



Medical Billing

If you have trouble understanding your medical bills, you are not alone. Many people are confused about the bills they receive from hospitals, clinics and medical professionals.

Questions about your bill should first go to the hospital or clinic. Most have staff available to answer patient questions. Have your bill in front of you and know your account number before calling.

Carefully review all medical bills you receive.

Your health insurance policy is a contract between you and your insurance carrier. Any questions about your health insurance should be directed to your agent or carrier. Many clinics are affiliated with Health Maintenance Organizations (HMOs) and may even have a name similar to the HMO. Contact the HMO with questions related to insurance coverage.

Paying your bill

You are responsible for paying your medical bills. Even though you have medical insurance, it is common for hospitals and clinics to expect you to pay the bill in full immediately after receiving services, rather than billing the insurance company for its share. You then have to wait for reimbursement from your insurance company.

When paying your bill, include the portion of the bill with your account number and also print the account number on your check.

If you are uninsured or using a medical service outside of your insurance's network, the medical service provider must now give you a good-faith estimate of costs. There is also a new federal dispute resolution process available for individuals who are uninsured, in certain circumstances, such as when the actual charges are much higher than the estimated costs.

New Rules for Out-of-Network Costs

Examine the bills you receive carefully, as recent rule changes may affect your costs. You may receive separate bills for physician services such as



anesthesiologist, radiologist or surgeon. The bill may even come from a billing department with a different name than your hospital or clinic. If these bills are from an out-of-network provider for care you received at an in-network facility, they cannot be for a higher amount than your in-network copays, coinsurance, or deductibles for covered services performed at the in-network facility.

Similarly, an emergency facility or emergency provider may not bill you more than your in-network coinsurance, copay, or deductible for emergency services, even if the facility or provider is out-of-network. It is important to note that if your health plan requires you to pay copays, coinsurance, and/or deductibles for in-network care, you will still be responsible for those costs.

If you cannot pay your bill

Many hospitals and clinics will set up monthly payment plans. Your hospital or provider may be willing to accept smaller monthly payments. Understand exactly what you are agreeing to before signing the contract. Keep in mind that your payments generally need to be reasonable and you must keep up with your payment.

If you are having problems paying your monthly bill, discuss it with the medical facility immediately. If you know before admission that you will have trouble paying your hospital bill, let the hospital know so you

can work something out with them. Some offer cost-cutting health plans for eligible participants.

Do not ignore your bills if you cannot pay them. Hospitals and clinics can refuse to provide care if you or a family member have an outstanding bill.

If your bills are already past due, you may be turned over to a collection agency. Most hospitals use an internal collections department before resorting to outside agencies. This internal collection does not affect your credit rating. It is very important to work with them in paying off your bill. Be prepared to provide evidence concerning your current financial situation.

In its advice to parents of chronically ill children, the American Academy of Family Physicians recommends the following:

- Notify the appropriate office quickly.
- Keep in touch with your creditors.
- Record the names and phone number of the people you are dealing with.
- Document the date, time, and results of your phone calls.
- Pay something, even a small amount, on each bill each month as a gesture of good faith.

If your account is turned over to an outside collection agency, it usually demands payment in full. In most cases, negotiations must now be made between you and that agency – not the medical facility. There are specific laws in Wisconsin that regulate credit plans and collection practices. If you feel any laws are being violated, contact the Bureau of Consumer Protection.

Usual and customary fees

Insurance companies pay for all or a portion of what they consider usual and customary fees. This means the amount they see as reasonable for a particular service. Although each company varies, there is a national standard used as a guide. Read your policy very carefully to understand exactly what is covered and how much coverage you have. Buying supplementary insurance or Medigap does not always help with the uncovered costs. Many times supplementary policies simply overlap your primary insurance and you end up paying the same out-of-pocket costs, plus the extra premium.

Let your hospital or clinic and insurance company know if the cost of a service is more than your insurance will cover. There may be a specific reason your procedure costs more, or it might be a mistake. If possible, shop around for a medical facility and compare prices just like you do when purchasing other goods and services.

General tips

Carefully review all medical bills you receive. Alert your hospital or insurance company to any questionable billings or unpaid balances as soon as possible. Keep in mind the following general tips:

- Keep a treatment list. Create a log of every test, treatment and medication you receive. If you do not feel well enough to keep your own record, ask a relative or friend to do it. Even a limited list will make it easier to decipher your statements.
- Watch for statements that state your medical bills were sent to another source for payment. These may look like bills, but they should include a statement like “This is Not a Bill,” or “For Your Records.”
- Review your bills as they arrive.
- If you have difficulty understanding the charges on your summarized bill, request an itemized bill.
- Carefully review your bills for errors. Common billing errors include duplicate billings, unauthorized charges, incorrect data, duplicate orders, operating room times, up-coding, unbundled fees and coding errors. If your name or insurer’s group number is wrong, the coverage amounts are also likely to be wrong. If you were in the hospital, see how many daily room-and-board charges are included. Many plans do not allow hospitals to charge you for your discharge day, although hospitals frequently do. Additionally, if you went to an emergency room but were not admitted until after midnight, you should not be charged for the previous day.
- Check your bill for duplicate orders. This is particularly important for medications, lab work, or hospital room fees. Compare the charges with the doctors’ notes. Hospitals may bill a patient for a procedure even though a doctor canceled it. Also

check the number of lab tests or procedures you had.

- Up-coding is a practice that inflates the patient's diagnosis code to a more serious condition that requires more costly procedures, and can be the result of a simple clerical error or fraud. To spot it, compare the diagnosis on your doctors' orders and nursing notes with the charges on your bill.
- Upselling is a charge that is needlessly inflated. For example, a doctor may order a readily available generic drug for you, but the hospital provides a more costly brand-name medication without your knowledge or consent, and bills you for it. Since you are not an expert at determining whether or not a drug is a generic and may not have been in a condition to make that determination, you are not responsible for the increased charge.
- If you were charged for several lab tests in a day, for example, call your insurer to see if the charges should have been bundled under one lower fee. Look for the terms "kit," "tray," and "room fees." Each of those terms covers charges for several items, such as gloves, IVs, or sheets. But, you may often find separate charges for these. Question any medical sounding word that you do not understand; you may find it should have been bundled with another charge. For example, an "oral administration fee" is really a charge for a nurse to hand you your medications, and it should be included in your room-and-board fee. Ask your insurance carrier if a medical procedure you are having requires prior authorization. This will make it easier when you file a claim and will avoid the disappointment when you find out that a procedure is not covered after you have already had it done.
- Do not visit an emergency room unless it is truly an emergency. It is always more expensive. Many insurance companies will not pay, or will only pay a portion of an emergency room bill, if they believe it was not an emergency.
- Keep all your medical bills organized together. It may be helpful to keep them in separate envelopes with the date of service and date of payment printed on the outside.

- Do not transfer medical debt to a credit card. Most experts warn that this is a poor choice because the interest rates on your credit card will add significantly to your debt and transferring medical debt to a credit card may affect your eligibility for Medicaid. Some medical costs can be deducted from gross income to determine your Medicaid eligibility. Medical debt on a credit card may no longer qualify as medical debt.
- If you find a mistake, call your provider, explain the error, and ask someone in the billing department to make the correction. For each call you make, keep a record of the time, name of the person you spoke with, and what you were told. If that does not work, call an account representative or the fraud department of your insurance company.

For more information or to file a complaint, visit our website or contact:

Wisconsin Department of Agriculture,
Trade and Consumer Protection
Bureau of Consumer Protection
2811 Agriculture Drive, PO Box 8911
Madison, WI 53708-8911

Email: DATCPHotline@wi.gov

Website: datcp.wi.gov

(800) 422-7128

TTY: (608) 224-5058

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