

Doctors use law to cure their bill ills

Moriarty pair heads to the local court to take on overdue HMO payments, one by one

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FED UP WITH WHAT they say are overdue payments from HMOs, two physicians in Moriarty plan to collect the debt, one bill at a time, in the local magistrate court.

"There were times when I used to blow it off," said Dr. Orrin McLeod. "It's gotten worse and worse. It's insulting."

Close to \$500,000 — between 30 percent and 40 percent of the practice's cash flow — is held up in late bill payments, said Dr. Tom Adams, who works with McLeod in the same practice.

The targets for the suits are three New Mexico-based health-care organizations. Presbyterian owes around \$100,000, Adams said. Lovelace owes about \$76,000, while Blue Cross owes about \$68,000. The remaining overdue balance is from Medicare and Medicaid.

"The float doesn't change," Adams said about the amount owed to Route 66 Medical Center, which is their family practice on the main drag in Moriarty.

The HMOs say they are contesting some of the claims, that some are not owed or that they still are checking into the amounts the doctors said are owed.

Spokespersons for all three said they were unaware of payment problems with Route 66 Medical Center.

"We're surprised about their claim," said Michelle Campbell of Presbyterian. "It does not jibe with our records."

Adams and McLeod filed their first suit June 3 in Torrance County Magistrate Court in Moriarty, which is in an old bank building next to their clinic. The target was Presbyterian.

The June 3 suit seeks payment on a \$217.75 bill for treating one patient on the Presbyterian Health Plan on Feb. 9, 1999. The bill was paid about two weeks

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after the suit was filed, Adams said.

Adams said they chose magistrate court because each suit could be filed without using a lawyer, thus saving legal fees. Their lawyer, Dennis Wallin of Moriarty, agreed with their strategy.

"Here we've got two physicians who have dedicated themselves to serving the outlying areas of New Mexico," he said. "They can't afford the initial fees to bring a (district) court action."

Adams and McLeod could sue for all money owed them by each of the HMOs in district court, but the process can be time consuming.

"An HMO could delay it in district court for months or even years. They just start picking apart each claim. I think the system would be patently against them," Wallin said.

Magistrate court is the lower of the two courts, he said, with a limit of \$5,000 in civil suits. The procedures are more streamlined. Wallin said, "It's like a people's court."

The goal is to win enough small claims against the HMOs in magistrate court to convince them to pay off the rest of the hack hills, Wallin said.

"What I hope is we're a big enough burr in their saddle," Adams said.

There are widespread complaints in the physician community about bill payments from insurance companies. Most physicians do little more than complain, several local physicians say.

"Everybody is afraid to do anything because we're small businessmen," said Dr. Steven Komadina of Albuquerque.

"Everybody has clauses where they



"I think the general morale is low," said Dr. Norman Assad. "There's defeatism."

A gynecologist in Albuquerque, Assad said the accounts receivable at his practice more than doubled

of this year. During that time, the HMOs were paying only about 35 percent to 40 percent of the bills

"I'm as busy as you can get. I see a lot of patients. And we're on the ropes," Assad said.

Both Assad and Komadina — as

times the prime rate from the day the claim was filed.

A clean claim basically has all the required information for an HMO to determine that it's legitimate. Rushton said managed

effect on June 30, 1998, allow for a fine of up to \$10,000 per claim if an HMO fails to pay within 45 days.

and we've been able to deal with them." Rushton said. "We've never had to fire anybody yet."

The Insurance Division's role is

got here probably depended on the way they presented it."

HMOs pay physician claims in accordance with their contracts, Rushton said.

The state insurance code requires payment of all "clean claims" within 45 days. Rushton said. If not paid

period. Of the approved amount, \$133,000 had been paid.

When told about the contested claims, Adams said he didn't know the amount was so high.

"All I have to go on is the computer printout (of Unpaid claims)," he said.