

# Decoding Your

# Medical Bills

Take control of your  
health care costs.

BY Barb Berggoetz



**A**s uninsured ranks grow and insured employees cope with complex health plans with varying copays and coverage options, people struggle with understanding their bills and detecting potential errors.

Health care advocates say some consumers feel overwhelmed by an onslaught of indecipherable documents from multiple specialists, doctors, and facilities. But help is available from a growing cottage industry of health advocates and firms specializing in reviewing medical bills; discovering mistakes; and negotiating with health care providers, insurers, and collection agencies.

“We see a lot of duplicate charges—charging for the same item twice. We also see a lot of nonbillable charges—charging for items that should be included in the cost of hospital rooms, and surgeons charging the full cost for more than one procedure during the same operative session,” says Christie Hudson, vice president of Medical Billing Advocates of America, a Salem, Virginia-based firm with roughly 85 trained advocates in the U.S. serving corporate and individual clients. Based on clients’ medical bills analyzed over more than a decade, Hudson says typically eight out of 10 of these bills have multiple errors.

“I’m getting a lot more calls because consumers are more aware there are errors in medical bills and that they should pay attention to those explanations of benefits,” says Chris Lewis, one of the trained advocates, who owns Indiana-

based MedReview Solutions and works with attorneys and individual clients nationwide.

Key advice Lewis

offers: Keep a calendar of medical appointments and tests received; make sure doctors or hospitals file insurance claims; and don’t pay bills while insurance or second payers’ checks are pending.

Advocates say certain “red flags” on bills may indicate questionable charges, but consumers first need to get a free itemized bill to find them and to question health care providers, or hire an advocate or billing review firm to do so.

If the cost of surgical supplies is large compared to the total bill, that’s a red flag, Lewis says. That was certainly the case for one client who was charged \$21,000 for a half-day, outpatient ocular surgery. After examining the hospital bill, Lewis found he was charged for a case of intraocular laser surgical probes, instead of just one of them.

The corrected bill: less than \$10,000.

Other red flags, Hudson says, are separate charges for standard hospital room supplies—toothbrushes and tissues—and charges for multiple tests that should be incorporated in one test. Her company’s advocates typically charge consumers 20 percent to 35 percent of the money they save clients; some charge fees of \$25 to \$100 per hour.

Another type of billing service determines the equivalent of an automobile Kelley Blue Book rate for hospital services. Marc Chapman, who owns Chapman Consulting and



**Medical billing advocates advise consumers to ask for and review itemized statements for errors—a move that can save you money.**

Hospital Bill Review based in Austin, Texas, says he uses billing data that hospitals file annually with the federal government to determine a hospital's average cost for specific services and the negotiated price insurance companies pay.

Then his company's staff or the clients use that pricing information as leverage to negotiate a fair price for services. He also reviews statements for major billing errors from clients nationwide. Reviews of medical bills, plus the pricing report, cost about \$200. If his firm handles the

negotiations, it charges 25 percent of the discount received. He charges an up-front \$350 retainer, but returns it if he doesn't save clients that much.

"At some hospitals, if you aren't getting a 60 percent to 80 percent discount, you are still being overcharged if you are uninsured," Chapman says.

Hospital representatives say they work hard to make bills user-friendly. Many offer patients one-on-one counseling, toll-free numbers, extended payment plans, discounts for uninsured patients, and advice on how and where to seek financial aid.

Consumers may be surprised how often they can get a discount, especially if they are uninsured or unemployed.

Marty Rosen, co-founder of Health Advocate Inc., of Plymouth Meeting, Pennsylvania, says his research shows 60 percent of those who ask for a health care discount get it. His firm's direct-to-consumer advocacy program, called Health Proponent, starts at about \$20 to \$30 annually to gain access to tools and other help on its Web site, [healthadvocate.com](http://healthadvocate.com). Consumers can use its Medical Bill Saver program that negotiates bills on their behalf, charging 25 percent of the savings.

"Having someone who is a professional acting on their behalf can make a world of difference," says Rosen.

Consumers can do their own bidding, though.

The best way to negotiate, says Hudson of Medical Billing Advocates of America, is to know exactly what you're being billed for and question billing departments if a charge seems unreasonable.

Sending a request or question in writing to a specific person will elicit a better response, too, she says. "If you put it in writing, the U.S. Fair Debt Act says they have to address it and respond within a certain time." ■

## 9 tips to help you understand medical bills and detect errors:

1. Ask for itemized bills: Hospitals and health care providers must legally provide, on request, an itemized statement detailing charges for specific procedures, supplies, tests, and services.
2. Review bills closely for services not received: Make sure you received every service, treatment, and medication for which you were billed. Keep a log of your treatment, or ask a family member to do so while you're hospitalized.
3. Compare explanation of benefits with bills: Crosscheck the insurance company's explanation of benefits statements with itemized bills from the hospital and doctors.
4. Check hospital and operating room charges: If you were in a semi-private room, confirm you weren't charged for a private room. If a semi-private room wasn't available for you, you shouldn't be charged for a private room. Verify you weren't charged for more medication than anesthesiologist records show you got.
5. Watch for duplicate billings: Make sure you weren't charged twice for the same service, drugs, or supplies.
6. Consult online medical sites: To help decipher medical coding and abbreviations on bills, check [online-medical-dictionary.org](http://online-medical-dictionary.org), a free medical dictionary. For more information about a laboratory test and why it's needed, visit [labtestsonline.org](http://labtestsonline.org).
7. Verify hospital stay dates: Check admission and discharge dates to ensure you weren't billed for discharge day. Most hospitals will charge for admission day, but not dismissal day.
8. Remember canceled work: If your doctor ordered and then canceled a test, or you didn't get it due to equipment failure or sickness, make sure you weren't charged.
9. Watch for "upcoding": Sometimes charges can be inflated, such as when your doctor prescribes a generic drug, but you're charged for a costlier, brand-name drug you didn't get.



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