



**Reid Hospital**  
& Health Care Services  
*Caring • Healing • Leading*

## Reid About Value

### Health Care Payment Hassle Factor

January 2007

Dear Community Leader:

The so-called health care “system” in the United States is the most complicated, complex on the face of the earth. Giving rise to this complexity is the fact that one person receives care, yet another party provides care, and, finally, a third entity pays for it. Reid Hospital deals with more than 200 insurance companies — each with 30 to 40 different plans — meaning we face 8,000-plus possible variations. Further, a confusing array of requirements for certification, pre-certification and follow-up care adds yet another layer to the challenges a single patient experiences when trying to access needed care and have it paid for.

Couple all of this with the fact that each insurance company, HMO and payment network has its own style and personality, and their interactions with their own customers range from outstanding to absolutely nightmarish experiences.

What this really means is that while we are providing care and keeping our focus on patients, we are, behind the scenes, involved in multiple hassles of our own. Many times, in an attempt to be compassionate and helpful to our patients, Reid finds itself in the middle of issues that are, strictly speaking, not ours.

The standard business model for many, certainly not all, third party payors is to create hurdles, roadblocks and delays. Throughout the country, a growing practice of purposefully denying or delaying legitimate claims or making unreasonable information demands has been frustrating for patients as well as providers of health services. Further, payments often are less than the patient is entitled to, and additional submissions must be made once a claim is partially paid.

Many of you might not be aware that Indiana law requires insurance companies to pay “clean” claims within 45 days of receipt. At times, this law is largely ignored by many (again, not all) insurance companies. A “clean” claim is one that is in compliance with all the national billing standards, as defined in the specific provider agreement. We feel we can prove that more than 99 percent of the claims Reid submits meet this standard.

So what does all of that mean for you as a patient and for you as a community leader?

Sadly, it means that patients are caught in a bewildering, complicated system at the very time they should be able to focus on their own well-being. Unfortunately, it means that ultimately, we all pay for time and effort that does not relate to patient care and is not “value added”. (It means that you, as purchasers of care are not getting your money’s worth.) It means that the United States “system” that we all live with is in desperate need of overhaul. National problems cry out for national solutions.

Sincerely,

Barry S. MacDowell  
President