

## VIEWPOINT

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**Author Audio Interview**

## Billing Quality Is Medical Quality

**Health care** has become a \$3.5 trillion economy in the United States as prices for medical services have reached record-high levels.<sup>1,2</sup> This spending is straining households, as in the past decade patients have been increasingly asked to pay a greater out-of-pocket share of costs for medical services. A 2019 report from the US Consumer Financial Protection Bureau that analyzed a national representative sample of 5 million consumers found that more than 25% of individuals had delinquent debt on their credit reports, with medical bills accounting for 58% of all debt.<sup>3</sup> In a 2018 survey of 1513 patients with stage IV breast cancer, 50% reported that they had been contacted by debt collectors regarding a medical bill, suggesting their medical bills were significantly overdue.<sup>4</sup> High medical prices and billing practices may reduce public trust in the medical profession and can result in the avoidance of care. In a survey of 1000 patients, 64% reported that they delayed or neglected seeking medical care in the past year because of concern about high medical bills.<sup>5</sup> The field of quality science in health care has developed measures of medical complications; however, there are no standardized metrics of billing quality.

Billing practices vary widely by institution. At some medical centers, patients are sent bills with fair prices and those who are unable to pay may have part or all of their bill forgiven. At other institutions, some patients

centers but can result in avoidable financial hardship for patients.

In the same way that there is wide variation in pricing, aggressive collection tactics also can be highly variable by institution. In a recent analysis, 36% (48/135) of hospitals in Virginia garnished wages of patients with unpaid medical bills, and 5 hospitals accounted for 4690 garnishment cases in 2017, representing 51% of all cases.<sup>7</sup> In total, 20 054 lawsuits were filed in Virginia against patients for unpaid debt. For many hospitals that sue patients, legal action follows multiple attempts to contact patients through letters and calls, and some hospitals may offer to set up payment plans or even negotiate charges. Given the wide variation in both pricing and collection practices by hospitals, measures of billing practices are needed. Billing quality is a type of medical quality. In the same way that medical complication rates are collected for improvement purposes and some are available to the public, metrics of billing quality could be used to create public accountability for US hospitals. Possible metrics of billing quality for benchmarking are presented in the **Table**.

The first proposed metric is whether patients are routinely provided with an itemized bill of services in plain English. Most bills have historically listed medical codes and terms. However, describing services in a way that is understandable to patients is an important step toward patient-centered billing.

The second metric queries if prices for elective services are made available for patients who ask. Some US medical centers, such as St Thomas Hospital in Nashville, provide prices for common medical services on third-party online consumer marketplaces.<sup>8</sup> In a preliminary study involving 6 ambulatory surgery centers that publicly list prices for surgical services online, 5 centers reported that this form of transparency resulted in higher patient satisfaction.<sup>9</sup>

The third metric suggests that patients should have the right to speak promptly with an appropriate person about their bill, so that errors can be corrected and potential accommodations can be provided in the form of delayed or markedly discounted payment options or complete debt forgiveness. This metric may help to address the problem of patients feeling abandoned when they need help understanding or negotiating a bill.

The fourth metric addresses whether the health care institution sues patients for unpaid medical bills. This practice violates the historic mission of hospitals to be a safe refuge for individuals with illness or injuries, caring for all regardless of their ability to pay.

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with private or no insurance receive bills with prices that exceed Medicare allowable amounts, and many patients who cannot pay may be subject to lawsuits to garnish their wages.

A recent study found that only 53 of 101 hospitals were able to provide a price for standard coronary artery bypass graft surgery.<sup>6</sup> Notably, among the hospitals that provided a price, the price ranged from approximately \$44 000 and \$448 000 and was not associated with quality of care as measured by risk-adjusted outcomes and the Society of Thoracic Surgeons composite quality score. As stories of egregious medical prices are reported in the media, it is likely that patients will demand transparency and honesty in pricing and in billing for medical services. The lack of availability of prices before elective care not only reduces competition among health care

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**Table. Possible Metrics for Assessing Billing Quality**

Measure	Definition
1. Itemized bills	Are patients routinely provided an itemized bill with items explained in plain English?
2. Price transparency	Are patients provided real prices for common “shoppable” services when they ask? <sup>a</sup>
3. Service quality	Can patients speak with a billing representative promptly about a concern they have about their bill and be informed of a transparent review process?
4. Suing patients	For patients who have <i>not</i> entered into a written agreement specifying a price for a medical service, does the institution sue patients to garnish their wages, place a lien on their home, or involuntarily withdraw money from a patient's income tax return?
5. Surprise bills	Are out-of-network patients paying out of pocket expected to pay more than the region-specific reference-based price? Are patients billed for complications stemming from National Quality Forum serious reportable events?

<sup>a</sup> Real prices approximate the true amount reasonably expected to be paid by the patient outside of insurance coverage.

Caring for people at a time when they are most vulnerable represents the best of the medical profession, but suing them to garnish wages represents a potentially harmful characteristic of modern health care.

The fifth metric addresses the double standard of expecting that patients who pay medical bills out of pocket should pay much more than others for the same care. High chargemaster prices have historically been inflated for the purposes of offering discounts to different insurance companies, yet self-pay patients have increasingly encountered these inflated prices.

The fifth metric also asks if patients are directly charged for complications that resulted from a serious reportable adverse event, such as a surgical never event (for example, wrong-side surgery or operation to remove a retained foreign body). Providing value-based care has already begun to incorporate the cost of

avoidable complications into the up-front price for some common medical procedures.

The financial harm of medical care should not be separated from the clinical consequences of care, because both outcomes can have a major influence on the health and well-being of patients. Financial harms also may affect access to care. Measurement organizations such as the Centers for Medicare & Medicaid Services, Leapfrog Group, US News, and others aim to provide quality ratings and transparency to direct patients to centers with optimal outcomes. Incorporating measures of billing quality into reports of overall hospital quality could provide patients with a more complete assessment of a given medical center or practice. Recognizing that billing quality is valuable information, a more holistic and patient-centered set of outcomes also could be measured for benchmarking and performance improvement.

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