



Tips for Understanding Your Hospital Bill

Growing numbers of New Mexicans have health insurance, but often those plans come with high deductibles that require patients to pay a higher portion of their hospital bill. The New Mexico Hospital Association is providing the following information to help you understand: 1) how to read your bill; and 2) where to go if you have questions or need help with your bill. We hope it will be helpful the next time you receive a bill from the hospital.

What is a hospital chargemaster?

Hospitals have a complete list of prices – called a chargemaster – for services provided at the facility. When you receive your bill, you will see the full price for the service based on the chargemaster. The chargemaster does not reflect any discounts negotiated by insurance companies. If you have insurance, you may also see an adjusted price reflecting any discounts your insurance company negotiates on your behalf.

Why am I getting so many bills?

If you are hospitalized, you will likely receive multiple bills for the services received during your hospital stay. For example, if you saw a specialist, a surgeon and a radiologist during your stay, you could receive separate bills from each provider, as well as a bill from the hospital.

How does insurance help?

Insurance companies work with hospitals to negotiate discounts which help to hold down premiums and out-of-pocket costs for their customers. If you have insurance, your hospital bill will reflect the adjusted price for your services, called the allowable amount. By choosing hospitals within an insurance company's network, patients often pay lower deductible and coinsurance amounts.

What is the patient's responsibility?

Chances are you will need to pay a deductible for any services provided during your hospital stay. Once the deductible is met, your insurance company will usually pay a percentage of the allowable amount for the service. The remaining amount is called coinsurance and is also billed to the patient. If you have questions about your insurance coverage or deductible, contact your health plan administrator or insurance company for details on your insurance benefits.

What does everything on a hospital bill mean?

Most hospital bills include detailed information about the services received during your hospital stay, including an itemized breakdown of individual costs. Here are examples of the things you may find on your bill and what they mean:

- **Date of Service:** the date the service was provided to you
- **Posting Date:** the date the charge was posted to your bill
- **Number of Units:** measurement of certain services like anesthesia or other items
- **Supply Code:** standardized code referring to a particular medical or surgical supply used during your hospital stay
- **Service Code:** standardized code referring to the service or procedure that was performed. Many procedure codes can be identified using internet search engines. For example, if you search for the code 71020, you will see that the code refers to a chest x-ray.
- **Diagnosis Code:** standardized code describing the diagnosis for which you were being treated
- **Service Description:** description of the service or procedure
- **Facility Code:** place where the services were rendered (hospital, skilled nursing facility, etc.)
- **Total Charge:** total of all the charges based on the chargemaster
- **Adjustments:** any insurance payments or discounts
- **Patient Balance Due:** amount owed by the patient

What is an explanation of benefits (EOB)?

An explanation of benefits (EOB) is not a bill, but rather a statement from your insurance company describing the benefits applied for a particular service. EOBs can sometimes arrive after you receive a bill from the hospital. Always check your EOB against your hospital bill and ask questions if you find anything that does not match up.

Where can I go if I have questions or need help with my bill?

Hospitals do everything we can to provide a complete, thorough and accurate bill, but it is always a good idea to review your bill and EOB to make sure the amount you owe is accurately reflected. If you have questions regarding your bill, or you would like to speak to a financial counselor about payment options, please contact your hospital's Patient Financial Services Department.

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