

### Hospitals try to feel financial pulse rate of patients 4/14/08



A credit scoring system similar to that being used to judge consumers' ability to repay loans may soon determine patients' medical credit worthiness.

The so-called "medFICO" score is being developed by Healthcare Analytics Inc., a Waltham, Mass.-based health technology firm, with \$30 million in funding from Tenet Healthcare Corp., a Dallas-based hospital system; North Bridge Venture Partners, a Marlborough, Mass.-based venture capital firm; and Fair Isaac Corp., the Minneapolis firm responsible for the original FICO score.

HAI said the medFICO score may debut this summer in some U.S. hospitals, but consumer advocates are raising questions that could delay the launch. Their primary concern is whether patients with low medFICO scores would either be denied care or receive lower-quality care, said Linda Foley, founder of the Identity Theft Resource Center in San Diego.

A spokesman for HAI, however, said the score would be used only after a patient is released from a hospital to determine what form of relief a hospital should grant if the patient cannot pay the bill.

"They could check the patient's credit report and get the same information," said Ms. Foley, who objects to a separate medical credit scoring system. "Will this come under the Fair Credit Reporting Act because it's based on payment history? Will we be able to review it and correct errors? We have more questions and are still waiting for the answers," she said.

Hospitals and doctors are allowed to report health care debts to credit reporting agencies, but under FCRA such reporting must be done in a way that does not reveal personal medical information.

A spokesman for the Federal Trade Commission in Washington said the agency is aware of medFICO but declined to comment on whether any enforcement action would be taken. He did point out, however, that the FTC filed charges against Eden Prairie, Minn.-based Ingenix Inc. and Seattle-based Milliman Inc. when the FTC thought the consumer medical profiles the companies provided were being misused when determining eligibility for life and health insurance. The charges were settled in last September.