

# Preventing debt from surprise medical bills

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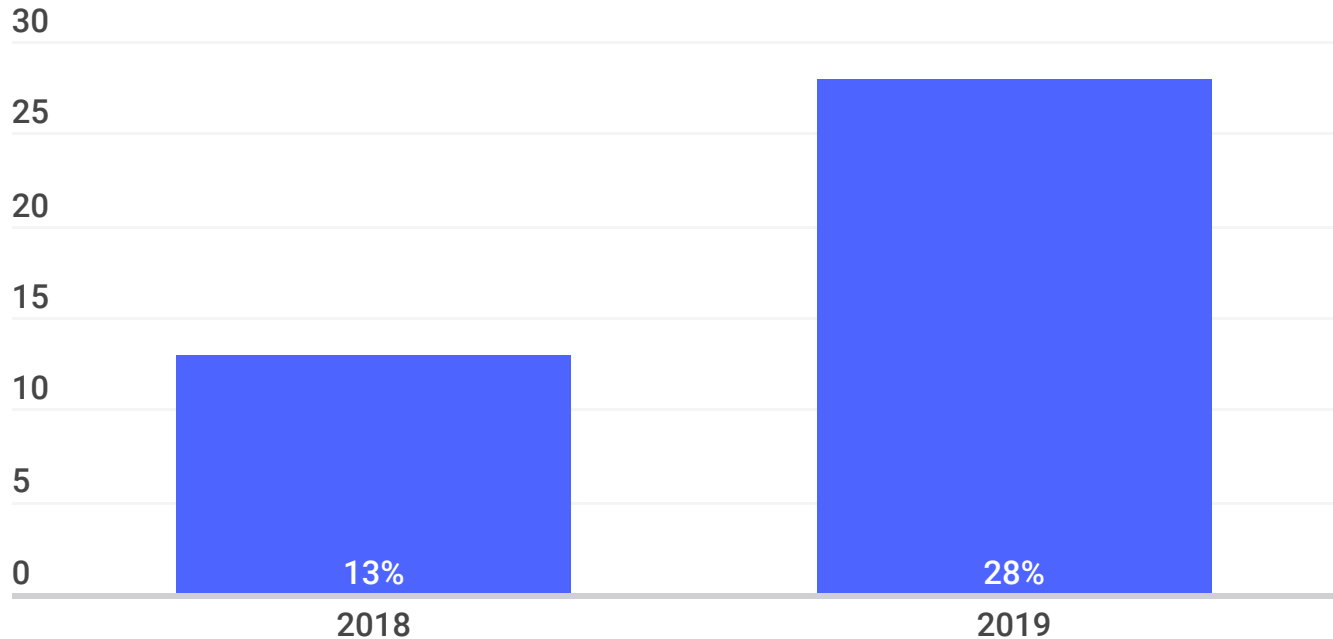
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The cost of healthcare has become a hot topic in American politics in recent years, and with good reason. A [recent Bankrate survey](#) found that 22 percent of Americans are losing sleep over healthcare or insurance costs, up from 13 percent just one year ago.

# More than half of Americans lose sleep over issues with money


The percent of our respondents that lose sleep over healthcare bills in 2018 vs 2019



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One aspect in particular has even gained attention from both Congress and the President within the past two months: surprise medical bills.



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Congress has proposed bi-partisan legislation that sets up consumer protections against surprise billing in certain situations. President Trump also issued an executive order in June that calls for hospitals to be more

transparent upfront about prices for common tests and procedures, a measure that should go into effect later this year.

## The cause of surprise billing

Unexpected medical bills, often outrageously expensive, can catch patients by surprise if they see a doctor who is not within their insurance network. It's a common issue, with the [Wall Street Journal](#) reporting that an estimated 51 percent of ambulance rides, 22 percent of ER visits and 9 percent of elective cases lead to surprise medical costs.

What often happens is that while the hospital or clinic might be considered in-network, a specific doctor might not be in-network (or vice versa). The legislation proposed by the Senate includes cost protections for situations such as these, plus scenarios where patients receive emergency care or follow-up care at an out-of-network facility due to travel restrictions.

While the new legislation and executive action may help patients and their families, surprise billing will persist in situations outside the purview of these new protections.

## Preventing surprise healthcare bills

The best way to combat surprise billing is to prevent it whenever possible. This requires staying up-to-date on your insurance policies and looking at your options when scheduling appointments.

### Know the details of your insurance policy

The first step is understanding your specific insurance policy. Check with your provider for a list of in-network hospitals, specialists and primary care physicians in your area so you can know ahead of time where you'll have coverage. If you have an upcoming appointment, it's worth calling your provider to double-check whether the facility and doctor you're seeing are in-network and covered.

Your provider may also require prior authorization before an appointment in order to cover some healthcare

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## Ask about costs upfront

Whether you're visiting a new primary care physician, seeing a specialist or have a planned procedure coming up, call ahead to see what out-of-pocket costs you will be responsible for paying. If you find that the facility or physician is out-of-network, you can request a referral to a facility or physician that is in-network.

For planned visits, you can also ask about the billing codes for the tests or procedures you'll be having so that you can confirm that your insurer will cover them. While many standard preventative procedures like a basic cardiac stress test or mammogram are covered by insurance policies, more advanced screenings such as a 3D mammogram may be billed under a different code that is not covered by your insurance.

## Make an emergency plan

While it's impossible to predict when emergencies will happen, you can make a plan to help you prepare. If you know which emergency care providers are covered by your insurance plan, you can have an idea of where to go. While it requires some research on the front-end, you can save some stress and a lot of money in the long-run.

## Understand your rights

In addition to new federal protections, many states have additional regulations regarding "balance billing," when patients are billed for out-of-network providers at an in-network facility. Don't be afraid to negotiate with hospital billing managers or doctors who billed you when you are balance billed, and keep your

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# Combating debt from surprise medical bills

Unfortunately, it's impossible to entirely prevent surprise medical bills — especially in the case of emergency services. In an emergency room, you have little to no control over which physicians you see and what tests

are run. You also don't always have time to call ahead to check prices or request transfers to in-network facilities.

While it might not be possible to prevent some surprise healthcare costs, there are still steps you can take to combat debt in these cases.

## 1. Double check itemized medical bills.

Mistakes happen. Sometimes patients are billed for tests, procedures or medications that they didn't actually receive. Ask for an itemized bill, and ensure that you are only being charged for services received. If you find a mistake in your bill, talk to the hospital's billing department and the service provider.

In the case that a procedure or service on your bill should have been covered by your insurance provider, ask about the specific billing code the hospital used. It's possible that while the insurance provider covers a basic or general service, the billing code used may not fall under the billing code your insurance company lists as covered. Talk with both the hospital billing department and your insurance provider to see what can be done.

## 2. Avoid using credit cards whenever possible

Credit cards average around a 17 percent interest rate, meaning they are less-than-ideal for covering high medical costs. There are medical credit cards out there that offer short and long term financing plans to cover medical expenses with minimal interest, which is an option for those who can realistically pay off the debt within the specified time period.

When using a credit card is unavoidable, consider a credit card that offers a long intro period to help you save on interest charges, such as the Wells Fargo Platinum Visa Card. If you end up with bills spread across multiple credit cards, a balance transfer credit card can also help you eliminate debt and save money on interest charges.

Just keep in mind that for all of these credit options, it's imperative that you can pay off the debt within the 0% interest offer period. Otherwise, you'll be subject to high interest rates that can cause even more financial stress.

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## 3. Protect your credit score

If for any reason you are unable to pay your medical bills on time, it's important to take steps to protect your credit score. When you go more than 90-180 days without paying a medical debt, it could become an unpaid collection account, which can show up on your credit report and negatively affect your score. Luckily, newer

credit score models such as the VantageScore 4.0 and FICO Score 9 often reduce the impact of these types of collection accounts.

If you know you'll be unable to pay medical bills, be open and honest with the hospital or provider. You might be able to set up a plan that better fits your budget. At the very least, you can explain the situation, pay as much as you can at the moment and potentially prevent them from writing off your debt as a loss and selling it to a collection agency.

## 4. Open a savings account for unplanned medical costs

While you can't predict unplanned medical costs, you can prepare for them by saving money for a rainy day. One option is contributing to a Healthcare Savings Account (HSA), which allows you to add pre-tax/tax-deductible money into a savings account that you can use for approved healthcare costs.

You can also set up a savings account with any bank to be used for healthcare costs. While these accounts may not be tax-exempt, you can often get a better interest rate and avoid regulations on what medical expenses you can and can't cover with the account.

Even if you only contribute \$20 a month, it will add up over time and can help offset costs to make medical expenses more affordable.

## The bottom line

While it's promising that both Congress and the President are making strides towards eliminating surprise medical bills and helping lower overall healthcare costs, sometimes surprise billing is unavoidable. These tips can help you prevent these charges or combat excessive debt that can often result from unplanned medical expenses.

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