

Low health insurance caps leave patients stranded

by *Detroit-News-Online*

Mary Wusterbarth thought her toddler was struggling with an ear infection when she seemed sluggish. Instead, a virus had attacked the little girl's heart, damaging it beyond repair. Brea needed a transplant.

Within three weeks of a 2007 doctor visit, the 20-month-old had exhausted the \$1 million lifetime maximum on her health insurance. Her parents have scrambled ever since for ways to cover thousands of dollars in monthly medical costs.

"We have no idea what kind of financial future we have," said Wusterbarth, of Wake Forest, N.C. "The medical bills come almost daily. There's never an end."

Insurers set lifetime limits to keep rates low on some policies, but holders are learning that individual caps that seemed large quickly max out as health care costs soar. Several patient advocacy groups are prodding insurers to raise the caps, which generally don't adjust for inflation. Congress also is considering two bills that would do that.

Only 1 percent of employer-offered group plans -- the largest health insurance segment -- had caps as low as \$1 million last year, according to a survey by The Henry J. Kaiser Family Foundation. But 22 percent had caps of less than \$2 million, and some want to see all these relatively low maximums eliminated.

Insurers, however, say most health coverage already offers either a comfortable maximum of several million dollars or unlimited coverage. They note that more government regulation could lead to higher coverage costs, and low lifetime caps help them offer a greater variety of coverages.

"I think the discussion needs to move into why do some health care services cost hundreds of thousands of dollars and what can we do to address those issues," said Robert Zirkelbach of America's Health Insurance Plans, a trade association representing nearly 1,300 insurers.

Kelly and Tom Treinen used to think the \$1 million individual cap that came with the insurance they had for seven years offered plenty of protection. In fact, they chose that plan, which Kelly received through her job as an elementary school principal, over a higher-priced option through Tom's business. That one offered a \$5 million cap.

Then doctors diagnosed their teenage son, Michael, with an aggressive form of leukemia in May 2007. His treatment called for 10 doses of a chemotherapy drug that cost \$10,000 per dose. A 56-day stay in an intensive care unit cost about \$400,000.

Michael reached his \$1 million lifetime maximum in less than a year. The Noblesville, Ind., family had to issue a public plea for help after a hospital told them it needed either \$600,000 in certified insurance or a \$500,000 deposit to continue preparing for a critical bone marrow transplant.

The Treinens raised \$865,000 in six days. Money came from all over the United States and as far away as Germany. But Michael's cancer had stopped responding to chemotherapy, and he died May 25 before he could receive the transplant.

The family had no idea how fast costs were piling up. Some initial bills didn't arrive until months after treatment started. Then they would receive multiple mailings for each treatment, each listing a different amount -- the hospital cost, the insurance discount, the amount they owed.

"When you're dealing with constant care of your child, you're not going home with a calculator and adding up to see where you're at," Kelly Treinen said.

Insurance can shield patients from the true cost of health care, said Jerry Flanagan, health care policy director for California-based Consumer Watchdog. He noted that most people have no idea how quickly \$1 million "can evaporate," unless they've been seriously ill before.

"You can eat through a million-dollar lifetime cap in two or three surgeries," he said.

Low lifetime maximums are found more often in small-employer group plans, Flanagan said, noting that those businesses generally have less insurance buying power. He said employers often give their workers a choice on plans or premiums but not on lifetime maximums.

The Kaiser Family Foundation study says a greater percentage of employer-offered group plans are providing lifetime caps of at least \$2 million, and the percentage that offers caps below \$2 million has declined slightly.

But medical costs for employer-sponsored health plans should increase 9.9 and 9.6 percent this year and next, according to PricewaterhouseCoopers Health Research Institute.

"The nature of caps is that over time it becomes easier and easier to hit (them) because the cost of health care services keeps going up," said Mike Thompson, a health care and employee benefits expert with the firm.

A coverage cap of \$1 million in the 1970s would have had to grow to more than \$10 million today to keep pace with rising costs, said Glenn Mones of the National Hemophilia Foundation.

The foundation's vice president for public policy says he's seen more patients approach their lifetime caps in recent years. People with hemophilia can spend more than \$200,000 a year just on drugs that prevent internal bleeding.

His foundation renewed a lobbying push in Congress this year for higher lifetime caps because it sees a better political climate for one.

U.S. Rep. Anna Eshoo, D-Calif., unsuccessfully pitched a bill on lifetime caps in 1996. She will try again this summer because she sees better odds with a Democrat majority in the House of Representatives. Sen. Byron Dorgan, D-N.D., introduced a similar bill in March in the Senate.

Mary Wusterbarth, a stay-at-home mother with two other children, thinks legislation on minimum lifetime caps is an excellent idea. Her daughter, Brea, is 3 now and doing well. But family finances aren't as healthy.

The Wusterbarths spent more than \$20,000 to adopt Brea from China in 2006. Then her heart began to fail, just months after she arrived at their Louisiana home.

She qualified for Medicaid while hospitalized for the transplant, but that coverage ended once she was released. The family has since moved to North Carolina, where Brea's father, Danny, works as an operations manager for a distribution center.

They drained their savings and spent more than \$60,000 out of pocket on medical bills in the past year. Church donations have helped, and they negotiated some discounts to wind up with \$50,000 in insurance coverage for Brea they hope will last the next six months.

But Danny Wusterbarth makes too much money for Brea to receive Medicaid coverage. Insurers won't cover Brea because of the medical history, a common problem with people who reach caps.

Brea's anti-rejection drugs run about \$3,000 a month. The biopsies she needs every few months to check for rejection can cost \$40,000. She'll also need another transplant in about 10 years. Her mother isn't sure where all the money will come from.

"We were actually told that if we would get a divorce or if he would quit his job, then she could get all the help she needed," Wusterbarth said. "But that's not the way we do things, so we just take it day by day.

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