

# Managing Your Medical Debt

Know Your Rights!

## *What to Do When You Get a Medical Bill*

- DO NOT ignore your medical bills! You may owe even more money if you do.
- Review your medical bills to make sure there are no billing errors.
- If you have **Medicaid, Medicare, DC HealthCare Alliance, or any other health insurance**, then your doctor or hospital should bill your health insurance directly.
- If you do not have health insurance, then ask your doctor or hospital if it has a financial assistance or charity care policy. Or ask for a payment plan.

## *How to Apply for Discounted or Free Care*

- Ask your doctor or the hospital for a **discount**. Explain why you are having a hard time paying the bill.
- See if the doctor or hospital has a **financial assistance program**. Be prepared to show proof of your income, expenses (bills) and resources (savings).
- Ask your doctor or the hospital to **“hold” your case and not send it to a collection agency** while it considers your financial assistance application.
- If you are not given financial assistance, ask your doctor or the hospital for a **flexible payment plan**.

## *How to Create a Flexible Payment Plan*

- A **payment plan** allows you to pay a certain amount each month until the bill is paid off. You can ask your doctor, the hospital, or a collection agency for a payment plan.
- Figure out how much money you could reasonably pay each month towards your bill. Try to work out a payment plan that is no more than 10% of your monthly income. Be prepared to show proof of your income, expenses, and savings.
- Try to NEVER sign a payment plan that says you agree to pay the entire amount due as a penalty for missing a payment (this is called an “acceleration clause”).
- Ask for a copy of your payment plan in writing.
- Stick to your payment plan. If you cannot afford your payment plan anymore, tell your doctor, the hospital, or the collection agency.

## *Tips for Dealing with a Collection Agency*

- Doctors and hospitals commonly send unpaid bills to collection agencies. Even if your bill is with a collection agency, you may still be able to apply for discounted, free care or work out a flexible payment plan with the doctor or hospital. When dealing with a collection agency, try to remember the following:
  - ✓ Ask for a written notice of your debt if a collection agency contacts you by phone.
  - ✓ Keep copies of everything that the collection agency sends you.
  - ✓ Always take notes of your conversations with the collection agency representative.
  - ✓ The Fair Debt Collection Practices Act requires that debt collectors treat you fairly and prohibits certain methods of debt collection. Of course, the law does not erase any legitimate debt you owe.
  - ✓ If you do not owe money, or think you owe a different amount than what you are being asked for, then you can dispute the bill.

## *Tips for Disputing a Medical Bill*

- Write to the doctor or hospital to explain your side of the story.
- Write to the collection agency within 30 days of receiving the first notice, telling them that you dispute the debt and why. Include a copy of the letter you sent to the doctor or hospital.
- When the collection agency receives your letter, they must stop collection activity until the collection agency can verify that you are responsible for the bill. This verification may include a signed agreement or a copy of a judgment against you regarding the debt. It can also be as simple as a copy of the last bill the doctor or hospital sent to you.
- If the debt cannot be verified, the collection agency must cease activity on your account.

## *What to Do When You are Sued for a Medical Bill*

- **DO NOT ignore any papers from lawyers or the court.** You have the right to go to court and tell the judge your side of the story.
- **Pay attention to deadlines.** Do not let the doctor or hospital win just because you missed a court date
- Go to court immediately and file an 'Answer'. An Answer is a document that lets you tell your side of the story.
- You must serve a copy of your Answer on the doctor's or hospital's attorney. File proof that you served them with the court.

**NEED HELP? CALL the LEGAL AID SOCIETY OF D.C.: (202) 628-1161.  
COME TO OUR OFFICE: 666 11<sup>th</sup> Street NW, #800, Washington, D.C. 20001.  
HOURS: 9 am – 7 pm (Mon) and 9 am – 3 pm (Tues and Thurs). DIRECTIONS:  
Orange, Blue or Red Line to Metro Center (11<sup>th</sup> and G Sts.) (June 2006)**

Information contained in this handout is based in part on "How to Avoid and Fix Medical Debt" by The Legal Aid Society of New York Health Law Unit