

Who Pays For Covid-19 Medical Care? That Depends on How (or If) You Are Insured

September 14, 2020 5:30AM ET

By Robbie Whelan

(Dow Jones) --

Across America, bills for Covid-19 treatment are coming due, and some patients are paying large out-of-pocket fees despite a federal safety net set up to help them avoid such financial surprises.

Early in the coronavirus pandemic, Congress formed an emergency system to ensure free testing for the virus and to help uninsured Americans avoid big hospital bills for Covid-19 treatment. At the same time, most large insurance companies waived cost-sharing agreements for Covid-19 patients, limiting out-of-pocket costs for holders of private health insurance.

The result, nine months into the pandemic, is a robust system to keep patients from receiving large "surprise bills" that result in major financial hardships, health-policy experts say.

But as many bills arrive, some patients, such as Medicare beneficiaries who don't carry supplemental insurance, are falling through the cracks. And the uninsured are required to seek financial assistance and sometimes fill out labyrinthine paperwork to cover their bills, a tall task for many patients still suffering from the illness's long-term effects.

In other instances, hospitals mistakenly bill insured patients directly, or there are disagreements over whether certain treatments are the direct result of a Covid-19 diagnosis, as opposed to an unrelated problem. Some patients have been billed for follow-up visits and other care that they were told aren't covered by government funds.

"There's a lot of confusion, and a lot of patients are scrambling," says Jack Hoadley, a researcher at Georgetown University's Health Policy Institute who has studied billing. "But what they've tried to create is a sort of patchwork universal health-care system for this one disease."

The Wall Street Journal interviewed dozens of Covid-19 patients and identified four key groups that, based on their coverage status, experience the financial ramifications of infection in different ways.

Clutch Funding: The Uninsured

Jonathan Perez got sick at the tail-end of June. A 31-year-old Marine veteran who lives in Hoover, Ala., Mr. Perez had recently been laid off from his job as an office administrator for a nonprofit organization. Like nearly 28 million other Americans, he had no health insurance.

One Monday morning, he started feeling a fever, body aches and chills. He tested positive for Covid-19 and spent a week at Shelby Baptist Medical Center in Birmingham, breathing oxygen from a tank.

After a chest X-ray, a doctor told him, "A 31-year-old should not have this" level of lung damage, he says. Now back home, he has been walking his dogs three times a day to regain his wind.

Mr. Perez says he applied for financial assistance through the hospital's billing department, and was told the costs, which totaled between \$50,000 and \$55,000, would be covered by funds administered under the Cares Act, Congress's emergency law that allocated \$175 billion to providers to cover treatment costs for the uninsured. He received bills for follow-up care and a chest X-ray that weren't done in the hospital, resulting in out-of-pocket costs of \$876. A friend set up a GoFundMe campaign while he was in the hospital to help cover these costs.

Mr. Perez says he is thankful for the federal assistance. "I just figured that I wouldn't get the virus as hard as other people....It would be great if everyone, regardless of their situation, could get their bills paid." Mr. Perez says even if he would have had to pay \$100,000 or more, and became stuck in debt, it would have been worth it. "You only get one life," he says.

Vulnerable: Some Medicare Beneficiaries

The six million Americans who are covered by Medicare but who don't have supplementary insurance plans to cover cost-sharing, copayments and prescriptions "are the people who are most at risk of catastrophic health expenses," says Tricia Neuman of the Kaiser Family Foundation.

Medicare, the government health plan that covers seniors and the disabled, doesn't have out-of-pocket spending limits and hasn't suspended its 20% cost-sharing for Covid-19 treatments.

Before the pandemic, Dawn Christensen, 52 years old, and her husband lived comfortably in Suffern, N.Y., on a household income of about \$85,000. She taught wellness classes to senior citizens; he was an assistant manager at a Hilton property in New York City. Their two sons, ages 6 and 15, attended local Catholic schools.

The new coronavirus began attacking Ms. Christensen's lungs in March. She visited the emergency room once, had an echocardiogram and was prescribed steroids, beta blockers, antibiotics and anti-inflammatory medications.

Her husband lost his job in July, and Ms. Christensen still doesn't feel well enough to go back to work. The family is getting by on \$4,400 a month in unemployment and disability payments. She has had to pull her younger son from the Catholic school because the tuition was too expensive.

Because Ms. Christensen suffers from Ehlers-Danlos syndrome, a rare connective-tissue disease, she has been eligible for Medicare since 1999. In recent years, though, she hasn't been able to afford supplemental insurance, which most Medicare recipients use to cover excess costs.

Her bills for treatment related to Covid-19 have totaled \$9,500, and without gap coverage, her out-of-pocket portion has been more than \$4,000 so far. She doesn't have prescription medicine coverage under Medicare's part D program and says she has been denied enrollment until the sign-up period begins in October. Her household income is too high for her to qualify for Medicaid.

The Centers for Medicare and Medicaid Services, which regulates the two public insurance programs, didn't respond to requests for comment.

"This difficulty with not having supplemental insurance and the costs of prescriptions has been a major eye opener," Ms. Christensen says. "Financially, we're increasingly strapped."

Traditional Medicare plans "don't have some of the protections we think of as being more common in modern forms of insurance," says Caitlin Donovan, a senior director at the National Patient Advocacy Foundation.

"The problems that are arising related to Covid-19 are not different in kind than the problems that exist all the time," says Casey Schwarz, senior counsel at the Medicare Rights Center. "They're just hitting more people at the same time."

Covered: Low-Income Medicaid Holders

In theory, patients who have insurance through Medicaid, the government health insurance program for 72.5 million low-income Americans, shouldn't be required to pay anything for Covid-19 treatment, says Ms. Donovan.

"The health-care system worked the way it was supposed to for Medicaid patients, but a lot of them have lost their jobs," Ms. Donovan says. "For them, it's more of a general safety-net issue."

Kaisha Buchanan, a 29-year-old preschool teacher in Flint, Mich., went to the ER in May after developing problems breathing. She tested positive for Covid-19, and other tests showed problems with her heart, blood pressure and kidneys.

Ms. Buchanan earns about \$18,000 a year and is the sole provider for her 5-year-old son. She also suffers from type-2 diabetes and hypertension and has been on Medicaid for about three years.

"For the most part I just got poked and moved around and had my blood pressure taken. The doctors never really explained what was going on," Ms. Buchanan says.

She was discharged and called back to work by her employer on June 15, before she had fully recovered from the infection and while still having respiratory problems. Within weeks, she received a letter saying she didn't owe anything for her treatment.

Nearby Oakland County, outside of Detroit, saw a surge of cases starting in early April. There, the pandemic has led to 20,392 new Medicaid enrollments -- an increase of 11% -- in the first seven months of 2020, says Debbie Brinson, chief executive of Honor Community Health, a clinic that serves low-income patients in Pontiac, Mich. Some uninsured people who became ill with the virus received help enrolling in the program from health-care providers. Others got on Medicaid after losing a job and seeing their income fall.

"Medicaid in the midst of a pandemic is so, so important," Ms. Brinson says. "These patients having access to Medicaid makes sure that the whole system doesn't collapse because of the high costs providers are seeing."

Mostly Covered: Private Insurance Holders

In early May, Michelle Vernezze, a 43-year-old nurse from Bristol, Wis., woke up with a fever, sore throat, dry cough and body aches. The next day, she noticed her urine was the color of Coca-Cola, which she recognized from her work at an internal-medicine clinic as a potential sign of kidney failure. Her husband, Ron Vernezze, drove her to the Aurora Medical Center in nearby Kenosha. She has no memory of the 25 days that followed.

After testing positive for Covid-19, she developed a secondary bacterial infection that was attacking her lungs, kidneys, heart, pancreas and immune system, driving her white blood cell count to critically low levels and causing her tonsils to hemorrhage.

She was put into an induced coma and attached to a ventilator for 16 days, spent 30 days in intensive care and received three blood transfusions. She later spent weeks hooked up to a dialysis machine for 24 hours a day. She was hospitalized for 52 days in total.

But when it comes to the bills, Ms. Vernezze, a mother of four who has spent her whole life in southeastern Wisconsin, considers herself one of the lucky ones.

Her encounter with coronavirus cost more than \$836,000.

Her total out-of-pocket costs so far: \$602.66 in copayments to see an infectious-disease specialist and for an echocardiogram. Her insurance provider is covering the rest. About two-thirds of Americans under the age of 65 have private insurance through an employer.

"We've barely had to pay a dime," Ms. Vernezze says, which has allowed her to devote most of her energy to getting better. "When I look at the bill, I think, well, they saved my life. I think that's worth it. Even just being able to walk is a blessing."

America's Health Insurance Plans, an industry group, estimates that costs for insurers for Covid-19 treatment will total between \$30 billion and \$547 billion over two years.

Write to Robbie Whelan at robbie.whelan@wsj.com

(END) Dow Jones Newswires