



HOSPITAL BILL HEADACHES: MEDI-CAL CONSUMERS FACE CONFUSING BILLING PROBLEMS AFTER HOSPITAL CARE

Hospital stays, by definition, are stressful times. For those with health care coverage, paying for medical care should not be an additional stressor. But for many Medi-Cal consumers, once they are released from the hospital, they spend the next months or even years trying to sort out the various medical bills they receive from emergency room doctors, ambulance companies, and diagnostic testing services – even when those bills should be paid by the Medi-Cal program.

It is against the law to bill Medi-Cal consumers for covered services and hospitals are required to ensure that Medi-Cal is billed for all medically necessary services associated with a Medi-Cal patient's treatment.¹ Nonetheless, some Medi-Cal consumers still receive multiple bills after a hospital stay. For consumers who are lucky enough to have the help of an advocate, the advocate is sometimes able to help Medi-Cal consumers resolve these issues informally by contacting the provider or collection agency and educating them on the law. Other times consumers are left with confusing bills, stressful calls from collection agencies, and even lawsuits or ruined credit scores.

To better understand how these billing problems occur for Medi-Cal consumers we looked at the consumers who called the Health Consumer Alliance (HCA) for assistance with a Medi-Cal billing problem after receiving hospital care. The HCA is a partnership of consumer assistance programs operated by nine local Health Consumer Centers serving thirteen counties that are home to over three-fifths of California's low-income population. HCA's mission is to help low-income people obtain essential health care. The Western Center on Law & Poverty (WCLP) and the National Health Law Program (NHLP) provide statewide support and policy advocacy for these consumer centers.

Common Medi-Cal Problems Arising From a Hospital Stay

When Medi-Cal consumers give their Medi-Cal information to a hospital, this information is not necessarily passed on to all of the doctors that treated them at the hospital. Other providers at the hospital sometimes still bill the consumers and sometimes consumers do not find out about these bills until much later.

In May 2009, a store ran a credit check on “**Mario**” and told him he had medical debt on his credit report. It turned out to be an outstanding medical bill from an emergency room physician from a hospitalization in October 2007. Mario had presented his Medi-Cal card to the hospital at the time of treatment and had no reason to believe that he owed anyone money. The hospital had billed Medi-Cal and been paid. By the time he found out about the bill, it was too late for the doctor to be paid and Mario's

credit had already been hurt by the negative report.

“**Houa**,” a mother of a one-year-old child in Sacramento went to the hospital for an emergency. Despite the fact Houa provided the hospital with a copy of her child's Medi-Cal card several times, she kept receiving bills for the emergency room services and these bills were eventually sent to collections. The mother asked for help from an advocate because she

¹ The hospital, as a participant in the federal Medicaid program, must ensure that its physicians take Medi-Cal or provide for payment to the physician itself. See 42 C.F.R. § 482.12(e) and 42 C.F.R. § 482.1(a)(5).

was having difficulty communicating with the provider in her primary language, Hmong. The advocate helped Houa contact the Medi-Cal health plan she was enrolled in, which in turn contacted the hospital to resolve the billing problem.

“**Lilly**” who lived in Los Angeles, saw a gynecologist at a hospital three months prior to giving birth. Although she presented her Medi-Cal card at the time of service, she soon was billed by a medical group, the laboratory, and the gynecologist. With the help of an HCC advocate, she was able to resolve each of the bills separately

When “**Carmen**” injured her arm and went to the emergency room in Kern County, she presented her Medi-Cal card to the hospital. The hospital bill was paid by Medi-Cal, but months later she started received a bill for \$761 from the physician who treated her. When an HCC advocate called on her behalf, the physician’s office said they had never received the Medi-Cal information. The advocate was able to sort this out with the physician so that Medi-Cal could be billed a mere one week before the one-year deadline that Medi-Cal has for paying bills.

Not all doctors and other providers who work at a hospital accept Medi-Cal. Even though the law requires the hospital to ensure that a Medi-Cal consumer has her services covered by the Medi-Cal program, this doesn’t always happen and the consumer is left with a bill she cannot pay.

“**Anna**” gave birth in a Los Angeles hospital. Afterwards, she received a bill from a medical

group one of the doctors was affiliated with which stated that they did not accept Medi-Cal.

Ambulance companies often do not know of a beneficiary’s Medi-Cal status and bill the patient.

“**Natalie**” was visiting her mother in Riverside County when she suddenly fell ill with a very high fever. She was transported by ambulance to a local hospital. While the hospital knew that she was covered by a Medi-Cal managed care group and received payment for her services, the ambulance company wasn’t and billed the woman \$1,399. It turns out the ambulance company did not have the information about her Medi-Cal managed care group.

A mother in San Mateo County, “**Lara**,” received notices from a collection agency after her daughter was rushed to the hospital in an ambulance following an accident. Concerned about the notices, Ana starting making payments on the bill and sought help from an advocate. The advocate confirmed with the ambulance company that the bill had already been paid in

full by Medi-Cal because the child was covered on the date of service. The ambulance company eventually agreed to recall the bill from collection and to refund the mother for payments she had made.

“**Juan**,” an 85-year-old Spanish speaking client with Medi-Cal and Medicare in the Imperial Valley was sent by ambulance from a local hospital to have heart surgery in San Diego. Juan later received a letter from an attorney threatening suit for nonpayment of ambulance services. The original bill was \$673 and increased to 789.90 due to interest and late charges. An HCC advocate spoke with the ambulance representative who said the hospital did not forward his coverage information. The advocate was able to provide the client's coverage information to the ambulance company and he was no longer billed.

When Medi-Cal consumers are incorrectly terminated from Medi-Cal, their bills get sent to collections and take extra effort to resolve with the agency and clean up their credit.

One San Diego consumer started receiving bills in 2008 from a collection agency for a hospital stay that occurred in 2005. Despite the fact that

“**Bill**” presented his Medi-Cal card at the time of service, there was an error in his case and he showed as not having Medi-Cal at the time of

service. When it was discovered that he was in fact eligible for Medi-Cal at the time and that he had been erroneously cut off, he still could not resolve the bill because Medi-Cal refused to pay the provider at such a late date. Bill had to appeal Medi-Cal's denial of payment, and only then could he get the bill collection to stop.

“**Maria**” who lived in Alameda County was

receiving bills for services during a month in which she was sure she had Medi-Cal. It turns out her Medi-Cal had been incorrectly cut off and she had to go to a hearing to have her Medi-Cal reinstated. She then had to follow up with her doctors with Letters of Authorization from the county so that they could bill Medi-Cal. She also had to request that any negative reports be removed from her credit.

When health providers fail to verify Medi-Cal eligibility or assist consumers in obtaining Medi-Cal eligibility, consumers can be saddled with needless medical debt. If the Medi-Cal was not yet approved at the time services were received, the patient's eligibility information might not get passed to the other providers at the hospital.

A collection agency sued a 34-year-old woman from Orange County for medical debt incurred as a result of a hospitalization. At the time of services, “**Stacy**” had applied for the County's health program, but was denied because she qualified for Medi-Cal. Hospital staff assisted her to apply for Medi-Cal, but it was unclear whether or not she had been deemed eligible. An advocate helped her determine that she in fact had Medi-Cal at the time the services were rendered. The hospital and collection agency should have obtained Stacy's eligibility information. Once eligibility information was provided to the collection agency, the court case against Stacy was dismissed.

A mother from San Mateo County, “**Sarah**,” received medical bills for services provided to her newborn daughter. The mother was

confused about the bills because her child had Medi-Cal during the time of service. An advocate confirmed that her daughter did indeed have Medi-Cal for all of the dates of service, and contacted the hospital to ask them to recall these bills from their collection agency and bill Medi-Cal. The hospital said they would no longer bill the mother.

When “**Lee**” took his infant son to an emergency room in Fresno County, his son's Medi-Cal was still pending. Once the hospital received confirmation of Medi-Cal eligibility, they stopped billing the family. However, the emergency physician group did not get this confirmation at the same time. An HCC advocate had to contact the physicians group to forward the Medi-Cal information so that the family would stop being billed.

Sometimes Medi-Cal beneficiaries cannot stop collection agencies from seeking payment even when Medi-Cal has paid the bill.

One Orange County woman applied for Medi-Cal for her son, “**Marco**,” while he was being treated for leukemia in 2005. Her son was denied coverage for failing to prove residency in the state and the bill of over \$115,000.00 was

turned over to collections. An advocate helped the family to obtain Medi-Cal coverage for the treatment, but the collection agency refuses to stop billing the family.

All of these examples are the true stories of consumers who contacted local partners of the Health Consumer Alliance for help with their bills. In each situation, the consumer was eligible for Medi-Cal and never should have been billed, much less sent to collections or sued. As the number of providers who bill a patient separately from the hospital increases, these problems are likely to increase. Medi-Cal patients need assurance that when they go to a Medi-Cal hospital, all of their necessary services will be covered and these billing headaches will cease.



Health Consumer Alliance

The Health Consumer Alliance is a collaboration of nine local health consumer centers that cover thirteen counties and are home to over three-fifths of California's low-income residents. HCA offices cover both urban and rural counties providing a broad picture of the health care needs of individuals in different settings and systems. The local HCA offices are supported by two statewide support centers, the National Health Law Program and Western Center on Law and Poverty.

Fresno County

Fresno Health Consumer Center
Central California Legal Services
1401 Fulton Street, Suite 700
Fresno, CA 93721
(800) 300-1277

Imperial County

Health Consumer Center of Imperial Valley
California Rural Legal Assistance, Inc.
449 Broadway Avenue
El Centro, CA 92243
(800) 935-9288

Kern County

Kern Health Consumer Center
Greater Bakersfield Legal Assistance
615 California Avenue
Bakersfield, CA 93304
(800) 906-3982

Los Angeles County

Health Consumer Center of Los Angeles
Neighborhood Legal Services of Los Angeles
13327 Van Nuys Blvd.
Pacoima, CA 91331
(800) 896-3203

Orange County

Orange County Health Consumer Action Center
Legal Aid Society of Orange County
2101 N. Tustin Avenue
Santa Ana, CA 92705
(800) 834-5001 and (714) 571-5200

Sacramento, El Dorado, Placer & Yolo Counties

Health Rights Hotline
Legal Services of Northern California
519 12th Street

Sacramento, CA 95814
(888) 354-4474

San Diego County

Consumer Center for Health Education & Advocacy
Legal Aid Society of San Diego County
1475 Sixth Avenue, 4th Floor
San Diego, CA 92101
(877) 734-3258

San Francisco & Alameda Counties

Community Health Advocacy Project
Bay Area Legal Aid
50 Fell Street, 1st Floor
San Francisco, CA 94102
(415) 354-6360 for San Francisco and
(510) 250-5270 for Alameda

San Mateo County

Health Consumer Center of San Mateo County
Legal Aid Society of San Mateo County
521 East Fifth Avenue
San Mateo, CA 94402
(800) 381-8898 and (650) 558-0915

Statewide Support

National Health Law Program
2639 South La Cienega Blvd.
Los Angeles, CA 90034
(310) 204-4900

Western Center on Law and Poverty

3701 Wilshire Blvd., Suite 208
Los Angeles, CA 90010
(213) 487-7211 and
1107 9th Street, Suite 801 Sacramento, CA 95814
(916) 442-0753

www.healthconsumer.org