



Avoiding medical debt

Whether you're about to receive a medical procedure or are having trouble paying your medical bills, there are things you can do to help keep medical debt in check.

Preparing for medical bills

CHECK WHAT'S COVERED BY INSURANCE AND MAKE SURE YOUR INFORMATION IS UP TO DATE

You should know what your insurance covers and what it doesn't. Ask your insurer what it will cover and the cost before getting a procedure or test done. If something isn't covered, ask if there are alternatives that are covered. This helps you avoid medical debt by reducing your out-of-pocket cost upfront.

KEEP GOOD RECORDS

Prepare an organized record of all your medical bills and explanation of benefits (EOB) from your insurance company (these are usually mailed to you with a line-by-line explanation of costs, what insurance covered, and what you may owe).

If you need to dispute a bill, send a written notice to the provider and include a copy of all relevant documents, such as records from doctors' offices or credit card statements. Do not send original documents.

REVIEW MEDICAL BILLS CAREFULLY

Check each bill carefully before you pay it. If you don't recognize the provider, check the date of service to see if you had a medical treatment on that day. Some providers who bill you directly may be associated with a hospital where you were treated, so you may not know you were receiving services from them at the time of treatment.

For more complicated procedures, ask for an itemized bill from the provider in order to check how much you were charged for each service. Ask questions if something seems high—a dose of Tylenol shouldn't cost \$1,000, for example. Sometimes a simple typing mistake or mis-categorization can result in a large error on your bill.

Disputing medical bills

NEGOTIATE YOUR BILL

Hospitals or doctor's offices may negotiate the amount of the bill with you. The total may be reduced if you pay the whole amount upfront.

You can also try asking for the rate that people with insurance get or if they offer a cash or prompt payment discount. The provider or hospital might also offer a plan that lets you pay off the debt in installments, with little or no interest. It doesn't hurt to ask what options there are if you expect that you won't be able to afford the bill.

Get your repayment plan agreement in writing and request the following terms:

- No interest on the debt
- Monthly statements showing the amount paid and the outstanding balance
- That the debt servicing stays with the healthcare provider and not be turned over to a third-party collection agency
- An agreement that you don't have to make full payment right away if you're late or miss a payment on your plan

ACT QUICKLY TO RESOLVE OR DISPUTE MEDICAL BILLS

First verify that you owe the amount on the bill. Check that the amount that insurance is covering is correct, and pay the bill right away or negotiate repayment if you can't afford to pay the entire bill all at once. If you delay payment and it ends up in collections, it can have a negative affect on your credit scores.

If you don't owe the bill or the amount is incorrect, dispute it as soon as possible. Bill disputes can take a while to clear up, and in the meantime the bill is still owed and could be subject to late fees or interest.

9 Paying medical bills

GET FINANCIAL ASSISTANCE OR SUPPORT

Many hospitals have financial assistance programs, which may be called "charity care," if you're unable to pay your bill. Ask your provider if they offer any kind of assistance before you get treatments—or immediately afterwards. There may be a time period to sign up for these kinds of programs, so check the deadlines for enrollment beforehand.

DON'T PAY FOR MEDICAL BILLS ON CREDIT CARDS UNLESS YOU CAN PAY THE BALANCE

If you aren't able to pay your medical bill, ask your provider for a payment plan with little or no interest before paying the bill with a credit card. Once you've paid with a credit card, you'll no longer be eligible for a payment plan. Putting large medical charges on your credit card is risky, especially if you don't have the money to pay off the card immediately. You can end up paying interest on that medical debt.

Also, your medical debt will look like credit card debt to creditors, who might weigh that differently when considering a loan application.