

Inside Medicine: U.S. hospital prices are bizarre, bring shame to nation

By Dr. Michael Wilkes -

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Imagine walking into a grocery store, selecting your items to buy and not finding out the price of those items until several weeks later, when a bill arrives in the mail. Last week in this column, I wrote about the high cost of medical care, and I seem to have touched a nerve.

Much of the correspondence I received told of enormous bills that were far in excess of what anyone could consider fair. Most complained that while receiving treatment for non-life-threatening illnesses, they were never told about the high costs of tests, nor were they ever asked to consent to doctors' continuing to rack up costs. Others wrote that they would never have agreed to certain tests had they known the costs. Some even wrote that the loss of their life savings was far more painful than the medical illness.

In last week's column, I mentioned one woman who was billed \$11,000 in a failed attempt to diagnose a simple stomachache. Hospital administrators wrote that no one is really expected to pay the full bill -- the bill is a starting point for negotiations, mostly for insurance companies that often pay hospitals only a fixed percentage of the bill.

If this sounds a bit like bargaining for a rug in a Middle Eastern bazaar, it's because there's not much difference.

We don't consider our bills at the grocery store or the pharmacy a "starting point for negotiations," so why should we at the hospital?

Hospital administrators told me I should just encourage people to shop around for the best price. While this might work well for cars and DVD players, it's probably not a fair thing to ask people to do when they're sick.

Interestingly, when I asked around, I could find no doctor who could reliably tell me the charge for ordinary CT scans, blood tests or X-rays. Why is it that I do not know of a hospital that makes the charges for normal tests and services available to the doctor, let alone to the public? Wouldn't disclosure of these charges (lab tests, X-rays, clinic visits) lead to more competition and perhaps lower prices? Additionally, if doctors knew the cost of tests, they might be more prudent in ordering them.

A survey by a large insurance company showed that prices charged by hospitals vary dramatically. For example, a hysterectomy ranged from \$2,200 to \$37,000, and a total knee replacement ranged from \$3,000 to \$119,400. Presumably, the cost of these procedures (what it actually costs a hospital to perform the procedure) are nearly identical. Of course, these are

only the charges; the hospital receives only a percentage of these from an insurance company. However, if you are one of the 47 million Americans with no insurance, you are charged full freight.

Health care in America is the most expensive on the planet -- nearly twice the cost of that in the next-closest nation. The quality of our health care and patients' satisfaction with their care are near the bottom of all developed nations. A simple illness or even a symptom without an illness (such as non-specific stomach pain) can wipe out a person's savings.

Our government's simple-minded explanation -- that if people just paid more out of their own pockets for their own health care, we would use less services -- is morally bankrupt.

This may be true because the pain would have to be absolutely terrible before a person risked having to sell their house to pay the medical bills. At the same time, we would have a society that would be less healthy, miss more days of work and enjoy a lower quality of life.

Besides, if tests, procedures and drugs are driving up health care costs, don't forget that the public doesn't order expensive tests -- doctors do.

Hospital pricing is a mess and brings shame to our great nation. It is time for our government to insist on truth, transparency, good practice and accountability.

About the writer:

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