

Medical Bills Excerpts

Healthy Priorities*

Know why. Know when.
Know how much.®

News you can use



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Check Your Medical Bills: Know What You're Paying For

Ten billion dollars. That's the estimated amount spent each year on incorrect medical charges.¹ What can you do to make sure you don't overpay? You can become a better health care consumer. Begin by preparing—when possible—for any medical care you need by researching the cost of services and checking what your health plan covers and excludes. Another important step is keeping your own record of your care at the time you receive it. That can be a big help when your bills arrive. Checking your bills carefully is a key part of being a better health care consumer. It's a good way to be sure all your charges are correct and that you don't pay any more than you need to.

Track Your Care

Whether it's for a routine physical or surgery at a hospital, tracking your care will help you understand your medical bills when they arrive. Here are some tips for tracking the medical care you receive:

- At each visit to your doctor, make notes of the individual services you receive—flu shot, EKG, etc. Be sure to include the dates you received them and who performed them—doctor, nurse or other medical care provider.
- Before you leave the doctor's office, look at any paperwork you have been given about the visit. If you don't understand the codes representing the services performed, ask what each code means and write the explanation down.
- Before you go to the lab for blood work, make sure you know which blood tests you should receive and keep a record of them. When you go to the lab, double-check that you are having the right tests.
- If your doctor has suggested diagnostic tests, keep a record of which tests have been ordered. Make a note of which tests are done and when, and if they are done separately or together.
- If you receive care from an urgent care facility or a walk-in clinic, keep any paperwork you are given. Make your own notes, too, about the care you receive.

- If you are in the hospital, try to keep a record of all the services and treatments you receive and who performs them. This can be difficult if you are ill so you might need a relative or friend to help. Make sure you know the exact dates of your hospitalization and other medical visits.

Check Your Bills

Checking your bills is easier when you've kept good records. Your records will let you compare the care you are billed for with the care you received. Don't assume that your bill is correct, even if your insurance carrier has seen it. Only you know if the care listed on your bill reflects your actual care. Everyone makes mistakes, even the billing offices for hospitals, doctors' offices, labs, clinics and outpatient facilities. The problem is that it can be hard for you to spot the errors in bills that are based on billing codes. Hospital bills can be the most complicated, sometimes filling several pages. But even simpler medical bills can contain errors. Here are some things to consider when you check your hospital or other medical bills:

- Compare your bill to any paperwork you have or notes you have made about your care. Make sure the amounts charged match the amounts that your insurance company says you are responsible for. You can usually find them in the Explanation of Benefits the insurance company sends you.
- Look carefully for duplication. Sometimes, you can be charged twice by mistake for the same care. If you needed a particular test done twice because of a hospital or lab error, you should not have to pay for the retesting.

¹ Source: msn Money, 2008, www.moneycentral.msn.com

Quiz



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Check Your Medical Bills: Quiz

Questions

1. All hospitals charge the same amount for the same procedure.
 True False

2. If I have surgery in a hospital, all my bills for that procedure will be included in a single hospital bill.
 True False

3. If my insurance is paying most of my bill, it is _____ responsibility to make sure my medical and hospital bills are correct.

4. Overcharges may make up _____% of hospital charges.

5. Which records or copies should I keep, to make it easier to check my medical and hospital bills?
 - a) orders from my doctor for lab tests
 - b) orders from my doctor for diagnostic tests
 - c) statements from my insurance company
 - d) my own notes from my exam, test or hospital stay
 - e) all of the above

6. EOB stands for:
 - a) Explanation of Brands
 - b) Elimination of Bias
 - c) Explanation of Benefits
 - d) Effect of Bargaining

Did you know?



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Check Your Medical Bills: Fact Sheet

Fact 1

Medical Advocates for America, an organization that specializes in training advocates for consumers and companies to identify and resolve medical bill errors, finds errors in eight of every ten medical bills they see. So if you think there is an error on your bill, chances are you might be right.

Source: New York Times, 2007, www.nytimes.com

Fact 2

In 2006, the last year for which the U.S. Department of Health and Human Services has figures, health care spending in the United States reached a new high of \$2.1 trillion. Of this amount, hospital charges accounted for \$648.2 billion, or about 31% of the total.

Source: Centers for Medicare and Medicaid Services, U.S. Dept of Health and Human Services, 2008, www.cms.hhs.gov

Fact 3

There are more than 900,000 physicians in the United States and nearly 1 billion doctor-patient visits each year.

Source: Medical News Today, 2006, www.medicalnewstoday.com

Fact 4

There are 4,061 short-term acute-care hospitals in the United States with a total of nearly 760,000 beds. These hospitals reported 187,525,206 "patient days" in the most recent year for which they reported data. The number of patient days represents the number of patients the hospital had, multiplied by the number of days each patient spent in the hospital. With numbers this big, it's easy to see how billing mistakes can be made.

Source: American Hospital Directory, 2008, www.ahd.com

Fact 5

The average length of a hospital stay in the United States is about five days. On any given day, there are about 539,000 hospital patients nationwide, not counting newborns.

Source: U.S. Census Bureau, 2007, www.census.gov

Glossary



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Allowable costs

The amount of a charge for necessary health care that is eligible to be paid by a health plan.

Authorization

For certain treatments and procedures, some health plans require members or their doctors to contact the plan for approval before the services are provided. This is also called preauthorization.

BMI or Body Mass Index

BMI measures weight in relation to height. If weight is in pounds and height is in inches:

$$\text{BMI} = \frac{703 \times \text{weight}}{\text{height (in inches)} \times \text{height (in inches)}}$$

For adults, BMI is one measure of how healthy a given weight is for a person's height and for identifying **obesity**.

BMI	Weight Status
Below 18.5	Underweight
18.5 – 24.9	Normal
25.0 – 29.9	Overweight
30.0 and Above	Obese

Brand-name drug

The U.S. Food and Drug Administration must approve any drug that is to be offered for use in the United States. After the approval, only the original drug manufacturer is allowed to sell a new drug for some number of years. Generally, the manufacturer will sell the drug under a name that it owns—a brand name—and so the drugs are called brand-name drugs. Each drug also has a general name that is not owned by any one company. When the original manufacturer's exclusive right to sell the drug ends, other manufacturers can sell it under their own brand names or under the more general name as a generic drug.

Case management

Some health plans provide clinical coordination and monitoring by medical professionals for their members who have special or complex medical needs. This helps ensure that their care needs are met.

Chronic condition

A medical condition that lasts for a long period is called chronic. The opposite is "acute", which refers to illnesses that generally come on suddenly and last for a short time.

Claim

A claim is information that a health care provider or a patient submits to a health plan to show that medical services have been provided. Claims are used for processing payments.

Coinsurance

Coinsurance refers to a method of cost sharing under a health plan. Members and the health plan each pay a percentage of eligible medical expenses, sometimes after a predetermined deductible amount has been reached.

Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA)

This federal act requires each group health plan to allow certain employees and their dependents to continue under group coverage for a stated period following a qualifying event that causes the loss of that coverage. Qualifying events include reduced work hours, the death or divorce of a covered employee, and termination of employment that is nondisciplinary.

Copayment

Copayment refers to a method of cost sharing under a health plan that requires members to pay a fixed amount for a specific service.

Deductible

A deductible is a flat amount that a member must pay before the health plan makes any benefit payments.

Drug formulary

A drug formulary is a health plan provider's list of preferred prescription medications. All drugs on the list are FDA-approved, and the list includes generic and brand-name drugs. Generally, members have the lowest out-of-pocket costs for drugs on the formulary.

