

# Hidden costs can make you

## Insurers don't pick up most approved fees

BY GREG B. SMITH  
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WHEN JOCLYN KREVAT got her lifesaving heart transplant at Columbia-Presbyterian Hospital, she thought her surgery was covered by insurance.

Then the bills arrived.

There were doctors she'd met only briefly and tests she couldn't recall — and all demanded fees that were not covered by her insurance.

All told, they said she owed a heart-stopping \$70,000.

"They were absolutely trying to collect this money at the same time I'm trying to recover from a heart transplant," she said. "It was pretty stressful."

Krevat found herself descending into a health insurance nightmare that could be experienced by millions of New Yorkers. They think their treatment will be covered by insurance but wind up being treated by a sprawling team of behind-the-scenes caregivers, many of whom aren't covered by their insurance — and demand hefty fees.

State officials say "out of network" charges make up a significant portion of the complaints filed by New Yorkers stuck in a health insurance system where double-billing, price-gouging and confounding insurance policies are mainstays. Benjamin Lawsky, superintendent of the state Department of Financial Services, has opened an inquiry into why these surprise fees consistently plague patients who've done everything possible to avoid them.

"It's a huge problem. People who try to stay in-network should be able to stay in-network," Lawsky said. "It is totally unfair for someone who does everything to stay in-network to be blindsided when some other doctor shows up who's not in-network."

Frank Allocca, an administrative employee in Manhattan



Frank Allocca was charged \$9,000 in out-of-network charges after his son was born prematurely via Caesarean section.

## Avoid being a victim

TIPS ON AVOIDING OUT-OF-NETWORK FEES:

- CAREFULLY READ YOUR INSURANCE MANUAL to understand what's covered and what's not.
- FOR NONEMERGENCY TREATMENT, talk with hospital billing staff to try to anticipate who will be delivering treatment.



us aside and say, "The doctors that run this unit aren't in your plan," he said. "It's just one of the many things that go on in general where people get away with as much as they can."

Dozens of phone calls later, he talked the bill down to \$1,800, but he still feels "that's \$1,800 I shouldn't have to pay."

The hospital did not return calls for comment.

### Payment labyrinth

Insurance companies must cover medical costs charged by in-network caregivers who have been approved ahead of time.

Insurers only have to pay a percentage of out-of-network costs, and have been criticized for paying less than they should to boost profits. Out-of-network fees can be astronomical.

The surprises often arise when out-of-network anesthesiologists, pathologists, radiologists and labs are brought in to assist in-network doctors.

Patients usually don't discover this until the bill arrives.

HMOs — which cover 2.5 million New Yorkers — have rules that protect customers from getting slammed with out-of-network costs.

With HMOs, patients don't have to pay out-of-network costs in emergency cases, for instance. And if an HMO doesn't have a

specific type of care in its network, it must cover the out-of-network equivalent.

No such protection exists for the vast majority of New Yorkers who have health insurance — 6.1 million people who are covered by plans called Preferred Provider and Exclusive Provider Organizations.

Lawsky says PPOs and EPOs should be subject to the same requirements HMOs adhere to, and for nonemergency treatment, patients should be told up front what's in-network and what's not.

"This especially impacts middle-class people who have a real financial need to stay in-network," he said. "They spend a lot of time finding the right doctor in-network. Then a month later, they get the bill and it's the most unwelcome of surprises."

Elisabeth Benjamin, vice president for health initiatives at the Community Service Society, said insurers, hospitals and caregivers do a terrible job of letting patients know ahead of time what their costs could be.

"In this reality, you have to be a health care Ph.D. — you can't just be in high school," she said. "It's so unfair."

Insurers say hospitals often have a tough time finding enough doctors to make sure their in-house network covers all bases, said Paul Macielak, president

Supreme Court, got blindsided after his son was born prematurely at South Nassau Communities Hospital in Long Island.

His wife had a C-section, and the baby — who weighed 3 pounds but was otherwise healthy — was placed on an emergency basis into a special unit that monitors preemies.

Allocca — who as a state worker had Blue Cross — correctly assumed the care administered to his son in the unit was covered by his plan. What he didn't know was that the doctors who run the unit — doctors he never actually met — were out-of-network and billed at \$300 per day.

A bill demanding \$9,000 arrived soon after he brought his son, Frank Aaron, home. He was stunned.

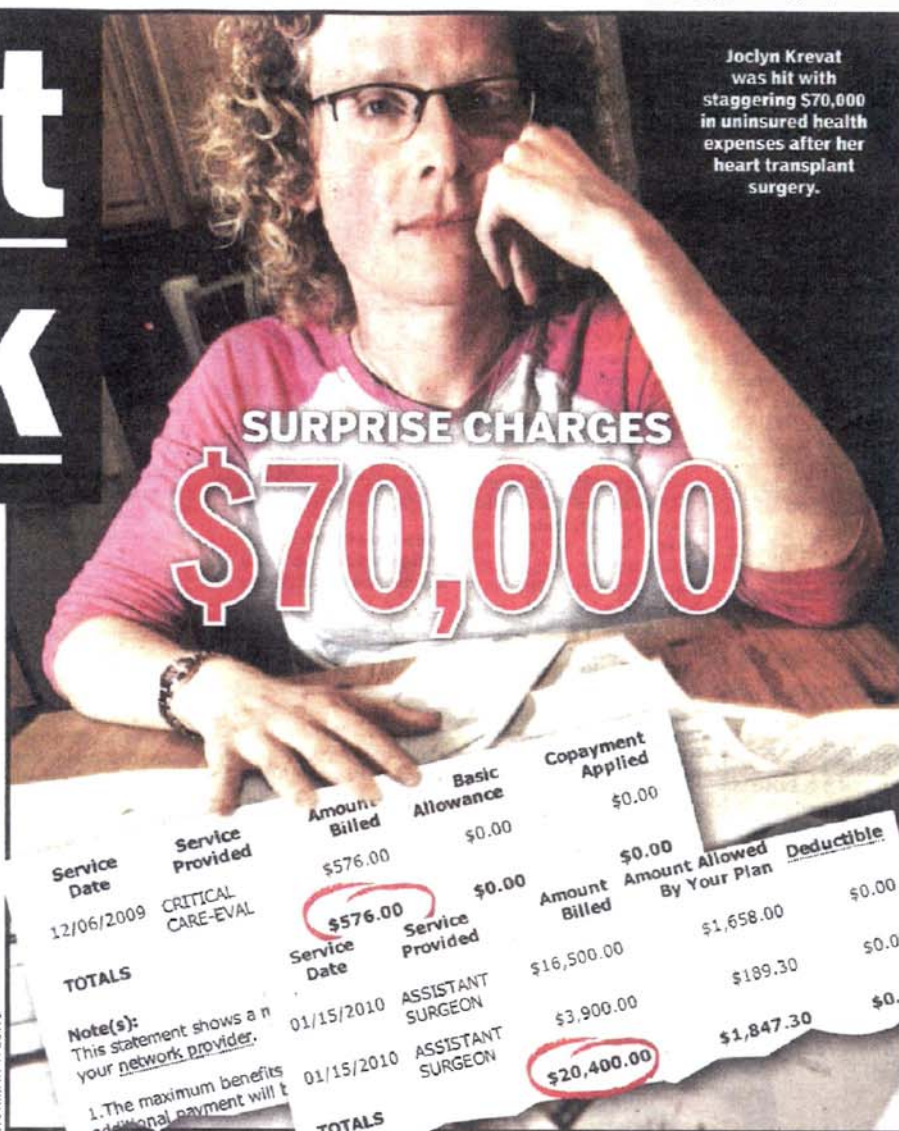
"The whole time (my son) was there, not once did anybody pull

# that sick

Joclyn Krevat was hit with staggering \$70,000 in uninsured health expenses after her heart transplant surgery.

**SURPRISE CHARGES**  
**\$70,000**

- TALK TO THE HOSPITAL'S PATIENT ADVOCATE to try to anticipate costs ahead of time.
- READ YOUR INSURANCE BILLS CAREFULLY to make sure you don't miss appeal dates.
- ALWAYS ASK FOR A PRICE REDUCTION.
- CONTACT THE COMMUNITY SERVICE SOCIETY'S COMMUNITY HEALTH ADVOCATES (CHA) program: (888) 614-5400 (toll-free) or online at [cha@cssny.org](http://cha@cssny.org).



of the New York Health Plan Association.

"It's gotten worse," he said. "Doctors are becoming specialists that work nine to five, so it's harder for hospitals to find enough of them - particularly specialists - to get coverage."

And doctors feel they have enough leverage to demand what they think the market will support, Macielak said. With out-of-network fees, "It depends on what the market will bear."

### Heart transplant - at 32

For Krevat, the unwelcome surprises in her bill arrived after she was diagnosed at age 32 with a rare heart ailment that would kill her without a transplant.

In late 2009, doctors at Weill-Cornell University Hospital in Manhattan ordered her in for emergency open-heart surgery to implant a device that would keep her alive until a transplant could be found.

"It was all a big emergency," she recalled. "There was no time to flip through provider books" listing in-network doctors.

NORMAN Y. LONO

At Cornell, she was hooked up to machines and told she had to have certain procedures - including a colonoscopy - to remain eligible for the transplant. She did what she was told.

Staff photocopied her GHI insurance card - but made no mention of doctors that were in-network or out-of-network.

In January 2010, a heart became available at Columbia Presbyterian uptown. She was rushed there by ambulance and operated on immediately. She met the assistant surgeon as she was being put under anesthesia, and the surgeon only once days later. After several weeks of recovery at Columbia, she was sent home.

Her bills nearly put her back in the hospital. There was \$800 for the colonoscopy performed by out-of-network staff. The out-of-network surgeon was billing \$50,000; the assistant surgeon

billed \$20,000. All told, she was hit with more than \$70,000 in out-of-network costs.

Krevat, an occupational therapist from the upper West Side, says her insurer told her the hospital room was covered - but many of the doctors who treated her didn't actually work for the hospital. They'd each formed their own company.

Though her care was emergency and she had no time to pick her doctors, "They billed as though I picked the doctor out and agreed to pay the difference," she said.

Krevat decided to fight back, and recalled bouncing like a ping-pong ball from caller to caller, never getting the same person, repeatedly retelling her tale from square one. Soon, collection agencies started calling.

"It's not a little bit of money," she said. "Every doctor who walks into the room is able to

send me a bill for \$1,500."

First her insurer agreed to pay half of the surgeon costs, but balked at the remaining \$35,000. She contacted a consumer advocacy nonprofit, Community Service Society of New York, which began negotiating with GHI.

After nearly a year, the final bill was whittled down to \$4,000.

Hospital spokeswoman Myrna Manner declined to discuss Krevat's case.

"Patients are advised that there is a chance that they could be responsible for out-of-network costs, depending on their insurance carrier and provider," she said.

"In emergency situations, we provide the required care, and we work with the patient and the insurance carrier afterwards, if necessary, regarding any out-of-network costs."

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**DO YOU HAVE A HOSPITAL HORROR STORY?** We want to hear from you. Email us your story at [healthcarehustle@nydailynews.com](mailto:healthcarehustle@nydailynews.com)



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