Medical debt is taking a toll on consumers’ credit scores. Half of all collections that appear on credit reports are due to bills from hospitals and medical providers. Nearly 20 percent of all consumers have a collection from a medical debt.

A few weeks ago, my husband had a medical procedure. Over the last week, the bills have started arriving from a variety of providers, some we didn’t even recognize. Both of us have insurance, so the majority of these bills will eventually be paid. In the meantime, we are left wondering if we should pay, how much we should pay or if it will be covered. I can easily understand how individuals could have a blemish on their credit report from an unpaid bill.

The Consumer Credit Financial Protection Bureau reports that 52 percent of all collections on consumers’ credit reports are due to a medical debt. Keeping ahead of the bills and the payments is no small job. Here are some steps to keep medical debt in check.

First, check all the bills carefully. Make sure dates are correct and that you received all the services for which you were charged.

Keep a record of all bills as well as any documentation you might have. If you need to dispute a bill, you’ll have what you need to argue.

Also make sure you know what will and won’t be covered by the insurance company. Procedures not covered may result in a nasty surprise or an unpaid bill. Stay in touch with the insurance coordinators at your doctor’s office. They can explain what will be covered, help you know how to work with your insurance company, keep you apprised of billing and let you know how the payments from insurance companies are coming.
Keep on top of the bills and payments received. When I was keeping up with my parents’
medical bills with both Medicare and a supplemental insurance policy, I made a flow
chart to keep up with which bills had gone to each of the different companies. That was
the only way I could say where each bill and the payment on these bills were.

Don’t ignore a bill that you don’t recognize. You will receive bills that you may not think
are yours. Follow up with the provider and ask. There may be bills from the lab,
specialists you might not recognize or even additional procedures not included in the
main bill. Dispute immediately if you don’t believe you owe it.

Negotiate the bill. You may get a discount by paying up front. If you can’t pay, say so.
Some hospitals and medical providers have a forgiveness program for those who can’t
pay. Several years ago, one of my kids ended up in the hospital with an injury when he
was a college student. Thankfully, the hospital had a program to forgive some of the debt.
Otherwise, he’d still be paying.

Ask for a payment plan if you can’t pay right now. Don’t put it on your credit card. The
debt will be compounded by high interest and these bills begin to look like regular debt to
creditors. Medical debt looks more favorable to creditors than a frivolous purchase on a
credit card.

Medical debt can negatively affect your credit report. Take steps to make sure your credit
stays unblemished.

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