



Hospital offers credit – no interest

Spectrum's Zero-percent card gives patients two years to pay

By Mary Radigan
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Spectrum Health doesn't want to be in the collection business.

That's why the health care system has come up with a new payment option to help with the burden of high deductibles or medical bills not covered by insurance.

CarePayment is an extended-term, zero-percent credit card with a revolving line of credit. The minimum monthly payments are 4 percent of the highest balance, or \$25, whichever is greater.

"We had an arrangement before where people could take out a loan, but it was interest bearing," said Joseph Fifer, vice president of hospital finance. "But that was like a bad credit card where the minimum payment might not equal the amount of the interest, and that was just not good."

CarePayment is more patient friendly, he said.

Under the old program, only 100 patients signed up. Meanwhile, more than 400 people have chosen the new options since the program began October 1st.

"We know that many families are just not prepared to handle an unplanned medical expense like out of pocket hospital costs not covered by insurance," Fifer said. "We want to focus out time and energy on the health needs of our patients, not on a collections process."

Spectrum's program is a partnership with Lake Oswego, Ore.-based Aequitas Capital Management, which offers CarePayment to hospitals nationwide. All patients qualify, regardless of insurance coverage.

No credit check needed

There's no credit check and no application process. Only a valid Social Security number is required, and a patient has up to 25 months to pay off a bill for any Spectrum-related procedure, surgery or service.

The payment option can be selected at any time during the scheduled service and the card can be used for other Spectrum charges as they arise, as long as the monthly payments are made.

Charges from independent doctors or practices are not covered under Spectrum's CarePayment.

Aequitas Capital Management developed CarePayment to address the financial challenges patients often face, said Steve Wright, Aequitas' senior managing director of health-care markets.

"Whether it's due to higher co-pays and insurance deductibles, or the lack of medical insurance altogether, our critical goal for CarePayment is to provide patients with an easy and affordable way to pay their out of pocket expenses," he said.

Saint Mary's Health Care has looked at similar programs, spokeswoman Micki Benz said.

"As a healthcare perspective, we would look at it under a partnership with our parent company, Trinity Health," Benz said. "There are 12 hospitals across Michigan and several in seven other states, and that may have a little more value to our customer."

While there is no card program at Wyoming-based Metro Health, there are assistance plans available for out of pocket expenses, said spokeswoman Ellen Bristol.

"Patients pay monthly and there's interest, but it keeps them out of collection and keeps their credit rating good," she said. "We also regularly screen for charity care and we have an on-site Medicaid assistance worker to help patients."