

September 4, 2007

New Services Help Unsnarl Medical Bills

**Slew of Online Tools Let Consumers
Create and Manage Their Digital Records;
Typing It In Yourself**

By **CHRISTOPHER LAWTON**
September 4, 2007; Page D1

Two years ago, medical-equipment salesman Stephen Girdley had to take his 2-year-old son, who was experiencing development problems, to roughly four doctor appointments a week.

After each visit, Mr. Girdley was inundated with health-care bills and "explanation of benefit" statements. The confusing mass of paper made it difficult for him to answer questions about his deductible from his insurance company. "If you get a lot of medical bills, wow, that can be really confusing," says the Atlanta resident.

WEB SOLUTIONS?

Online medical-expense tools have benefits and limitations:

PROS

- Can help sort through paperwork and provide summaries of expenses.
- Some can help detect billing errors by tracking anomalies in claims.

CONS

- Consumers may have to type in data manually.
- Online tools may not be compatible with an insurer's formats.

To get a handle on the paperwork, Mr. Girdley shelled out \$25 for [MedBillManager](#)¹, an online tool from health-care services company Change:Healthcare LLC that helps users organize their medical bills. He says the tool helped him to get organized and provided him with a single summary of all his bills, which made talking to his insurance company easier.

MedBillManager is one of many online services popping up to help consumers take a more active role in their medical care. **Intuit Inc.**, maker of the Turbo Tax software, offers software called Medical Expense Manager to help consumers deal with their medical expenses, for a cost of \$50. Revolution Health


Group LLC, a consumer-focused health company formed in 2005 by America Online co-founder Steve Case, charges \$129 a year for a premium health-care service that includes an online application to help users handle their medical expenses. The service also features personalized telephone support for medical and health-insurance questions.

In addition, SmartMC LLC provides SmartMedicalConsumer, a free online tool that helps consumers manage health records and medical bills.

In the past, services such as **WebMD Inc.** and others offered consumers similar online tools. But the services typically came through an employer or health plan. Unlike these older services, the new ones are available directly to consumers. Anyone can sign up, even the uninsured.

In part, these services aim to bolster online personal health records, or PHRs, which are health records updated by consumers, stored online and shared with whomever the user chooses, such as physicians. Outfits such as [iHealthRecord.org](#)², [MyMediList.org](#)³ and even WebMD offer free online personal health

DOW JONES REPRINTS

 This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit:
www.djreprints.com.

- [See a sample reprint in PDF format.](#)
- [Order a reprint of this article now.](#)

records.

Medical-management services have certain limitations. For one, many medical records aren't digitized, so consumers may be stuck typing in all their information by hand. Plus, the health-care industry lacks any sort of technological standards for electronic medical records, making it difficult for hospitals, doctor's offices and insurers to share information with online services.

Makers of the online tools say that because their tools are Web-based, they can constantly push updates and new features such as automatic uploading of statements from doctors and insurance companies to the sites as the health-care industry evolves and becomes more digital. Each site also says it will guard personally identifiable health information and not share it with third parties without the user's consent.

The new services are springing up at a time when employers and legislators are pushing more health-care responsibilities on to workers. In 2003, the government passed the Medicare Prescription Drug, Improvement, and Modernization Act, establishing tax-favored health savings accounts, or HSAs, for individuals. Employers are now using these accounts in conjunction with high-deductible health plans to reduce health-care costs, placing workers' health care more directly in their own hands. Since 2003, consumer-directed health plans, or the combination of high-deductible health plans with HSAs, have grabbed 4.5% of the health-insurance market and are projected to form as much as one-third of all health-care plans by 2012, according to Forrester Research.

Taming the Paperwork		
A selection of online tools to help people manage their medical bills and records:		
Program	Features	Cost
MedBillManager	Manages medical bills; users can see what others in the area pay for services.	\$25 annually
SmartMedical-Consumer	Management of medical bills; automatic error detection; online forum of medical billing experts.	Free
Revolution Health	Manages medical bills, offers personalized telephone service for medical questions and health insurance questions, and will fight disputed insurance claims on user's behalf.	\$129 annually
Quicken Medical Expense Manager (software)	Manages medical bills, creates a family medical and prescription history.	\$50

Source: the companies

"For better or for worse, people are more and more on their own in health care," says Ron Klain, executive vice president of Revolution Health, based in Washington, D.C.

A significant issue for consumers trying to manage their own health care is billing errors -- which can range from being billed twice for a health-care service to being charged out-of-network prices for in-network

services. If an error is found, consumers often have to take up the dispute with their insurance provider, which can be a lengthy process.

Some of the new online health-care services, such as [SmartMedicalConsumer](#)⁴, say they can help alert users to errors in their medical bills. When Christine Nolte, a now retired Citigroup Inc. managing director, was diagnosed with breast cancer in 2002, she struggled to keep track of her medical bills. Last year, after she received letters from credit agencies and calls from lawyers of her hospital for disputing over \$800 in medical bills that didn't make sense to her, Ms. Nolte signed up for SmartMedicalConsumer as a way to keep better track of her bills.

Ms. Nolte notes the free online service has automatic error detection, which alerts users through a message box on the top of the screen as to how many potential errors it has detected and where they can be found. SmartMedicalConsumer's error-detection software works by learning, from previous entries by a user, what is covered, by how much, and the type of coverage. It then uses that as a comparison for new entries and alerts the user to mismatches or discrepancies in the billing.

Since she has been using the service, Ms. Nolte says she has saved more than \$4,000 by challenging erroneous claims from her insurance company and hospital. "I'd like to think that I have control over my medical bills, even though I didn't have control over my cancer," says the Manhattan resident.

Apart from automatic error detection, SmartMedicalConsumer also has medical-billing experts that man an online forum for members to ask questions. Revolution Health's premium service goes one step further by calling up insurance companies and fighting over disputed claims on a user's behalf. Customers have to sign a consent form and send or fax over the applicable records to participate in the service. Christopher Parks, co-founder and chief executive of Change:Healthcare, says he started MedBillManager and other online tools to make paying for health care transparent and easier. "We want to provide the means for people to organize and manage their bills and understand what is reasonable and fair," he says.

Mohit Ghose, a spokesman for America's Health Insurance Plans, a trade association, says the group's members are working with health-care providers to create interoperable electronic systems in the health-care industry, in part to reduce billing errors. He adds that services that help consumers manage their health care, whether they are from employers, health plans or direct to consumers, are helpful. "We believe they provide information and information is always a good thing," says Mr. Ghose.

Still, all health plans are different. And analysts who track the health-insurance industry say that for any service that tracks medical expenses to be truly helpful to consumers, it has to somehow tap into each consumer's health plan and get a sense of what the rules are and how to apply them. Within the next month, Change:Healthcare says it will introduce a feature that will allow users to select their own carrier from a list of health insurers, and the online tool will automatically adjust the form for the traditional explanation of benefits -- or EOB -- to match the language used by the health plan. SmartMedicalConsumer's software picks up some specifics from health plans such as in- and out-of-network fees from a user's previous entries and will in some cases automatically input billing data.

Many analysts recommend consumers create their own personal health records, essentially a record of an individual's important medical information. That's because the person who will truly be responsible for one's health care in the end is that person. If people change jobs frequently, their health-insurance companies and doctors will also change. Analysts also add that it's a good way to keep track of children's immunization records or early doctor's appointments for a newborn.

Cathy Tripp, who follows consumer health for consulting firm Watson Wyatt Worldwide Inc., advises people to get in the habit of regularly updating their online health records, much like a checkbook. When they pay their medical bills, consumers should also automatically update the personal health record, she says. Otherwise the bills may accumulate or even get lost, making it a chore to keep the record accurately updated.

"It's a big issue," Ms. Tripp says. "You get explanation of benefits and bills from doctors and tracking that can be an onerous task for anyone who has ongoing medical issues."

Write to Christopher Lawton at christopher.lawton@wsj.com⁵

URL for this article:

<http://online.wsj.com/article/SB118886008399016278.html>

Hyperlinks in this Article:

(1) <http://www.medbillmanager.com/>

(2) <http://ihealthrecord.org/>

(3) <http://mymedilist.org/>

(4) <http://www.smartmedicalconsumer.com/>

(5) <mailto:christopher.lawton@wsj.com>

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

RELATED ARTICLES AND BLOGS

Related Content may require a subscription | [Subscribe Now -- Get 2 Weeks FREE](#)

Related Articles from the Online Journal

- [Patient Records Need Reviews](#)
- [House Likely to Trim Senate's Tobacco Tax Increase](#)
- [A Tax Cure for Health Care](#)
- [Republicans Question 'Tweak' to Children's Health Bill](#)

Blog Posts About This Topic

- [Kristi Park](#) bizmology.com
- [What Questions Should Employers and Health Plans Be Asking About Medical To...](#) labsoftnews.typepad.com

[More related content](#) Powered by *Sphere* 