



## *Briefing Transcript*

### **CAPITOL HILL BRIEFING:**

### **“THAT WILL BE HOW MUCH?” WHEN THE UNINSURED MEET THE HOSPITAL SYSTEM**

**THURSDAY, JANUARY 22, 2004  
10:00 A.M. – 11:30 A.M.  
2167 RAYBURN HOUSE OFFICE BUILDING**

**MODERATOR:  
MERRILL MATTHEWS, PH.D., DIRECTOR,  
COUNCIL FOR AFFORDABLE HEALTH INSURANCE**

**PANELISTS:  
K.B. FORBES, NATIONAL EXECUTIVE DIRECTOR,  
CONSEJO DE LATINOS UNIDOS (COUNCIL OF UNITED LATINOS)  
FIVE UNINSURED PATIENTS**

*Transcript by:  
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MERRILL MATTHEWS: Could I get you to take your seat, please? (Pause.)

I'm Merrill Matthews, with the – director of the Council for Affordable Health Insurance, and I'd like to thank you for attending this briefing to talk about hospital prices and the uninsured. So thank you for showing up.

All of you who are insured – and I suspect most of you are – have probably received something like this, which I got last year -- “Explanation of Benefits.” This came to me from a surgical center that I went to, and it tallied up the cost that the center was charging me – right over here: \$1,828. Then they have the eligible amount: \$452; a reduction of roughly 75 percent. Then it comes over here and tells how much they're going to pay: \$361, and I'm responsible for \$190.

Now if you insured, you've probably received something like this. In most cases, when we look at this, we look at the price that they are charging -- \$1828 – and how much we actually owe, and we can sort of wipe our brow and think, wow, what a reduction. Wish I could get that at the grocery store; wish I could get that at the department store.

If you were Bill Gates, you would be able – with his health insurance, you'd be able to go in, get that procedure, you'd get a bill for \$1800 – Bill Gates only pays \$425. Who actually has to pay that \$1800? The people sitting here, the uninsured.

Even if you were to go to the clinic and say, “I don't have health insurance. Is there some way you can give me a break?” And the clinic might say, “We'll help you out. We're going to give you 30 percent off if you pay it right up front.” You'd still be paying \$1250, roughly three times what I have to pay with insurance. And the surgical center is still making a profit off the \$452 that I am paying – maybe not a big profit, but they're still making a profit.

We are providing this forum in order to be able to explore what's happening out there in the health insurance marketplace in hospital pricing for the uninsured. For several months, I have been watching this issue; over a period of time, watching press accounts for it. If you've been – if you've been tracking it, the Wall Street Journal has carried a number of stories about this. “Hospital Prices – Hospitals Will Give Price Breaks to Uninsured if Medicare Agrees.” The Denver Post carrying a story – “Uninsured Pay Higher Price; Hospital Collection Agents Demand Full Cost of Care.” Another Wall Street Journal Story: “Hospital Industry is Urged to Avoid Harsh Tactics for Billing Uninsured.” This from a new study: “Hospitals are telling uninsured patients about” – “not telling uninsured patients about free care options, groups claim.”

Having seen this and having seen – on a few of these stories that K.B. Forbes has mentioned in his group that he's executive director of – Consejo de Latinos Unidos or The Council of United Latinos – I called K.B. and said, as an association that works with health insurance and the healthcare system, and as an organization that believes in the market in health care, we would like you to bring some of your people to town and give you a forum to be able to let them tell their stories about hospital pricing and the uninsured. And he agreed to do that. I called him back in I think September, wasn't it, or so, and we talked about this, schedules and so forth. We ended up deciding we'd try to do it here in January. So we're providing the forum for him to do this.

Now as you know, sometimes when you have briefings here on the Hill, you get both sides on there and you have a debate going on about the issues, and we thought about that, but we decided not to do that in this case, for this reason: the people we are bringing here are not public policy specialists, they're not trained debaters in public healthcare issues. They're simply here to tell you their stories that they encountered in the hospital system. So what we want to do is put a spotlight on that.

Why would an organization that is interested in health insurance, free market out there in the healthcare system – why would we be interested in that? There's a reason. The healthcare system is moving from a doctor-directed system to a patient-directed system. That's happening. We are creating a consumer-driven healthcare system out there, largely by forces that you and I can't control.

The fundamental element of any consumer-driven system is that people have to have access to real prices. Whether you're talking about restaurants, whether you're talking about housing, cars, department stores, grocery stores, people have to be able to go and see what the prices in order to be able to make comparisons, in order to be able to get value for their money, in order to make a decision as to where they want to spend their dollars.

Everybody in the healthcare system knows that hospital pricing is a ruse and has been for years. There's no real connection with what hospital's prices – what hospitals charge for their services and what their real cost of providing that service is, and you can't get those prices up front.

Imagine if you went into a restaurant and you opened the menu, and you say, there's no prices here. And the waiter or waitress says, well, we don't know how much water you're going to drink, we don't know how many patties of butter you're going to use. So you go ahead and choose whatever you want, and at the end of the meal, we'll give you a bill and let you find out then what you spent. Nobody would go to that restaurant. You don't have that option when it comes to hospitals, surgical clinics and many other forms of healthcare.

We want to spot – put a spotlight on that, and K.B. Forbes is here to do that with his people. So without any further ado, let me introduce K.B. Forbes, executive director of the Council of United Latinos.

K.B.

K.B. FORBES: Thank you very much for coming here today. I'm happy all of you are here, and I want to thank the Council for having us here today.

Let me tell you a little bit before we begin about the Consejo. We've been in existence now for three years. It came about when a friend of a friend of my sister was in an auto accident and charged \$23,000 for one day in the hospital. And I said this is outrageous, we've got to look into this. And we launched an investigative study with the help of the Univision and Telemundo in Los Angeles, and we came out with our first report, called "Cinco." And ever since, we've been making efforts to educate the public, educate Latinos, educate the media, and today, educate Congressional staffers and other interested parties about this problem.

In the last three years we have had tremendous success. One year ago we got our first compact with the uninsured when Tenet Healthcare, the second largest hospital chain in the United States, agreed to stop price gouging the uninsured.

Let me tell you a little bit about the problems so that you understand where we're coming from. A lot of people want to talk about the uninsured and hospitals in their associations, want to talk about charity care, or they want to talk about uncompensated care. We are not talking about that.

I'm going to define what the uninsured are – when we're talking about the uninsured. We are talking about people who are not poor enough to qualify for charity care or Medicaid, yet not healthy enough or wealthy enough to have private insurance. They're middle-class folks. They usually own a small business or are self-employed. They may have a decent-paying job, but they're working-class folks. And our organization has been contacted by over 4,000 families in three years. We have done extensive interviews and documentation with almost a thousand of these individuals. Personally I've interviewed probably 600 to 700 families in their homes, in their communities, and what we have seen is just appalling.

Unfortunately, hospitals have gotten very defensive. They want to talk about, well, it's federal regulations, and enough is enough. For one year, when we took on Tenet Healthcare, that's all they would say. They said it's federal regulations, it's not how we do things, we're not aggressive. Well, let me tell you, their CEO, CEO and CFO are gone today. They're being investigated by every alphabet soup in this city except for the Federal Elections Commission. Why? Because of aggressive pricing strategies.

Lately, the Wall Street Journal and the Denver Post have written some outstanding journalistic accounts about the price gouging, and in July we were encouraged, after meeting with some members of the Greenwood Committee, that they have launched a formal investigation into this situation. And in December, the American Hospital Association raised a white flag and said, yes, there is price gouging going on and we want to see changes. And we applaud them for that. We think that's a great step forward.

Let me get into a little bit about what we've seen, and then I'm going to let you hear from actual victims. When you talk to people in government, when you talk to people in the industry, or when you talk to hospitals – and we've sat down with a few hospitals – they always want to talk about numbers, and that is the fundamental problem here. People have forgotten about the human aspect. We're talking about human beings, we're talking about people. We're not talking about some simple accounting process. And when you're charging three, four, five, and in some cases, ten times more, it's an outrage.

Now we're – we have launched an effort, and it began yesterday – and you may have read about it – in which we have taken issue with Tommy Thompson. And I'm going to be blunt about this: In the last year he has done nothing, said nothing on behalf of the uninsured. He has done nothing with regards to Tenet's agreement, compact with the uninsured. They had submitted a provision to HHS, and in one year they have said nothing except mixed messages from their spokesperson.

And we have a message to Tommy Thompson and it's very simple: that uninsured Hispanics should not be treated as a statistic in the federal registry; they should be treated with dignity and respect. And we call on Secretary Thompson to step down and get out of the way if he's not going to do anything. We are sick and tired of waiting, and we are going to begin a strong effort in the forthcoming weeks to educate people about Tommy Thompson and his lack of leadership. We are sick and tired of waiting.

People are being gouged – I mean on a daily basis. Just yesterday when I arrived in Washington, I received bills from people who have been overcharged enormous amounts and don't know what to do.

Well, let me lead to our victims here because I want you to get a real impression. It's not so much what was said here; it's what you're going to do when you leave here. I'd like each of you to listen to these stories and try to – if you can, if you don't have a photographic memory – but look at these people and think about them because this is what it's about. It's about people, and when you go back to your congressional staff or, if you're part of an interest group, you go back to your roundtable or give a report to whomever you're reporting to, tell them about these people. Tell them what you heard.

So I'm going to begin, first of all, with a victim from Denver, Colorado. She is an example of what happens to these people when they don't know what to do, and her name is Consuelo Flores. Consuelo? And I will be translating for her – she'll speak and then I will translate for her, and she will tell her story.

(Translating the remarks of Consuelo Flores.) She had a car accident in Mexico and then eventually she went to the Medical Center of Aurora in Denver, Colorado. She was in the hospital only for supervision and, after being there, they sent her a bill for \$47,000. What they did is they made various calls to her and they offered her a 25 percent discount if she would pay the amount in whole, which was \$34,600.

She ended up putting the bill for \$34,000 on three credit cards. She ended up taking a second mortgage on her home to pay off those mortgages. She had to sell the home eventually because she could not afford to pay the double mortgage. I hope you guys will help us do something about the hospitals that are charging the people too much.

Okay, that's it?

Consuelo's example – she went to the Medical Center of Aurora – is typical: prompt-pay discounts, 25 percent. We analyzed her bill for her stay. Now mind you, when she was in the auto accident in Mexico, she was treated in Mexico. I want to clarify that. She came up – back home after the holidays and unfortunately she did lose an arm in the auto accident. She was having pain and felt there was inflammation, and she went into the hospital just to be treated. She had IVs and food. We estimated that bill – a typical insurance company would have paid approximately \$14,000. She did not know. She was not skilled to know, and she ended up paying the bill.

Now the hospital is happy – we got paid, she was comfortable with it. She paid. But they don't know the consequences. The consequences were she got a second mortgage and she eventually sold her home, and that is unbelievable in this day and age.

The second person I would like to have come up is Russell Cox. He is from Oklahoma City. Russell?

RUSSELL COX: Hello. I'm Russell Cox from Oklahoma City. I'm a mechanic, make a fair wage, I'm a middle-aged-type person, 44 years old. On Mother's Day of '03, I broke my ankle in three places, went to the hospital. The emergency room at the town that I went to was not equipped to do that kind of surgery on a Sunday, sent me to a bone and joint specialist. And on Monday, they said it would

be ten days before they could do it. They also said that since I didn't have any insurance, it would be better to go to one of the other hospitals.

So they made me an appointment for ten days later, so I laid around for ten days with a broken ankle. I went over to the other hospital, and they set me up an appointment for two days later to do the surgery. So knowing that I didn't have any insurance, well, I went to their financial aid, asked for a charity-type deal or reduced liability – anything to help me out. And they took all of my information, you know, told them with a broken ankle I probably won't work for six months – don't know that, but you know, being a mechanic you can't drive a car and work with a broken ankle. Laying around on the couch, got the bills, they're – wow, I can't believe this, you know. Well, then two days later I get the reduced liability they call it – their offer to reduce it by half, basically, for the surgery, and about 30 percent for the doctor bills. And then I got in touch with K.B., we talked, he did a report and went out on the A.P. poll. About two weeks later my bills are gone, they're erased, so I have no bills. For the amount that they were, it was just enormous, and I didn't ask for free. I'm willing to pay, but I want a fair price, you know, if it was what it should be, what the insurance companies would pay – since I'm my own insurer, you know – if it was a fair price, I'd find a way to pay it. But at the prices that they were, there's no way.

MR. FORBES: Russ was – (inaudible) – here, he was charged approximately – about \$15,000 for several hours of knee surgery, a three-day hospital, in-patient ankle surgery – excuse me, it was ankle surgery – would have typically been about \$4900. He was charged triple.

Now I want you to take a look at the actual letter here. I'm going to grab it here so everyone can see it. This is how outrageous it is. They reduced his bill from \$15,000 to \$6,596.40. This amount is to be paid by you to OU Medical Center in six monthly installments of \$1099.40 – six monthly installments of almost \$1100. This is not charity care; this is a tool to collect from the uninsured. This is outrageous.

And now read down here: Failure to make the monthly installment payments described in Paragraph B above will result in this account being declared delinquent. If you default on this payment plan then your account will be penalized by adding one-half of the outstanding debt which you owe to OU Medical Center back on the account before OU Medical Center proceeds with further collection efforts. Now that's real charity.

Okay, next up I'm going to have Adrian Linares from Denver. He is a patient who went to Centura Healthcare, which is a non-profit which is co-owned by Adventist and Catholic Health Initiatives, and we had been negotiating for ten months for a compact with them, and at the 11<sup>th</sup> hour they decided they wouldn't do it because it was, quote, “a business risk to offer the uninsured discounted pricing.” So even the non-profits, even they know this is egregious behavior, won't do anything.

But I'll let him tell his story. He's going to speak Spanish and I'll translate.

ADRIAN LINARES: (Translated by K.B. Forbes.) They – I went to Centura Health and they treated me for a heart attack. They saved my life at the moment. When I saw the first bill it was about \$5500. I thought that was all right. When I saw the second bill I thought I was going to die of a heart attack. (Laughter.) It was for \$76,500. They treated me well, everything was fine. They called me and had me come in to sign up for a discount program, but I didn't qualify because I made more money than

what the program said. They were calling me, asking me to pay the complete bill, and then I contacted this group, Consejo, which is in L.A.

The – K.B. Forbes showed up with representatives of Centura Health to my house. They studied my situation and they offered me a discount of 60 percent. The bill was reduced to about \$27,000. We tried – they called me to try to make arrangements to pay this on a monthly basis. I said I could pay approximately \$100 a month. They would not accept \$100; they wanted minimum around \$1200 a month. And he said he – humorously saying that then he got letters saying he could pay the whole amount on his credit card. And obviously I can't do that. They stopped calling him and then they said we're not going to have an agreement; you have to pay the whole amount.

What I want to tell you, Congressmen, that you need to do something for us, please. When I thought this problem was going on, I thought it was just Hispanics, but I see it's other people, too, that are being impacted by this.

MR. FORBES: I wanted him to tell you what he does for a living so you –

MR. LINARES: (Translated by K.B. Forbes.) He delivers tortillas at the big supermarkets in Denver. It's my way of life and I think, as like all people, I have the right to live and enjoy life. I'm not denying payment because they did indeed save my life. I think that the cost is just too high because I didn't have insurance or otherwise.

So thanks for everything, thanks for your time, guys. Thank you.

MR. FORBES: And again, as I told you beforehand, our work with Centura was very disappointing, and – for a faith-based organization to continue what they're doing as they make enormous amounts of profits. It's appalling. One new report said they made \$66 million last year, and when they tell us it's a business risk, we can understand why.

The uninsured have become very profitable in some hospitals. The data is available, for example, in California. We have found hospitals that the uninsured make up less than 3 percent of their patient base, yet it makes up over 40 percent of their net income. And again, when we talk about the uninsured, we're not talking about poverty or indigent; we're talking about people who are not poor enough to qualify for charity care but not wealthy enough or healthy enough to have private insurance. They're people that may have equity in their home or have a decent paying job delivering tortillas, and those are the people who have unfortunately been targeted by these collection efforts.

Okay, next up I'm going to have the most egregious case that I've seen, the Jellisons. Dianna Jellison is from Orlando, Florida, and she's going to speak on behalf of her husband, Ed.

DIANNA JELLISON: On January 3<sup>rd</sup> of 2002, my husband was admitted to the hospital – Florida Hospital. It's an Adventist hospital. He had herpes encephalitis with virtually no warning. He had a temperature of 105 when I found him, and he was having grand mal seizures. He spent 17 days. Sometime during that time he also had a heart attack. But he did make it.

When they released him they told me that he was permanently mentally and physically disabled, and they helped to apply for Social Security disability for him. Ed and I had owned our own business

for 20 years. I had no choice but to close the business. And that was hard – it was very hard. My whole life turned literally upside down.

When they released Ed they told me that we owed \$116,584. And they told me that Ed could not drive for a year, minimum, and that he required 24-hour-a-day care when he first came home. So I could not work at anything. He required a great deal of continued care, not only medical care but he needed speech therapy to relearn to speak and to read.

Through the same hospital I took him for speech therapy, and with our “discount” it was \$400 a week. His drugs were \$400 a month. We couldn’t afford it. We were lucky to find a speech therapist that would work with us at home and let us pay her to come to our home. And he has regained speech and reading to some degree. During this time I spoke with the hospital and they said we didn’t qualify for any kind of discount other than the 40 percent discount, if we paid in 30 days. I really didn’t have \$80,000 to hand them, and they realized neither of us were working at this point.

So I had no response from the hospital for eight months. At this point I really thought they had written it off. Then I got a computer-generated letter saying that we had to pay it. So I again gave them financial statements, and I offered to give them \$30,000. That was everything that I thought I could possibly scrape together. That was everything we had left after we’d paid the doctors, that we still had in savings, everything I even thought I could borrow on our home. And they told me, don’t worry; we’re going to settle this with you. This was just before Christmas in 2002.

I heard nothing until I was contacted by a collection agency in January, saying that we now owed \$135,300. They had tacked on \$18,716 in interest for the eight months that they didn’t respond to us. I was outraged; I was so truly outraged. I went to the hospital and I demanded to talk to someone, and I sat there for three hours waiting to speak with someone. And then finally the lady did talk to me but she told me she didn’t know anything.

So about this time I met K.B. and he told me to request the UB-92 billing and demand that the interest be taken off, which I did in my letter March 14<sup>th</sup>. I again demanded it April 12<sup>th</sup>. October 17<sup>th</sup> we got a billing for four days, which was not complete – anywhere near complete. And since then an attorney has requested for us – oh, let me back up a little bit. On October 17<sup>th</sup> I received this partial billing. On October 21<sup>st</sup> I received an attorney’s letter saying that we now owed \$145,392 because they had tacked on attorney’s fees. So they gave me less than a week to even review this billing. Our attorney has demanded the UB-92 billing, which we sort of got.

With Ed’s continued health problems, if he was not eligible for VA -- he’s totally uninsurable. There is no way an insurance company would touch him. If he wasn’t eligible for VA we would be destitute. We would have lost everything – literally everything. I went back to work part-time, luckily with some friends of ours that have a wholesale business, and I work in a warehouse now to support us.

MR. FORBES: Thank you, Dianna.

We have been educating the uninsured. We have been combating hospitals directly. We know a little bit now; we’ve been educated about billing. And it’s interesting to note, the hospitals are reluctant to give the uninsured copies of the UB-92 bill, which is a federal form which they submit to insurance companies and Medicare, et cetera, saying that it’s only for insurance companies. But these people happen to be, quote, “self-insured.”

We ended up getting an attorney who wrote a letter to Florida Hospital, and they finally sent us a UB-92. But of course Florida Hospital is a market we have a lot of people request UB-92s. We did get some initially but then they caught on to what we were doing. So this is what they sent us. Notice blackout. They have blacked out all the diagnosis codes. They don't want us to know. They don't want us to analyze. Well, they forgot to knock out one thing: the DRG code. They charged \$116,000 for what is known as DRG-20, nervous system infection, except viral meningitis. Average length of stay: 11 days. What would Medicare pay on this \$116,000 bill? -- \$12,100. What would an insurance company pay? -- approximately \$15,000.

But if you weigh it for the time being -- for the time he was there, it would have been probably \$22,000, just to be fair, because he was there a little longer. He was there 17 days, not 11 days. They offered \$30,000, everything, and they said no. And now they sent him a UB-92 and black it out. Incredible. And then the hospitals say, we're not hiding anything; we really want to work with you.

Okay, lastly I'm going to invite a victim who's won. He's one of the Tenet plaintiffs: Pascual Rivera. He was one of the several Hispanics who took on Tenet Healthcare with Consejo de Latinos Unidos. And I'll have Pascual tell his story. And he is from Santa Anna, California.

PASCUAL RIVERA: Hello. My name is Pascual Rivera. Three years ago I had a flu. Due to that I fainted and I end up in the hospital. I was there for three days. When I get out after a few days I get the hospital (sic) from everybody except from the hospital. Like a month later I call them up and I ask them what was going on, what happened with my bill, and they told me they were processing it.

Like about three months later I get it from a collection agency. It was \$29,754. I talked to a lady named Jenny (sp) from the collection agency. You know, I tried to negotiate and come to an agreement but she never -- she didn't want to do that. I offered them -- the first time I talked to her I offered -- you know, I thought it was fair. I was willing to pay and I offered them \$5,000 and told her to refinance the rest. She say no. After a few calls back and forth, like a week later, I offered them \$10,000 cash and refinance the \$19,000. She still didn't want to say -- she say no, she wants the whole amount paid in full.

So anyway, at the moment, a few months later, almost at the same time I met Kevin. I explained my situation and thanks to him we won. Tenet at the time -- after one year fighting back and forth we won and Tenet was willing to come to an agreement. But we've been waiting for a year for Mr. Secretary of Health and he hasn't done anything. I ask him with all my heart to please do something on this matter.

Thank you.

MR. FORBES: To reiterate, Pascual was charged \$29,000 and change for three days' stay, had a horrible flu, and our analyses show the typical hospital would have paid (sic) about \$4,000 for that. Pascual and the other plaintiffs were united to take on Tenet and we won, and now Tenet has done the right thing and come out with a compact. They've implemented four points. One is pending federal approval.

Let me tell you briefly what our four goals are. A lot of people say, you keep on talking about the hospitals; offer us a plan. They're very simple. Number one: we want hospitals to charge the

uninsured reasonable rates. What is that? It could be managed care rates, within the range of managed care rates, Medicare plus a percentage, but something that is real, that is within the range of what 97 percent of the people pay when they go in the hospital. That's first and foremost.

Our second goal is that they offer a reasonable payment plan over a reasonable period of time. Russell Cox's period of six months, \$1,100 a month, for a mechanic is not reasonable, okay? Sorry to say. So what we're looking for is people to work with them, say, okay, we're going to do it over two or three years. As you heard him say, he would have gladly paid, but I think the media scrutiny by the AP spooked HCA and they said, get this to go away. It's always when they have their hand in the cookie jar that things seem to disappear.

Our third goal is that – we find that a lot of people who end up getting sued should have qualified for charity care or Medicaid. When we did our first study, Cinco, back almost three years ago, a lot of the people, when we went back and they had aggressively taken on the hospitals, eventually did qualify for some kind of discount, or amnesty as they used the terminology. Anyways, we want hospitals to exhaust – we want to make sure that they've gone through the process, gone through every federal, state, and local program, and at the end of the day if they don't qualify for anything, then offer them these reasonable payment plans. And we understand that if the person tells them to buzz off, then you can litigate. Obviously we believe hospitals should litigate, but once they've gone through the process. A lot of these hospitals don't go through the process.

Our fourth and last goal is absolutely no litigation against anyone whose only sole asset is the family home, because that's what these large hospitals have done who are aggressive. They target people who have assets. Obviously they're not going to go after someone who has nothing. They'll go after someone who has a decent paying job or owns a home. They go after people garnishing their wages, seizing savings accounts, and that has to end.

In closing, I would just like to say again, we have come here to present someone – I want you to look at these people, look at their faces and understand this is what it's about. It's about Adrian, Consuelo; it's about Ed, Dianna; it's about Pascual, and it's about Russell. That's what it's about, and whatever you're going to do today -- I don't know, when you're leaving or you get on your little Blackberry out in the hallway, remember that it's about people.

And again, I want to close by saying we've had enough with HHS. They've done nothing. And our organization is going to begin a TV campaign, a radio campaign, and put pressure on Secretary Thompson to step down and get out of the way.

I will take a few questions, and thank you very much.

Yes, go ahead.

Q: (Off mike.)

MR. FORBES: Right.

Q: (Off mike.)

MR. FORBES: I think you're more of a bomb-thrower than I am. (Chuckles.) I mean, you can call it theft if you'd like. I think it's more – we say that they're sucking up the hard-earned assets. You know, what they're doing is technically not illegal but it is certainly immoral. It's the problem with corporate America. I mean, that's why we have all these scandals; they only worry about dollars. I'll tell you an interesting note. When I sit down with a lot of hospitals, you know what the first thing they want to do is talk about numbers. They lay out numbers. Well, we – this million here in charity care and this on – and I pull out pictures. I say, look; look at this person.

So, regarding your question, is it theft? I think it's sanctioned theft, sanctioned by the government; it's sanctioned by corporate America. And we, the uninsured who do not have a voice here, are going to end it. Thank you.

Q: (Off mike.)

MR. FORBES: We raised money – we've raised money from nonprofit organizations and foundations. Just to be clear, we don't take any money from political parties, insurance companies, and the like -- we've been accused of a lot of things – and we do not disclose who gives us money because of retaliation. In Oklahoma, OU Medical Center forced the radio station to pull our ads and cancelled a year contract with them. The same thing happened down in Louisiana by Tenet Healthcare.

We also – beyond doing healthcare we do things on police brutality. We did a report on police brutality and we've been attacked viciously for documenting cases of that. So we don't want any of our folks to be retaliated by hospitals or police groups, or what have you, so to protect them we do not disclose that.

Yes?

Q: (Off mike.)

MR. FORBES: Well, the AHA has made steps, but we don't believe that. I mean, in the 1950s when you had racial segregationists they hid behind Jim Crow laws. These hospitals are hiding behind these regulations. I say enough. Go out there and say, we want – pick up the phone and call Tommy Thompson. Say, you've got 30 days to change this. This is immoral. This is outrageous. And when you ask the hospital, specifically show me where the reg is, oh, they can't point to it.

I sat with one executive, a president of one of the hospital chains that we did a report on, sat with him and I said, you testified saying that there were federal laws preventing you from doing this. What are the laws? Of course now he's spun, well, I meant the body of law. Okay, well, what does that mean? And that is the whole point with our feelings about Tommy Thompson. He has not said one thing or another. He should say, you don't need my approval; just go ahead and do it, or, if you need my approval, that's wrong and we're going to change the regulations in the next 30 days and I'm going to go meet with the president right now and get an executive order out, or what have you.

So I hope I've answered your question.

You, sir, in the back.

Q: (Off mike.)

MR. FORBES: Okay, first thing about disclosure -- that's more Merrill's matter -- as a nonprofit we do not support, oppose any specific type of legislation. We have advocated or said that hospitals should voluntarily do that, but our main emphasis is we get a deal from them that they're going to offer within the range of these discounted prices.

Regarding your second point, prescription drugs -- and we've been asked a lot -- we're a small organization and we could do so much, but that's coming -- (chuckles) -- I promise. And I'll let Merrill answer that.

MR. MATTHEWS: Tom, as I understand your question, you said, would the insurance companies be willing to reveal what they're getting in terms of discounts so that there could be sort of a -- some type of price comparison? I don't actually have a good answer for that. I can tell you that the insurance companies go out and negotiate discounts, usually through the PPOs. If you're a smaller insurance company or you're usually working through some already-established network; if you're a large insurance company or a self-employed employer, you're usually negotiating directly with them in order to be able to get the discount. There are groups that form together to do these negotiations.

One of the things we've been struggling with is asking the question, what's the solution? How does a hospital go about revealing prices in a way that makes it reasonable? Does the hospital say to these people, if you're coming in and you're uninsured, incidentally this is how much Medicare would pay? Or do you do some kind of generalized assumption of what the managed care and HMO would pay? We don't have a good solution for that yet. We just feel like this has to be put on the table so that we can begin to discuss it, and then ask the question for some of these people who are -- and as I pointed out earlier, the hospital is making a profit off the 75 percent discounted price that I am getting. It may not be big but it's making a profit. If it can make a profit off of me, then surely some kind of reasonable amount -- perhaps a little bit more is reasonable for this group, but that's not what's happening.

And so I don't have a good answer for you of what the insurance companies would be able to reveal, and I'm not even sure what the restrictions would be on that, but somehow or other we need to come up with some kind of solution so there is, for individuals, the ability to be able to get some kind of access to pricing information.

MR. FORBES: And let me just put one more point. When we negotiated with Tenet, what we did is did a market base, because some markets have deeper discounts. So if you're in California and they're giving 80 percent discounts, the uninsured will get 75, let's say, within the range. In Slidell, Louisiana we're at 45 -- we'll get 40 percent, whatever, market base.

And I saw another hand. Yes, ma'am?

Q: (Off mike.)

MR. FORBES: Yeah, it's the four points plus they added one more point, and that is that they would not go after people who were unemployed at the time services were rendered. It's the four points, one, that they're going to be charged rates -- the exact language is "discounted rates within the range that managed care patients pay." The second point being that they'll go through the process and once they've exhausted everything they'll be offered this discount and there will be no litigation until all of that is done. The third point being that -- oh, I forgot the point that they'll offer a reasonable payment

plan; that is over a period of time, because we were finding that Tenet was trying to get people to pay a thousand a month or some ridiculous rate. That was the third point, and then the fourth point, no litigation against anyone whose sole asset is the family home, or against anyone who – this is what they added – who is unemployed at the time services were rendered.

Q: (Off mike.)

MR. FORBES: On the specific part about within the range, they said “pending regulatory approval.”

Q: (Off mike.)

MR. FORBES: It’s not in place right now, and that is why we are frustrated and we are sick and tired of HHS giving out mixed signals, and we’ve been waiting for the Office of Inspector General – although Tommy Thompson in June could have said, you don’t need my approval, just go ahead and do it, or, you need my approval and this is wrong, as I said before. And that’s why we’re calling for him to get out of the way. Let’s put someone in there that’s going to do something for uninsured Hispanics and others. Okay?

Q: (Off mike.)

MR. FORBES: People in the House working with us or with Merrill?

Q: (Off mike.)

MR. FORBES: Okay. I’ll let him answer that part. I’ll tell you, we have met with the Greenwood Committee and they have been wonderful. They have been working diligently with all sides, and we’ve been providing what we can, our tools and our resources. And we’ve met on the Senate side with several members as well. But basically I came up here two years ago and knocked on so many doors in these hallways, and it was like, oh, hi, nice report -- bye. I never heard from them. But now the Wall Street Journal – (chuckles) – and others, and Greenwood, people are interested.

Merrill, do you want to answer more of this? You do more of the politics.

(Cross talk.)

MR. FORBES: Who is working with your –

MR. MATTHEWS: We have not worked with any of the members of Congress on this yet. There is some recognition of the issue under the Energy and Commerce Committee chairman, Bill Tauzin. Of course, Greenwood has been looking into this some, but we’ve not really discussed this with members of Congress or the staff at all. What we’re trying to do is put a spotlight on it and see if there’s some interest in doing something.

Q: (Off mike.)

MR. MATTHEWS: Oh, the Council for Affordable Health Insurance. We’re an association. We have insurance companies, we have doctors, we have actuaries, we have individuals. None of them,

to my knowledge, are working with any of the members of Congress on this issue at all. To some extent – we have published a little two-page document out there talking about this as an issue, but the insurance element of us, our people wanting to have access to affordable health insurance, we want to make sure that prices are available out there that people have access to affordable health insurance, and that if they're going into the hospital, to have some way to be able to have access to information about prices – how much it's going to cost – so they can begin to ask the question, is this the place I want to go or someplace else?

Q: (Off mike.)

MR. FORBES: We haven't talked to them. Well, we spoke to them a year and a half ago and then we've sent letters to the OIG, Office of Inspector General, and never got a response, ever. We met with him in, I believe it was April of 2002, and then we sent some more letters this summer. And it's the stonewalling, the dragging, and the mixed signals.

So we will be running TV ads here in D.C. and in other parts of the country, and as time progresses we will start putting the heat, and we'll –

Q: (Off mike.)

MR. FORBES: We're going to start as early as next week. I'll call you. (Chuckles.) We'll give you the "bat time," okay, and "bat channel."

Go ahead.

Q: (Off mike.)

MS. JELLISON: Unfortunately, Ed and I had finally decided to take a vacation after 17 years, and we had had insurance and they kept bumping the rate, bumping the rate every two months. So we were shopping insurance, and unfortunately we didn't finalize that before we went on our vacation. We were back one day from our vacation before he became ill. He had missed one day of work in over 20 years, when he had food poisoning. We were foolish, and we've paid for it.

Q: (Off mike.)

MS. JELLISON: Our small company, we had a group, but of course the rates were high and they kept bumping – well, all of our employees had been with us for the whole time, 20 years, so we were all getting a little older, and as the group gets older the premiums keep going up and up and up of course, and had gotten to the point where we just couldn't afford it. We had to change. But we didn't finalize it before we went on vacation.

MR. MERRILL: Well, we want to thank you for coming to hear K.B. and his colleagues' problems and the problems of the uninsured. We appreciate your attendance. K.B. will be here along with them up here at the front if you'd like to be able to come up and talk to him personally. Thank you very much.

MR. FORBES: Thank you.  
(End of event.)