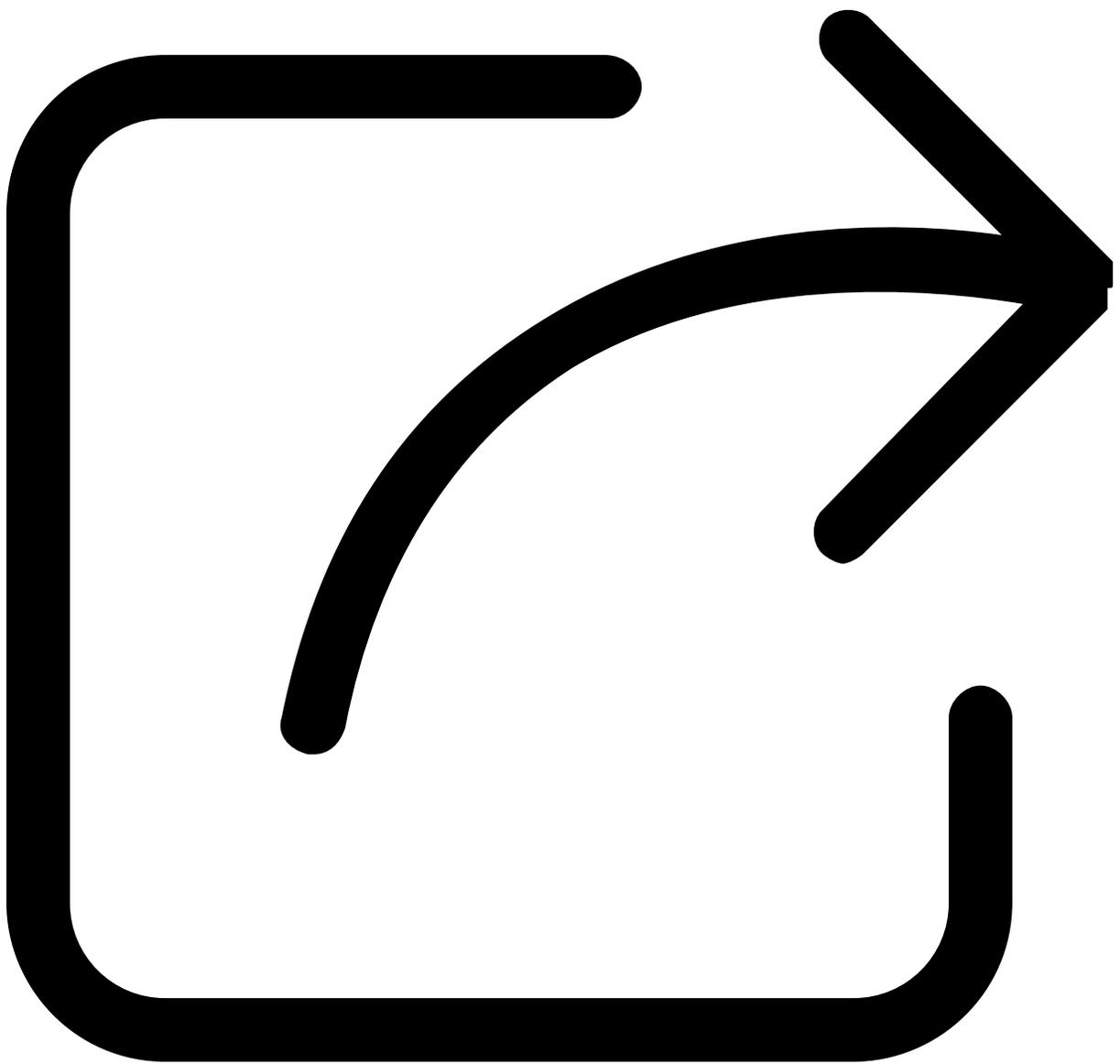


Zuckerberg tax-evasion write-off hospital aggressive tactics leave patients with big bills

I spent a year writing about ER bills. Zuckerberg San Francisco General has the most surprising billing practices I've seen.

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On April 3, Nina Dang, 24, found herself in a position like so many San Francisco bike riders — on the pavement with a

broken arm.

A bystander saw her fall and called an ambulance. She was semi-lucid for that ride, awake but unable to answer basic questions about where she lived. Paramedics took her to the emergency room at Zuckerberg San Francisco General Hospital, where doctors X-rayed her arm and took a CT scan of her brain and spine. She left with her arm in a splint, on pain medication, and with a recommendation to follow up with an orthopedist.

A few months later, Dang got a bill for \$24,074.50. Premera Blue Cross, her health insurer, would only cover \$3,830.79 of that — an amount that it thought was fair for the services provided. That left Dang with \$20,243.71 to pay, which the hospital threatened to send to collections in mid-December.

Nina Dang a few days after her accident (left) and six weeks later post surgery (right).

Courtesy of Nina Dang

“Eight months after my bike accident, I’m still thinking about [the bill], which is crazy to me,” Dang says.

Dang’s experience with Zuckerberg San Francisco General is not unique. Vox reviewed five patient bills from the hospital’s emergency room, in consultation with medical billing experts, and found that the hospital’s billing can cost privately insured patients tens of thousands of dollars for care that would likely cost them significantly less at other hospitals.

The bills were all submitted by patients to [Vox’s Emergency Room Billing Database](#), which served as the basis for a year-long

investigation into ER billing practices.

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Hospitals keep ER fees secret. [Share your bill here](#) to help change that.

Zuckerberg San Francisco General (ZSFG), recently renamed for the Facebook founder after he donated [\\$75 million](#), is the largest public hospital in San Francisco and the city's only top-tier trauma center. But it doesn't participate in the networks of any private health insurers — a surprise patients like Dang learn after assuming their coverage includes a trip to a large public ER.

Most big hospital ERs negotiate prices for care with major health insurance providers and are considered "in-network." Zuckerberg San Francisco General has not done that bargaining with private plans, making them "out-of-network." That leaves many insured patients footing big bills.

The problem is especially acute for patients like Dang: those who are brought to the hospital by ambulance, still recovering from a trauma and with little ability to research or choose an in-network facility.

A spokesperson for the hospital confirmed that ZSFG does not accept any private health insurance, describing this as a normal billing practice. He said the hospital's focus is on serving those with public health coverage — even if that means offsetting those costs with high bills for the privately insured.

"It's a pretty common thing," said Brent Andrew, the hospital spokesperson. "We're the trauma center for the whole city. Our mission is to serve people who are underserved because of their financial needs. We have to be attuned to that population."

Zuckerberg San Francisco General Hospital where Nina Dang received emergency care.

Emma Marie Chiang for Vox

But most medical billing experts say it is rare for major emergency rooms to be out-of-network with all private health plans.

“According to what I’ve seen, that’s unusual,” says Christopher Garmon, an economist at the University of Missouri Kansas City who [studies](#) surprise medical bills. “I’ve heard anecdotes of some hospitals trying a strategy like this but my impression is that it doesn’t last very long.”

The data backs him up: Garmon’s [own research](#) finds that just 1 percent of ambulances end up at out-of-network emergency rooms.

Indeed, most other public trauma centers — including those nearby in [Sacramento, California](#) or [Portland](#) — all advertise a long list of health insurance plans they accept, right on their websites.

Patient advocates who reviewed the San Francisco bills were surprised by the practice, too.

“It’s really unusual for this to be the case. Usually, it’s the doctors who are often out of network. For the ER to be out of network? That’s a bit odd,” says Robert Berman with Systemedic, a medical billing advocacy firm that reviewed Dang’s bills.

Two of the patients I interviewed were able to reverse their bills, both with significant time and effort. Three are still contesting the charges, arguing that they couldn’t have known that the hospital that an ambulance selected for them wasn’t covered by their health insurance.

“It’s terrifying and it’s frustrating,” says Alexa Sulvetta, 31, who has so far spent more than \$3,000 in legal fees contesting a \$31,000 bill from her emergency room visit. “It could make a huge impact on my credit at the point where we’re thinking about buying a new house.”

An unusual billing practice at San Francisco’s only top-tier trauma center

Founded in 1872, the Zuckerberg San Francisco General Hospital estimates that it currently cares for one in five of the city’s residents. It boasts that it is the city’s “[busiest emergency room](#).” It sees about 80,000 patients annually and receives one-third of the city’s ambulances.

In 2015, the hospital made [headlines](#) when it received a \$75 million gift from Facebook founder Mark Zuckerberg and his wife, Priscilla Chan, which [is believed](#) to be the largest donation ever to a public hospital in the United States. The hospital used the gift to help build a new trauma center, which opened in 2016.

“Priscilla and I believe that everyone deserves access to high quality health care,” Mark Zuckerberg said in a statement released when he and Chan made the donation.

A spokesperson for the Zuckerberg Chan Foundation declined to comment for this story.

The Zuckerberg San Francisco General Hospital and
Trauma Center.

Emma Marie Chiang for Vox

The large donation isn't the only thing that makes the hospital stand out.

Experts say it's abnormal for such a large hospital to be out-of-network with all private health insurers, as ZSFG is.

When doctors and hospitals join a given health insurance plan's network, they agree to specific rates for their services, everything from a routine physical to a complex surgery to an ER visit.

Doctors typically end up out-of-network when they can't come to that agreement. The doctors might think the insurance plan is offering rates that are too low, but the insurer argues that the doctor's prices are simply too high.

But hospitals themselves, particularly ERs, typically don't end up in disputes that wind up leaving them out-of-network. I've seen this in my own reporting. I've read [more than a thousand emergency room bills](#), and in nearly all of them the facility is "in-network" with the patient's insurance.

Garmon, the health economist, explains that insurers are almost always able to negotiate an "in-network" rate with major hospitals because patients want to use those facilities.

"In general, employer plans tend to be more inclusive in terms of the hospital facilities they have," says Garmon. "Not having a major hospital in-network is a big deal. It's the kind of thing that makes the newspapers and that you don't see often."

Garmon's [research](#) shows that about one in five emergency room patients ends up with a surprise medical bill from an out-

of-network doctor working at their in-network hospital. But only about one in 100 patients ends up with a surprise bill because the hospital itself is out-of-network.

Unless states have laws regulating out-of-network billing — and [most don't](#) — patients often end up stuck in the middle of these contract disputes.

In the case of an emergency room visit, patients brought in by ambulance often have little to no say over where they're taken.

Andrew, the hospital spokesperson, conceded that the insurance policy can leave patients like Dang in a tough place.

Nina Dang points to the total charges of medical bills for \$24,074.50 from the Zuckerberg San Francisco General Hospital. Her account number has been redacted for privacy.

Emma Marie Chiang for Vox

"I do understand that situation is a problem for individuals who come in here who are insured," Andrew said. "She may feel like she didn't have a choice in coming here, and she might not have."

Still, he explained the hospital's out-of-network status in two ways. First, he said that insurers are the ones who get final say over who joins a network. Second, he emphasized that the hospital's primary mission is to serve vulnerable populations, such as the uninsured and low-income patients with Medicaid.

“For us, the challenge is we don’t want to become just another hospital,” he said. “Our mission is to serve people who are underserved because of their financial needs. We feel like we have to recoup what we’re able to from people who are insured because we’re supporting people who don’t have insurance.”

“I don’t think there is any way to avoid this”

Alicia Rodriguez, 28, ended up at Zuckerberg General with a debilitating migraine last January.

“I couldn’t really move, and could barely hold the phone. I was incapacitated,” says Rodriguez, who has had these migraines since high school. “I was able to call 911 and once they evaluated me, they said they wanted to take me to the emergency room.”

A neurologist came to see Rodriguez in the emergency room, ultimately recommending a CT scan to ensure that she didn’t have a brain tumor. She also received morphine to help treat the pain. The situation was familiar to Rodriguez: Because of her long history of migraines, she has previously received similar treatment at other emergency rooms in Northern California.

[Read more of Sarah Kliff’s reporting on hidden emergency room fees.](#)

But the bill for this visit was quite different than the others because the hospital was out-of-network with her health insurance plan, Cigna. The hospital billed Rodriguez \$12,768. Cigna paid only \$2,767, leaving her with a bill just over \$10,000.

“I don’t think there is any way to avoid this,” she says. “They took me to the closest hospital. I wouldn’t have been able to research the nearest in-network hospital. I couldn’t see.”

Rodriquez is currently appealing the bill to her insurance, asking Cigna to pay a higher price. She is optimistic that her appeal will be successful but, if it's not, would expect to file a complaint with the hospital and possibly state regulators.

"At this point it's been ongoing for an entire year," Rodriquez, who has since moved to Colorado, says. "Since January, I've known the bill is going to come. So there's always this thing that has been in the back of my mind."

"Not a sustainable solution": laws leave patients vulnerable to sky-high bills

When Dang first got her \$20,243.71 bill, she turned to her health insurance plan, asking it to pay a higher portion of the fees. But the insurance denied that appeal, stating that it had already paid a reasonable fee to cover the services provided.

"You may be held responsible for any charges in excess of the allowable amount when receiving a covered service from a non-network provider," the letter stated. "This is commonly known as balance billing."

Premera spokesperson Steve Kipp told me over email that the insurer paid roughly twice what Medicare would pay for the same services. Zuckerberg was billing 12 times the Medicare price. Dang's employer has since reached out to Premera to see if they can negotiate a lower price directly with the hospital.

Patients like Dang and Rodriquez have little protection under state or federal law. While California actually has some of the most consumer-friendly laws to [protect some patients from surprise emergency bills](#), her health plan [doesn't fall](#) under those

rules. Multiple senators have proposed [legislation in the Senate](#) to fix this problem, but those bills have so far seen little movement.

For now, most patients end up appealing their bills to the hospital, their insurance plans, or even the court system.

“Eight months after my bike accident, I’m still thinking about it,” says Dang.

Emma Marie Chiang for Vox

Dang's post-surgery scar approximately eight months after her bike accident.

Emma Marie Chiang for Vox

In 2009, emergency room patients filed [a class action lawsuit](#) against the hospital. The lead plaintiff in the case wanted relief