

The Dallas Morning News

Dallas, Texas, December 9, 2011

PERSONAL FINANCE

Negotiating down your medical bill can pay off

By PAMELA YIP

Think back to the last time you saw your doctor and had to have some sort of procedure. Did you ask how much it would cost?

Chances are, you didn't. When we visit a medical professional, not many of us consider ourselves consumers or buyers of health care, but that's exactly what we are.

As such, you have the right to know the price of a procedure beforehand — and whether you can afford it. And if the price seems too high, you have the right to question it.

"The last thing most patients want to do is haggle with their doctors, but a little bit of negotiating can go a long way," said Dr. John Santa, director of the *Consumer Reports* Health Ratings Center.

"It's also important to know that there are tremendous variations in health care costs," he said.

"Knowing this can help a consumer get a hand up and politely insist on the fairest possible price."

As medical costs rise, employers increasingly are requiring workers to shoulder more of the cost for health care. At the same time, unemployment has stripped millions of their health insurance.

"Americans are overwhelmed by health costs, and many people simply can't pay their bills, can't afford their medications," said Santa, an internist.

If you have trouble paying your health care bill, don't be afraid to speak up.

"Consumers should not assume the price on their bill is set in stone," Santa said. "Providers often discount rates substantially to insurers and others, so why shouldn't a consumer ask for the same rate reduction?"

Dr. C. Bruce Malone, president of the Texas Medical Association, agreed and said negotiating one's medical bill is "done all the time."

Malone said doctors are unlikely to "negotiate down" a health

insurance payment "because it's simply very low anyway." But he said they may negotiate if you're paying the entire bill out of your own pocket.

"If you're uninsured and you're paying cash and you have a very high deductible, like with a health savings account, then a patient may well be able to negotiate because they're facing a full retail charge," said Malone, an Austin orthopedic surgeon.

Here's what you need to know to negotiate lower medical bills:

Take preventive action

The best time for you to discuss costs with your health care providers is when you're healthy.

"While doctors have a professional obligation to take a patient's financial resources into account, patients should raise the issue with their doctors to let them know that costs are important to them," Santa said.

— continued —

For a variety of reasons, doctors are likely to suggest the most expensive options first, he said.

“But you might be surprised by your doctor’s willingness to change course, for example, prescribing fewer expensive brand-name drugs or choosing watchful waiting over a costly diagnostic test,” Santa said.

Shop around

If you’re having elective surgery, you have more time to plan and research the best procedure, doctor, hospital, drug and other options.

“Use your time wisely to do the research, because variations in health care costs can be significant, and providers will gladly let you overpay for a service that you could get for less,” Santa said.

Don’t be afraid to ask for the price of a procedure up front and get it in writing. Request an itemized list of all potential charges.

Verify all charges

Once you’ve been treated, closely examine each bill to identify errors, which are common.

“Consumers should dispute any charges they think their insurance company ought to cover,” said Santa.

Consumer Reports recommends that patients confronted with a large hospital bill sit down with the doctor who ordered or performed the hospital services to find out how the costs ran so high. Were all the services needed and reasonably priced?

Santa said consumers can judge for themselves by checking healthcarebluebook.com, a free resource that lists the going rates for many medical services.

Your doctor also may be able to help you negotiate your hospital bill.

“The doctor will be more influential and have a greater understanding about what happened to you,” Santa said. “I have seen physicians advocate very strenuously with a hospital.”

Set up a payment plan

Doctors and hospitals want to get paid, so ask about a payment plan.

“It’s going to vary, depending on the hospital,” said Ann Ward, spokeswoman for the Texas Hospital Association. “If you know that you either don’t have insurance or are underinsured and you are going to need health care, hospital care, they should talk to the business office up front and find out what resources might be available to help them.”

Texas law requires nonprofit hospitals to have a “charity and community benefits policy” that details how a patient qualifies to receive charity care, she said.

Although the law doesn’t apply to for-profit hospitals, most have programs to provide assistance to patients who don’t have the financial resources to pay their bills, Ward said.

For example, Dallas-based Tenet Healthcare Corp. has a “Compact

With Uninsured Patients” that focuses on “treating patients without insurance fairly and with respect during and after their treatment, regardless of their ability to pay.”

Tenet said uninsured patients treated at one of its hospitals are offered discounted pricing equivalent to the hospital’s current managed-care rates, which are “substantially discounted from retail or ‘gross’ charges.”

Tenet also said it won’t take legal action against unemployed patients or those “without other significant income” for non payment of bills.

Be honest

Talk frankly with your doctor about your financial situation. Be respectful and consider telling your doctor what you can afford to pay.

“It all starts out with the premise of being nice about it, being professional about it and explaining the context of your request,” said Martin B. Rosen, co-founder of Health Advocate, Inc.

The bottom line is that using health care services is no different than being a consumer of other products. So shop around and don’t be afraid to bargain for a fair price.