



Balance Billing

Your insurance company paid your provider and you have paid your patient responsibility. So why are you still receiving a bill? Well, you may have been balance billed. Balance billing occurs when a provider (doctor, hospital, clinic, etc.) bills a patient for the portion the insurance company “writes off” or discounts.

Let’s consider an example: The patient goes to the doctor for a procedure billed at \$400. The insurance company has a negotiated rate or “allowed amount,” set through a predetermined contract with the provider, which agrees to a comprehensive payment of \$250 for this procedure. The insurance company paid the provider \$225, leaving you with a patient responsibility of \$25.

A provider has balance billed you when they attempt to recoup some of, or all of the entire “network” discount. The best way to confirm whether or not you have been balance billed is to follow the paper trail.

Do The Math:

$$\begin{array}{r}
 \$ 400 \text{ (Billed Amount)} \\
 - 150 \text{ (Insurance "Network" Discount)} \\
 \hline
 \$ 250 \text{ (Allowed Amount)} \\
 - 225 \text{ (Insurance Payment)} \\
 \hline
 \$ 25 \text{ (Patient Responsibility)}
 \end{array}$$

Things to Remember

- Each health plan has different negotiated rates with providers. This is a result of their contractual agreements, which designate the provider as “in-network.”
- Balance billing, is an illegal act (in most states) and only applies to “in-network” providers. “Out-of-network” providers, those that do not have contracts with your insurance company, are not required to accept the insurance companies “write-off” or discount.
- Document all conversations, with your providers, insurers and law enforcement. Also make sure you keep a copy of the paperwork (bills, EOBs, payments) for your records.

What To Do If You Suspect You Have Been Balance Billed:

Step One: Gather all of the bills, EOBs and payment information associated with the provider and service(s) in question. This will help you to double check the math. See if the amount you are still being billed is representative of the network discount.

Step Two: Contact your insurer. They can help you to confirm the math, plus they will want to know if the provider is balance billing. Oftentimes, insurance companies have specific processes to handle this type of issue. If you are a Medicare beneficiary and Medicare is your primary insurance, call their Balance Billing Hotline at 800-899-7127.

Step Three: Contact your provider. Tell them that you suspect you have been balance billed. They may admit to it readily and make adjustments. If they do not, having already confirmed that you have been balance billed by your insurer may provide you with the needed leverage to get the bill resolved.

Step Four: Balance billing is illegal in most states and for all Medicare claims. If you are unable to receive any help from your insurer or the provider, you may want to contact the state agency that oversees health and/or insurance. Inform them you suspect medical balance billing has occurred.