

Family Tip Sheet

Dealing with Medical Debt

As medical costs soar, parents of children with special health needs are often left to manage large amounts of debt. These are some first steps to consider if you are feeling overwhelmed with debt.

STEP 1: Are the charges correct?

- Check your bill against the medical record. Does it match? Have you possibly been charged twice? If there are errors, contact your provider.
- Make sure your insurance received the bill and paid their portion.
- If you don't agree with the bill, then look at your appeal rights, which are provided with the bill.

STEP 2: Can't afford it. What are my options?

- Seniors, people with disabilities, children, and parents of dependent children may be eligible for Medicaid if they have very low incomes.
- Medicaid can often go back and pay bills that are up to three months old. Check with your state Medicaid agency to see how this works and what you can do to apply.
- Many hospitals in the US provide some free or low-cost care (charity care) to uninsured or low-income people. Other clinics, doctors, dentists, and home health agencies might also have financial assistance programs.
- Some providers may reduce their fees, and also agree to let you pay over time.

STEP 3: Prioritize. What do I pay for first?

- Don't ignore your bills, because you risk falling deeper into debt. Set priorities for bills, and pay on time. Mortgage/rent payments are high priority because you can lose your home.
- Talk to your medical providers about when to make payments on medical debt. Don't make medical debt a higher priority than other basic necessities
- Don't use credit cards to pay medical bills: Credit cards have higher interest rates and harsh penalties for late payments.

STEP 4: Too deep in debt, what do I do?

- Bankruptcy is filed either to eliminate debts completely or to develop a plan to repay them.
- Get expert advice from a legal services program or a reputable consumer credit counseling program.
- Weigh all of your options before filing. In some cases, bankruptcy might be the best option for dealing with medical debt.

Thanks to FamiliesUSA for these ideas. To read the full article, go to <http://www.lachc.org/coping-with-medical-debt.pdf>



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