

HAGGLING

## Cut Your Doctor Bill

Hospital billing offices are starting to act like used car lots. Get yourself a deal.  
By David Whelan


**E**RIC REMJESKE, 38, WAS SKIING in Vail this February when he made the mistake of flying off a jump too slowly. He didn't clear it. Result: broken bones in both feet and the prospect of big medical bills. So Remjeske, a financial planner who returned home to Minneapolis for surgery, set out to trim his costs. Haggle with your doctor and hospital? These days you'd be crazy not to.

Remjeske needed a night in the hospital plus an orthopedic surgeon to put two screws in each heel. His health insurance included a \$6,000 deductible, along with a 20% share of any expense after that. He got quotes from three different surgeons at three hospitals and tried to anticipate related expenses like anesthesia and physical therapy. The estimates ranged from \$14,000 to \$18,000. He picked the University of Minnesota's hospital, which had the lowest estimate.

After the successful surgery the bills came, totaling \$16,000—more than what he'd expected. Remjeske fought back, objecting to specific hospital charges. The hospital agreed to strike a \$500 charge for time in the recovery room, \$200 for a leg-lifting device that Remjeske claims wasn't used and \$800 for other items including physical therapy sessions that never happened. He says he missed out on the opportunity to get a deal on his sedation medicine because the anesthesiologist wasn't able to tell him the price ahead of time. "We think we give the best care, so it's nice to know that we're also competitive," says Jennifer Amundson, a spokeswoman for the hospital.

"If you go in unknowing and come out unknowing, you could end up with an unbelievable bill," Remjeske says.

The rise in health care costs, and especially in the share paid by the patient, is giving people a lot more incentive to screw up their courage to try to bargain down prices. Last year an average insured family spent \$3,350 on copays, coinsurance (the percentage that is the patient's responsibility), premiums and deductibles. That's twice



Eric Remjeske sliced through his hospital bill after a skiing injury required surgery

the average of a decade ago. Among the many uninsured patients, the ones who are not impoverished are getting skilled at negotiating. Patients pay cash for elective procedures like stomach-stapling or laser eye surgery, so these customers get in the habit of searching for bargains.

No surprise that doctors and hospitals disdain cheapskates. "Shopping by its nature assumes you can judge the quality of the product you're getting," says Michael Millenson, a Chicago hospital consultant. On Sermo.com, an online "virtual lounge" only open to physicians, many doctors scoff at the notion of negotiating prices with patients. "There is no negotiating," writes one family physician. "You'd better come with your credit card or cash."

Maybe for that physician. But working out a deal in advance makes sense if you plan on paying directly. Debra Snell, who owns T&D Body Shop with her husband in Bowman, S.C., has Crohn's disease and has been unable to get an insurance policy, so she's become adept at shopping for care. She cut a deal with her gastroenterologist, Dr. Narayanachar Murali, to pay \$35 for an office visit, compared with \$150 for a typical patient. For a scope of her lower intestines she pays \$400 rather than \$750 (or \$1,500 at a hospital). Dr. Murali agreed to the lower fees because she pays promptly and fills out her paperwork ahead of time. "Most uninsured people who see me do this part of the work and get quality care at a very low cost," he says.

Comparison-shopping with hospitals is tricky. One hospital might have 30 different insurance contracts and the same number of rates that it charges them, plus a list price inflated to double or even triple those rates that it charges customers who lack insurance. Out-of-network providers are the most likely to charge sky-high prices. Beware also ancillary providers, such as anesthesiologists, pathologists, radiologists and pharmacists, who might bill separately from the hospital and the surgeon. For those shopping ahead of time, it pays to compare the prices with benchmarks. Healthcare Blue Book, a Web site that launched this January, will tell you what big insurers, the ones with bargaining power, are paying in a given zip code (see box).

Once a bill comes the strategy changes. There are companies that will negotiate a bill on your behalf for a third or so of the savings. Typically they make an offer based on an estimate of what patients with in-network insurance are paying. John Gillis, president of Insnet, a bill negotiator in Scarborough, Me., recommends that those patients confident enough to do the negotiations follow a script. First ask: "Are you author-

aren't being billed separately both for a room and for all the standard amenities in a room like sheets and a toothbrush. Similarly, if you have surgery, she says look for items like "kits" and "trays" and make sure there aren't also individual charges for specific surgical instruments. Ultimately you can get a 35% discount from the inflated list price just by challenging individual items, she says.

Hospitals often prefer to chop a bill

**"If you go in unknowing and come out unknowing, you could end up with an unbelievable bill."**

ized to give me a discount?" If yes, "What is it?" Then ask: "Who is authorized to give me a bigger discount?" Ask to speak to that person. When it comes time to discuss specifics, come armed with data on what other patients have paid for similar services. Gillis says he is successful three in four times, once knocking 55% off a \$180,000 bill from a New York hospital.

Other negotiation services are geared more toward bill review. Candice Butcher, who runs Medical Billing Advocates of America in Salem, Va., recommends asking for an itemized statement from the hospital, which will typically run many pages. Double billing is common. Some of her tips include making sure that you

down in percentage terms rather than fight over individual charges. Todd Roscoe, a former executive at the hospital chain Tenet Healthcare, says that a 40% discount off the inflated list price is the norm for cash-paying customers.

A 61-year-old woman living in Albion, Pa. got a \$13,000 bill recently for an emergency hospital admission for chest pain and high blood pressure. Her "indemnity" insurance turned out to be a bust—for \$320 a month it will pay at most \$1,100 in room and board at the hospital but won't cover drugs or procedures. She went to the hospital billing office where a rep offered her a 50% discount because she was paying herself. Since she was unemployed, the assumption was that she would pay it off month to month. From \$6,500, she asked what they would charge if she paid it all at once and she got another third off the bill. She is in the process of paying just over \$4,000 by cashing in a 401(k) account.

James Muckle, who manages a 32-unit apartment building in Sebastopol, Calif., had a similar experience. He got hit with a \$6,000 bill after a four-hour visit to the ER that consisted of a diagnosis of kidney stones, pain pills and instructions on how to pass the stones. He called the hospital and politely noted he was surprised by the charges. He says he was offered a 40% discount if he paid within 30 days. After an hour of back and forth, asking the clerk to explain each charge, he asked if he could pay \$1,000. The hospital countered with \$2,300, and he eventually paid \$2,000. "Maybe I should have pressed it a little more," he says. **F**

## MEDICAL MARKDOWNS

THESE WEB SITES PUBLISH THE PRICES of procedures, which help when negotiating. Remember that hospital fees are different from physicians' fees. Also, the cost of imaging, drugs, lab work and anesthesia are often billed separately.

- HEALTHCAREBLUEBOOK.COM
- CHANGEHEALTHCARE.COM
- OUTOFPOCKET.COM
- MYHEALTHSCORE.COM

THESE COMPANIES OFFER BILL-NEGOTIATION services for the nonconfrontational. They typically charge a contingency fee based on the percentage of savings achieved:

- MYINSNET.COM
- MEDICALCOSTADVOCATE.COM
- BILLADVOCATES.COM