

Increasing Surgical Access

Novel Solutions to Old Cash-Pay Problems

by Nikki Johnson



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Faced with the increasing number of bariatric surgical cases occurring earlier this decade, many insurers began to restrict access to bariatric surgery by implementing stiff pre-approval requirements or not covering the procedure. The resultant drop in the number of bariatric surgical cases was quite dramatic for many surgical practices. Offering a cash-pay option for surgery helped many of those practices overcome the loss of case volume, and some surgical practices began actively courting the cash-pay patient. As a result, a robust cash market has developed.

Unfortunately, the growth in the cash-pay market came at a high price in some cases—in the form of surgical complications. For the cash-pay patient, any complication requiring additional medical care meant additional financial responsibility, because, in all likelihood, the insurance companies that denied coverage of surgery would exclude coverage for anything related to the uncovered procedures. Similarly, companies offer financing to cover the initial surgery only provided enough funding for the surgery itself, not for any problems that might develop later. Of course, complications are pretty rare, but even with the odds on his or her side, today's cash-pay patient may find the financial prospects to be bleak.

When complications arise, both the surgeon and the patient are in unenviable positions. A minor complication can result in bills that may prove too much for the average cash-pay patient who has taken out a second mortgage or opened a line of credit to finance the surgery. Faced with bills they can't pay, patients may look for someone to blame and someone to relieve the financial burden, and often that someone is the surgeon. They may even attempt legal action, thinking that complications must spell malpractice. In the absence of genuine malpractice, the patient will be stuck with the bills, both medical and legal, but more than finances may be damaged in the meantime.

Surgeons genuinely care about the patient's welfare and have done everything possible to pre-

vent complications. When complications occur, the stress of the mounting medical bills, threats of frivolous legal action, misunderstandings and deep frustration may sour an otherwise positive relationship. Unpaid bills mean that surgeons, hospitals and other medical providers lose the fees that keep them in the business of saving lives.

Some surgeons are willing to face the fallout of complications if it means more people have access to life-saving surgery, but nobody wins when patient finances are over-stretched. Patients should not have to face financial instability and emotional stress when they need to focus on healing their bodies. Care providers should not have to deal with unpaid bills, angry patients and threats of litigation when they should be focused on saving lives. At least, that is what the founders of BLIS, Inc., believe.

The Good News

As the physician leadership of the American Society for Metabolic and Bariatric Surgery or ASMBS (then ASBS) sought to find a solution to the issues surrounding the cash-pay patient, they approached Art Richards, insurance agent of record for the ASMBS. Richards then turned to Regi Schindler, who had a passion for developing innovative alternatives to traditional insurance, and asked for his help. The duo subsequently formed BLIS, Inc., and with the support of the ASMBS developed a customized solution targeting the cash-pay bariatric market.

Surgical outcomes data has been collected for many years, so the frequency of complications is well-documented, whether those complications are general surgical (bleeding, infection, leaks, etc.) or procedure-specific (band slippage or erosion, obstructions, etc.). Where there is reliable data, it is possible to assess the financial risk and plan for it. Schindler knew this well from his years assessing risk at facilities as prestigious as the Mayo Clinic and the Oregon Health Sciences University. Now president and CEO of BLIS, Schindler explains that their solution is 'BLISCare', an insurance product based on data compiled from several reliable sources.

Select surgeons who meet the stringent requirements set by BLIS participate in the BLISCare program. With BLISCare, the surgeon is the insured and the patient is the beneficiary. Exact terms of the coverage are determined by the surgeon and BLIS



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together. All of the surgeon's cash-pay patients are then reported to BLIS as they are scheduled for surgery. The plan premium—which ranges from about \$600 to \$2500, depending on the specific complications covered and the length of time the coverage applies—is built into the total cash price through the various fees associated with surgery.

According to Schindler, it may be helpful to think of the functionality of BLISCare by way of an analogy: “When you buy a new car, it is under factory warranty. That means that when certain well-defined problems develop with the car, not resulting from negligence, the consumer can take the car back to an authorized dealership, which will assess the problem and perform the repairs that you authorize at no cost. Similarly, when a surgeon participates in BLISCare, the insurance company will pay for diagnosis and treatment of defined conditions, as long as the patient goes back to the BLIS surgeon for diagnosis, treatment and referrals within a specified timeframe.”

The cash price patients pay when their surgeons participate in BLISCare includes something virtually unprecedented: additional medical care. When the BLIS surgeon authorizes treatment for a cash-pay patient according to plan timeframes and other specifications, the bills for that treatment are sent to BLIS, who then pays the provider. The patient is not billed for the care, minimizing stress for both the patient and the provider. Further adding to the patients' peace of mind is that those patients who have entered into the BLIS program through their surgeons will continue to have the benefits of the plan for the duration of the coverage period—even if the surgeon ceases to participate in the program at some point during that coverage period.

The Bigger Picture

The availability of this new insurance product is likely to have long-term impact on bariatric surgery. Some of the impacts are fairly easy to predict. Others may surface only when BLISCare and other programs that may emerge have made greater inroads into the bariatric market.

BLIS keeps continuously updated outcomes data on affiliated surgeons for some of the same reasons your car insurer keeps tabs on your driving record—it just doesn't make sense to insure someone who presents an unreasonable risk. This continuous eligibility qualification provides added incentive to keep surgical quality high. Furthermore, when

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quality is high and complications are infrequent, treatment costs go down, so the cost of insurance coverage can also be expected to lessen over time, bringing the costs down for cash-pay patients.

Choosing a surgeon insured through BLIS may cost patients somewhat more upfront, but the cost is not without benefit; in return, they can be assured that the surgeon continues to meet high quality standards as determined by BLIS—an independent third party—and that covered complications that develop will not create financial liability for themselves and their families. In fact, programs like this one may also change the way patients choose providers, because patients may view the lower financial risk and high quality associated with participating surgeons as desirable, even if they are fortunate enough to have an insurance company with a history of approving bariatric procedures.

Ultimately, we may not have yet found the perfect solution to the cash-pay dilemma. One solution would be that traditional individual health plans would be available to everyone and would cover bariatric surgery and the complications that may arise. As the years pass and the market conditions change, that may happen. In the meantime, surgeons and their patients may find it comforting to know that they have a new alternative in BLISCare. ■

For more information about BLIS, Inc., and the BLIS-Care program, please visit www.bliscompany.com.