



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

*"Touching Lives Everyday"*

**LATE**

**House Committee on Health  
Representative Della Au Belatti, Chair  
Representative Dee Morikawa, Vice Chair**

March 21, 2014  
Conference Room 329  
8:30 a.m.  
Hawaii State Capitol

**Testimony Opposing House Concurrent Resolution 239, Requesting the Hawaii Health Systems Corporation to Itemize Medical Bills for Patients and to Adopt and Implement a Uniform Grievance Procedure for the Resolution of Complaints Relating to Medical Bills.**

Alice M. Hall  
Acting President and Chief Executive Officer  
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony in opposition to House Concurrent Resolution 239, Requesting the Hawaii Health Systems Corporation to Itemize Medical Bills for Patients and to Adopt and Implement a Uniform Grievance Procedure for the Resolution of Complaints Relating to Medical Bills.

HHSC certainly appreciates the need for transparency to patients regarding what they are being billed for. Currently, the patient statements that HHSC's facilities currently send do not include details of billed charges for the services provided to the patients. In most cases, HHSC sends out a summary of charges by revenue code and/or a balance due with patient and insurance payments. It would be costly to routinely have an itemized billing sent to every patient, especially if the patient is an in-house patient that stays a very long time, where the detailed charges could consume pages upon pages of paper to document all the charges. In addition, it would cost HHSC hundreds of thousands of dollars to have its billing systems reprogrammed to provide an itemized detail with each bill. However, itemized details of billings are provided to the patient upon request.

As far as having a single toll-free number where patients could call regarding billing inquiries or grievances, that suggestion would not be practical for HHSC to implement as there is currently no centralized billing function within HHSC. Currently, each hospital has its own billing department which generates and sends out the patient

statements, and the patient statements currently include the phone number at the hospital to call regarding any questions on the statements or the hospital charges.

HHSC will work on developing a standardized billing grievance policy and procedure that can be posted at each hospital and potentially sent with each patient statement.

### **CONCLUSION**

In summary, HHSC believes that provisions are already in place to provide transparency to HHSC's patients for the services that they are billed. Improvements in the policy and procedures over disputes regarding patient statements can be handled administratively within HHSC without having a resolution to request such action.

Thank you for the opportunity to testify before this Committee on such an important measure.

## Testimony in Support of HCR 239

### REQUESTING THE HAWAII HEALTH SYSTEMS CORPORATION TO ITEMIZE MEDICAL BILLS FOR PATIENTS AND TO ADOPT AND IMPLEMENT A UNIFORM GRIEVANCE PROCEDURE FOR THE RESOLUTION OF COMPLAINTS RELATING TO MEDICAL BILLS.

COMMITTEE ON HEALTH

Rep. Della Au Belatti, Chair

Rep. Dee Morikawa, Vice Chair

#### Aloha Chair Belatti and Vice Chair Morikawa:

Thank you for considering supporting the resolution to require transparency at Maui Memorial Medical Center and other hospitals operating within the Hawaii Health Systems Corporation. As you know, there are currently few options available to families when they need urgent or emergency care on the neighbor islands. And as you are also surely aware, emergency room bills can be extremely expensive. Unfortunately, Maui Memorial Medical Centers engages in billing practices in which patients receive no bill itemization or explanation of charges or listing of insurance payments, and when patients request more detail, MMMC does not follow any specific procedure for honoring those requests. Furthermore, when patients request itemization before agreeing to pay bills, those bills are sent immediately to a collection agency in California.

In the summer of 2013, I brought my then sixteen-year-old son to the Maui Memorial Medical Center for five stitches in his finger. The statement I received from MMMC said only: **Pharmacy: \$7.00 Emergency Dept.: \$1,133**. This was followed by a bill, which said only: **Balance: \$302.40**. I was shocked by both the cost of the procedure and the fact that no explanation of the charges was provided. I therefore contacted MMMC. However, I was not provided with an explanation when I called and my bill was sent to the California Service Bureau for collection. I was ultimately told that I could submit a "Request for Information" and a "Dispute Letter," which I did, submitting eighteen questions to MMMC related to their billing processes and their coding procedures. On December 20, 2013, MMMC's Quality and Continuous Improvement Center Officer Paul Harper-O'Connor sent me a letter responding to only three of my questions.

Interestingly, when asked why MMMC does not provide itemizations like other medical providers, Mr. Paul Harper-O'Connor stated: ***"Itemizations (a list of all charges by line item) for hospital bills can be lengthy and so we do not send them routinely but are happy to provide them when they are requested. We are looking into adding language to our statements to offer to send an itemization upon request. We appreciate your feedback that has prompted us to consider this change."***

I found Mr. Harper O'Connor's answer to be perplexing at best. While I am sure that extended procedures and hospital stays can result in lengthy bills, I am also sure that 1) there are many patients whose bills (like my own) would not be lengthy. Furthermore, 2) considering that a lengthy bill most likely means a higher bill, I would imagine that most patients would want to see the details explaining why their bills are high. And finally, my experience showed that requesting and obtaining information about a bill from MMMC is a lengthy and frustrating process that could lead to a bill being sent to a collection agency.

I know of no other industry or commercial enterprise where I would be required to pay a bill – particularly one that runs into thousands of dollars -- without knowing what I was being charged for. I also find it disturbing that considering MMMC does not provide details about bills as a matter of course, there is no clear and transparent method for resolving billing grievances at MMMC.

On December 31, 2013, I sent a follow-up letter to Mr. Harper O'Connor questioning his responses and once again asking him to respond to my unanswered questions. Further, I asked that my bill be adjusted as I have felt throughout this process that I was charged inaccurately for a Level 3 procedure. I have just received a one-page letter dated February 24, 2014 from Dr. Rodney Bjordahl, MMMC Chief Medical Officer, who stated:

*“After careful consideration, the Grievance Committee determined that it concurs with the original grievance response letter sent to you by Paul Harper-O’Connor, Quality and Continuous Improvement Officer dated December 20, 2013. The professional services required to be performed were consistent with a Level three (3) based on the intensity of the care given.”*

**Dr. Bjordahl provided no rationale or evidence to support this determination.**

It is disturbing to me that as a patient, I have no recourse with regard to addressing my concerns or questioning the process by which it was determined that those concerns were invalid. Unfortunately, unlike other services in my community, when my family needs urgent care, I must continue to seek that care at MMMC regardless of our recent experiences and my lack of confidence in MMMC’s billing procedures.

In fact, in January, my husband brought my son to the ER at MMMC once again as he suffered a dislocated patella at a King Kekaulike High School varsity basketball game. To date, I have only received the initial billing statement from MMMC. Because this injury was more complicated than the previous incident, there were more charges listed, but once again, they were difficult to understand. I called MMMC’s billing department for an explanation of a \$165 “0292 MED Equipment/New” charge because I did not know what medical equipment was being referenced and I also asked about a \$402 “0320 DX X-Ray” because I wanted to make sure that I wasn’t being charged for two x-rays. **After spending forty minutes on hold, I learned that the medical equipment referred to was crutches that we did NOT receive and that the x-ray charge erroneously listed two x-rays, not one.** Had I not called for an explanation, and had not had the time to wait on hold, I would not have even been able to decipher what the charges were, and therefore would not have been in a position to dispute the mistakes.

Please note that I do not have an issue with the quality of medical care that my son received at MMMC on either occasion. My concern is specifically with the lack of transparency in how MMMC charges for the services they provide as well as a dispute/grievance process that seems to lack accountability. Considering that like all institutions, hospitals make mistakes, responsible patients need to be able to ensure that they are being charged accurately for services provided. However, they cannot do so if there is no transparency. Thank you so much for considering the experiences of my family in your work to improve health care in Hawaii.

Sincerely,

Shay Chan Hodges  
Haiku, Maui, Hawaii

**morikawa2-Joanna**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 20, 2014 8:51 AM  
**To:** HLTtestimony  
**Cc:** Stephandjim@aol.com  
**Subject:** Submitted testimony for HCR239 on Mar 21, 2014 08:30AM



**HCR239**

Submitted on: 3/20/2014

Testimony for HLT on Mar 21, 2014 08:30AM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephanie Austin	Individual	Support	No

Comments: I am a resident of Maui who along with family members have utilized MMMC. It is essential that these bills be itemized: the amounts due are not trivial. If there is a disputed amount, there is no standard procedure to resolve the issue. Please support transparency in MMMC billing!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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