Kaiser Rolled

May 1, 2000 By Susan Gerhard

The Jon Kaiser Wellness Center—the largest HIV private practice in San Francisco and the heart of the city's alternative AIDS treatment community—closed its doors January 31 after a Medicare contractor gave the clinic just over a month to pay a $126,932 bill. The eponymous clinic's founder, an internal and holistic medicine specialist, had asked the National Heritage Insurance Company (NHIC), contractor for Medicare through the Health Care Financing Administration (HCFA), for an extension on repayment, but was denied. HCFA's regional office had already offered Kaiser the first extension in its history, a three-week reprieve, and asked the clinic to pay in full or have future Medicare reimbursements withheld.

"I find myself in the unique position of fighting an insurance company for the very life of my practice," Kaiser wrote in a pre-close letter to his clients. "It is not unlike the position of some of my patients where a large insurance company brutally dictates decisions which compromise their very livelihood."

If Kaiser's position is unique, HCFA's reimbursement request is not. In fact, the agency has demanded hundreds of millions of dollars in payback from clinics and hospitals nationwide as part of a recent crackdown on alleged overbilling. And Richard Chambers, HCFA's deputy regional administrator, denies that his agency forced the close. "That was his own personal business decision," he told *POZ*. "All we are concerned about is the opportunity to collect back payments made in error"—based largely on an audit of 30 of what Kaiser claims were his sickest patients.

This is not the center's first uphill financial battle since Kaiser acquired the former Conant Medical Group and reopened it as the Wellness Center, offering a largely chronically ill client base of 1,500—including at least 500 HIVers—a range of conventional meds and alternative treatments. Kaiser sent out a 911, and patients and advocates have organized a "Save the Wellness Center Trust Fund" to reopen the clinic as a nonprofit. And the San Francisco Board of Supervisors passed a resolution urging the NHIC to allow an appeal. Board head Tom Ammiano cited this closure as just one of many problems in the city's once-model AIDS health care. "We have this crumbling infrastructure—with SF General cutbacks and managed care not performing like quality health care," he says. "Here is a center doing something positive that's victimized by a ledger mentality."

NHIC heard Kaiser's appeal on February 8. As *POZ* went to press, a decision on the reduction of the alleged overcharging was pending.

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