

EPISODE 1244

“DW: One thing that is true is like errors are common. That’s one thing I’ve learned from talking to people who work with insurance, who work in insurance, who work in billing offices, like it happens all the time.”

[INTRODUCTION]

ANNOUNCER: You’re listening to So Money, with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world’s top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas or double your double coupons? Sorry, you’re in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to So Money.

[00:00:47]

FT: Welcome to So Money, everybody. I’m your host, Farnoosh Torabi. I started a new job recently. I’m at a crossroads trying to figure out which health insurance to take on. I have my husband’s health insurance that I’ve been on for many years that he gets through his employer. Now working with Red Ventures and CNET, they have their own health plan. I’m trying to figure out if it makes sense to switch. My gut is telling me just go with the flow, stay with the plan you have, don’t rock the boat. If there’s significant savings to be had, it’s worth considering, right?

Anyway, all this to say the focus of today’s podcast will be health care. This is something we all have a story about, right? Whether we are on our own health insurance plan, because we’re self-employed, we get it through our employer, or we have nothing and we’re trying to figure out how to get coverage.

Our guest is Dan Weissmann, who is a former reporter for Marketplace and WBEZ. He has recently started his own podcast called An Arm and a Leg, exploring the crazy costs of healthcare and what we can all do to navigate it. As Dan says, there’s no magic that can fix the mess of American healthcare, but he does offer his listeners and on the show today, he’ll talk about some of the ways to navigate the system and feel like you’re winning.

Learn how to evaluate your insurance for one, especially if you get to choose a plan. Dan talks about how to negotiate for a better price, the importance of shopping around and how never to take a bill at face value, because there's often a mistake. Here's Dan Weissmann.

[INTERVIEW]

[00:02:24]

FT: Dan Weissmann, welcome to So Money. How are you?

[00:02:27]

DW: I'm great, Farnoosh. Thank you so much for having me.

[00:02:29]

FT: I am thrilled to have you on the show. You're covering a very difficult topic on your podcast, but always in your signature approachable style. Your podcast is called An Arm and a Leg, helping Americans navigate, and in some cases, combat this debacle that is our current healthcare system. You describe this as one of the toughest parts of financial adulthood. I couldn't agree more. We're going to get into some of these surprisingly helpful saving strategies that you've unveiled and continue to unveil on your podcast. I understand that your motivation for this and you come to this with so much radio and broadcast experience reporting, investigative reporting experience, you wanted to focus on healthcare, because you had personal experiences with this.

[00:03:15]

DW: Yeah. I mean, like me and everybody else. Who doesn't? In my case, I would say, come back early on time. I have a congenital heart condition. It doesn't bother me, doesn't impact my life, but I need to get monitored every year or two to make sure nothing bad's happening. The first time I left a job, and thought I would go out on my own, I was like, "Oh, I'm going to need

health insurance.” This was in pre-Obamacare days. Insurance is going to be like, “Nah, you can't have health insurance. You have a pre-existing condition.”

There was some very expensive work around through the state called a risk pool for people like me, of which there are zillions, where I paid extra high premiums for insurance that didn't cover the one thing that could potentially be a big deal for me.

I was like, “This sucks. This is terrible.” Unlike everybody else, I just got medical bills. It was like, this is weird. Why is this so high? The thing that tipped me over the edge was, I left another job. This is much more recently. It was in 2017. I was like, you know what's really terrible about this is that, I think the next step for me is doing my own thing. How the heck can I do that if I need to buy my own health insurance, and it needs to cover the specific doctors that I see? I'm like, “I think, I might need a new career.” That was really it for me. I was like, I can't have new career. It sucks, because I really like this one. I was like, “I might not be the only person who has this problem.”

[00:04:46]

FT: Not even close. It's interesting. We just finished recently on this podcast a whole week on helping people navigate quitting their jobs, as you probably have been reading about this great resignation. But what's giving a lot of people pause and not just now but always, always has given people pause is how am I going to secure my benefits? If I'm, whether it's the gap in between now and the next job, or I'm going to become an entrepreneur, start my own thing. I mean, we know we can go to the marketplace and we know there's Cobra, but still, it terrifies us. What's your advice?

[00:05:20]

DW: Oh, man. I wish I had good advice for this like, “Oh, I have the key that unlocks this. It's going to solve all your problems.” I don't. You're absolutely right. Cobra is there. Part of the stimulus package passed earlier this year, makes Cobra in some cases, much more affordable for a lot of people, so that's good news, something to know about.

Also, that same stimulus included bigger subsidies for plans in the marketplace and in some cases for folks with lower incomes, if you've been on unemployment this year, they can be like – you could end up in a plan that costs you nothing, which is amazing. Like nope, zero premiums and incredibly heavily subsidized, co-pays and co-insurance.

I mean, that's like, if you happen to be in that position that could be really good for you. But on the whole, it's like, no. I think, your listeners will already be in a position to avoid the worst-case scenario mistakes that people make like, oh, you might look up, like, where can I get health insurance and find someone saying, “Oh, I can sell you health insurance that’s really cheap.” They'll be trying to sell you what's called a non-compliant plan. Doesn't comply with the requirements of the Affordable Care Act, which means, yeah, the premium may be cheap, but it's like the person who wants to sell you car insurance for \$5 a month. It's just not going to be there for you if you need it. That's one thing. The other thing is, and again, your listeners will probably be hip to this, but most of us are terrible at choosing health insurance.

[00:06:44]

FT: Well, and I read, I was reading on your website that I was surprised to hear that a lot of us end up choosing the wrong plan. So far as if our goal is to try to find the, like optimize, right? The plan that's going to give us the most benefits, the least cost, we often go the wrong way. It's not our fault. It's really complicated.

[00:07:03]

DW: It's super complicated. It's super complicated. It's in many ways, it's beyond most of us. I talked with an economist who'd studied this. He had a natural experiment available to him, where he had data from the HR Department of a giant corporation that he was consulting for, and they had given their employees a giant matrix of plans to choose from. It's like, choose your own adventure. When he found with a colleague was that, most of those plans were objectively bad. What it means for plan to be objectively bad is, you want to – you're looking for and we're going to get to that, how do I choose part now.

What you want to do is, you want to run a simulation, essentially; a pair of simulations. One of them is like, what happens – what's my out of pocket in this plan paying premiums whatever else in here where nothing unexpected bad happens to me? The nilly year for me, what does that look like? If I go to the doctors I usually go to, or don't see any doctors at all, because I'm super healthy, like what does that look like for me? Then what does it look like for me, if God forbid, I get hit by a bus? Then what happens? How much could I be on the hook for?

A lot of these plans, were plans where they were worse in both cases than many other plans. He had a colleague looked at that and they found that most people chose plans that are in the category of being objectively bad. They're like, "That is super interesting."

[00:08:21]

FT: Are there any objectively good plans, though? I mean –

[00:08:24]

DW: Well, there are objectively less bad plans, right? I mean, objectively worse, these are objectively worse plans. Until they were all like, "Well, how? Why is this?" They ran a bunch of them, a more controlled experience, where they gave people quizzes, they asked people questions, they gave people simulated versions of choosing their own adventure. One thing they found is most of us do not even understand the vocabulary.

Again, your listeners will probably understand this, but it's like, what's a deductible? It's the amount you pay out of pocket before your insurance kicks in anything. What's a copay? Well, that's straightforward. It's where you go to the doctor, and that'd be 20 bucks. What's co-insurance, a little trickier. This is like, okay, you got to go to the hospital. They pay, they're like 80/20. They pay 80%, you pay 20%, which is a lot. That's your co-insurance. There's all that and then there's more and more and more and more.

Most of us, you know, that all makes sense to people who live and breathe health insurance, because it's their job. But for most of us, we're like, "What is all this?" And they make it more

complicated all the time, because they're always looking for ways to spend less money on us. That's one. It's just studying up, knowing the terms.

[00:09:30]

FT: Have you discovered any good free resources to help you matrix this? I feel like this is a great app, someone could develop, plug in your best-case, worst-case scenario years and will tell you which plan, but then there's so many plans, it's going to be a pretty technical app.

[00:09:53]

DW: Yeah, right. Well, what do we got –

[00:09:54]

FT: Will HR help us with this? Can we –

[00:09:56]

DW: They may. There are there are companies you can check in. There are companies that do tend to provide this service and they sell themselves to employers, right? Like, here's a tool you can give your employees. I'm not vouching for the one that your employer might have for you, but they exist. Some states also work with a company called, I think called Consumer Checkbook, it's a non-profit, that started out doing this very thing for federal employees who have to choose benefits. Then rolled it out and made it available to states for their Obamacare exchanges.

If you're in a state that's half a dozen states that they work with, you can get that thing. The healthcare.gov site and other sites that act as brokers do some of this for you, but it's really complicated. Honestly, my wife and I changed insurance last year. We worked with our broker and it was more, because in addition to everything else, now there was like a top, a tier one network of providers and a tier two network of providers with different deductibles, and different co-pays.

Everything was like, just five times more math. I'm not giving you – You're asking me like, “Hey, Dan, what do I do?” The answer is, I think is really, I learned this from a reporter named Zachary Tracer at Business Insider, who wrote up how he chose his health insurance. The picture illustrating that essay shows him at a desk with a spreadsheet and a pencil and paper and a glass of adult beverage, with his head resting on one hand, like it sucks, it's hard. You have to approach it like, what is this Bitcoin thing I keep hearing about?

[00:11:37]

FT: Question everything. Yeah. Well, that's why we should listen to your podcast, An Arm and a Leg. I want to give listeners some positive, like inspiration. There's so many great stories that you've unveiled on your show of people who have successfully negotiated bills, or sent appeals to their insurer. I think, this is important to cover, because we often feel like, it's us versus the big healthcare. The little guy can win in many times.

[00:12:06]

DW: It is us versus the big healthcare, which totally, totally not to sugarcoat it, stinks. Yeah, there's definitely things we can do. You always want to be asking yourself, “What am I prepared to do?” There's one list of things that I would just call due diligence, right? Because one thing that's true is errors are common. That's one thing I've learned from talking to people who work with insurance, who work in insurance, who work in billing offices. Happens all the time.

That's the first step, which is already more of a pain in the butt than you want it to be, because you get seen. Yeah, you get seen in like, now I've got five bills from this medical encounter. Some of them are from providers I never heard of. Now I'm getting five things my insurance going to say, “This is not a bill.” I mean, this is like, if anything gets at all complicated, the due diligence. I don't want to minimize it. Like the things, I think that you probably – that I know, you talk about all the time, about just like, being organized, having a mindset and I'm taking time to take care of myself financially.

[00:13:09]

FT: I mean, we read about how healthcare costs, medical bills are the leading cause of bankruptcy in this country. I wonder if those Americans knew they could negotiate, or combat some of these bills. Maybe it would have prevented them from bankruptcy. I don't know. This is, again, why it's important to know, first of all, that your bill could be wrong. Eight out of 10 times I've read in some cases, that there's a mistake. There's a mistake on that bill. I have had that happen. What's the first step when you notice something that's wrong? Do you call the medical provider? Do you call the insurance company? What's the first call?

[00:13:50]

DW: Yeah, it depends on it depends on what you're discovering, right? Like something you're being billed for, your insurance doesn't seem to be recording an instance of it. Call your insurance company, "Hey, did you get a bill for this?" If they haven't, you can call the medical provider and be like, "Hey, man. You didn't put my insurance." They should be like, "Oh, yeah, that'd be a good idea. We could get money right away from them." That's one thing you can do. If you're being billed for something that did not happen, you're like, you see this and you're like, "Nobody poked my arm. I didn't get that." You got to work every angle, right? Call the provider, call the insurance company.

This unfortunately, the due diligence can get very hairy. Your insurance may have for instance – your insurance may say like, "We paid our 80% of that." We're not going into this bill about that. Like, "I'm sorry, you're on the hook for 20% of this lots of money," if this is something that happened to you. I want to be cautioned like, things can get very stupid very fast.

[00:14:50]

FT: I just want to remind also, and maybe you've experienced this, that we forget. We have rights. I remember, I had to call my insurance company years ago, because I got a bill that was completely wrong. It was like, the wrong date. There was a procedure at some point, but they had double recorded it. Long story short, I called the insurance company. At this point, the letters were getting aggressive, like you haven't paid. I was like, "This is not even a real thing and this date is wrong."

I call the insurance, my insurance company. I said, "I'm getting harassed by this third-party billing collection agency." She immediately got that company on the phone and said, "If you call our –" I guess, what am I to them? I'm their client?

[00:15:36]

DW: Their insured. Yeah, right.

[00:15:37]

FT: Their insured. "If you call her one more time, or send her one more letter, you are violating her rights and any communication you need done, you need to call us, or the hospital, because there's an error here." That as me the insured, I should not be the target here, which I was really delightfully surprised that I had advocacy at the insurance company. I was completely expecting long waits, bureaucracy, red tape, all that. I was quickly serviced, which was delightful.

[00:16:12]

DW: That is awesome. That's the best story I've ever heard, actually.

[00:16:15]

FT: I wonder, I want to say it was Blue Cross. I don't remember. It was years ago. It was before I had my kids. I mean, it was a bright spot, let's just say.

[00:16:23]

DW: Yeah. I think, that's one of the things I've learned too, is that you want to keep knocking on all the doors, because you just don't know who's going to be on the other side. It could be somebody who's ready to help you. There's no guarantee that they're making the right calls, and do anything. I mean, this is the sad, sad part. We'll get you what you want. It also is true that

you may get help when you're not necessarily expecting it. One of the most helpful people I ever talked with was an actual self-defense expert.

[00:16:53]

FT: Taekwondo, karate.

[00:16:55]

DW: He's like, what's called empowerment self-defense. **[Inaudible 00:16:57]** teach a class of like, "Hey, what happens if you get – if somebody comes at you?" This school of self-defense, this way of thinking about it is it's not actually just about a physical confrontation. Their job is to really prepare you for anybody who's trying to encroach on your boundaries, who's bothering you in a way that you don't deserve, which we don't deserve to be bothered.

Dealing with the healthcare system is a great instance of where you are. You have to have a strategy for dealing with it, and execute on it. I'm going to put my notes. I want to quote her exactly what she said, because I think it's just one of my favorite things anyone's ever said to me. She said, "You want to ground yourself in the fact that your strategy is to remain calm and confident, while still being very assertive and persistent." It doesn't mean you have to feel great about what's happening, or you aren't upset the way people are treating you. It means that as a strategy, you're choosing to use this persona, this calm, confident, assertive, persistent persona, to try and get what you need.

[00:18:06]

FT: Well, if that's not a mindset training. Life is busy and hard, and this is not a little thing, It's your health insurance. All of us will most likely need to rely on this at some point. It's highly risky when you don't have it. That is helpful reminders.

For the time we have left, I'd love to also explore negotiating. I was able to, one time, going to my dentist I had to get, I think it was a filling, or root canal, something quite invasive, that was going to be a two or three-visit procedure, and it was going to be a lot of money. When I said to

him, "Well, how can we make this lower without compromising the work that needs to get done?" He said, "You know what?" He thought about it. He said, "If we spread this out." It was already the fall of the year. We were getting towards the end of year. He's like, "If we spread out this procedures, so that we do maybe the first one in November, and then the follow ups in January, which is just not harmful. We could we could spread it out a little bit, then in January your insurance renews and now you have more money available to you to use up for that year."

As opposed to, what was going to happen was I was going to use up all my insurance for dental that year, if we were going to rush it and do it all before the end of the year, and it was going to be more out of pocket for me. This, I think, the lesson here is just speak up for yourself. Don't assume that the first estimate you get from your doctor, whether it's your dentist, or your dermatologist, or your surgeon is the final.

Speaking of favorite quotes. A long time ago, I did a report on how to negotiate your medical bills. I think, it was some of the Consumer Reports who said, "Let's not forget that your doctor is also your fiduciary and has to also have your best financial interest in mind. When they're advocating for you, it's not just medically advocating, but also financially advocating, hopefully." I mean, they're your fiduciary. Go with that, with that baseline understanding. I think, you're going to find success in that as you tried to navigate this and save money.

[00:20:15]

DW: Absolutely, absolutely. I've had the same experience where we – I lost a medical device on the train. It was bad. It was bad. It was new to me. My insurance wasn't going to replace it. There was all kinds of business. As it happened, my insurance hadn't fully paid for it. They were renting it in case I stopped using it, or anything. I was going to be on the hook for more than a \$1,000, in addition to having to go buy myself another one on the market someplace. Because that was the price my insurance company agreed to pay.

We called the provider's office. We were like, "Hey, this is what happened." That amount that the insurance would pay, could you do it any less for us? Because we're not the insurance company, and we're really just doing our best. They're like, "Yeah, we could." We ended up

being like, 300 bucks for them, which was sucked. It was not paying a \$1,000 to them for this unfortunate occurrence.

Again, you come in a spirit of good faith, ask for what you want, and you can sometimes get it. There's a couple of other instances, where I think it's really important to mention, where you can get yourself help. One of them is by saying, for instance, what if I paid you cash? What if I do now? If you're in a position to do it, often, they'll be like, "Great. I'll take that upfront, rather than trying to chase you for more."

In many cases, non-profit hospitals, if you're unfortunate enough to have a large bill from one, are basically obligated by law to provide financial assistance, to have financial assistance policies. Many of them have policies that are – well, I would say, they're surprisingly generous, because they recognize that the amount that we're stuck with, even after insurance may be more than we can afford to pay.

It's a low ROI enterprise for them to chase us for \$10,000 that we don't have. Many of us just don't have it. They would rather write that off upfront. You can look it up on the Internet. They are obligated to post it, and just see like, maybe you qualify for assistance from the place where you've been seen.

[00:22:28]

FT: Awesome. I know, I've often referenced healthcarebluebook.com. Have you ever used it? What do you think of it?

[00:22:39]

DW: Yeah. I think, healthcare bluebook, there's another site called fairhealthconsumer.org, that you can use to basically, get a reference of what's the going rate in my area, for a thing that I might need? You can use it on the front-end to be like, "Oh, I could go over here and pay less," because I know that this is the going rate. I can shop around until I find someone who's give me a reasonable rate, if I trust them medically.

You can also use it on the back-end. This is if you've really got some Moxie. You're being billed for some ridiculous amount and I've seen this happen for – I talked to somebody whose baby got an MRI and they were – the line in the bill was \$26,000.

[00:23:22]

FT: My goodness.

[00:23:22]

DW: Which is not the going rate for an MRI.

[00:23:25]

FT: Can we talk about behind the scenes, right? I feel as though, one of the reasons the medical system is so corrupt and the trickle down to the consumer is so harsh, because, well, I'll give you an example. When I was going to deliver my son, it was midnight, a little bit past midnight. The hospital, the front door was closed. The only entrance was the emergency room entrance. Well, when I got the itemized bill, which thankfully, we had insurance covered most of it, I was able to see what the hospital was charging the insurance company.

The hospital said, it was an emergency room entry. I think it was \$1,600. They made money off that. It wasn't a false report, but it was not totally truthful. Because the reality was they closed the front door. Had they left the front door open, it wouldn't have an emergency room entry, and it would not have – they would not have made that \$1,600. I wonder, "Hmm, was that an intentional thing?" I mean, I guess they'd have to hire a security for the front door. It is a cost for them. What's the difference?

It's like, going into the back door, went through up an elevator. I was in the emergency room for a millisecond. It wasn't like, you go into the emergency room and you wait for three hours to get stitches. It was like, "Oh, you're in labor. Here, come this way." It was a detour. They got \$1,600 for a detour. I was like, "Huh." That's one example of how one hospital is fleecing the insurance

companies. If I didn't have insurance, would I have had to pay for that \$1,600 entry? That's not fair, right?

[00:25:11]

DW: No kidding me. This makes me so mad. So horrible. I mean that's the worst thing. Yeah, absolutely. You can you can totally break it down from there. It's like, "Well, we were going to rise. We did this way." What recourse do you have? The worst case of this that I've seen reported yet, were that there are hospitals in New York that have set up storefront ERs, and then they would put sandwich signs outside saying like, "Hey, come in for your free COVID test." The COVID test is free. They charge you this, what they call facility fee for using the emergency room.

[00:25:46]

FT: Oh, please. That's just wrong. We're in a pandemic, people.

[00:25:49]

DW: Oh, my God.

[00:25:50]

FT: Give me a break. Lastly, though, maybe something also encouraging for listeners, is that you have found some success through your guests that people have gone to social media to express their issues are over healthcare, and whether that's getting information, or money or what. How can we use social media to our advantage if we are in a healthcare bind?

[00:26:12]

DW: Yeah, that is such a good question. I think, in some instances, you can – if you're the person who has a big personality and people respond to you in social media, someplace like Twitter, or Reddit, you can really embarrass that outlet, and they could do something for you. I

think, what you've mentioned is another really good question is like, you can seek information, and people are very eager, wherever your community is, whether you know how to reach people, whether it's Facebook, or Twitter, or Reddit, that posting your question someplace about what to do can give you a lot of information.

It's one of the things we're doing this show is I want to be helpful and give people advice. Honestly, every single instance is its own monster, right? We've now talked about five different things in the last 20 minutes. There's so many millions of particular things that go wrong. You're not the only person to have encountered this monster at all. Each of these awful things happens to lots of people.

Yeah, going out to places, like Reddit places, like Twitter places, like Facebook, and asking for advice is, I mean, and searching on Google. Where you get live humans who are very, very eager to be like, "Oh, yeah. Here."

[00:27:27]

FT: I mean, you could sense the conviction in my storytelling, right? I mean, this is stuff that really hits home for so many people. I see it all the time daily in our Facebook chat room, whether it's like, what dermatologist do you recommend? Or, I had a terrible experience delivering my kid at the hospital. Do you know any lawyers? 35 comments later within minutes. It is great, but also an indication that there's a lot to repair in our system.

Thank you so much for the tireless efforts of your podcast, An Arm and a Leg. Everybody, check it out. Dan Weissmann, congrats on the show. Thank you for your service.

[00:28:11]

DW: Thank you so much for having me. It's great to talk with you.

[END OF INTERVIEW]

[00:28:16]

FT: Thanks again to Dan for joining us. Check out An Arm and a Leg Podcast at anarmandalegshow.com. There, you can learn more about the episodes and get in touch with Dan. See you back here on Friday for Ask Farnoosh. I hope your day is so money.

[END]