

Charity Care system has wasted millions, report finds

Posted by [LCraven](#) April 18, 2007 10:56AM

New Jersey's cash-strapped Charity Care system for subsidizing hospital care for the indigent has been beset by fraud and Legislative manipulation that have led the \$583 million-a-year program to waste tens of millions of dollars, a State Commission of Investigation Report issued this morning states.

The SCI claimed that hospitals are giving away tens of millions of dollars in state-subsidized treatments each year to patients who fraudently lie about their incomes to qualify for the free care or who are actually covered by private insurance.

Separately, the SCI review found that so-called "Christmas Tree" grants and other budget manipulations by the state Legislature had "skewed" state payments under the program away from hospitals like the University of Medicine and Dentistry of New Jersey that provide the bulk of charity care services in favor of hospitals whose free case loads are shrinking.

The "manipulation," according to the report, has rendered irrelevant the \$2.5 million-a-year the state spends calculating proper Charity Care distributions.

The SCI recommended immediate action to address "the full scope of structural weaknesses, administrative deficiencies and policy problems that routinely subject New Jersey's Charity Care program to real and potential waste, fraud and abuse."

Among other things, the Commission proposed:

- An aggressive program to recover payments made to patients covered by health insurance;
- A dedicated fraud recovery unit;
- Proper distribution of Charity Care funds without budget manipulation.

Contributed by Dunstan McNichol

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Comments

jkb369 says...

Can we just throw everyone in Trenton in Jail. We need a good 3rd party governor because these folks can't seem to do anything right.

Posted on 04/18/07 at 11:17AM

jerz38 says...

The problem the SCI revealed is not recent. I recall in the Florio years, when charity care included so-called bad debt, the outlay soared to nearly \$1 billion. After Gov. Florio excluded bad debt, the outlay fell to the \$450-million range. But the hospitals screamed that the loss of revenue threatened their solvency.

Somehow the hospitals have survived -- in part by vigorous gaming of the system. The SCI report just

highlighted some patient-related abuses but did not look at what the hospitals are doing. Two cases of personal experience: I was hospitalized for six days and my wife had hernia surgery on an outpatient basis at a different hospital. In both cases we were billed for the difference between the itemized total and what our HMO paid (roughly 10 percent). Despite assurances from the hospitals -- computer error -- it took me three tries and the warning that any damage to my credit rating was legally actionable for these annoyances to disappear.

These incidents occurred some time ago, but I'd suggest that an investigation would show they -- or their like -- are continuing. For as long as hospitals are expected to operate as a profit-making business and are subjected to the squeeze from "insurance" carriers (the fakery here is another topic) we can expect similar practices to continue.

Posted on 04/18/07 at 12:16PM

sonique says...

Charity Care - what a joke. My daughter was diagnosed in February with a large ovarian cyst. She has no health insurance, through no fault of her own. Five hospitals and five weeks later, they performed emergency surgery on her, and removed an 8 lb cyst along with an ovary and fallopian tube. They asked her in the ER why this hadn't been taken care of sooner, and I just laughed in the doctor's face. I'm not naming any hospitals here, but one of the hospitals told her that it was ELECTIVE surgery, and another told her to go to a clinic and they could possibly see her in June.

Maybe if people didn't treat emergency rooms like their own private doctor's office for every little ache and pain, this situation could have been different. My father and son are both EMTs and bring plenty of people to the hospital who really should be going to a doctor's office, not an emergency room, and a lot of them have no insurance, so of course, it's Charity Care for them.

it's really a shame the way the money is being wasted; both hospitals and patients are abusing the system. I guess this is why my daughter is now being billed for her hospital expenses. There's no way she'll ever be able to pay it off, now that she's lost her job due to not being able to do her job. Too bad she wasn't an illegal immigrant, or a welfare mother.

Shame on you all who abuse the system.

Posted on 04/18/07 at 2:31PM

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