

Five Ways to Erase Medical Debt

If you are struggling with medical debt, you're not alone. Estimates from Gallup Research and non-profit health advocacy groups indicated that in 2019 more than 137 million Americans were facing financial hardships caused by medical costs and that they had borrowed more than \$88 billion to cover these costs. This year's COVID-19 pandemic is likely to inflate those numbers to even higher levels.

"It is virtually impossible to get out of paying a medical debt, even if your

doctor agreed to take whatever your insurance company pays, even if a hospital said they wrote off your bill as bad debt, even if a provider changed its billing system and stopped sending you bills, even if you received care a decade or two earlier," says Cathie Anderson writing for the *Sacramento Bee*. You really only have three viable options to get out from under crushing medical debt: Pay it. Get the provider to reduce or even forgive the debt. Or, you can take the extreme step of filing for bankruptcy. However, even given your limited options there are strategies you can use to reduce your debt burden. Here are five of them:

Negotiate a lower amount or a payment plan. You may be able to negotiate a reduction in the amount of your medical bills. You have some leverage because, if your bills are turned over to a debt collector, your medical services provider knows that they will only get pennies on the dollar. Another option is that "many hospitals and doctors will set up monthly payment plans for patients with outstanding bills, usually with no or very low interest," suggests *AARP Magazine*. "Call your hospital's or provider's billing department to find out about available plans." Before diving into a payment plan, do your homework. You will want to determine what you can afford to pay each month to develop a realistic plan and then do the math to see how long



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it will take to fully pay off your medical bills. Pull together the details of your income like pay stubs and assets like the equity in your home to help present your payment plan case to your medical service providers.

Use a medical bill advocate. If bargaining makes you uncomfortable or if you are unsure of your ability to firmly negotiate a settlement, you can use a medical bill advocate to represent you. One advantage of using an advocate is that they deal with medical bills every day so they know how to read the bills from your hospital or doctor and they have a handle on what costs should be for common procedures. A quick Google search will give you a list of advocates. *Consumer Reports* counsels that you should "look for someone who offers a free initial consultation, get references, and ask about their experience with medical billing, especially with cases similar to yours." While there are



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In this month of November when we celebrate Veterans Day, all of us at Cuddigan Law would like to thank all Veterans and their families for their service to our country.

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Medical Debt...cont.

advocacy organizations that offer free help, other medical bill advocates charge a fee. Be sure your savings on your bills will outweigh the costs before signing up for a plan.

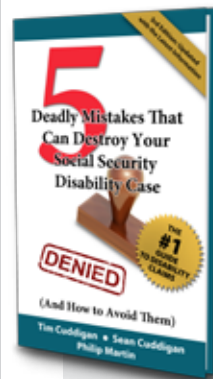
About one in five of us has donated to a medical fundraising campaign.

Apply for charity care. If you are saddled with costly hospital bills, you may qualify for charity care, a type of in-house financial assistance. "Nonprofit hospitals are required by law to have written financial assistance policies and to inform patients that help may be available," reports *AARP Magazine*. "Some for-profit hospitals have charity care programs that mirror those at nonprofits." Typically charity care allowances will not wipe out your entire debt, but you may be able to get a substantial discount based on your income and assets. Federal rules regulating nonprofit hospitals allow you to apply for charity care up to eight months after you have been billed. You can apply even if your bill has been turned over to a collection agency.

Try crowdfunding. More and more Americans facing mountains of medical debt are turning to crowdfunding websites to ask for donations online from friends, family, and even strangers.

NerdWallet reports that "GoFundMe hosts more than 250,000 medical campaigns a year. A survey of four other crowdfunding sites — FundRazr, GiveForward, Plumfund and Red Basket — found that 41 percent of their campaigns were related to health care costs." And people do respond. Research indicates that about one in five of us has donated to a medical fundraising campaign. If you opt for a crowdfunding solution, give a detailed explanation of why you need the money and let potential donors know that you have exhausted all other options.

Declaring bankruptcy, the last card to play. While filing for bankruptcy is a big step, it has become for many Americans their only way out from under crushing medical debt. There are two classes of bankruptcy: Chapter 7 and Chapter 13. If you have minimal assets and a very low income, Chapter 7 bankruptcy will wipe out all your debts including medical obligations. Under a Chapter 7 bankruptcy you will not have to make any repayments and the process takes about four months. For those who have some financial means, a Chapter 13 bankruptcy will require that they pay back some of the debt they owe, usually over a five year period. It also protects filers from losing their house which must be surrendered in a Chapter 7 filing. While bankruptcy can give you a clean slate and a fresh financial start, the obvious downside is that your credit rating will be decimated and the bankruptcy will be listed on your credit report for up to ten years.



"5 Deadly Mistakes That Can Destroy Your Social Security Disability Case" is the #1 guide to improving the odds of winning a disability case.

For a FREE copy for you or someone you care about call Cuddigan Law at 402.933.5318 or email us at lawteam@cuddiganlaw.com



Comfort Food

From the kitchen of Janet Cuddigan

Turkey Pot Pie from Leftovers

Forget the turkey sandwiches, here's a more much delicious and hearty alternative for your leftover turkey.

1 recipe pastry for a 9 inch double crust pie
2 cups cubed cooked turkey
2 cups frozen mixed vegetables, thawed
2 tablespoons chopped onion
1 can (10.75 ounce) condensed cream of chicken soup
½ cup milk

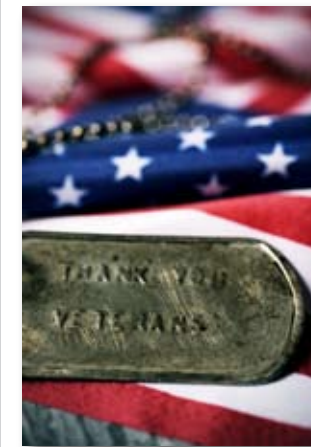
Preheat oven to 400 degrees F
Line bottom of pie pan with crust. In a skillet saute the chopped onion until slightly soft and set aside. Mix together the turkey or chicken, mixed vegetables, onion, soup and milk. Pour into pie crust, cover with top crust and crimp edges. Poke holes in top crust and bake for 40 to 50 minutes.



Adapted from allrecipes.com

Many Veterans Are Missing Out on This Long Term Care Benefit

The Veterans Affairs Department has little-known and underutilized assistance funds that can help wartime Veterans and their surviving spouses pay for a variety of long-term care costs, but only about five percent of these assistance funds are even applied for, because people simply do not know about the program.



It is called the Veterans Aid & Attendance Pension Benefit, or "A&A benefit. These assistance funds provide up to \$1,794 per month to a Veteran, \$1,153 to a surviving spouse or \$2,127 to a couple. This tax-free money can be applied to the costs of in-home care, an assisted living facility or a private-pay nursing home. Neither Medicare nor Medicaid pays for assisted living care, so this benefit can be a lifeline for Veterans and their families.

Like many VA programs, eligibility for the A&A benefit is complicated. In addition to financial requirements—a net worth under \$123,600 not including the applicant's automobile, personal effects and residence—there are these general eligibility guidelines:

- A Veteran must have served on active duty for at least 90 consecutive days,
- He or she must have least one full day during a time of war, (service in a combat zone is not a requirement.)
- He or she must have had an honorary discharge.
- The Veteran or spouse must need assistance with eating, bathing or dressing.
- Widowed spouses of eligible Veterans may also qualify if they meet the clinical and income requirements and have not remarried.

In addition to the active duty and wartime service requirements, eligible Veterans must also meet at least one of these criteria to qualify for the basic pension:

- Be 65 or older with no or limited income
- Have a permanent and total disability
- Receive Supplemental Security Income
- Receive Social Security Disability Insurance
- Reside in a nursing home

Ultimately, each case is decided by the VA. On average it takes six to eight months to get approved, but some applicants wait more than a year.

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We value the confidence and trust you have placed with us in the past.

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Disability law is all we do.



Sean & Tim Cuddigan

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