What’s wrong with health care can be clearly seen in my colonoscopy

For those confused as to why I am writing about my colonoscopy in a personal finance column, let me simply say that it has turned out to be a microcosm of why health care costs are out of control.

Medically or legally necessary?

There is a new rite of passage for those hitting the half century mark – the oh-so-enjoyable colonoscopy. I figured I still had a couple of years to go, until my family history changed and suddenly included colon cancer.

When I next saw my physician, Kurt Lesh, I mentioned my change in family history. Much as I am looking forward to spending an afternoon having physicians spelunking in my nether regions, I asked whether it would still be O.K. to wait a couple of years. His immediate response was to order the colonoscopy – now. Oh joy!

My physician is one of the good guys who doesn’t seem to order unnecessary tests or prescribe designer drugs. Nonetheless, I’m guessing his malpractice insurance is rising as the costs of litigation continue to run out of control. I had to wonder whether he ordered this procedure because it was medically necessary or legally necessary.

The latter is known as defensive medicine and contributes to health care inflation. By mentioning this change in family history, I think I put Dr. Lesh in a no-win position – where waiting would only increase his potential liability. Thus I had no way of knowing just how urgent the need to have this colonoscopy was.

Shopping for my colonoscopy

Now I happen to be saving thousands of dollars a year with my high deductible health savings account (HSA), and I am part of a new breed of empowered health care consumers. Since I knew I’d be footing the bill for the procedure, I asked Dr. Lesh how much a colonoscopy costs.

Not surprisingly, his response was “I don’t know.”

My Anthem HSA premiums pay for two benefits: catastrophic insurance and provider network discounts. I was naïve enough to think I had a right to know how much the procedure would cost me before I had it done. Neither the provider nor Anthem would disclose the contracted rate until after I had the procedure. I only found out that the non-discounted price was a bit over $3,000, but was my discount 5 percent or 75 percent?

Am I the only one who thinks it odd that I’m paying for a discount that I don’t even have the right to know how much it is? Does it make sense that a consumer driven health plan would withhold critical information from the consumer? Hey, not feeling so empowered.

Well, I spoke with Anthem Colorado General Manager Joe Hoffman about my situation and health care in general. He notes that problems can be created if the actual discounted bill varies from the quote and that the discounted contracts are confidential.

Hoffman is a believer in giving the consumer more information about both quality and costs, but said the industry has a long way to go.

The early stages of the cash pay economy

Not yet discouraged, I started calling endoscopy surgery centers and asking for their cash price. Some didn’t even know how to handle such a question. Others provided

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such a quote.

In the end (excuse the pun), I happened to meet Rebecca Gooding, CEO of Gastroenterology Associates. As a businessperson, she understood the benefits of getting paid before the procedure, rather than filling out complex insurance forms and waiting for the claim to be paid.

Gooding noted that she is seeing more and more patients asking for the cash price and has developed a system to accommodate such early adapters. The total price came in at just under a thousand bucks but, of course, I had to sign a document noting there would be additional fees should other services be necessary.

Gooding also stated that all of the physicians in the group were board certified. That’s about as far as I can go to judge quality.

Lessons learned

Health care costs are choking the economy far more than the price of oil. The chart shows that current increases are not sustainable.

The new consumer driven HSAs are a great step in the right direction to empower the consumer. Information, however, is critical in having providers compete in terms of both quality and costs. Hoffman notes that Anthem has an enterprise-wide transparency project under way to educate its members about cost and quality attributes of physicians and hospitals.

To control health care costs, there has to be competition and competition can’t exist without disclosing the price.

Hopefully, it will soon be easier for consumers to make an informed economic decision about their health care. For now, it turned out that making such a decision on my colonoscopy was a real pain in the rear!

Allan Roth is a CPA and a certified financial planner. He is the founder of Wealth Logic LLC, an hourly based financial planning and licensed investment advisory firm, and is an adjunct finance faculty member at the University of Colorado at Colorado Springs. He can be reached at 955-1001 or at ar@DareToBeDull.com.