



Do It Yourself!

Tips on how to avoid or negotiate to reduce your medical bills

1. Figure out if you have received a medical bill or an insurance notice.

Patients often confuse medical bills with insurance notices. A medical bill comes from a provider or a debt collector.

Medical Bills: Read any bill carefully to see whether it is from a healthcare provider, like a hospital, lab, or doctors' office, or if it is from a debt collector working for the healthcare provider.

Insurance Notices: A letter from the insurance company is not a bill. A letter from an insurance company explaining what the insurance company will pay and what you should pay is called an **Explanation of Benefits (EOB)**.

2. What is the medical bill for?

Look at the date of service and the type of services provided. Did you receive this service on that date? Do you think it should have been paid by your insurance?

Look at your insurance EOB to see why your insurance company did not pay the bill. You have the right to ask the insurance company to reconsider their decision not to pay for the service – this is called an appeal. There are strict deadlines for appeals. Call Community Health Advocates if you need help understanding the bills and the deadlines for appealing them.

3. Hospitals must offer financial assistance to many people to help pay their hospital bills: Ask for a financial assistance application.

Next, figure out who sent you the bill. Hospitals in New York must provide Hospital Financial Assistance (sometimes called charity care) to uninsured patients with income less than 300% of the Federal Poverty level.

Some hospitals also give discounts to patients who have insurance or patients with higher incomes – it's always worth asking if you qualify! Ask the hospital's billing department for an application immediately.

Patients who are eligible for Medicaid at the time of services should not owe anything.

The hospital **MUST** give you a financial aid application to fill out if you ask for one – don't take no for an answer.

Note: The Hospital Financial Assistance Law only applies to hospital bills, not bills from private doctors. For tips on negotiating with doctors, see below.



4. How to negotiate with a Doctor/Lab/Hospital (if you're not eligible for Hospital Financial Assistance):

This is how you can ask a doctor for a discount on your bill:

- Look up the “fair market price” for the service you received. This is the amount that doctors regularly charge in your area. You can find the fair market price at: Fairhealthconsumer.org.
- Next, ask your doctor's office about the cost of care you received, explain your financial situation, and ask for a discount.
- Write a financial hardship letter. An example is enclosed. You should explain the reasons why it is hard for you to pay. Here are some examples: you have a fixed income, you receive unemployment, or you have other high medical bills. You may want to include copies of financial information that shows why you cannot afford to pay their medical bill:
 - Your proof of income, such your most current pay stubs, or most recent tax return.
 - Bank statements: checking and savings accounts that show you do not have savings
 - Credit cards statements
 - Personal/student loans that you owe
 - Proof of other outstanding debts
- Tell your doctor or the billing representative how much you can pay and how often you can pay it. If they ask for more money or more frequent payments, explain that you are unable to do it. Ask them to write up a payment agreement that you can afford. Make sure that you make your payments on time.
- You can also offer a lump sum payment up front in exchange for a much lower settlement amount. For example, if your bill is \$1,000 and they ask you to pay \$100 per month, consider whether you can pay one large amount, like \$500, to settle the full debt.

Before negotiating, take these steps:

1. Ask who owns the debt. Is the debt collector collecting a debt owed to them or to a third party? Have they purchased the debt from a third party? Knowing this information will help you understand how to negotiate.
2. Ask the debt collector to provide verification of the debt. This requires the debt collector to confirm that you are the right person to collect from and requires them to provide proof.
3. Review the documents they send to make sure the debt is yours. If you can't tell, ask for more proof.

When you are negotiating your debt:

Use these strategies to reduce the amount you owe:

1. Think about the absolute maximum amount that you can pay.

2. Come up with a very low number to start the negotiations (for example, if your debt is \$1,000 and you can afford to pay up to \$500, start by offering \$200).
3. You can offer to pay a lump sum if the debt collector owns your debt. Debt collectors often accept very low offers, even 10% of the debt,
4. If the debt collector is working for someone else, you might have to pay a higher amount to settle. Always begin the debt negotiations at the lowest reasonable level.
5. You can also offer a lump sum payment up front in exchange for a much lower settlement amount.

ALWAYS GET IT IN WRITING! Don't accept the provider or debt collector's word for it – get any agreement in writing!

End communication

Sometimes a debt collector refuses to verify the debt or negotiate. When that happens, you have the right to stop communicating with them.

- Write them a letter explaining: (1) that you asked them to verify the debt; (2) that they did not provide it; and (3) that they should stop contacting you.
- Mail a copy of the letter by certified mail and keep a copy. If the debt collector attempts to contact you, you may wish to contact an attorney or legal assistance group that helps with Fair Debt Collections Practices. You can find these groups at <http://www.lawhelpny.org>.
- Beware, the debt collector might file a lawsuit against you for the debt. If you are sued, you may wish to contact an attorney or legal aid group.
- Know your rights!

A debt collector (anyone trying to collect a debt, including attorneys) may not do the following:

- Threaten you
- Call you repeatedly with the intent to harass
- Call you earlier than 8 am or after 9 pm
- Use profane or abusive language

A debt collector must:

- Identify themselves as debt collectors and tell you that any information they obtain will be used to collect the debt

If a debt collector violates these rules, complain to NYC Department of Consumer Affairs or NYS Department of Financial Services and you might want to contact an attorney or legal aid group. See the links below to file a complaint:

[DCA - Consumers - File Complaint](#) (nyc.gov) and [File a Complaint | Department of Financial Services \(ny.gov\)](#).

**** Sample Letter of Financial Hardship****

Date

Provider Name

Provider Address

Re: Your Name

Account No.: Billing Account Number

Amount: Amount You Owe

Date of Service:

To Whom It May Concern:

I am writing to negotiate the above medical bills because I am unable to pay the amount requested. Pursuing me for these bills will force me (and my family) into further financial hardship.

This is where you explain your current financial situation and why you are unable to pay.

Things to include in this section: your employment status, the employment status of any adults living in your home, your household size, and current financial obligations. Also include Fair Health's estimate of costs from Fairhealthconsumer.org.

Sincerely,



www.communityhealthadvocates.org
Community Health Advocates is a program of the
Community Service Society of New York.

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Your Name



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