

# Episode 11: Pricing Your Procedure & Tips For Reducing Medical Costs



*Note: This is a machine transcription. Please excuse any punctuation or other weirdness:)*

## **Intro:**

Want to get a fair price on a medical procedure? Where do you begin and how can you make sure it is accurate? We all know that people are being forced to bear the cost of healthcare on their own, either because they have high deductibles or are choosing to self-pay because they can't afford the high premium.

Sadly, while there have been some attempts at making pricing more transparent, we have a ways to go and this leaves many in the dark about the price of a medical procedure until you get the bill.

## **Why is it so hard to find out how much a medical procedure will cost?**

The reality is that there's not a straightforward way to understand medical procedures and the costs associated with them. Sure, you can look up "knee replacement surgery" and get a good overview of what the procedure itself entails. It's challenging to find a clear fair cost estimate, although with more legislation around price transparency I believe we are seeing improvements.

In the meantime, there are tools and ways to get close to that price ways to reduce medical costs that allows you to manage your budget and get the healthcare services you need.

## **Get Savvy...Demystifying Healthcare – 30 second commercial**

*Are you tired of the high cost of healthcare? Are you overwhelmed trying to navigate a complicated healthcare system?*

*Welcome to Get Savvy...Demystifying Healthcare weekly podcast where we take complicated healthcare topics and make them simple.*

*Imagine if you could stop feeling paralyzed with fear and frustration and instead be empowered to make smart healthcare decisions for you and your family.*

*Get Savvy with your host, Sandy Kibling, a healthcare professional changing how healthcare knowledge is shared.*

## Podcast

Hello and welcome to Episode 11 where we are discussing key tips about Pricing Your Procedure how to get Lower Medical Cost. By knowing the price of your procedure, you can confirm your out-of-pocket expenses and budget accordingly.

Also once you know what that price is be your own advocate to lower that medical cost.

### What we will discuss:

1. Questions to ask your provider's office.
2. Tools to use to determining Your Costs
3. Tips to Lower Medical Costs Overall

Let's get started.

### Questions To Ask Your Provider

- Ask to speak to the billing department. You can ask for an estimate of your procedure. Typically billing offices will factor in your health insurance plan, copays and out of pocket costs.
- If you find that you owe a certain amount, but it is a bit steep to pay, ask if there is a payment plan. Many providers offer this option with the ability to pay in 3 or 6-month plans. This at least breaks up the cost and may make it easier to manage that monthly payment.
- If you are choosing to self-pay, ask if there is a discount. Often many providers will offer a percentage discount cash paying patients
- Ask the provider for the CPT code that will be used for your procedure. CPT stands for Current Procedural Terminology, but we will refer to it throughout this episode as CPT for short.
  1. A CPT code is a unique 5-digit code the providers office uses for billing the procedures to your insurance company.
  2. For example, a Total Knee Arthroscopy is 27447. Every CPT has a value associated with it...the providers charge and your cost. I relate this to a plumber's invoice; you are going to have a line item for each service performed and a dollar value for each service. Pricing your care is very similar
- Now, you may be asking why you should bother doing this, just let the providers office take care of this. It certainly is an option, but if they don't get back to you, which happens more often than preferred, I want to share with you how you can price on your own if needed.

- One other option is you can use your health insurance portal. Most have a pricing option tool or you can call the number on the back of your card and speak with a representative that may be able to help you.

## Pricing Your Procedure

Scenario: You have an upcoming Total Knee Surgery and would like to get the cost.

- Go to [fairhealthconsumer.org](http://fairhealthconsumer.org). Their mission is to help you understand your healthcare costs and health coverage and bring transparency to healthcare costs overall.
- Is the data reliable? The cost estimates are based on claims for medical and dental services paid for by private insurance plans, by the country's largest insurers.
- The database includes more than 38 billion private health care claim records and 37 billion Medicare claim records for 10,000 services in all areas of the United States, dating back to 2002.
- Fair Health receives about 2 billion new records each year. These claims represent a large portion of the population in all 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands.
- FAIR Health uses this powerful data to create a reliable picture of healthcare costs around the country, and locally.
- To keep the cost information current, they ask contributors to send new records regularly throughout the year, and Fair Health updates the cost data on the website twice each year.
- In addition to being a pricing tool there are also provide links to resources you can choose from.

1. State Consumer Assistance Programs
2. Medicare Rights Center
3. Helpful articles on Insurance Basics and other healthcare topics.

Let's talk about using this tool which by the way is a free tool and easy to use. I have also created a quick view resource document that provides screenshots walking you through the process but the tool is super intuitive and may not need it but I will include a link in the show notes.

·So acknowledging where you are currently listening, you may not have access to view this website, but I will walk through the steps to support the ease of use.

- Once you get on the website Click on Medical and Hospital Costs and you will be asked a series of questions.
- You will be asked to choose in-network or out-of-network...choose what is best for your situation. You can also hover over the question mark to get a description of the choices.
- Put in zip code for city or state that represents you as we all cost varies based on location.
- The next question asks you to type in your procedure. So, this is why we ask our providers office for the CPT code.
- You can type in a key word like total knee surgery or hip procedure, but there are so many variances with these types of surgeries such as partial or one knee versus two or revision etc., and you want to make sure you are choosing the exact procedure to get the correct pricing. So, make sure you ask for the procedure code or CPT. So if you are following along and want to type in a code to understand the process type in 27447. Hit enter.
- You will be prompted to the terms of use, you can select agree.
- The CPT you typed in pops up with a description. Select the button confirming this is the CPT you wanted. Select Get your cost.
- You will see both out-of-network/uninsured price as well as In-Network Price
  1. There are two prices to consider Professional – which is your surgeon and anesthesiologist and Facility which is the location of your procedure
  2. Focusing on professional, you will also see options to add radiology and anesthesia. If you choose to add those options you can see how the price adjusts.
  3. Now focusing on the Facility, Select the add button and now you can see the in-network approximate cost is \$15K in this example.

So super easy to use and the bonus it is a free.

## **Determining Your Costs**

Now that you have priced your procedure it is time to confirm what your out-of-pocket cost may be. Before we dive into the scenarios, as a reminder a deductible is the amount you pay for your out of pocket until your insurance kicks in sharing the cost burden. For example, they may cover 80% and 20% you cover. Out of Pocket Max is the dollar amount you pay out of until insurance covers at 100%.

- Scenario 1: You still owe \$750 on your deductible and then your insurance kicks in at 80/20. Considering the \$15,000 we discussed earlier. 20% of that amount is \$3,000 plus the \$750 your potential cost would be \$3,750.
- Scenario 2: You owe no deductible and your insurance kicks in at 80/20. Considering the \$15,000 we discussed earlier. 20% of that amount is \$3,000.
- Scenario 3: You have met your deductible and your out of pocket so insurance pays at 100%. Your payment is \$0. This is the best scenario and often times consumers plan their surgeries towards the end of the year.

## **Tips To Reduce Your Medical Costs:**

### **Choose an Outpatient Facility**

- An outpatient facility is where you can receive care but don't need to a hospital bed or stay. Examples include primary care clinics, community health centers, urgent care clinics, ambulatory surgery centers, and even some pharmacies for basic healthcare consultations and immunizations.
- Now, more patients are turning to outpatient facilities—as an affordable alternative. In fact, Kaiser Health News found that over two-thirds of operations performed in the United States occur in ambulatory surgery centers. Without the high cost of running a hospital to factor into your medical bill, outpatient facilities can provide the same healthcare services at a much lower cost.
- For example, a total knee surgery average cost in a hospital is \$41K versus outpatient facility is \$21K
- While some questions have been made about whether outpatient facilities are as safe as hospitals, the reality is that they are safe for most people and most procedures. Also your provider will work with you to make sure the outpatient option is the right option for you based on your healthcare status and needs.

### **Understand Your Benefits and Stay In-Network**

One of the most important benefits to be aware of is what your insurance covers for both in-network and out-of-network care.

- In-network care refers to seeing a healthcare provider or going to a healthcare facility that has negotiated a rate with your insurance company. This rate is often a steep discount from what a patient without insurance would pay. For example, once your deductible has been met your insurance covers 80% of the bill and you cover 20%.

- If you choose an out-of-network provider or facility this usually means you'll end up paying a higher cost for your medical procedure. This is because the provider or facility has not negotiated a discounted rate. Some plans do cover out of network such as 60% covered by insurance and 40% by you and in some cases, they may not cover at all. Check in with your insurance company to confirm your benefits.
- For out-of-network The No Surprise Act passed in 1/1/2022 does offer some protection should you have an out of network bill that may offer protections. Episode 7 No Surprises Act...Just Say No To Out Of Network Bills covers this act and protections in detail.
- Travel to a different state for your procedure - Depending on where you live, the cost of your medical procedure might be astronomically high. This often happens in rural areas where there is a shortage of hospitals and providers, which causes the cost of healthcare to rise. While traveling for healthcare isn't for everyone, it is a great option that could lead to significant savings. How much you save will depend on the cost of your medical procedure and the cost of travel but, for many patients, the cost difference is well worth it.

## Shop Around For a Fair Price

We talked about Fair Health Consumer.org but [New Choice Health](#) is another option. It is also free and they compare the cost of your medical procedure across different facilities, so you can get an accurate picture of what you can expect to pay — and choose where you get care accordingly.

- Ask your doctor for a discount on the cost of your medical procedure. Even if your doctor is quoting you a price you can ask for a discount. Though they aren't required to offer a discount to patients who are paying out-of-pocket, your doctor may be willing to work with you.

**\*\*You might try saying, "I'd love to see you for this medical procedure but I can't afford your price. Can you offer me a discount since I'm paying out-of-pocket?"**

It never hurts to ask. Worst case, they can't give you a discount. Best case, you get your medical procedure at a price that's a bit more budget-friendly. Asking for a discount before you have your procedure done is your best bet.

If you don't have the time or are unsure how to start this conversation with your doctor, look into New Choice Health's program, [Patient Assist](#). I will link to it in the show notes

## Ask for generic prescriptions

Prescriptions can be expensive and many doctors prescribe the brand name of the drug without thinking much about it. If you're insured, you may only have a small prescription co-pay.

If you don't have health insurance and need medication, you could be faced with the choice between paying hundreds to thousands of dollars per month...or going without your prescription.

Generic drugs are a safe and effective alternative; they're FDA-approved and contain the same active ingredients as their brand-name counterparts. They also tend to cost far less.

## **Negotiate your medical bill**

While it's ideal to reduce the cost of your procedure before you get the bill, this doesn't always happen. That's where negotiating comes in. This can seem like a scary process, but doctors, facilities, and insurance companies are used to having patients negotiate their medical bills.

There is almost always room for negotiation, too. It can take time and patience to negotiate but you could save thousands of dollars on your healthcare in the long run.

This is especially true since most providers and facilities would rather get partial payment than no payment at all, you can start the negotiation process with them.

Below are some negotiating tips you can use with your doctor or their billing department:

- If you didn't ask for a discount before the procedure — You may still be able to get one. Ask this: *"I want to pay my medical bill but can't afford the full amount. Are you able to offer me a discount?"*
- If you can't afford to pay your whole medical bill upfront — Your doctor or the facility you went to may be able to offer you financing. You can ask this: *"Do you offer interest-free payment plans for patients who are paying out-of-pocket?"* Just make sure that any payment plan you get is interest-free, otherwise, you'll end up paying more over time.
- If you think you've been billed incorrectly — Mistakes happen and error rate from providers office and health insurance company can be 35% error rate. Trust but verify.
- It can be difficult to spot a billing error but one way to do this is to ask: Can you explain what each code on my bill is for? As your doctor's billing department explains, take note of anything that doesn't seem right. For example, did they put two of the same code? This could be a duplicate billing.
- A code for an x-ray when you didn't get this is also a red flag. If you see anything that could possibly be out of the ordinary, ask for them to fix it.
- If you have a health plan, you can also talk to your insurance company. While they won't give you a discount, they may be able to help you spot—and correct—discrepancies in your bill.

I hope this information was helpful and appreciate you sharing if you know of those who may benefit.

In our next episode we are going to discuss the charges you get on your estimate from your provider office for a procedure versus allowable on your explanation of benefits.

Remember when I mentioned the 35% percent error rate in billing?

I will cover key tips to make sure you are aware of the right steps to verify and the questions to ask so you are not overpaying.

Until next time...Get Savvy