

Managing your hospital bill

Be proactive. Plan ahead and shop around.

By Francesca Lunzer Kritz

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Unless you've been rushed to the hospital in an emergency, the time to start thinking about paying the bill for hospital care comes as soon as your doctor says you need to have a test, procedure or surgery.

"What patients have to pay hospitals is not set in stone," says Mark Rukavina, executive director of the Access Project, a Boston-based health reform advocacy organization.

Hospitals do have a master list of charges, based on that hospital's cost of delivering care. Under California law, however, hospitals are required to offer discounted or free care to patients who meet financial eligibility guidelines. And most will negotiate with any patient having difficulty paying the bill, says Jan Emerson, a representative for the California Hospital Assn.

Rukavina advises having such discussions before care takes place. "That can ease the shock of seeing staggering numbers on a bill, just as you're recovering from surgery," he says. It can also enable the hospital's billing office to help find some assistance, such as Medicaid, Medicare or private and hospital charity assistance if the patient is eligible.

But uninsured patients retain the right to negotiate even after hospital care has been given, with the best deals often offered to people who agree to share their financial information and show a willingness to start paying the bill.

It's virtually impossible, however, to negotiate charges once they've been paid by credit card or after a bill has been sent to a collection agency.

Here are some tips on managing a hospital bill:

Talk with your doctor

For starters, get a full picture of what will be done during your stay, as well as any related tests and follow-up visits. "Don't be shy about speaking with your physician; the bad economy is no secret to them," says Dr. Dev GnanaDev, head of the California Medical Assn.

If you're worried about paying for the hospital care, ask whether it's safe to delay the treatment or procedure. Perhaps you need surgery for a sinus condition that's bothersome but not life-threatening. A delay, if approved by your doctor, is an especially good idea if you or a spouse is in line for a job that will pay health benefits or if you've maxed out your flexible spending account for the year.

Also ask if there are tests that can be avoided safely, such as for cholesterol and glucose if you've recently had those checked.

Compare hospital costs

Some insurance company websites, such as those for Cigna and Health Net, can tell you what

many area hospitals charge insurers.

If you have insurance -- and have to pay a percentage of the bill -- finding the least expensive hospital can lower your share. (You'll need to ask your doctor about the hospital's quality and to help find a specialist there to do your procedure or surgery.) A recent search on Health Net's site found that a caesarean section in Southern California ranged from \$18,000 to \$30,000, excluding doctor costs. At a 20% coinsurance rate, the patient's share would range from \$3,600 to \$6,000.

If you don't have insurance, and thus don't have access to an insurer's site, you can get similar data from for-profit companies and use it to negotiate with a hospital. HealthGrades.com charges \$7.95 for reports that give the average cost of what an insurer is charged and what the average charge is from a hospital in a particular region.

Get your insurer's OK

Insured patients, once you've settled on a hospital, contact your insurer to get approval for the care (not doing so could mean the insurer will refuse to pay) and to see what it will cover. Some billing experts recommend having your doctor detail the procedure and any pre- and post-care you may need, in writing, for the insurer. Add a copy of that to the file you should now be keeping -- having paperwork can help you rectify any billing errors that come up later.

Factor in the hospital deductible

Hospital stays typically have their own deductible, which could be \$1,000 or higher, separate from the one you pay for outpatient care.

Expect hospitals to ask for the deductible and any other patient share of the bill on or before service. You don't always have to pay the deductible or your share of the hospital bill immediately, but you do have to come up with a plan to pay it off, says Bernadette Lodge-Lemon, head of patient business services at UCLA.

Cautions Rukavina: "Try to avoid using a credit card to pay a hospital bill, unless you're sure you'll be able to pay it off in full by the due date." Letting the credit card bill go past one cycle adds interest fees and could increase your interest rate. A better idea is to ask the hospital for a no-interest rate payment plan.

If you can't foot your share of the bill, hospitals might be able to discount your deductible, copay or coinsurance if you qualify under its financial screening process.

Check out possible assistance

If you're not insured, meet with a financial counselor at the hospital as soon as possible. Hospitals are required by law to let patients, insured or not, know about the availability of charity care, discounts and government programs that can cover all or part of their bill and about any other programs that can help take care of hospital charges, according to the California Department of Consumer Affairs.

The California Office of Statewide Health Planning and Development's website lets you find out the charity and discount provisions at area hospitals. Go to <http://syfphr.oshpd.ca.gov/>. You may qualify for free or discounted care if your income is below 350% of the federal poverty level (currently about \$36,400 per year for one person or about \$74,200 per year for a family of four) and you don't have health insurance of any kind, or you do have health coverage, but your medical costs are more than 10% of your family's income in the last year.

Some hospitals, including Cedars-Sinai and the UCLA medical centers, frequently offer discounts to both uninsured and insured patients with incomes higher than 350% of the federal poverty level, so don't be afraid to ask.

Get an itemized statement

Insured patients will typically get a summarized billing statement; the insurer gets more specific cost information. Request an itemized bill and ask the hospital for deciphering help if needed. More than 50% of hospital bills reviewed by his company has errors in them, says Jason Beans, head of Rising Medical Solutions, a patient billing consulting firm in Chicago. Errors, which average 9% to 10% of a total bill, can include errant decimal points, charges for tests or procedures not done, even care on days you weren't in the hospital.

"Look at each item and make sure the care occurred," says Beans. Do the dates match up? Were you charged for the same medicine or procedure twice? You can even ask about charges you think were unnecessary. For example, if you recently had a cholesterol blood test, but the bill shows another one you were not told about beforehand, question the charge, Beans suggests.

For incorrect items on the bill, direct your questions to the hospital, says Beans, unless the error was made by the insurance company, such as how much your deductible is, or if it disqualified a service you think it covers.

Ask yourself: Do I really need to go to the hospital?

One way of saving money might be to avoid the hospital for some care.

Cigna, which insures about 375,000 people in Southern California, recommends to its members that they consider having some tests and procedures, such as colonoscopies, MRIs and CT scans, done in independent surgery or imaging centers, or at an accredited doctor's office, which can save hundreds of dollars.

Hospitals can have far higher expenses, including a large physical plant, a larger staff and the need to write off millions of dollars in care for people who don't pay or who pay at a reduced cost. Your doctor should be able to recommend independent centers -- but, again, be sure your insurer will pay.

Don't ignore it

That bill for cancer surgery or an appendectomy or getting your meniscus fixed does have to be paid. Ignoring it will simply result in it being turned over to a collection agency.

"Pay your bills, even if you can only afford to pay a little at a time," says Rukavina.

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