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## DeMarrais: More negotiate medical bills

By Kevin Demarrais

Consumers expect to negotiate price when buying a house or a car, but until recently not too many of us haggled over hospital or doctor's bills.

But with medical costs rising rapidly — even for those with insurance — medical advocacy companies are growing around the country for consumers who don't want to negotiate for themselves.

They promise to lower many bills, and the only cost to the consumer may be a cut of the savings.

"We negotiate for houses, for cars, for any number of other things, but for a variety of reasons we didn't negotiate for health care," said Martin Rosen, executive vice president and co-founder of Health Advocate, a Plymouth Meeting, Pa.-based company that helps consumers deal with medical providers and insurers.

"But that has changed over recent years, with greater responsibility placed on consumers," said Rosen, a former Ridgewood resident and co-author of *"The Health Care Survival Guide."*

Are the advocates worth it? In general, yes, especially if you're the type of person who gets sweaty palms when you try to negotiate the price in an auto showroom.

If your company includes this service as part of its benefits package — and many big companies do — it's a no-brainer. You have nothing to lose and much to gain.

But hiring an advocate on your own can cost you more than a third of the money saved. Of course, that means you still get two-thirds of the savings and you don't have the unpleasant task of asking your doctor for a discount.

"Years ago, costs were virtually all covered [by insurance], except for modest copays of \$100 or \$200," he said. "Now they're \$1,000 to \$2,000."

And that's for someone with insurance. Uninsured patients get hit with the book rate, which may be two or three times higher than the rate negotiated with the provider by the insurance company.

The same is true when patients go out of network for a doctor or medical facility that doesn't have a contract with the insurer. The deductibles are higher, and you're likely to be charged the book rate.

You can even negotiate yourself, Rosen said. "Just ask. You'd be surprised; 61 percent of people who asked for a discount got it."

But the increased complexity of medical bills prompts a growing number of people to turn to professional negotiators like Rosen's company or Medical Cost Advocate in Wyckoff.

“More and more people are being confronted with the situation where they need a partner,” said Derek Fitteron, founder and chief executive of Medical Cost Advocate. “We help them achieve a fair and equitable reduction.”

Since its launch 2 1/2 years ago, Fitteron’s privately held company has been growing by 20 percent a month by volume. He now has more than 10,000 customers and revenues “in the millions, but not multimillions.”

Why would providers negotiate price, especially after the fact?

“Much like any other entity that is running an operation, they can’t afford to have a lot of bad debt,” Rosen said. “Getting something versus nothing is very much in play.”

Also, the doctors and hospitals are already used to discounting their normal charges, “often to a fraction of what the list charges are,” he said.

Most of Fitteron’s clients are individuals who contact the company through its website – [medicalcostadvocate.com](http://medicalcostadvocate.com) – and pay only if the company is successful. For that, the consumer pays 35 percent of the savings for small savings and less for bigger bills.

For an out-of-network procedure, a typical savings is between 20 percent and 50 percent, Fitteron said. “We help them get a more market-oriented rate,” although it might still be higher than the rate negotiated by an insurance company.