

An Out-Of-Network Lab, An Elaborate Urine Test And Then A Surprise Bill

By: Fred Schulte

After Elizabeth Moreno had back surgery in late 2015, her surgeon prescribed an opioid painkiller and a follow-up drug test that seemed routine — until the lab slapped her with a bill for \$17,850.

A Houston lab had tested her urine sample for a constellation of legal and illicit drugs, many of which Moreno says she had never heard of, let alone taken.

"I was totally confused. I didn't know how I was going to pay this," said Moreno, 30, who is finishing a degree in education at Texas State University in San Marcos, and is pregnant with twins.

Her bill shows that Sunset Labs LLC charged \$4,675 to check her urine for a slew of different types of opioids: \$2,975 for benzodiazepines, a class of drugs for treating anxiety, and \$1,700 more for amphetamines. Tests to detect cocaine, marijuana and phencyclidine, an illegal hallucinogenic drug also known as PCP or angel dust, added \$1,275 more.

The lab also billed \$850 to test for buprenorphine, a drug used to treat opioid addiction, and tacked on an \$850 fee for two tests to verify that nobody had tampered with her urine specimen.

Total bill: \$17,850 for lab tests that her insurer, Blue Cross and Blue Shield of Texas, refused to cover, apparently because the lab was not in her insurance network. The insurer sent Moreno an "explanation of benefits" that says it would have valued the work at just \$100.92.

Moreno's father, in a complaint to the Texas attorney general's office about the bill, identified the Houston surgeon who ordered the costly test as Dr. Stephen Esses. His office told Kaiser Health News the surgeon would have no comment.

Sunset Labs is part of a network of pain clinics and other medical businesses founded by Houston anesthesiologist Phillip C. Phan, according to Texas secretary of state filings and court records. Court records say Phan's companies also own the facility where Moreno had her operation.

Three experts contacted by KHN said the lab grossly overcharged; they also doubted the need for the test.

"This just blows my mind," said Jennifer Bolen, a former federal prosecutor and lab and pain management consultant. "It's very high and incredibly out of the norm."

"Surprise bills larded with unexpected expenses and little explanation inflict sticker shock on vulnerable patients," said James Quiggle, communications director of the Coalition Against Insurance Fraud, whose members include insurers, consumer groups and government agencies.



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Dan Bowerman, a medical fraud expert, called the lab bill "outrageous" and "unconscionable" and said it should have prompted an investigation.

"Sounds real fishy," added Charles Root, a veteran industry adviser. He wondered if the lab had "misplaced the decimal point," because such a test should cost a few hundred dollars, tops.

Some insurers have refused to pay, which can leave patients like Moreno threatened with ruinously high bills they had no idea they had incurred.

"Surprise bills larded with unexpected expenses and little explanation inflict sticker shock on vulnerable patients," said James Quiggle, communications director of the Coalition Against Insurance Fraud, whose members include insurers, consumer groups and government agencies. Quiggle said many "puffed-up bills straddle a fine line between abuse and outright fraud."

Moreno said her insurance covered the disc removal surgery in December 2015. She said the operation went well and she weaned herself off the hydrocodone pain pills. To her surprise, during a second appointment return about a month later, the surgeon's office asked her to leave a urine sample.

"I didn't think anything of it," Moreno said of the test. "I said fine, whatever."