

A photograph showing two individuals in white lab coats, likely healthcare professionals, interacting. One person is handing a small white card to the other. In the foreground, a clipboard with a blue cover and a silver clip holds a document titled "HEALTH INSURANCE". The background is a blurred office or clinical setting with a computer monitor visible.

5 ways to manage the cost of health care

Difficulty paying your medical bills? You are not alone. Twenty-eight percent of consumers Fidelity surveyed said they had financial difficulty paying bills related to health care.¹ But did you know that there are everyday actions you can take to help manage health care costs? Here are five.

1. Shop around for health care services.

Only 30% of consumers Fidelity surveyed said they do this now.² If your employer offers a navigation service, contact them first to help you find health care providers who are in-network and get information to compare things like prices and quality scores of these providers. If your employer doesn't offer navigation services, you can use your health plan's provider search tool to find providers and then call them directly to obtain information to compare.

2. Ask your doctor for a lower cost option.

Among consumers Fidelity surveyed who said it was financially difficult to pay their health care bills in the past two years, only 39% reported that they had asked their doctor for a more affordable option.³

3. Question a bill if you do not understand it or if you think it has an error.

Medical billing errors are common, with many of those errors not favoring the patient.⁴ But a recent Fidelity survey found that only 27% of consumers in the past two years had challenged a bill.⁵

Did you change plans? Consider a health savings account (HSA). If you switched to an HSA-eligible health plan from a Preferred Provider Organization (PPO) or other plan this year, consider opening an HSA and contributing the amount you are now saving in monthly premiums. An HSA is an account that allows you to pay for qualified medical expenses while saving on taxes. It can also be a smart way to build up a financial cushion for any unexpected health care costs and for longer-term health care costs, such as those you may have in retirement.

4. Ask your provider about a payment plan.

Even if you have set up a health care budget and are setting aside money regularly to prepare for health care costs, you might have an unexpected health event and be unable to pay all the costs right away. Almost half (48%) of the consumers Fidelity surveyed said it would be at least somewhat difficult if they had to pay their entire deductible at once.⁶ Most health care providers now offer payment plans—with little or no interest—to help you pay these costs over time. And special credit card options, such as CareCredit®, offer no interest, short-term financing.⁷

5. Develop a health care budget.

Many (44%) of the consumers Fidelity surveyed said they do not budget for health care expenses.⁸ Those who did were more likely to say they were prepared for the costs of an unexpected health event that they had experienced in the past two years. There are many ways to budget. You can look at what you spent on health care last year and adjust based on what health services you think you might need in the coming year. Or you can budget based on your health plan deductible (i.e., the amount that you have to pay out-of-pocket before your health plan starts paying) or your health plan out-of-pocket limit (i.e., the maximum amount that you would have to pay—outside of your monthly premium—during the plan year).

Conclusion

Even though the process of paying for health care can sometimes be stressful, there are actions that can ease this burden. After all, it is important to get the care you need to stay healthy and productive for years to come.

¹ Fidelity Health® Thought Leadership, Paying for Health Care: How Employers Can Better Support Their Employees' Health Spending, 2022, https://www.fidelityworkplace.com/s/page-resource?dd=paying_for_health_care.

² Fidelity Health® Solutions Thought Leadership Affording Care Consumer Survey, Fall 2022. Q27: Thinking about your health care costs and paying your medical bills, how frequently do you: Shop around for health care services (i.e., compare prices, quality of the provider, etc.)? Sample included 1,501 U.S. consumers with employer-sponsored insurance.

³ Fidelity Health® Solutions Thought Leadership Affording Care Consumer Survey, Fall 2022. Q27: Thinking about your health care costs and paying your medical bills, how frequently do you: Shop around for health care services (i.e., compare prices, quality of the provider, etc.) and Q33. In the last two years, how financially difficult or easy was it for you to pay your health care-related bills? Sample included 1,501 US consumers with employer-sponsored insurance.

⁴ Doug Klinger, "Medical Billing Errors Are Alarming Common—and Patients Are Paying the Price," Healthcare Innovation, May 15, 2019, <https://www.hcinnovationgroup.com/finance-revenue-cycle/article/21080693/medical-billing-errors-are-alarming-common-and-patients-are-paying-the-price>.

⁵ Fidelity Health® Solutions Thought Leadership Affording Care Consumer Survey, Fall 2022. Q32: Where did you turn for help, if anywhere, to challenge the bill that had the suspected error? Sample included 1,501 U.S. consumers with employer-sponsored insurance.

⁶ Fidelity Health® Solutions Thought Leadership Affording Care Consumer Survey, Fall 2022. Q45: If you had to pay your entire deductible all at once—for example, if you had an unexpected, expensive health event—how difficult or easy would it be for you to afford it? Sample included 1,501 U.S. consumers with employer-sponsored insurance.

⁷ "What Makes CareCredit Different," CareCredit, accessed November 11, 2022, <https://www.carecredit.com/howcarecreditworks/prospective/>.

⁸ Fidelity Health® Solutions Thought Leadership Affording Care Consumer Survey, Fall 2022. Q46: Which of the following most accurately describes how you budget for health care expenses each year? I don't budget for health care expenses. Sample included 1,501 U.S. consumers with employer-sponsored insurance.

This information is intended to be educational and is not tailored to the needs of any specific individual.

Fidelity Workplace Services LLC, 245 Summer Street, Boston, MA, 02210

© 2024 FMR LLC. All rights reserved.

1116202.2.0