



## Handling a Large Medical Bill

Ignoring your bills is not the safest tactic. Still many medical bills get to the point of collections. Whether you just received the first bill, or you're on the verge of being sent to collections, settling medical debt requires planning. However, with a little communication, some inquiry and negotiation, that large medical bill can be well on its way to settlement. These steps will help you manage any large medical debt you incur. Remember, your bill or statement should provide a number to call if you have questions. Find that number – it's a great place to start.

### Step One: Check Your Bill!

Errors, more errors and inflated prices! By now most people are aware that medical bills contain errors. Unfortunately, you cannot tell if your bill contains errors by looking at the billing summary or statement. Call the provider billing office and ask for an itemized bill, a copy of your medical chart and pharmacy ledger (shows medications you were given while in a facility) to compare the charges. It may sound like a lot of work, but it could save you a lot of money if there are errors.

- Look for repeated charges. Double check to make sure there are no charges resulting from hospital/facility error (such as a repeated x-ray).
- Look for services and supplies charged to you that you did not receive. Many treatments have “usual and customary” charges, but that doesn't mean that your case required them all.
- Be aware that amounts like \$20 for an aspirin may not be errors, rather just the inflated price of healthcare. Still, it never hurts to ask.

### Step Two: Negotiate, Especially If You Are Uninsured

Hospitals and facilities want to receive payment for their services quickly, so try negotiating. First, ask the hospital billing office if they will reduce your bill (to the Medicare rate or their lowest negotiated rate), or simply make them an offer you can afford. If you can't afford to pay the full amount, ask to pay in regular monthly installments. If the hospital/facility is unwilling to negotiate, ask about assistance programs. Most facilities have patient advocates to help individuals qualify for charitable or discounted care, or in some cases, even government assistance. This is a hidden gem that most facilities don't promote.

### Step Three: Consider Your Options

Medical debt is often considered “unsecured” or forgivable. Credit cards are considered “secured.” Financial experts know medical bills can be negotiated down. Credit card debt cannot. Once you make the decision to borrow money to cover medical debt, it is no longer “forgivable.” Be sure that you can repay the borrowed debt, otherwise it may have a more profound impact on your credit rating than medical debt. For that reason, be cautious when placing medical debt on a credit card, prioritize your bills and make sure you fully understand your options for making payments.

### Step Four: Get Your Settlement in Writing

Before you make any payments, get the agreement in writing. Have their business office fax, e-mail or mail a signed statement of the agreed upon settlement. A verbal commitment from a phone conversation will be difficult to prove if you are ever asked for more money, so have a copy of all the documents on hand. Once you have the agreement in writing you are ready to pay.