

Healthy haggling

By Eve Mitchell
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Medical bills are soaring at a time when insurance companies are asking patients to pick up more of the tab. All the more reason consumers should negotiate to bring the cost down, consumer advocates say. • That is the route taken by Barbara Nitenson, of Daly City, after learning that her out-of-network doctor wanted to charge her \$2,500 for an endoscopy last year for which her insurance company would have picked up only 40 percent of the tab. • She asked the doctor if he would accept the in-network rate of \$1,000 for the procedure, an offer Nitenson made due to her knowledge of the medical field and a proactive approach to health care. He did, and Nitenson ended up with a \$205 co-payment instead of the \$1,500 she would have been charged if she had not negotiated.

"It was quite a savings," she said. "When it comes to dealing with the medical profession, people need to take a more active role. You really have to do your homework, and you can really save."

That advice applies to both the uninsured and for procedures not covered by insurance, such as deductible, co-pays and other out-of-pocket payments charged by hospitals, doctors, dentists and other providers of medical services, consumer advocates say.

Unlike Nitenson, most people are not aware that such bills are negotiable.

"I think people are surprised to learn that medical bills are negotiable. People don't typically bargain in America when you go to an established enterprise. It's not part of the culture," said Mark Rukavina, executive director of www.accessproject.org. The nonprofit provides consumers with tips on how to negotiate medical bills.

Medical providers are willing to negotiate "because they'd rather get something than nothing" and avoid the expense of sending the bill to a collection agency, he said.

Hospitals, doctors and other medical providers have non-discounted rates for various medical procedures not covered by insurance, Rukavina said. Insurance providers pay discounted rates because they have the clout to negotiate for lower prices, and there is no reason why individual patients, both insured and uninsured, cannot also negotiate, he said.

Low- and moderate-income residents of California who are uninsured should be aware of the Hospital Fair Pricing Act of 2006. The law was passed to prevent hospitals from charging uninsured patients higher rates than insured patients.

"For the people who have used it to get a bill reduced, it has had an enormous impact," said Jessica Rothaar, a program director for medical debt in the Oakland office of Health Access. The consumer advocacy group sponsored the legislation, which requires hospital procedures for uninsured low-income patients to cost no more than what is billed under Medicare or Medi-Cal, which are typically

about one-fourth of the non-discounted rate. For income limits and more details, go to www.hospitalbillhelp.org.

That law only applies to hospital bills, but not to medical procedures that take place outside of a hospital. In addition, it is not intended to help insured residents seeking to negotiate down the price of a high deductible or other out-of-pocket cost, Rothaar said.

What can you do in those situations? Research first, then negotiate, advocates say.

Before negotiating, get an idea of the cost of a medical procedure. Check out Healthcarebluebook.com, which provides average local costs that medical providers accept from insurance companies for various procedures.

"It gives you the ammunition to have those negotiations. (Many) people don't realize they could negotiate their medical bills or that there are essentially different prices charged for the same procedures. I think the reason it is coming up in conversation more is that insurance policies are moving toward higher deductibles, so you're ending up as a consumer paying more initially out of pocket," said Angie Hicks, founder of Angieslist.com, which provides consumer ratings of doctors and other services providers

If patients have difficulty paying a bill, they can negotiate with the doctor to settle the bill, said Donald Waters, executive director of the Alameda-Contra Costa County Medical Association, a component of the California Medical Association, whose membership is made of doctors.

"Say the patient is uninsured. Then that's something the patient can talk to about with the doctor, and they can come to some kind of agreement," he said.

Whether you are insured or uninsured, it is best to ask for a discount before the medical procedure is done, said Dr. Jeff Rice, chief executive officer of Healthcarebluebook.com.

Not all medical providers will engage in negotiations with insured patients after a bill is issued for out-of-pocket expenses due to agreements with insurance company, Rice said.

However, such negotiations are possible as evidenced by a survey conducted in May of Angieslist.com members. About 57 percent of respondents said they never negotiated a medical bill. Of those did ask for discounts, 74 percent obtained them. Another survey finding was that 40 percent of respondents who did negotiate had health insurance.

"The thing that people need to keep in mind is that the medical field is used to negotiating prices because they have done that all throughout history with the insurance companies," Hicks said.

She had to look no further than to her own marketing representative to find a real-life example of someone with insurance who had negotiated a lower medical bill.

Angela Barnes got hit with a \$2,200 deductible due for her son's ear surgery. The deductible was cut in half through negotiations with the medical provider.

"We simply called, asked to speak to a billing supervisor and asked what our options were. First they asked some financial questions to see if we qualified for a hardship discount; we did not. After a little

more discussing, their discount went from 30 percent to 40 percent to 50 percent off," Barnes wrote in an e-mail.

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Tips for negotiating a lower medical bill

- Ask: Cash (or immediate payment) is king in a medical facility, just as it is with retailers and service companies. Ask if there is a discount for upfront payment or a no-interest payment plan. Be sure to follow all applicable health insurance rules.
- Get quotes in writing: If you are price shopping before you have a procedure done, get a signature, name and title to go along with the price quoted.
- Cover every doctor in the room: When getting prices, be sure you cover all fees associated with your procedure, rather than just the surgical costs. (i.e., anesthesiologist, radiologist, laboratory costs, etc.)
- Be polite: Don't be overly aggressive in seeking a discount. Some medical practices will alert you to payment options, but some may not be actively courting them. Start with the office clerk you would normally check out with, but don't be afraid to ask for a billing manager if you don't feel like you are getting a full answer.
- Review all the paperwork: If a bill seems out of line, ask about it. Check around to determine if the bill is in line with what other facilities charge. Call the billing department armed with your information and ask for the lower charge.

Source: Angie's List