

Transcript: The bill looked like BS. So she took it to small claims court.

Lauren: My name is Lauren Slemenda. I live in Reno, Nevada, I work in higher education. That's my full-time gig. And I probably should have been a lawyer.

Dan: Lauren sent me a note a few months ago with the subject heading: "I sued a hospital in small claims court, and lost. Here's what I learned"

It ended, "I technically lost, but I feel like I won."

Lauren: I'm just kind of a bulldog when I feel like big organizations with a lot of power are taking advantage of people, especially people that I care about. , I, I just get really fired up and I'm not afraid of a little conflict

Dan: She wanted to encourage more people -- maybe a lot more people -- to give it a try. I was like, let's definitely talk.

This is An Arm and a Leg, a show about why health care costs so freaking much, and what we can maybe do about it. I'm Dan Weissmann-- I'm a reporter, and I like a challenge. So our job on this show is to take one of the most enraging, terrifying, depressing parts of American life, and bring you something entertaining, empowering, and useful.

And Lauren says studying medical bills has become kind of a hobby -- something she traces back to childhood. Her dad passed away when she was eight. There wasn't a lot of money.

Lauren: Like my mom is a person who will call someone and argue over a penny. I just remember her spending hours on the phone, arguing with insurance companies. And, in retrospect, I'm realizing how difficult that must have been, , especially because my brother, he has a couple disabilities. And before Obamacare, those were all preexisting conditions, so no one wanted to cover him.

Dan: So Lauren's primed for a good fight. But it's not like she went right to court the first time she got a messed-up medical bill.

Lauren: Actually earlier that same year I'd had like a bogus bill from this same hospital group that I just like, didn't try as hard to fight, but when they sent me

another one, I was like, you guys gotta be kidding me. Like, absolutely not . So I just fought them tooth and nail on it.

Dan: And I think it's worth hearing what Lauren's like when she's NOT fighting tooth and nail. The earlier bill was for getting a prescription renewed.

Lauren: they wanted me to pay \$250 for a five minute Zoom meeting. with this doctor who was just like prescribing medicine that I had been on for over a decade. And I was like, this is insane.

Dan: She called the provider, asked them to adjust it. No go. She didn't give up that easily.

Lauren: I called my insurance company and I was like, Hey, they coded this wrong. They won't do anything about it. Can you please help me? Thinking that they'd be like, oh, yeah, they're overcharging us for this. We'll definitely help you and I was like, flabbergasted because my insurance company said, we can't tell Renown how to code their bills. I was just like talking to a brick wall. And then like work got busy, life got crazy. And so I just, I kind of let it go.

Dan: Actually, she let it go to collections-- and then, when she heard from the collections agency, she picked up the fight again, with a tactic we've talked about on this show:

She sent them a letter demanding that they prove the debt was hers, and that they were authorized to collect it.

Lauren: And as soon as I sent that letter, like I didn't hear anything else from the collection company. Um, and so I was like, all right, well I got that checkup for free, I guess. So I was planning on just like never having to deal with them again, but then I had this thing happen.

Dan: Abdominal pain. Intense. Persistent. On the lower right side.

Lauren: I thought I might have appendicitis, and if I do, I'm probably gonna have to have surgery.

Dan: And Renown Health, the hospital system that sent her that previous bill, is by far the biggest hospital in town. Probably the best ER.

Lauren: I was like, you know what? I'm gonna worry about the bill later. I want to go where I know that, like they're not gonna accidentally put me into a coma if I have to have surgery. You know what I mean? Um, so then the nightmare like, started all over again.

Dan: That was October 28, 2021. She didn't have appendicitis. They weren't sure what the problem was. And actually, doctors still aren't sure. That's a whole nother story. This one's about the bill Lauren got from that ER visit, and what she did about it.

The bill said Lauren was on the hook for \$2,500, and a bunch of it was for a facility fee. That's like a cover charge just for showing up in the ER, and -- we've talked about this on the show before -- there are different levels, based on how intense and complex your problem is.

Level one is the lowest -- like you've got some owee that doesn't actually need medical attention at all.

Level five is the highest -- something that requires a lot of ER resources to deal with. It's the most expensive.

Lauren's visit was coded level five, and she went deep on figuring out the guidelines hospitals are supposed to use.

Surprise! It was complicated. But she latched on to a key sentence at the end of the official description of the code for a level five ER visit: "Usually, the presenting problem(s) are of high severity and pose an immediate significant threat to life or physiologic function."

Which Lauren knew wasn't true in her case.

Lauren: if it had been, I would not have sat in the waiting room for three hours waiting for someone to see me. Right? Like nothing in any part of my visit before or after I was seen by a doctor indicated that anyone believed that this was an immediate threat to my life.

Dan: Even the idea that her condition might be considered among the most severe and complex seemed ludicrous to Lauren.

Lauren: If you're coding, like I have pain in my lower right abdomen, I'm worried it might be appendicitis as the very highest possible level, level five, what the hell are you coding like a freaking heart attack or someone who comes

in missing a limb. You know what I mean? I don't need to be an expert on medical billing and coding to look at this and know it's bullshit.

Dan: Lauren figured she could propose a compromise.

Lauren: Initially I was like, listen, you know, this is bullshit. I know this is bullshit. You knock it down to a level four, I will pay it. Nope. Absolutely not.

Dan: Eventually, they agree to review the bill.

Lauren: I just made so much of a stink. Right? Like, I was like, okay, let me talk to your supervisor. Okay, let me talk to your supervisor. Okay. Let, and eventually they were like, fine, we'll do this. We'll have our like head medical billing and coding nurse review this. And a week later I got a call back and they were like, yeah, we're not changing it.

Dan: All of this took months. Partly because Lauren says every time she called, she sat on hold for an hour before getting through to anyone. She couldn't exactly do that every day.

Meanwhile, she was learning more. Lauren's insurance gives her access to a service called Health Care BlueBook: It lets you look up the going rate in your area for any medical service you can think of. They get paid by insurers and employers who actually pay for those medical services: They hope employees will use it to find places that'll cost less.

Lauren used it to see whether the prices Renown was charging her were reasonable. And what she found got her even angrier than before.

Lauren: I was like, oh, so not only are they charging me for a level five when this is clearly not a level five emergency, but they're also like way overcharging me beyond what the fair price in our area is.

Dan: Given how unhelpful her insurance company had been before, she didn't expect them to jump in on this case.

Lauren: I said, fine, I'm gonna handle this myself. And that was the point where I like filed a claim in small claims court.

Dan: She called the courthouse, got instructions, and followed them: She filled out a worksheet, hired a process server for sixty bucks. Then she figured any day, the hospital would call to try to work something out.

Lauren: I answered every phone call even the ones that I thought were probably spam, because I was like, one of these is gonna be Renown.

Like, oh, we didn't realize you were really serious about this. And they never called.

Dan: Nope! Now, the next stop was not court. Not yet.

In Reno, where the hospital is, small claims court requires that the parties have a mediation session, to see if they can work something out.

On the mediation date, Lauren showed up, took a seat in a waiting room full of people.

Lauren: And then in walk these, like three guys in suits and I'm like, that can't be them. Like, they wouldn't pay three people to come to a mediation over \$700. But I'm like, you know, I'm like kind of leaning over to hear what they're saying to like the person at the desk. And sure enough it's them. And I'm like, you've gotta be kidding me. But that made me mad. I was like, they do not need three people here. They are doing this just to intimidate me. And instead of intimidating me, it just pissed me off.

Dan: It's their turn. The mediator asks Lauren for her side of the story, she gives it, he asks the hospital for theirs.

Lauren: And they're like, we had a case like this a year ago and we prevailed in court and we're not gonna budge even an inch.

Dan: And when Lauren told me this, I was like, whoa. This sounds like a strategy. These guys aren't just here to intimidate Lauren. They're here because the hospital is making an investment.

They want to build up a record. Precedent. Somebody files a case against them next year, they want to be able to say, we've had TWO cases like this, and we prevailed in court both times.

But of course Lauren's not gonna compromise either. She's come this far, and she's mad.

So the mediator is like OK: Go to this other desk, and they'll set a court date. So Lauren and these three guys in suits go to wait in line together at

that other desk. Lauren tells me, OK, I know I said they didn't intimidate me, but...

Lauren: I'm just like standing there next to these guys and my hands are shaking and I'm like, Lauren, you can't let them see your hands shake.

Dan: She keeps her cool, enough. Gets that date for an actual trial.

Lauren: and I'm like, well, shit, I did not think this was gonna go this far.

I remember that day I'm like driving back and I'm like, am I in over my head?

But at this point, like I said, I was pretty pissed off.

Dan: And she gave herself a pep talk. She reminded herself: she'd always wanted to be a lawyer. Here was a chance.

Lauren: And, she reminded herself, in small claims court, nobody ends up on the hook for anybody else's attorney fees. The financial stakes were low.

Like the worst thing that was gonna happen was that I was gonna owe what I already owed. So I was like, all right, well I guess this is what we're doing.

Dan: We'll hear all about how it went, and what Lauren took away from it, right after this.

This episode of An Arm and a Leg is produced in partnership with Kaiser Health News. That's a non-profit newsroom covering health care in America.

KHN is not affiliated with the giant health care player Kaiser Permanente. We'll have more information about KHN at the end of this episode.

OK, court day is coming. Lauren's mad, and a little nervous. She prepares. She reads as much as she can. She actually pays an attorney for some advice. One big piece of advice: Prepare a tight presentation. Small claims courts have big dockets. The judges want to keep things moving. You might have twenty minutes total.

Except, she finds when she gets to court, that's not actually the case. Not in Reno. Not now.

Lauren: Because this mandatory arbitration program they have in Reno is so successful. Very few cases go in front of a judge. Which changes the dynamics significantly because the judge doesn't have 20, 30 minutes maybe to adjudicate your case. He was ready to be there all day if he needed to. Cuz we were the only case.

Dan: They ended up in front of the judge for two hours. Longer than Lauren was prepared for. But maybe not long enough to give this judge a thorough understanding of medical billing and coding.

By coincidence, from things the judge said in court, it sounded to Lauren like he was influenced by a personal experience.

Lauren: His wife had gone into the ER with stomach pain not too long ago and been diagnosed with cancer. So like, started out very similar to me, but I don't know, like being diagnosed with cancer, I would call that a level five emergency maybe.

I don't know. but so from his perspective, he's like, well, anyone who goes into the emergency room with stomach pain, sure that's justifiable as a level five expense because maybe they have cancer.

Dan: Because she had done her homework, Lauren knew something else about the judge. His position is elected, and she found that his campaign had received only one donation: for \$50,000 from the judge-to-be himself.

Lauren: So I was like, dude, if you have \$50,000 to spend on a campaign to be a small claims court judge, like you and I are not living in the same world. Like, You don't know what it is to get that bill in the mail and be like, how am I gonna pay this?

Dan: So she was prepared for an uphill climb.

This time, at least, the hospital only sent one attorney.

But they also sent an expert witness: A high-up from their own billing department, who testified that the prices were fair and justified. I mean, just to underline this: Their expert was somebody on their own payroll.

But the judge took that testimony seriously. He told Lauren: Look, the only way I'd be able to find that the prices were unfair would be if you had an expert witness of your own.

Lauren: And I'm like, with what money? I can't even afford this bill.

Dan: So Lauren didn't have an expert witness, but she had brought evidence with her: Printouts from the Healthcare Blue Book, showing typical prices for the area -- much lower prices than she was being charged. For instance, there was an IV injection and the charge on her bill was \$1323.

Lauren: Healthcare Blue Book says that a fair price for that is \$143.

Dan: But there was a problem nobody else in the courtroom had ever heard of Health Care Blue Book.

Lauren: literally no one else in the room was familiar with Healthcare Blue Book. and so they were like, well, this is just a website.

Dan: It was frustrating. The judge was not keeping up.

Lauren: , but I get it too, right? It took me weeks to wrap my head around this, so how can I expect the judge to wrap his head around all of this, in this short amount of time?

Dan: Lauren didn't just rely on HealthCare BlueBook. These days, because of an executive order from the Trump administration, hospitals are required to post their price lists to the internet, where everybody can look them up. And Lauren had looked. The other three local hospitals charged \$69, 111 dollars, 156 dollars.

Lauren: So \$1,323 is like just bananas, right? And so I can tell the judge is like getting ready to not rule in my favor, and I'm like, okay, this is my last ditch effort.

Dan: She brings out her notes, shows the judge the specific prices charged by other hospitals.

Lauren: And he's like, well, that can't be right. Do you have the proof that the other hospitals charged so much lower for the exact same thing, but I didn't print them out.

I'm sure you've pulled up one of these Excel spreadsheets, right? If I were to print it out, it would be thousands of pages, so I didn't print them out. So I didn't have them with me, but his conclusion was she must have made a mistake and

been looking at the wrong thing because this is so bonkers that it can't possibly be true.

Dan: There is something so perfectly dark about Lauren losing her case -- and she did -- because the judge just could not believe how wildly arbitrary medical prices can be. And then, it turned out, there was another twist right ahead.

But first, I should note:

We reached out to Renown, and got a statement from a spokesperson. They said, quote:

“Renown Health strives to put forth fair and reasonable charges in relation to the local market.”

They said every patient gets charged the same amount for every service. That they quote, “engage an outside entity” to analyze their price list, and that they follow the law and other regulations.

Finally, they said: “Ms. Slemenda’s account has been thoroughly reviewed by our Clinical Revenue Integrity team. All facts of her care were presented before a judge who ruled in favor of Renown Regional Medical Center.”

OK. That’s where they stand.

Also, um, side note: We were like, what’s a Clinical Revenue Integrity team? So we googled it. Multiple online sources describe Clinical Revenue Integrity as preventing "revenue leakage" and making sure "all clinical encounters between providers and patients convert into revenue.” Alrighty, then.

Back to Lauren, right after her day in court, and the twist that was just ahead.

Lauren: I was kind of bummed out for a little bit, but I was like, “okay, well fairs fair, I lost, I guess I gotta pay this.”

Dan: So here it comes. She called the hospital to pay the next day...

Lauren: And lo and behold, the hospital goes, we don't even own that debt anymore.

It was sold to a medical debt collection company 30 days ago, And I was like, what? So this hospital spent all this money on this attorney to defend this case over a debt that they didn't even own anymore.

Um, and I got off the phone and I just started laughing. I was like, you know what? Awesome. Because they spent more money on that attorney than the total amount of my bill, and it was for a debt that they can't even collect anymore.

Dan: Too-fuckin-shay.

Lauren went back to her playbook: She found the debt collectors, sent them a letter demanding that they produce evidence that the debt is real and that they're entitled to collect it... and she says he has not heard a peep from them.

So after all this, even though she lost, she doesn't expect to pay anything. So she wasn't writing to us for advice.

Lauren: , I reached out to you because it's like, it felt intimidating at the time, but in retrospect, it was so worth doing. I remember sitting outside the courtroom, like waiting for us to be called back and I was just texting my mom and I was like, I know I've been talking a big game, but I'm kind of terrified. Again, like my hands were shaking. You know, like sweaty palms. And to be in front of the judge, like trying to present this case for two hours? There was a point where I kind of felt like I wasn't getting my point across and , I was ready to just be like, okay, fine. Like, I'm gonna leave, right? Because it's just, it's so hard to sustain that level of like, heightened emotion of any kind for that long. And I think that's why a lot of people give up. But like, really the reason, the big reason that I wrote you is I, I don't think they should. There's just not much to lose here, At the end of the day, like you pay \$60 to file a claim in small claims court, and if you lose, you owe what you owed before.

Dan: Lauren lost. But she looked at the big picture: **On mediation day, those three lawyers had said, "We prevailed on a case like this a year ago." That suggests the hospital hadn't faced anybody like her for a year. So they could afford to invest in crushing her. Those three attorneys. Another attorney and their billing executive to trial.**

Lauren: But if everybody that they screw stands up, they can't afford to pay a lawyer to defend against all of those. There's just so little to lose and so much to gain by calling these medical institutions out for what they're doing wrong.

I walked out of that thinking like, I don't know, do I like, just put together a list of tips and like leave it on people's windshields that are parked outside of the ER? You know what, like how do I, how do I help other people do this?

Dan: I told Lauren: I absolutely love this idea. And not everybody's going to be able to do this. Lots of people work three jobs just trying to survive. Lots of people have medical bills that are too big to dispute in small claims court. Lots of people.... well, lots of people lots of things.

This is just really niche-y. High effort, and comparatively low extrinsic reward.

But actually, lots of people DO things that take a lot of effort and don't carry much prospect of extrinsic reward. There's a thing called National Novel Writing Month every year -- also called Write a Novel in November-- and tens of thousands of people do it. Every year.

More than a million people run marathons. Every year.

And I find myself REALLY curious: How do these kinds of things grow? Could this become something like that? I ran all this by Lauren. She was in.

Lauren: A friend of mine said to me yesterday, he's like, you think the way that I do, like, you have a pessimistic brain with optimistic shoes. And I think like that's kind of the way we have to approach this, you know? I think that that's how, kind of how you have to approach, I don't know, trying to change the medical system into something better than what it is now, right. Because it's just, there are so many battles to fight. It's so messed up. But there are things we can do and I think this is one of them.

Dan: I think so too. At least, I think it **could** be. There's a lot to figure out. Like: What are the best techniques, the best legal strategies? The laws are different in every state. Every county has its own rules for how it runs small claims courts. There's a lot to figure out, a lot of questions I haven't even thought of yet.

And I am getting pretty interested in finding out some answers over the next bunch of months. It just sounds like it could be a very, very fun project. Maybe some good trouble to get into.

So, I'll be looking around, and asking around, and I'll start reporting back in a little while. If you know stuff that I should be looking at get in touch. Like, have you ever sued somebody in small claims court? Maybe tell us how it went. The best way is at our website, at arm and a leg show dot come, slash contact.

Meanwhile, we'll have some more-- on our website, or wherever you're listening to this, if it's an app that supports links: we've got some resources to share right now. Like, more on how to challenge debt collectors. And how to look up billing codes. And there's more in our First Aid Kit newsletter.

And in our story for next time, we'll get a little intel that should be a helpful kind of building block.

I got a note from a listener who's being charged, you know, an arm and a leg, for a routine service from a local hospital. And he remembered us saying that you can look up what Medicare pays for a given service. He was like, how do you do that exactly?

And I didn't actually know. So the two of us got on zoom with the person who'd told me about it, and she walked us through the whole thing.