for financial assistance."

Lists 'a deterrent'

The price lists particularly trouble Meredith Simonetti, vice president for revenue cycle at Catholic Health Services.

"It's a deterrent," she said. "My fear — and the whole health industry should fear — that patients are going to look at prices and defer health care needs and seeking out the care they may need because they cannot afford the cost of health care."

Still, a number of hospitals are mindful that patients want to know what they can expect to pay and are taking steps to help them.

Northwell Health, NYU-Lan-

gone Health, Catholic Health Services and Stony Brook Medicine all have financial counselors, and most systems offer financial assistance programs, officials said.

In the case of nonemergency procedures, the hospitals collect insurance information beforehand so patients can be fairly certain of what they will have to pay, officials said.

"We guide them along, and we do it ahead of time," said Patti Drolet, vice president of revenue cycle operations at New Hyde Park-based Northwell Health. "The patient already is full of anxiety the day of the surgery."

Northwell Health's website has a personal expense calculator, which estimates cost based on a patient's insurance.

A patient selects his or her insurance company, the type of care, the procedure, the hospital and whether the procedure is inpatient or outpatient.

The estimate is often a range because of the difference in plans such as deductibles, Northwell Health's Miller said.

For example, a cardiac bypass patient insured by Empire Blue Cross Blue Shield would pay between \$50 and \$5,750 in out-of-pocket costs at North Shore University Hospital.

Insurance companies have more complete information because they also reimburse physicians, anesthesiologists and others not directly employed by hospitals, said Fullerton, of Stony Brook Medicine.

And insurance companies will walk patients through various costs "and help consumers get a total [out-of-pocket] number that they could be looking at rather than making them do the math themselves," Leslie Moran, senior vice president for the New York Health Plan Association, which represents insurers.

The reimbursement rates agreed on by a hospital and an insurer aren't available to the public, said both hospital and insurance officials.

There are, however, insurers that will release reimbursement rates to clients upon request and will help clients com-

pare costs from hospital to hospital, the officials said.

United Healthcare, for example, releases its doctor and hospital costs to clients through an online tool or a telephone "advocate," said Katherine Bisek, vice president of strategic initiatives for United Healthcare.

When comparison shopping, a client should understand that the difference in prices stems largely from the different reimbursement rates negotiated with each hospital, Bisek said.

And the price differences can be eye-popping. On Long Island, a knee MRI can vary from \$180 to \$4,450, and lumbar fusion back surgery can range from \$13,610 to \$117,390, according to United Healthcare data.

For Gladd, the Sayville mother, all the talk about prices and comparison shopping goes only so far. A much more important concern for her is quality.

"A lot of people associate price with quality. If you have a lower price, you might have lower quality," she said. "You don't want to sacrifice quality when it comes to health care."