

# MaineHealth

## Understanding the Cost of Health Care Services

New federal rules passed in 2019 make it easier for patients to understand how much hospital services cost. Every hospital must now have a way for patients to review costs.

### Call Us at [207-887-5100](tel:207-887-5100) or [1-866-804-2499](tel:1-866-804-2499) (toll-free)

The best way to fully understand what your charges are, or will be, is to call us. We have financial counselors ready to help you and your family. We can walk you through your bill or talk through what to expect.

If you are concerned with how to pay your bills or deductible payment, please call us. We are here to help with everything from helping you to pay for your medicine to setting up a payment plan.

### Pricing on the Hospital Price Index Website

The federal government (Medicare) tells us how to show pricing information. This website lets you search for the cost of hospital services and compare those prices to other hospitals. First you enter your health insurance company and then enter the type of medical service. For example: “Anthem BlueCross” and “Hip Replacement Surgery.” It can be a bit confusing because you will see several different costs. The terms used are all explained on the next page.

### More Information

- Calling your insurance company is always a good idea if you're thinking about having an elective procedure and want to get an idea of your out-of-pocket costs. Your insurance company can help you understand how your coverages and deductibles work, as well as your current payment history.
- If you want to get a more general idea of costs or compare your likely costs to those incurred by others, there are a few public pricing resources to review:
  - The Centers for Medicare & Medicaid Services - Medicare shares annual payment information for inpatient and outpatient procedures. For more information, visit [cms.gov](https://www.cms.gov).
  - All-Payer Claims Database - Some states have large-scale databases that collect medical, pharmacy and dental claims, as well as eligibility and provider files from private and public payers. For more information, visit [apcdcouncil.org](https://www.apcdcouncil.org).
  - FAIR Health Medical Cost Look-Up - This is a consumer-facing tool that provides information on out-of-pocket costs to consumers. For more information, visit [fairhealthconsumer.org](https://www.fairhealthconsumer.org)

## Pricing Information: Standard Charges & Shoppable Items

### Terms Used

Medicare has defined 5 types of charges that should be available for patients to see.

- Gross charges
- Discounted cash price
- Payer-specific negotiated charge
- De-identified minimum negotiated charge
- De-identified maximum negotiated charge

### Gross Charges

The gross charge is the full list price from the hospital. The gross charge does not include any discounts that may be offered. It serves as the starting point from which payment is agreed upon with individual insurance payers for specific insurance plans. As a patient gets services throughout their visit, a charge for each service provided is added to their account. The result is a claim that is sent to the patient's insurance company.

Patients almost never pay the gross charge for health care services. But, under federal law, all insurers, including Medicare and Medicaid, must be billed the gross amount listed for those services. These charges are rarely paid in full due to the contracted payment rates agreed on between hospitals and insurers.

Gross charges can be very different from hospital to hospital for the same procedure or service based on how each hospital manages its charges and costs. Charges can vary based on where you live, the medicine(s) you're on, how many doctors are in the area, the kinds of services they usually provide, and the skill level needed to deliver these services. The cost of living in a given area can also have a significant effect on wages, which is a major factor in cost calculations for hospitals. Medicine and supply costs also vary greatly depending on the hospital or health care system.

### Discounted Cash Price

The second type of charge is called a discounted cash price. This is the price offered to patients willing to pay in cash at the time of service without having insurance involved.

### Payer-Specific Negotiated Charge (Payer Allowed Amount)

The payer-specific negotiated charge is the charge that a hospital has agreed upon with an insurance company for an item or service. This is sometimes referred to as the "allowed amount" on an Explanation of Benefits, or EOB. This amount will likely vary from payer to payer and even between insurance plans for the same insurance payer. If the field on the HPI site says "no price," there is not enough data to provide a price. Please call MaineHealth Patient Financial Services for an estimate.

---

# MaineHealth

## **De-identified Minimum Negotiated Charge**

This charge is simply the lowest charge that a hospital has agreed on across all insurers for an item or service.

## **De-identified Maximum Negotiated Charge**

This charge is the highest charge that a hospital has agreed on with all insurers for an item or service.

## **Shoppable Services**

The difference in charging practices and reimbursement procedures between insurance payers make it difficult for patients to fully understand pricing. Medicare wanted to give patients another way to compare prices, so they've also asked hospitals to create a list of what is called shoppable services.

A shoppable service is something that can be scheduled in advance on a non-urgent basis.

Every shoppable service will contain an easy-to-understand description of the item or service and standard charges information, including the gross charge, discounted cash price, average agreed charge for each insurance payer, de-identified minimum charge, and de-identified maximum charge.

You'll also be able to see if the procedure is done on an inpatient or outpatient basis, as procedures done on an inpatient basis may have additional charges, such as room and board charges.

### **We are here to help.**

For more information about your charges, call MaineHealth directly at [207-887-5100](tel:207-887-5100) or [1-866-804-2499](tel:1-866-804-2499) (toll-free) to speak to a financial counselor.

Representative are available:

- **Monday – Thursday:** 8:00 am – 6:00 pm
  - **Friday:** 8:00 am – 5:00 pm