

# Crushed by a Hospital Bill? Stand Up for Yourself

The cost of medical care is a growing financial burden even for people with insurance.

April 23, 2020 By Bernard J. Wolfson

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The cost of medical treatment depleted Frances Edwards' savings after she was diagnosed with stage 3 melanoma in October 2016 — even though she has insurance.

In early 2019, she owed \$6,400 in out-of-pocket charges for her first two cancer treatments of the year, and she knew there was no way she could pay.

"I was like, 'Oh, my God, how am I going to do this?'" recalls Edwards, 74, who lives in Cambria, on California's Central Coast, and drives 450 miles round trip every five weeks for treatment at the University of Southern California's [Norris Comprehensive Cancer Center](#) in Los Angeles.

She discussed the bills with her oncologist. He referred her to a staff member whose job is to help financially strapped patients, and that person arranged for financial assistance to pay for all treatment costs not covered by Edwards' Medicare plan.

"This has really given me great ease of mind," Edwards says.

Not all hospitals are as quick to offer aid, however.

[Federal law](#) requires nonprofit hospitals to provide free or discounted care to people with limited means in exchange for maintaining their tax-exempt status. But a Kaiser Health News [analysis](#) found that nearly half of them routinely bill patients who qualify for such assistance — and [sometimes pursue](#) the patients aggressively with debt collectors or lawsuits.

California law is stronger than federal law, establishing financial aid eligibility criteria for charity care that apply to all hospitals, not just nonprofits. But that doesn't mean all hospitals are eager to extend a helping hand.

"A lot of people who think they won't qualify actually do, but the hospitals don't tell them," says Gary Ko, founder and president of [California Medical Billing Advocates](#), a new nonprofit that helps people negotiate their medical bills for free.

So stand up for yourself.

The cost of medical care is a growing financial burden even for people with insurance. That's partly due to a significant increase in the number of enrollees with high-deductible health plans — and in [the amounts of the deductibles](#), which [can exceed \\$6,000](#) per year for individuals.

But the [more than 28 million U.S. residents](#) — including [close to 3 million](#) in California — who have no insurance are the hardest hit: Hospitals often charge them full retail prices, which are many times higher than the rates negotiated by insurers.

More than half of Californians have skipped treatment because of cost, and among those who did, more than 40% said it made their condition worse, according to a [survey](#) released last month by the California Health Care Foundation. (California Healthline is an editorially independent publication of the California Health Care Foundation.)

So what if a hospital stay or treatment in an outpatient center lands you with medical bills you can't afford?

"First of all, don't rush to pay," says Steven Corn, a certified patient advocate in Los Angeles who helps people negotiate discounts on their medical bills.

You probably have more time than you think, and if a hospital or clinic starts to worry it may never collect a penny, it might be more amenable to accepting a lower amount.

California law requires hospitals to provide free or discounted care to uninsured patients who earn up to 3.5 times the [federal poverty level](#) (\$44,660 a year for an individual, \$91,700 for a family of four). It also requires them to help [people with insurance](#) who meet that threshold and have faced out-of-pocket medical expenses in the preceding 12 months that exceed 10% of their income.

Some hospitals have [more generous](#) aid thresholds, though struggling rural hospitals are allowed to have stricter ones.

Hospitals must put their charity care policies online, and inform patients how to apply by posting notices and providing the information in writing to uninsured patients. You can also find the policies and application forms of all California hospitals on the [Office of Statewide Health Planning and Development](#) website (<https://syfphr.oshpd.ca.gov/>).

If you don't meet the income guidelines and are struggling to cover a medical bill, apply anyway. Hospitals have the discretion to accommodate you based on your circumstances. And many will at least agree to an interest-free monthly payment plan.

When you seek aid, you will need to submit detailed information about your finances, so make sure your documents are in order.

But be aware that any financial aid from your hospital will cover only items billed by the hospital

itself. You will likely incur additional charges from affiliated physicians or other providers, and you may need to deal separately with their billing offices.

If you ask for relief on your bill, make sure you do your homework.

California law does not specify the amount a hospital must knock off your bill, and it can often be a matter of negotiation. Start by asking the hospital or doctor's office for a detailed list of every service rendered and the amounts charged, and make sure you actually received all the services listed. "Most bills have some obvious errors," Corn says.

AnnMarie Quintaglie McIlwain, CEO of Summit, New Jersey-based Patient Advocators, tells of a client who got a bill charging her for a bone marrow transplant she didn't receive. It was a coding error, McIlwain says, and correcting it knocked \$250,000 off the bill.

Another crucial step — if you are insured — is to make certain your health plan has paid its entire share. If you have surgery and receive bills from several providers, you may hit your deductible with just one of their bills, but the others won't know that. Ask them to resubmit their bills to your insurer.

Should you need outside help dealing with the hospital or clinic, there are options. You could hire a professional patient advocate, who typically charges a percentage of what they save you. If you decide to go that route, you can find patient advocates in your area on the website of the Alliance of Professional Health Advocates. Log onto [www.aphadvocates.org](http://www.aphadvocates.org) and click on the "directory" menu.

Before you do that, check to see if you can get free assistance. Try the Patient Advocate Foundation ([www.patientadvocate.org](http://www.patientadvocate.org) or (800) 532-5274), which helps people resolve unaffordable health bills and also provides disease-specific, need-based financial aid.

If you live in California, you can submit your case online to [California Medical Billing Advocates](http://www.calmba.org) ([www.calmba.org](http://www.calmba.org)). Ko says he and his team compare clients' bills with Medicare rates and use the often large differential to argue for steep discounts.

"I say, 'This is what you are charging this patient who obviously has no money?'" Ko says. He also tells the hospital, "'If you collect the whole amount on this patient, you are going against your mission statement.'"

[This article](#) was originally published on March 5, 2020, by California Healthline. It was produced by Kaiser Health News, which publishes California Healthline, an editorially independent service of the California Health Care Foundation. It is republished with permission.