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11 ways to save money on medical expenses

Rising health insurance costs have many people worried about the financial impact.



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Reducing your medical bills may take some legwork, but there are many ways to cut costs and save money. (Photo: Carolyn Franks/Shutterstock)

My health insurance plan jumped 24 percent this fall and dropped in quality of coverage. I'm not alone. [Rising health insurance costs](#) across the nation have many people worried. A recent [50-state poll](#) released by the Partnership to Fight Chronic Disease revealed that 77 percent of consumers have experienced difficulty using their health insurance in the last year, and the impact of health premiums on budgets is a top concern for families.

So, while we wait for Congress and health insurance companies to figure out the healthcare landscape, what are your options? Here are 11 ways to slash or manage your medical costs.

1. Ask if a procedure is necessary. Providers don't often consider cost, but if you explain you have a high-deductible plan, they may change their course of action to eliminate less necessary tests. When my husband broke some ribs while uninsured in his 20s, his doctor took a wait-and-see approach before ordering additional X-rays. And a pregnant colleague's doctor, who was sending her for ultrasounds every few weeks despite a normal, healthy pregnancy, slowed the pace once my colleague said those extra ultrasounds cost hundreds of dollars a pop.



Generic medication is just as safe as the brand-name equivalent and can cost up to 80 percent less. (Photo: Sarah2/Shutterstock)

2. Buy generic prescriptions and over-the-counter medicines. If your doctor prescribes a medication, ask if it [comes in a generic](#). According to the Food and Drug Administration, generics are as safe as their brand-name equivalents and may cost up to 80 percent less. Use the FDA's [Orange Book](#) to find out if a drug is available as a generic. Also, look for \$4 generics offered by Wal-Mart, Target and other box pharmacies. They don't all offer the same ones, so keep hunting if one pharmacy doesn't offer it. Hop online to compare prices at [Goodrx.com](#) to make your search easier.

3. Investigate fair pricing online. Most of us have no idea what a procedure should cost or that it can vary wildly among facilities. The [Healthcare Bluebook](#) features a service's "fair price" by ZIP code based on a database of rates paid by private insurers. [NewChoiceHealth](#) is another free consumer marketplace that allows you to shop for providers' list prices (derived from Medicare data), and lists nearly every facility in the U.S. Figuring out the cost of health care is confusing, but these websites offer a starting point.

4. Choose the right facility. Urgent care clinics cost a fraction of hospital emergency rooms and are available to anyone. One recent Saturday, I took my son to our clinic for a strep throat culture and paid a \$20 copay because the clinic partners with my primary care provider's practice. Urgent care clinics are usually less crowded and specialize in non-emergency care.

5. Ask about prices and whether paying cash will earn a discount. Talk to your doctor, hospital and insurance company about the cost of a procedure or office visit and which of your local facilities charges less. Sometimes facilities offer a discount if you're paying cash because it eliminates paperwork.

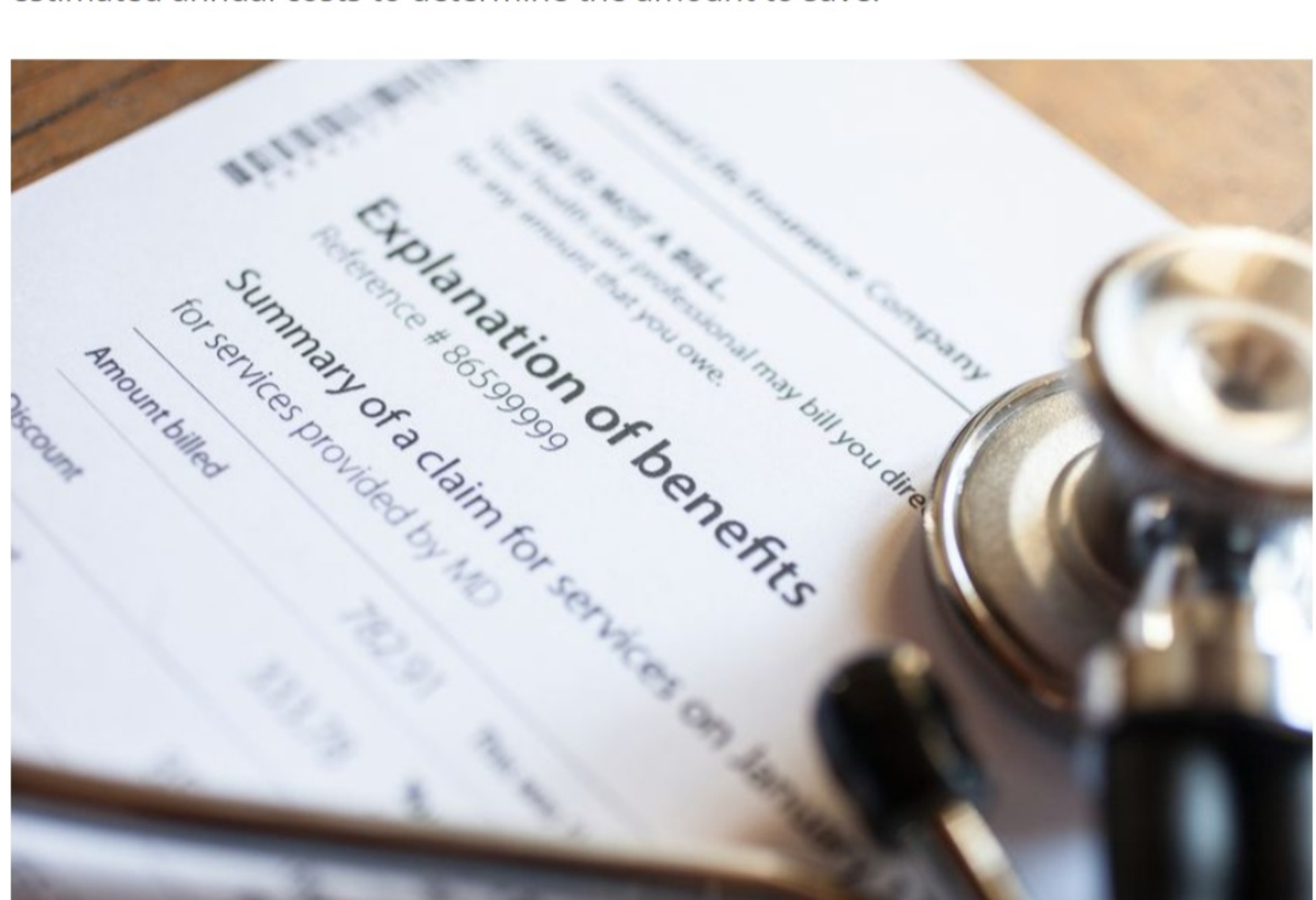


Have a big hospital bill? See if you can set up a payment plan instead of putting the debt on a credit card, and ask the provider if they can reduce what you owe. (Photo: Mat Hayward/Shutterstock)

6. Set up a payment plan. If you have a large medical bill to pay off, avoid putting it on a credit card because the debt then becomes consumer debt, which can affect mortgage rates, car loans or even your ability to secure a job. Contact the provider directly to find out if you can set up a payment plan. In certain hardship cases, the provider may reduce what you owe.

7. Hire a medical billing advocate. Also called patient advocates, these service provider professionals offer a variety of services including paperwork tracking, negotiating a lower rate and help researching treatment options. They function as independents, so you must pay a fee, but they may be able to lower a hefty hospital bill by thousands of dollars, saving you money in the end.

8. Open a health savings account (HSA). If you have an HSA-qualified high deductible health plan, you're eligible to open an accompanying [HSA account](#) and deposit pre-tax dollars for medical expenses, such as dental care, vision and other qualified out-of-pocket healthcare costs. The money rolls over every year and is deducted at tax time from your gross income. Limits apply, but you should add up estimated annual costs to determine the amount to save.



Reading your "Explanation of Benefits" statements may seem like boring reading, but it's necessary to make sure you were billed correctly for any medical expenses. (Photo: Minerva Studio/Shutterstock)

9. Watch for billing mistakes. Keep a sharp eye on "Explanation of Benefit" statements and bills for errors. Just a few months ago, my provider billed me the full amount for a blood test because it wasn't submitted to insurance first. A quick phone call to the billing office saved me more than \$60. Also, the wrong coding for a procedure can mean the difference between a service covered in full and a hefty bill. Even if you're being billed correctly, it pays to ask questions so you understand your insurance benefits to use them more efficiently. Which brings us to the next point...

10. Understand your insurance coverage. This year, some insurers have pulled out of the market or axed specific plans, so be sure to check that your in-network providers still accept your policy. Double check how your insurance covers in-network and out-of-network providers, medications, and chronic conditions so you don't end up making a financial misstep.

11. Shop for a new policy. Do you buy your own insurance? Consider a more effective plan for your needs during open enrollment (Nov. 1, 2016, through Jan. 31, 2017). Start with the [federal exchange](#) to be directed to your state's exchange if you have one, and consult a patient "navigator" in your area for free. In some states, insurance brokers double as navigators and can also tell you about traditional private insurance plans. It's worth checking both options. Also find out if you qualify for a sliding-scale [subsidy](#) with an exchange plan (not applicable to traditional plans). If you have a chronic condition, conduct a total cost analysis rather than focus on premium rates because less expensive plans have higher deductibles and could cost you more in the long run.

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