

The Ultimate Guide to Lowering Your Medical Bills

Regardless of how well your hospital treated your illness or injury, sadly the healthcare system's billing structure is designed to screw the patient over in the end.

The reality is, healthcare is expensive, and hospitals and insurance companies are multi-million-dollar businesses that surround themselves with highly skilled people to protect their interests and bottom line. Meanwhile, individual patients can get stuck with exorbitant medical bills, making it difficult to carry on with normal life.

The purpose of this guide is to change that reality. To our knowledge, this is the most comprehensive single source available for understanding and negotiating your medical bill. We hope this information can help level the playing field and ensure that patients can adjust their medical bills to pay fair prices.

This guide has 3 parts:

Part 1: Understanding Your Medical Bills

We'll provide background on how dangerously out of control medical costs have become, and we'll walk through typical medical documents from hospitals and insurance providers to help you understand exactly what you're being charged for—and why.

Part 2: Negotiating Your Medical Bills

We'll discuss the process of negotiating your medical bills. That process starts with gathering ALL of the right information, then recognizing problems that might be relevant to your specific case. Finally, we'll guide you through what you can do to help reduce those bills.

Part 3: Getting Help with your Medical Bills

While we hope to arm everyone with enough information to negotiate their medical bills, the truth is no guide can be 100% comprehensive. The medical billing system is incredibly nuanced and Byzantine, sometimes people run into a brick wall, and some still need help financing their medical bills. Here we share ways you can get help, from hiring a professional negotiator to seeking out medical charities and personal loan companies to help you pay your bills.

Please read this guide free of charge. Then tell us about your experience. If the guide helped you to reduce your bills, email us at **advocate@resolvemedicalbills.com** and let us know.

Part 1: Understanding Your Medical Bills

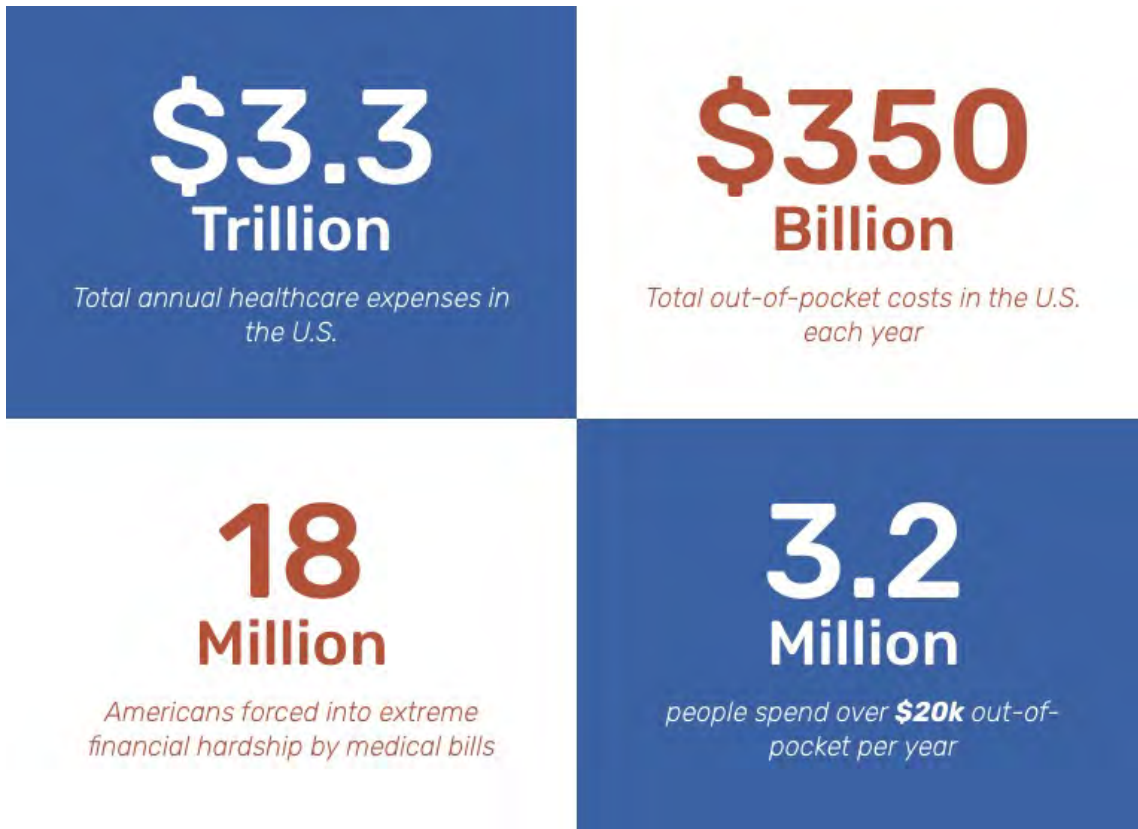
First we'll provide a background on how dangerously out-of-control medical costs have become, we'll then walk through typical medical documents from hospitals and insurance providers to help you understand exactly what you're being charged for – and why.

Part 1 is divided into 3 sections. Click in the list below to jump directly to that section:

1. **Spiraling Healthcare Costs** An overview of the troubling upward trend in U.S. health expenditures
2. **How Patients Are Getting Squeezed** Identifying the 3 main contributors to high out-of-pocket medical costs
3. **Understand Your Medical Bill** A deep dive into medical-related documents and how to read them

Spiraling Healthcare Costs

Annual U.S. health expenditures average about \$10,000 per person, more than twice the rate of other industrialized nations. Put into jaw-dropping perspective, healthcare costs in America have ballooned to more than \$3.3 trillion each year.



A lot of this bill is paid for by insurance companies (though your insurance premiums cover that part indirectly). However, over \$350 billion dollars are spent directly by everyday Americans on out of pocket for medical costs.

Worse, about 1% of the U.S. population (3.2 million people) are hit hardest, spending over \$20,000 out-of-pocket each year on healthcare. And annually, 18 million Americans are forced into bankruptcy or outright poverty as a result of medical expenses.

So if you have a medical bill that you're struggling to pay (or one that simply seems excessive), please know that you're not alone.

Unfortunately, these troubling trends are expected to continue, with healthcare expenditures projected to grow, on average, **5.5% per year over the next decade**. **By 2029, total healthcare costs will exceed \$5.6 trillion.**

For a wealth of information around healthcare spending, check out [Peter Kaison's Health Systems Tracker](#). (Warning: it's a true data rabbit hole that could consume you for hours!)

How Patients Are Getting Squeezed

These are the 3 main contributors to high out-of-pocket costs:



\$149 billion *Hospital Price Gouging*



\$63 billion *Incorrectly Denied Insurance Claims*



\$46 billion *Hospital Billing "Errors"*

Hospital Price Gouging (\$149 billion):

Using data provided by the Center for Medicare and Medicaid Services (CMS), we performed a study comparing hospital costs and the amount that they charge consumers, and we found that, on average, hospitals charge more than four times (4x) their own costs for care services. Think of it like being sold a brand-new, base model Honda Civic for over \$70,000.

Meanwhile, behind closed doors, insurance companies and hospitals are busy negotiation discounts on those set prices. On average, consumers are charged 3.5 times more than what an insurance company pays. So, that Honda Civic you bought for \$70,000, the insurance is getting for around \$20,000.

If Everything Had the Same Markup as Hospitals

	 Starbucks coffee (grande)	 Nike running shoes	 iPhone X	 Honda Civic
Insurance pays:	\$3.00	\$75	\$750	\$20K
But you pay:	\$10.50	\$262	\$2,625	\$70K

Incorrectly Denied Insurance Claims (\$63 billion):

Say you have great health insurance and go to the hospital expecting your treatment to be covered by your plan. But six months later, you receive an enormous medical bill from the hospital, claiming that your insurance company denied coverage.

If this sounds familiar, it's because it happens all too often in America — [nearly 20% of in-network insurance claims end up being denied](#), and almost none of them are appealed.

Even worse, while hospitals tend to be good about appealing insurance denied claims (with a 63% success rate), insurance companies are far more likely to say no to consumers (only a 14% success rate).

How to explain the huge discrepancy? Insurance companies are experts at using confusing jargon and setting up just enough roadblocks (i.e. forms and other paperwork) to make you want to throw your hands in the air and give up. Unfortunately, the average consumer does just give up.

Hospital “Overbilling” and Balance Billing (\$46 billion)

A [NerdWallet study](#) on the medical debt crisis suggests that nearly 13% of all billed medical costs are erroneous. Even more alarming, some estimates claim that 70% of all hospital bills contain errors. Oddly enough, these errors are almost always in favor of the hospital rather than the patient.

These errors can come from tricks that hospitals use to charge for the same thing multiple times, such as “mistakenly” charging for a service not provided, or the hospital trying to collect once from your insurance company and again from you (a practice known as balance billing).

Although **at least 25 states** have passed laws protecting consumers from balance billing and there are **bipartisan efforts in Congress** to curb this practice, we still see it happening frequently. (We’ll discuss balance billing in more detail later in this guide.)


Understand YOUR Medical Bill

Medical bills, Explanation of Benefits, and other medical-related documents are confusing — so much so that it seems as if hospitals and insurance companies are intentionally making things as difficult to decipher as possible.

Nor is it uncommon, after a trip to the hospital, to receive multiple bills — from your doctor, the ER, the lab that ran blood tests, and the ambulance, all of which may technically be separate companies billing you a separate amount for their services.

The important thing is not to be overwhelmed by all of this. Take each bill, one at a time, and break it down to understand each part. Keep reading for our tips on understanding a hospital bill.

Hospital Bill Anatomy



Services Provided at:
Sutter Health
Address: 10000
San Francisco, CA 94601-1000

Matthew Johnson
PO BOX 750
ANYTOWN, NY 10191

For billing inquiries, please contact us at 855-398-1633.
Office hours Monday through Friday 7:00 AM to 5:00 PM.
You may email us at S3ContactCenterCBO@sutterhealth.org.

Patient Name	Patient Account #
Johnson, Matthew	750334213

Date of Bill	Admit Date	Discharge Date
03/19/19	01/11/19	01/11/19

Insurance Company
United Healthcare - United Healthcare Choice

SAMPLE
Hospital Bill

Summary of Account

Charges	Rev Code	Description	Amount
	0250	PHARMACY - GENERAL CLASSIFICATION	
	0300	LABORATORY - GENERAL CLASSIFICATION	
	0450	EMERGENCY ROOM - GENERAL CLASSIFICATION	

Total Charges

1 Billed Charges

75,000.00

Payments and Adjustments

Date	Description	Amount
2/6/2019	United Healthcare PMT INSURANCE	
	Deductible 3,000.00	
2/6/2019	United Healthcare ADJ CONTRACTUAL (INS)	
	Total Insurance Payments and Adjustments	

3 Insurance Payment

2 Insurance Adjustments

20,000.00

(53,000.00)

(73,000.00)

Current Balance:

\$2,000.00

4 Balance

1. **Billed Charges** (a.k.a. 'Gross Charges' or "Chargemaster Rate")

These are the "full-rack" rates that the hospital charges only to uninsured patients. The prices listed often have little bearing on reality (averaging around 4.5 times the hospital's costs) and are never the prices that insurance companies end up paying – or prices that you should ever pay.

We call this the “sucker” price. Hospitals charge this amount just to see if they can get away with it. *But you should never pay it.*

2. **Insurance Adjustments** (a.k.a. “Contractual Amount” or “Contractual Discount”)

This is the discount that the insurance company has pre-negotiated with the hospital. Insurance companies are wise to the hospital’s pricing schemes, so they make sure never to pay the full amount. You’ll only receive an insurance adjustment if you have insurance.

3. **Insurance Payment** (a.k.a. “Allowed Amount”)

The amount that the insurance company actually pays the hospital (per their pre-negotiated rate).

Note – sometimes the Insurance Payment (allowed amount) and Insurance adjustment (Contractual Discount) will be wrapped into one number on a hospital bill. This can make things extremely confusing – which is why recommend comparing the hospital bill to your insurance companies “Explanation of Benefits” (see below).

4. **Balance** (a.k.a. “Patient Portion”)

This is everything that’s left over after the Insurance Adjustments and Insurance Payments have been taken out of the Billed Charges. It is the bottom-line amount that the hospital is saying you owe. If you have insurance, this can be a copay or deductible amount.

This formula to arrive at this amount is Balance = Billed Charges – Insurance Adjustments – Insurance Payment. If the above equation doesn't work with the numbers that the hospital presented on your bill, something may be off.

Here's the formula that your hospital bill should follow:

$$\text{Balance} = \text{Billed Charges} - \text{Insurance Adjustments} - \text{Insurance Payment}$$

If the above equation doesn't work with the numbers that the hospital presented on your bill, something may be off.

*Believe it or not, there's some good news. Some hospitals are beginning to realize that patients are more likely to pay their bills if they understand what they're being charged for. And companies like **Simplee** are building software to help hospitals with this process. Making things as clear as possible is an important step to ensuring that patients stop getting ripped off.*

Insurance explanation of benefits

The Explanation of Benefits (EOB) is a document from the insurance company that is supposed to make costs and coverage clear. However, like hospital bills, the EOB can initially seem designed more to confuse than to explain. But with a little work, it becomes easier to understand.

(Note that while the order of items in your EOB may be different, expect the same general information to be displayed.)

SAMPLE
Explanation of Benefits

Claim Detail for **MATTHEW JOHNSON**
 Provider: ANYTOWN MC Claim Number: 985521408741 Patient Account Number: 87590078412

Date(s) of Service	Type of Service	Notes*	Amount Billed	Plan Discounts	Amount Allowed	Your Plan Paid	Your Itemized Responsibility to Provider**				Amount You Owe
							Deductible	Copay	Coinsurance	Non-Covered	
01/11/2019	OUTPATIENT SERVICES	G	\$75,000.00	\$53,000.00	\$22,000.00	\$20,000.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
Claim Total			\$75,000.00	\$53,000.00	\$22,000.00	\$20,000.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00

1 Service/Product **3 Provider Charges** **4 Paid by Insurer** **2 Your Responsibility**

Claim Detail for **MATTHEW JOHNSON**
 Provider: ANYTOWN, NY Claim Number: 985521408741 Patient Account Number: 87590078412

Date(s) of Service	Type of Service	Notes*	Amount Billed	Plan Discounts	Amount Allowed	Your Plan Paid	Your Itemized Responsibility to Provider**				Amount You Owe
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01/11/2019	OUTPATIENT SERVICES	UG	\$75,000.00	\$53,000.00	\$22,000.00	\$20,000.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00
Claim Total			\$75,000.00	\$53,000.00	\$22,000.00	\$20,000.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00

Notes:

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1. Service/Product:

This line item shows the type of medical service being considered in this instance. This can be a description and/or include a CPT or HCPCS code (essentially, sets of numbers that allow the insurance company to match a service provided with a set price).

2. Your Responsibility:

This area shows the charges that are your responsibility to pay. Compare this total responsibility to the balance (or patient portion) of your hospital bill – if they're different, something isn't right and you need to look into it.

Note that your insurance company pushes costs over to the “Your Responsibility” line items in 3 ways. Your membership benefits package should detail how and if each of these applies:

- *Copay:*

Think of this like a “shared” payment for services provided. Low copays (\$20–\$50) are common for doctor’s visit checkups, though sometimes your copay will be a percent of your total bill (generally around 20%).

- *Deductible:*

Many insurance plans require you to cover a certain amount of expenses before their benefits kick in. This amount is the deductible. For instance, if you have a \$5,000 deductible, you’ll need to pay the first \$5,000 of medical bills before the insurance kicks in and pays. (However, the discount on services that the insurance company negotiated with the hospital should still apply).

- *Coinsurance:*

This is the percentage of your medical bill that you pay after you’ve met the deductible, with the rest being paid by your insurance company. If your plan has a 20% coinsurance, you pay that percentage of the bill, while your insurance covers 80%. This is a form of a copay but usually reserved for talking about paying a percent of the cost.

3. **Provider Charges:**

The provider is the healthcare provider (e.g. the hospital). The following section breaks down each part of the provider charged (a useful exercise is to match all of this information with the information on your hospital bill to make sure everything lines up properly):

- *Amount Billed:*

This is the initial amount the healthcare provider charged for your visit (a.k.a the Chargemaster Rate). It should correspond with the billed charges on your hospital bill, and will likely be significantly higher than the Allowed Amount (see below).

- *Plan Discounts:*

This is the discount off the Chargemaster Rate that your insurance company has negotiated with the hospital. This might be called the “insurance adjustment” or “contractual amount” in your hospital bill.

- *Allowed Amount / Allowed Charges:*

This is the amount that the healthcare provider is actually allowed to charge for their services (versus the Amount Billed), according to their contract with the insurance company.

4. **Insurance Coverage / Paid by Insurer:**

This is the amount of money that your insurance company paid the hospital, and should be the same amount as the “Insurance Payment” on your hospital bill. Adding this amount to Your Responsibility (how much you owe) should equal Allowed Charges.

Summary

- Annual U.S health expenditures are spiraling out of control (over \$3.3 Trillion), and millions of Americans are paying way more than they should in out-of-pocket medical bills.
- The 3 main contributors to *excessive* out-of-pocket medical costs are 1) incorrectly denied insurance claims, 2) hospital price gouging, and 3) hospital billing “errors” (charging for the same service multiple times, or “mistakenly” charging for a service not provided).
- Medical bills, Explanation of Benefits, and other medical-related documents are designed to be confusing – as if hospitals and insurance companies are intentionally making things as difficult to decipher as possible.
- When you receive a hospital bill, you should *never* pay the full Billed Charges. We call this the “sucker” rate – that’s the amount the hospital charges just to see if they can get away with it.
- Insurance companies all negotiate a discount (the contractual discount) with hospitals to come up with a new price (the allowed amount). If you have insurance, make sure you’re only paying the allowed amount. If you don’t have insurance, we’ll go over how to figure out a good price to pay in the next post.
- Having a clear understanding of each item in your hospital bill and Explanation of Benefits is the first important step to ensuring you aren’t getting taken for a ride with erroneous charges and that you can adjust your bill to pay fair prices.

Part 2: Negotiating Your Medical Bills

In [Part 1: Understanding Your Medical Bills](#), we provided background on how dangerously out-of-control medical costs have become, and walked through typical medical documents from hospitals and insurance providers to help you understand exactly what you're being charged for — and why.

Now we'll dive into the process of negotiating your medical bills. That process starts with gathering ALL of the right information, then recognizing problems that might be relevant to your specific case. Finally, we'll guide you through what you can do to help reduce those bills.

There is no one-size-fits-all approach to appealing — and lowering — an exorbitant medical bill. While there are some standards around terminology and paperwork, hospitals and insurance companies tend to phrase or present things differently, often causing confusion (which may, in fact, be the point). For example, what the hospital bill calls the "insurance adjustment" may be referred to as the "plan discount" on your insurance company's Explanation of Benefits. As we laid out in Part 1 of this guide, understanding those nuances is key to taking the next steps.

In order to start negotiating your hospital bill, you need to dig deeper into *why* you've been billed a certain way. In other words, what particular issue (or issues) can you identify, whether it seems like price-gouging or an unexpected insurance denial?

In this part, we'll identify the possible issues with your bill, dividing them into 4 buckets – Price-Gouging, Insurance Denial, Balance Billing, and Billing Errors – and providing detailed descriptions of each scenario and how to prepare for negotiating the bill. (Note: these buckets may seem dense and overly detailed. We're trying to provide as much information as possible, as clearly as possible, so read carefully.)

Finally, we'll help you apply that knowledge to the actual negotiation.

We recommend following this 3-step process, which has led to significant bill reductions for our clients:

Step 1: Gather the RIGHT Information

(always more complex than it sounds)

Step 2: Analyze, Understand, and Fix the Issue

(less complex than it sounds)

Step 3: Negotiate

(requires patience, persistence, attention to detail, and a refusal to accept “no” for an answer)

Step 1: Gather the RIGHT Information

The first step to negotiating your hospital bill is to make sure you have in your possession – and that you understand – all of the relevant documents for your case. (For a refresher on how to understand your hospital bill and insurance Explanation of Benefits, reread our section in [Part 1: Understanding Your Medical Bills](#).) These include:

- Hospital Bill
- Itemized Hospital Bill
- Explanation of Benefits (if you carry insurance)

Hospital Bill

Your hospital bill is typically sent to you in the mail. It comes from the hospital and lists total charges along with any discounts offered, insurance company coverage, and what you as the patient owe.

Itemized Hospital Bill

This is breakdown of ALL charges, line by line. This won't be sent automatically; you have to call the number on your hospital and ask specifically for the *Itemized Hospital Bill*. Hospitals aren't inclined to provide this information, but they are required by law to do so if you ask. Make sure to be clear and direct, and say something along the lines of "I would like an itemized bill."

The itemized bill should have a line-by-line list of the charges and the associated "revenue code" (the internal code the hospital uses to determine their charge), the CPT or HCPCS code (used to identify what services were provided), and charges for each line item.

Explanation of Benefits (EOB)

If you have insurance, your insurance company should have sent this to you. If your insurance company has an online portal, it's almost always posted there. Additionally, you can call your insurance company and ask them to send an EOB to you.

If you don't have insurance, don't worry about this document.

Note: If it feels frustrating and difficult to gather even these three simple documents, don't worry – this is a very time-consuming process, even for us. It's upsetting that something that seems so simple ends up being so complex and time-consuming, but remember: be patient, persistent, and do not accept "no" for an answer.

Step 2: Analyze, Understand, and Fix the Issue

Most billing issues that we encounter fall into 4 different buckets (described below). It's important to understand which bucket you fall into (though it may be more than one) so that you take the right path to rectifying the situation.

(If you're unclear that any of these 4 buckets apply to you, it's likely you have a more complex case. Contact us directly to make an appointment with one of our experts, who will be happy to spend 20 minutes going through your situation and to point you in the right direction.)

What follows are descriptions of the 4 buckets. Click on any of the buckets in the list below to jump directly to its detailed description, including how to identify it and guidance on how to fix it:

- [Price Gouging](#)
- [Insurance Denials](#)
- [Balance Billing](#)
- [Billing Errors](#)

Price Gouging

Description:

Price Gouging is the hospital charging you far more than fair market price for services provided. As mentioned in Part 1 of this guide, hospitals charge consumers, on average, 4.2 times their actual costs and 3.5 times the price that insurance companies pay for the same service (the price insurance companies pay is negotiated behind closed doors).

Bottom line: if you don't have insurance, the price that you're being charged by the hospital is almost certainly inflated.

How to identify:

As mentioned above, if you don't have insurance, the hospital is likely charging you their rack rates for services, which means you're almost certainly being price-gouged.

If you DO have insurance but don't see a Plan Discount on your Explanation of Benefits (EOB) from the insurance company – or if the Plan Discount is for a very small amount relative to the total charges – you may be getting price-gouged. In this case, call the insurance company to walk you through the bill and confirm that the Plan Discount amount is correct.

How to fix:

While many people may shy away from negotiating based on price, this is exactly what you should do. You need to ask the hospital to reduce the price they're charging to a more reasonable amount (inline with what insurance companies pay, not the ridiculously inflated Chargemaster rate).

Beware: simply calling the billing office and demanding a discount will usually result in being told to apply for financial aid or to “get on a payment plan” — the front lines of hospital billing staff don’t want (and often aren’t authorized) to lower the actual amount you’re being charged.

More work needs to be done in order to get a bill reduction. Fortunately, we offer a better set of strategies to help you get the results you need.

Here are 3 steps to follow:

Step 1: Build Your Case

Step 2: Submit a Settlement Request

Step 3: Start Negotiating (if your settlement offer isn’t accepted)

Step 1: Build Your Case

Simply asking a discount often isn’t enough. We want to not just make the request but also give the hospital a strong reason to accept a lower amount, which we do in two ways:

1. Arguing that the amount billed creates a financial hardship
2. Pointing out that the prices being charged are far out of the ordinary (and comparing to what ordinary or reasonable prices might be)

Arguing that the amount billed creates a hardship gets easier and more believable as the bill gets larger. There’s no need to provide detailed financial records. Rather, simply state that you have multiple bills related to the procedure (as long as this is true) and that everything together makes it very difficult to pay.

Showing that prices being charged are out of the ordinary requires a bit of research. One of the best ways to do this is to look up [Medicare reimbursable pricing](#), or sign up for a free trial of [Find-A-Code](#), where you can enter the HCPCS/CPT code from your itemized bill and see what a Medicare reimbursable rate would be. Insurance companies generally pay 1.5 to 3 times the Medicare reimbursable, so it's best to use that range as your initial offer.

Another way to identify a reasonable rate is to identify what's known as the charge/cost ratio of the hospital (this is essentially the mark-up the hospital puts on their services) and use this to determine what a fair price might be. Unfortunately, government-published datasets are very difficult to work with, and private companies charge a lot of money for this information. Nevertheless, it may be worthwhile to conduct a Google search of "charge/cost ratio [hospital name]" to see if you can find anything informative.

Step 2: Submit a Settlement Request

Now that you've built a case, it's time to submit a settlement request.

Submitting the request is the starting point for negotiations – and the best way to steer the conversation with the hospital away from a possible payment plan – but it is not the end-all, be-all.

In order to do this, all you need to do is write a settlement request letter. This letter gives the hospital something to respond to, and, more importantly, it forces them to start talking about price and not just payment plans or applying for financial aid.

Your settlement offer letter should include the following information:

- Your account number
- Your name and address
- Dollar amount outstanding (that is the amount still on your bill)
- Dollar amount you're offering to pay for services
- Reasoning for the dollar amount you're offering to pay (generally based on Medicare Reimbursable rates or Charge/Cost Ratios)
- That you're willing to pay the proposed amount immediately up front (if you can), which encourages the hospital to accept your offer
- Thanking the hospital for their services

Proofread the letter to make sure all of the information is correct and that there are no spelling or grammatical errors. It's important that your letter look as professional as possible.

Now it's time to submit your letter. Call the number on your hospital bill and ask how you can submit a settlement request. They should provide a fax or email.

Note: You may be asked whether you want to go on a payment plan or apply for financial aid. Many hospitals accept settlement requests but billing department employees are trained to redirect to other methods. Stand firm in asking about how to submit a settlement request.

A day after you submit the letter, call the hospital to confirm that it was received and ask how long it will take for them to respond. You may have to call back multiple times over the next week to confirm receipt, but make sure you do. A favorite trick of hospitals is to “lose” your settlement request. Don’t let them do this, and don’t be deterred by roadblocks. Patience and persistence are key.

3. Start Negotiating

Keep checking on the status of your settlement request until you receive a response. As a general rule, hospitals will not call you back unless you push them.

If the hospital accepts your initial settlement offer, congratulations! You’ve successfully negotiated and all you have left to do is pay the bill.

If the hospital denies your settlement request, realize that this is just the start. Ask for a reason why and if they can provide a counteroffer. You may also request to speak to a supervisor to make your case over the phone. If they continue to deny, thank them and then try again in 3-5 days. (This method of keeping at it has resulted in significant discounts for us in the past.)

This often ends up being a long process of requesting a discount, being told no, and then trying again.

If after a lot of patience and persistence, you’re still getting nowhere — give us a call (877-245-4244) because we may be able to provide guidance or help “unstick” the situation.

Insurance Denials

Description:

The insurance company refuses to pay for a medical procedure, even though you went to an in-network hospital, sticking you with the bill. Often your insurance company will deny coverage for one of two reasons:

1. The medical procedure wasn't covered under your insurance policy, or
2. The medical services provided weren't for a medical emergency

Because algorithms are typically used to sort claims and issue denials, we often see erroneously denied claims that should obviously be covered.

In one instance, a patient went to the ER with severe chest pains (thinking that they might be having a heart attack), only to be diagnosed with acute heartburn. The insurance company denied their claim because acute heartburn is “not a medical emergency.” The denial was overturned, as the *reason* for going to the ER — a potential heart attack — presented a medical emergency, and is separate from the actual diagnosis.

How to identify:

Your Explanation of Benefits (EOB) from the insurance company should clearly state both if your claim was denied AND the reason for your denial. It's important to note the reason for denial, as that determines the best path to appealing your claim.

How to fix:

Appealing insurance claim denials is all about attention to detail, following the process to a T, recording *everything*, and patient yet persistent follow-up.

Many health insurance companies have deadlines for filing appeals so make sure to act fast to get the appeal out the door and into the hands of the insurance company.

If your claim was denied because of a clerical error (e.g. misspelled name, wrong insurance ID, etc.), it should be relatively straightforward to fix. Call up your insurance company and ask for the forms to refile. Be extremely careful and deliberate to make sure there aren't any mistakes on your refile.

If your claim was denied for another reason (likely either because the treatment received was *not a covered procedure* or *not a medical emergency* in the eyes of the insurance company), we recommend taking the following steps:

Step 1: Understand the Process and Paperwork

Step 2: Gather All Evidence

Step 3: Submit Your Appeal and Follow-Up

Step 1: Understand the Process and Paperwork

There's a lot involved in filing a claim appeal so it's important to track everything carefully.

You should be able to find all paperwork and the process for filing an appeal in your insurance company's online portal. If you're still confused, call up your insurance company and ask directly.

We recommend writing out a step-by-step process and a checklist of all the paperwork needed at each stage of the process. This allows you to track your progress and ensures that you have everything needed to properly file an appeal. Additionally, putting all forms in one place (a folder on your computer or in the cloud, or a hard copy near your desk) makes it easy to find and work on your case.

Step 2: Gather All Evidence

Work with your doctor and the hospital to gather the relevant evidence that will allow you to overturn your claim. Depending on your individual case this could include:

- Referral from your doctor to another medical provider
- Medical history records to show a treatment or procedure was a medical necessity
- A note from your doctor affirming medical necessity (doctors and hospitals are usually very happy to provide this to you if you call them up and ask)

- Adjustment to diagnosis and treatment codes — sometimes the billing department enters incorrect codes that aren't covered by your insurance. If this is the case, request that they change those codes to items that are covered.
- Explanation of covered procedure — if you believe that your procedure is actually a covered procedure, include an explanation of this (along with a note from the doctor)

Step 3: Submit Your Appeal and Follow Up

Now that you've gathered the evidence, submit your appeal claim form.

Make sure that you read the claim form extremely carefully and follow each step exactly as it's written. Any mistake can cause your appeal to be denied due to clerical error, forcing you to go through the process of filling out everything again.

We recommend politely calling your insurance company every couple of weeks to check on the status of your claim.

While you shouldn't be under deadline pressure at this point (deadlines are usually for *filing* the claim, not the insurance company response time), appeals can take time and it never hurts to check in on the status and see if there's anything else to be done to expedite the process. Make sure you also ask for an expected timeline for the appeal to be processed.

Two important items to keep in mind when following up:

1. **Take notes.** Every time you call, write down the date and time, the name of who you spoke to, what you asked, and what their response was.

2. **Don't shoot the messenger!** The person you're talking to on the phone is not the same person responsible for filing and making a decision on your appeal. If you don't get the response you want or things are taking a long time, remain polite and ask what you can do to change things. You want to make the person you're talking to your advocate in getting the process done — getting angry never helps.

Balance Billing

Description:

Balance billing is the hospital billing you for the difference between the amount your insurance company paid and their Chargemaster rates (that is, billing you the *Contractual Discount* on your EOB/Hospital Bill).

As described in Part 1, your insurance company negotiates special rates with the hospital. As part of the agreement, the hospital is NOT allowed to charge those insured the difference between their standard rates and the negotiated rates. However, sometimes they do anyway (mistakenly or otherwise).

Balance Billing Example:



\$75 *Standard rate of towing service without AAA*



\$45 *Pre-negotiated rate between towing service and AAA*



\$30 *Bill you receive for difference between standard rate & pre-negotiated rate. This is Balance Billing.*

If that's still confusing, here's an analogy to help put it into perspective. Say you have AAA and need to get your car towed. Your contract with AAA provides free towing. AAA arranges and pays for the towing service, and a truck from Acme Towing comes to tow you. Acme and AAA have a pre-negotiated rate for towing services (say \$45), but this rate is less than what Acme generally charges for people who don't have AAA (say \$75). So in order to make more money, Acme collects the pre-negotiated amount directly from AAA (\$45), and then bills you for the difference between what AAA paid and what their standard rate is (\$30). Pretty slimy, right?

Not to make things more confusing, but there are two types of balance billing: **In-Network** and **Out-of-Network**.

In-Network Balance Billing occurs as described above: the insurance company and the hospital have a contract defining a set rate for services, and the hospital attempts to bill you extra on top of that defined rate (which is not allowed in their contract).

Out-of-Network Balance Billing occurs when you go "out-of-network" for your medical treatment. That is, the medical service provider does not have a negotiated price agreement with your insurance company. In these cases, the insurance company determine on its own what it will pay the hospital for these service. There is no contract stating that the hospital cannot charge the patient the difference between what the insurance company paid and the hospital charge master rate (though many states have laws regulating what can be charged in this instance – we'll get into that in the next section).

In the towing company example, AAA and Acme would NOT have a pre-existing agreement. Instead, AAA would just pay Acme \$45 even though Acme normally charges \$75.

How to identify:

Compare your Explanation of Benefits (EOB) from your insurance company with the bill that your hospital sent you. The EOB should clearly tell you whether the healthcare provider is in- or out-of-network.

Additionally, if the numbers from your EOB and Hospital Bill don't line up, you may be getting balance billed.

In-Network

The "Balance" on your Hospital Bill should match the "Patient Portion" (or amount owed) on your EOB.

If they don't match, and/or the Balance on your Hospital Bill matches the "Contractual Amount" or "Plan Discount" on your EOB, you may be getting balance billed.

Out-of-Network

If you go to an out-of-network healthcare provider, your EOB will point this out. It will also list the Gross Charges from the hospital and the amount that your insurance company paid the hospital or doctor's office.

The hospital will likely send you a separate bill for the difference between their Gross Charges and what the insurance company covered. This is the "Balance" in Balance Billing.

Even if you went to an In-Network hospital for your medical treatment, it's possible to have Out-of-Network charges. It's increasingly common for certain doctors or departments at "in-network hospitals" to be separate from the hospital, not have an agreement with the insurance company, and therefore be considered "out-of-network."

How to fix:

As mentioned earlier, there are two types of balance billing: In-Network and Out-of-Network.

We'll walk through these situations one by one, but feel free to skip to the section that's most relevant to you:

In-Network

Fixing in network balance billing is relatively straightforward, as this almost always goes against the contract the hospital has with your insurance company. There are 3 steps to follow:

- Step 1: Call the Insurance Company
- Step 2: Correct with the Hospital
- Step 3: Get an Updated Hospital Bill

Step 1: Call the Insurance Company

Before working with the hospital, we recommend calling your insurance company to walk through your Explanation of Benefits (EOB) and Hospital Bill, and to accomplish 2 things:

1. Confirm that you are, in fact, being balance billed. Your insurance company representative should be able to walk through your charges and what you're responsible for and confirm whether this is the case.

2. Ask the representative the best way to talk to the hospital about getting the balance billing reversed. In-Network balance billing is forbidden in the contracts that insurance companies have with hospitals, so they will know how to correct this (and may do it for you).

Step 2: Correct with the Hospital

1. If your insurance company didn't offer to reach out to the hospital to correct the issue on your behalf, call the number on your hospital bill and let them know that you spoke to the insurance company, believe you're being balance billed, and request that they correct it.
2. You may have to walk through everything carefully to show that you're being balance billed (which is why it can be helpful to walk through this with your insurance company first—so you're more confident in what's going on).
3. It's important to NOT threaten anything at this stage — regardless of whether this is contractually forbidden or even illegal. Most of the time, balance billing is a clerical error on the hospital's part and they're more than willing to work with you on it. Don't turn the hospital into the enemy.

Step 3: Get an Updated Hospital Bill

Make sure you request that the hospital send you an updated and corrected bill — so you can have the change in writing. Once this is done, make any payments you still owe (which, depending on your insurance, could be a deductible or copay).

Out-of-Network

If the hospital that provided treatment is an “out-of-network” medical provider you can no longer use your insurance company for help. However, many states have laws prohibiting balance billing from out of network providers. A recent overview of state laws was published [here](#).

We also recommend conducting an online search “balance billing laws [your state]” to ensure that you have the most up-to-date information.

Note: you will likely need to spend some time reading and understanding the laws as they may or may not apply to your specific situation.

If your state has good out-of-network balance billing laws, you can use those to reduce the amount you owe to the hospital. Call the hospital up and politely state that you think you might have been balance billed against state law and ask to speak to someone about it (it’s unlikely that the person answering the phone will have the authority to make changes). Once you get the right person on the phone, walk through your argument in detail. If you are being illegally balance billed, the hospital should be able to easily correct it.

Note on contacting an attorney: Depending on the size of the bill and your laws, it may be worthwhile to contact an attorney. Attorneys are skilled at helping you navigate and understand laws on the books. But keep in mind that they usually charge a high hourly rate, so you’ll need to find significant savings to make up for it.

If your state does NOT have comprehensive balance billing laws, the path forward is a little trickier.

We've had success in the past by convincing both the insurance company and the hospital to treat this as an In-Network claim.

This means that the insurance company pays "in-network rates" for services provided (which are usually more than out of network rates), and the hospital agrees to accept these "in-network rates" as payment-in-full for the services provided.

Convincing insurance companies can be a little tricky, since essentially you're working to convince them to pay more money than they otherwise would. So you'll want to make the following assertions:

- Your portion of the current bill is large enough that it could cause you to go bankrupt (provided it's true)
- You would have gone In-Network if you had the chance, but did not have the option (especially effective if you had emergency services)
- Given the above, you won't be able to afford to continue as a customer if this isn't treated as an In-Network claim

Once you get your insurance company on board, you want to work with the hospital to get them to agree to treat this as an In-Network amount. Sometimes it's enough just to connect the insurance company with the hospital and let them hash it out. However, if you need to talk to the hospital, keep in mind the following points:

- Accepting as an In-Network claim will provide them with a fair rate for the services provided
- The current bill might bankrupt you (provided this is true), so the hospital will end up getting more money if they agree to treat as an In-Network claim

Because there are no laws or contractual obligations governing behavior, this can be a tricky and nuanced process. You'll need to stay calm and patient, and try to get the person on the other end of the line to see your point-of-view while understanding theirs.

Billing Errors

Description:

There are two types of billing errors:

Charges for Services Not Provided: These are charges for services you did not receive. This could be anything from charging for 10 extra aspirin at \$50 each to going in for heart surgery and being charged for a knee replacement on top of it.

Hidden Charges: This is slightly more complex and difficult to verify. There are two major hidden charges: unbundling and upcoding.

- **Unbundling** is taking a procedure that has a single code and also adding in the codes for all elements of that procedure. For instance, you may have been billed for a “panel” of tests (e.g. arthritis panel). But if you see every individual test in the panel also being billed, the hospital is unbundling.
- **Upcoding** is the practice of putting a code on the bill for a service that is more complex (and likely more costly) than the services actually performed. For example, ER visits are graded on a 1-5 scale based on severity. Using the code for a level-5 ER visit, when the severity is actually level 4, would be upcoding.

How to identify:

Charges for Services Not Provided: Look through your itemized bill line-by-line to make sure you remember being provided all of the services listed. If you're unsure of any of those services, you may want to consult your Electronic Medical Record (EMR). You can call the hospital to request this (specifically state that you want them to send you your Electronic Medical Record. They are required by law to do so when asked directly).

Start with the largest charges first. The descriptions can be confusing, so [Healthcare Blue Book](#) and Google searches are your ally. Take the HCPCS/CPT code (there should be an identified column) and run a Google search to get a description of the code. There will almost certainly be tests and minor procedures that are unfamiliar to you—so, again, start by looking for large procedures that you're sure didn't happen.

It's possible to go through every charge, line item by line item, and compare it to your EMR—though the amount of medical jargon can be extremely intimidating. As long as you're able to ensure that the most expensive items are correct, you should mostly be covered.

Hidden Charges: For unbundling, we recommend signing up for a free trial of [Find-A-Code](#). Use the NCCI Edits Validator (under the Tools menu) and enter all of the codes on your itemized bill. Find-A-Code pulls from government-published CMS guidelines to detect code pairs that should not go together (because that would be unbundling). Make sure that your

entire hospital bill comes back clean. And if there are any errors, call your hospital's billing department to discuss them.

Upcoding can be a little trickier and requires more intimate knowledge of medical coding and procedures to really dig into. For ER visits, the severity level should be clearly identified (and if not, googling the CPT code will help). The [American College of Emergency Physicians](#) has a good breakdown and explanation of what constitutes various ER visit levels.

How to fix:

Once you've identified the billing errors, call the hospital's billing department and say that you have questions about your bill and would like to speak to someone about it.

Go line-by-line through the items on the bill that you think might be errors, and explain why you think they are errors.

Remember to remain patient and calm throughout, as you may have to explain things multiple times to multiple people.

Step 3: Negotiate

The bottom line is, negotiation isn't easy, and it isn't for everyone. But we can offer some tips on how to be a better negotiator and (hopefully) achieve a better outcome.

Write Everything Down

Record ALL of your conversations in one place and save them – ideally in the cloud (e.g. Google Drive or Dropbox) so you can access them from anywhere. Make sure to include the date, who you talked to (ask for their names), what the discussion was about, and any responses to questions you may have had.

The hospital and insurance company are taking notes on your conversations – so you should too. The goal isn't to have a "gotcha" type of moment, but rather to quickly and easily be able to go back and review all conversations so you can understand exactly what's going on.

Find an Advocate

As you call the insurance company and hospital and record more and more names, you may find yourself talking to the same person multiple times or someone who seems to be very focused on helping you out. Your goal should be to get them on your side, advocating for your case internally. Oftentimes, finding an advocate at the hospital or insurance company is the key to unlocking savings.

This is why we say be polite and patient, yet persistent. It's difficult to find an advocate if you yell or swear, and the more you become familiar to the person on the other end of the phone (by reaching out multiple times), the more comfortable they'll feel going out of their way to help you out.

Separate People from the Problem

Remember, no matter how frustrating the process may become, the person on the other end of the line is not your opponent or your enemy. Instead of being accusatory ("*You* did this" or "*You* did not"), phrase your words in terms of what the bill says or "what I've been told" more generally. Remaining calm, stay focused on the issue at hand: lowering your medical bill.

Persistence – Don't Take "No" for an Answer

The answer and outcome you want may not come right away or on your first try. Be polite, patient, and keep trying. Often enough, it's a matter of asking a question the right way, or it may take finding the right person on the other end of the line to be motivated to help. (Your politeness is motivating.) Whatever you do, don't give up.

Summary

- The first step to negotiating your hospital bill is making sure you've collected all the relevant documents for your case, including your hospital bill (along with an itemized bill that you may have to request from the hospital) and your insurance company's Explanation of Benefits. Reread Part 1: Understanding Your Medical Bills for a refresher on how to make sense of the information on these documents.
- The second step is identifying the particular billing issue (or issues). Most billing issues fall into 4 different buckets — Price Gouging, Insurance Denial, Balancing Billing, and Billing Error. Gaining a detailed understanding of the issue that applies to your bill is key to taking the next step: negotiating.
- If you're unclear that any of these 4 buckets apply to you, it's likely you have a more complex case. Contact us directly to make an appointment with one of our experts, who will be happy to spend 20 minutes going through your situation and to point you in the right direction.
- Negotiating isn't easy, and it isn't for everyone. It requires patience and an ability to remain calm and polite throughout a process that's likely to include multiple phone calls with multiple people on the other line. With persistence and a high level of organization (of your time and your paperwork), we've seen many customers successfully lower their medical bill.

Part 3: Getting Help with Your Medical Bills

Our primary goal in this guide has been to provide you with as much information as possible in as clear a way as possible to help you lower your exorbitant medical bills yourself.

But if you've read [Parts 1](#) and [2](#) of this guide, you can see how complex and drawn-out the process can be.

There's also the matter of time — spent calling the hospital and insurance company, persistently following up, and trying to clear every hurdle they put in front of you — precious time that you may not have in the course of your day-to-day life.

Fortunately, you don't have to go it alone. There are a number of resources that can help you navigate the medical billing system and negotiate on your behalf to lower your bill. These include experts trained who may catch things that non-trained people might miss, lowering a bill even further than expected.

And when a reduced bill is still more than you can afford to pay, there are options for financial assistance on what you owe.

In this part, we lay out several possible courses of action should you decide not to negotiate your bill on your own.

Find an Advocate/Negotiator

A Medical Billing Advocate is (usually) an expert on the complexities of the medical payments process and a seasoned negotiator. They can help you better understand the process, and they will demonstrate the persistence, patience, and expertise required to maximize your savings.

In short, advocates provide two major benefits:

1. **Negotiating Expertise** to help you maximize savings
2. **Peace of Mind** to allow you to relax and go about your life

Negotiating a medical bill can be a long and draining process. If you aren't prepared to take the time to learn or consistently follow through, and if you're too likely to accept "no" for an answer — an advocate may be a great option. And above all, if you don't feel comfortable negotiating your medical bill, it may be worthwhile to find an advocate to step in on your behalf.

On the other hand, if you're the type of person who likes to figure things out on their own, is persistent and patient in the face of a challenge, and don't mind picking yourself up when you fall down — then this guide may be all you need to negotiate your bill.

When looking for help, consider medical billing advocates who offer free consultations in which to discuss your situation and provide guidance on how best to proceed. The best advocates won't hold anything back or talk about "secret" processes — they'll be open and helpful with their advice before leaving it up to you to decide whether or not to hire them for their services.

Here at Resolve Medical Bills, we offer medical billing negotiation services and provide a free no-obligation, 20-minute consultation, during which we'll review your situation and provide our thoughts on the best strategy forward. After that, it's entirely up to you whether or not to engage us further.

Find Financial Assistance

Sometimes, even after the best negotiation efforts, medical bills are still too large to pay. Even in this case, there are still a number of options available to you, including:

Hospital Financial Aid

It never hurts to apply for financial aid from the hospital, even if you think you may not qualify. Many hospitals will offer some form of assistance to people whose income is three or four times the [federal poverty line](#). For example, the poverty line for a family of four is around \$25,000 in annual household income, which means that a family earning up to \$100,000 per year might still qualify for financial aid from the hospital.

Do a Google search for "[hospital name] financial assistance," and find out what information is available online or who to call to see if you qualify for any assistance.

Your State Medicaid Office

It's worth performing a Google search to find out if qualify for help from your state Medicaid office. Medicaid eligibility is generally based on income levels, and your state's office can provide guidance on whether or not you qualify.

Even if your procedure already happened, you may still qualify for “Retroactive Medicaid.” The US government allows for Medicaid coverage up to **three months** prior to the medical application.

And if you don’t initially qualify for Medicaid, many states have established a “**Medically Needy**” program. This program allows individuals with high medical expenses to reduce the income used to qualify for Medicaid by the amount they spend on their medical bills. So even if you are just over the qualification line for Medicaid, you may be able to become eligible by beginning to make payments.

State Children’s Health Insurance Program

If your bill is for a child, you may qualify for your state’s CHIP. At the above link, you can find qualification information, enrollment instructions, as well as a number to call to speak to someone about qualifying.

Pharmaceutical Companies

Many pharmaceutical companies provide assistance programs for those with financial need to help pay for their drugs – since some of those drugs can be extremely expensive, financial need can be very loosely defined.

If your medical bill involves a particularly expensive drug, reach out to the pharmaceutical company that manufactures the drug and ask if they offer any grant programs to offset its cost.

Medical Bill Charity Programs

A quick Google search for “medical bill charity for [treatment you received]” will show you a number of charities that can help you with your medical bill. Here are just a few we turned up:

- [PanFoundation](#) focuses on helping people with life-threatening, rare, and chronic diseases
- [Healthwell Foundation](#) helps the underinsured pay for medical care
- [Leukemia & Lymphoma Society](#) lends support to those suffering from leukemia or lymphoma
- [CancerCare](#) is a charity to help people pay for cancer treatment

While there’s no guarantee that you’ll be able to get covered by these charities (and many have their own unique eligibility requirements), it never hurts to call them up and ask about help.

GoFundMe Campaigns

GoFundMe can be a great way to engage friends, family, and your community for help in paying off your medical expenses. In fact, [GoFundMe itself claims](#) that over 250,000 medical campaigns are posted per year (with over \$650 million raised from those campaigns). That’s a lot of money raised, and something that can be incredibly helpful to paying off your medical bills.

The site even offers [tips](#) on how to run successful campaigns.

Take Out a Loan

If all else fails, it may be possible to get a personal loan to pay oq your medical bills. But we recommend being very careful and to understand all aspects of the loan, as interest rates can be much higher than car or home loans. And you'll still be responsible for making monthly payments to pay oq the loan — plus interest.

We recommend checking out personal loan companies such as LendingTree, Sofi, Earnest, Upstart, and Prosper (though there are many others), as well as contacting your local bank. Many of these companies are coming out with loans specifically to help pay oq medical debt (it's a sad state of affairs when medical loans are commonplace enough for this to happen), so it may be worth working through with them.

Hospital Payment Plan

If your hospital will place you on a payment plan, this can often be a much better alternative to taking out a loan, as these plans usually are no- or very low-interest, meaning you'll pay less in the long run.

After you've finished reducing your bill (negotiating, removing improper charges, and ensuring insurance covered the right amount), you can call up your hospital's billing department and ask to be put on a payment plan. The hospital will likely request that you pay an amount up front and then commit to making monthly payments at a low- or no-interest rate.

Ignore Your Bill

A final option is to ignore your bills and hope they go away.

While some people have had success with this, we don't recommend doing this. The hospital can (and likely will) refer you to a collections agency, or can sue you to force wage garnishment. Either or both of these are not only annoying, they can also hurt your credit (though perhaps not as badly as other kinds of debt can impact your credit).

Will that happen every time? No. We've seen people who have simply ignored their medical bills and eventually had them written off by the hospital and/or collections agencies. Even if that does happen, you'll likely have to deal with a barrage of phone calls and letters about your unpaid debt, and you're rolling the dice on legal action that the hospital has the right to take.

If you're interested in understanding this path more in depth, read [the statute of limitations](#) on debt collection for your state.

Again, this is not a path that we recommend, do so at your own peril.

Bankruptcy

When all else fails, bankruptcy **may** be an option (we say “may” because bankruptcy laws vary from state to state and the viability of this path needs to be evaluated on a case-by-case basis).

The National Association of Consumer Bankruptcy Attorneys (NACBA) offers a [great guide](#) on the pros and cons of filing for bankruptcy, how to choose the right attorney, alternatives to bankruptcy, and other useful insights that can help you make a better decision given your unique circumstances.

They also have a “[Find an Attorney](#)” tool that lets you search for a bankruptcy attorney near you. Many bankruptcy attorneys offer free consultations to be able to discuss the specifics of your situation and to get a better idea of whether bankruptcy is an option for you.

Don’t declare bankruptcy without first discussing with an attorney licensed to practice in the state you live in. They can guide you on the legal protections that bankruptcy in your state provides and whether or not this is the right course of action for you.

Summary

- Understanding and negotiating an exorbitant medical bill is a long and drawn-out process — one that you may not have the time, patience, or energy for. Fortunately, you don't have to endure the process alone.
- There are a number of alternative paths available to you, including seeking out a Medical Billing Advocate who is an expert in medical billing documents and will negotiate on your behalf.
- When considering a Medical Billing Advocate, make sure they offer free initial consultations to discuss your situation, and look for someone who is transparent about their process.
- Even if you still owe more than you can afford after a successful negotiation process, there are several avenues to get help paying; including financial aid from your hospital, income-based Medicaid assistance, medical bill charity programs, a GoFundMe campaign, or medical loans from a bank.
- Ignoring your medical bill is an option, but you risk being referred to a collections agency or having a lawsuit brought by the hospital to force you to pay.
- Bankruptcy MAY be an option. However, bankruptcy laws vary state by state so the viability of this path is very specific to your case. If you're thinking about this path, use NACBA's website to find a lawyer who can provide advice and guidance.

Conclusion to this Guide

Patients are spending over \$350 billion a year out of their own pocket for healthcare costs. That's over a \$1,000 for every single person in the U.S., and nearly 70% of this can be avoidable.

Our mission is to make healthcare bills fair. We're doing that by pulling back the curtain on an opaque system designed to make it as difficult as possible to lower patient out-of-pocket costs and get a fair rate. And our sincerest hope is that the resources in this guide help you to better understand your medical bills, recognize when there are items that can or should be corrected, and go about correcting them.

In **Part 1: Understanding Your Medical Bills** we reviewed the 3 causes of excessive out-of-pocket costs – hospital price gouging, incorrect denied insurance claims, and hospital billing “errors”(i.e. being charged for the same service multiple times, or “mistakenly” being charged for a service not provided).

But these costs are not always easy to spot, because hospital bills and your insurance Explanation of Benefits (EOB) are designed to be confusing and difficult to decipher.

So we reviewed how hospital bills and EOBs are laid out, and the tricks that hospitals sometimes use to disguise the actual rates.

When you receive your hospital, you should *never* pay the full Billed Charges. That's what we call the “sucker” rate – the amount the hospital is trying to get away with charging you.

And if you have insurance, make sure you're paying only the Allowed Amount.

Collecting, organizing, and gaining a detailed understanding of your hospital bill and EOB is the first key step toward reducing your bill to a fair price.

In **Part 2: Negotiating Your Medical Bills**, we talked about identifying, understanding, and fixing the (potential) particular issue with your bill: Price Gouging, Insurance Denial, Balance Billing, and Billing Error.

Price gouging is the hospital charging an exorbitant rate for their services — a rate that far exceeds their costs or the amount that an insurance company is willing to pay. This usually occurs when you don't have insurance, and it can be solved by negotiating directly with the hospital.

Insurance companies all too frequently deny claims that they should have covered. Patience, persistence, and a focus on the details is required to successfully appeal an incorrectly denied claim.

Balance billing occurs when the hospital bills you for the difference between what the insurance company pays and what their standard charges are. Many states are taking a stand against this by passing laws to make it illegal.

As many as 70% of hospital bills have billing errors on them. While these can be hard to detect, it's important to comb through your bills to identify and correct potential billing errors.

Negotiating isn't easy, and it isn't for everyone. The process is strenuous and demands tremendous patience and persistence.

If you doubt your ability to stick with negotiating (over days and possibly weeks), or if you think your case is more complex than this Guide has laid out for you, it might be time to seek some help. You don't have to do this alone.

In **Part 3: Getting Help with Your Medical Bills**, we talked about how to get help with your hospital bill, including finding an expert, getting financial help, and other alternatives.

Medical billing advocates are trained professionals with experience auditing bills, negotiating prices, and navigating the process.

Sometimes, even a successfully reduced bill may still be too large. Additional help in the form of financial aid from the hospital, Medicaid assistance, charity programs, or a GoFundMe campaign, or medical loans can help you pay.

Ignoring your bill and declaring bankruptcy may be options. However, it's important for you to discuss in depth with a lawyer before going down this path, as they can better advise you on the legal protections and ramifications specific to your case.

If you would like to discuss your individual case more in depth, contact us for a FREE 20-minute consultation with one of our representatives. Call 1-877-245-4244, or sign up using our [online form](#).

