

January  
2020



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One of the biggest potential drains on a person's finances is medical bills.

It goes without saying that everyone gets sick occasionally. It's a rare individual who goes through life without needing a single surgery, procedure, or hospital stay. But despite the inevitability of illness, few people prepare for the day they are confronted with a stack of medical bills.

Hopefully, that day never comes for you or anyone you love. But if it does, don't despair, because there are steps you can take to reduce medical debt—or at least make it easier to pay off. Naturally, there are also things you *shouldn't* do.

This letter lists some of both. You probably don't need these tips right now, but I recommend saving this letter so that if you ever *do* need them, you'll have them handy.

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### **Paying Medical Bills** *Seven DOs and DON'Ts*

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DO remember that bills can sometimes be negotiable. Hospital bills, for example, are often itemized so you can see exactly how much every service, treatment or test costs. While that list may seem daunting, it also gives you some potential wiggle room. It's not unheard of to contact your service provider to see if they can reduce one or more expenses. At the very least, it's worth trying. The worst they can do is say no!

DON'T ever disregard your bills. This may seem obvious, but every year thousands of people cross their fingers and hope this hospital or that doctor will forget about them. Usually, it's simply due to emotional exhaustion. Instead, take action right away. The sooner you tackle medical bills, the sooner you can create a plan for dealing with them. Speaking of which...

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DO consider setting up a debt payment plan. Many medical providers are happy to work with you if you can't pay the entire bill at once. In fact, it's common for patients to set up monthly payment plans at very reasonable prices. Sometimes, providers will even forego charging you interest!

DON'T try to pay off your medical bills with a credit card, for the opposite reason. Credit card companies stay in business by charging you interest, usually at much higher rates than your medical provider. You've heard the old saying about robbing Peter to pay Paul? In this case, the credit card company is Peter, and he's much more difficult to deal with than Paul.

DO scrutinize your bill for potential errors. It may be that you've been charged incorrectly. Convincing your insurance or medical provider won't be fun, but it could potentially save a lot of money in the long run. Also, consider hiring a medical billing advocate. An advocate can review your bill and help you negotiate – and many don't charge a cent unless they help you save money.

DON'T plunder from your own financial future, like taking money out of a 401(k) or IRA, until you've exhausted all your other options. While you may qualify for a penalty-free withdrawal from your 401(k) if the money is used to pay medical expenses, this should only be used as a last resort.

DO check with state or local government to see if they have any assistance programs that can help. Remember, the entire reason we have a government in the first place is to "promote the general welfare." (That is from the Constitution.)

Above all, remember that while dealing with medical debt might feel like an overwhelming challenge, it's not an insurmountable one. Use common sense, explore your options, and you can find a way to wipe the slate clean, focus on your health, and still look forward to a rich financial future!

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