

4 Ways To Save On Your Family's Medical Costs (Part One)

JULY 2021 ISSUE

JULY 1, 2021

PERSONAL FINANCES

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Medical costs are rising at a rate much faster than inflation. While many charges have previously been confidential and not subject to negotiation, recent changes provide new opportunities. Below are two of four methods to reduce your family's medical expenses.

1. Compare Hospital Prices

After a ten-year battle, hospitals are now required to make available online, or upon request, their prices for 300 common services. Under new Obamacare regulations effective January 1, 2021, all hospitals must publish five different charges for the same service including the actual (gross) charge for the service, the cash discount charge, payer-specific negotiated prices (including with various insurance companies, Medicare, and Medicaid), along with the lowest and highest charges negotiated with a third-party payer.

Unfortunately, there's no reporting standardization currently, as hospitals can present their charges however they want, making comparison-shopping difficult in some cases. For example, even though the rule requires hospitals to list the cost of the primary service, along with any related professional fees and ancillary services, it's often unclear if those additional costs are included in the fee estimate provided. Moreover, while the consumer-friendly tool is supposed to be easily accessible, hospitals have made it difficult by embedding code in their website's service pricing pages to prevent them from appearing on Google and other search engines. While the pages, and the pricing data, are still technically viewable, they've been effectively buried in the hospital's website.

Limited compliance and lack of standardization have made comparison pricing among hospitals difficult. After checking fees online, you can "shop around" for non-emergency procedures by calling several hospitals in your network and asking for their estimated cost of the services (using CPT codes) based on your insurance coverage.

2. Avoid Surprise Medical Billing

Have you ever been to the ER and later received a surprise medical bill from an anesthesiologist, radiologist, or other medical provider outside your insurance network? The No Surprise Act, which goes into effective January 1, 2022, is designed to protect you from these unanticipated out-of-network costs, which occur with about 18% of emergency room visits and 16% of hospital admissions.

The new law generally requires that insurers cover unexpected out-of-network costs at in-network rates, including charges for air ambulances and emergency care. Furthermore, ancillary services (e.g. anesthesiology) and supplementary diagnostic services and processes (e.g. radiology) must also be covered at in-network rates. Out-of-network providers are also prohibited from balance billing patients for both emergency and non-emergency care rendered at in-network hospitals, subject to some limited exceptions.

In [Part Two](#), we'll discuss how to cut your prescription drug costs and negotiate your medical bills for further savings.

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