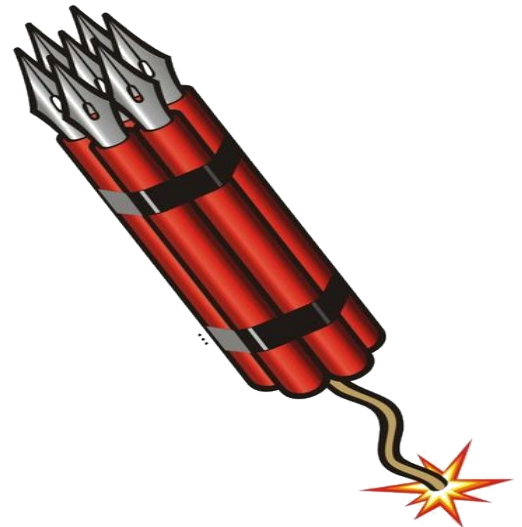




How to Survive Hospital Costs Without Insurance

by Gregory Allan

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Notice:

This is an evaluation copy of How to Survive Hospital Costs Without Insurance, by Gregory Allan. As such, it contains only the Introduction, and the thirteen chapters, but neither of the two Appendices. The complete version contains the Appendices. The Table of Contents lists everything included in the complete version. This is so you will know what you're missing.

Obviously, this is a ploy designed to help the author sell more books. The idea is to give you a lot of valuable knowledge for free. You will have an opportunity to see for yourself that my methods are built on sound legal strategy. Then, once you've read the book, you'll realize why you *need* the material in the Appendices, and you'll be happy to buy the complete book.

As I write this, the cost for the complete version in PDF format, delivered via Internet, is \$49.95 (prices may change without notice). Most people are already facing a big hospital bill when they learn of my book and buy it. Using my procedure they save hundreds, or even thousands of dollars that very first time, and then continue to save for the rest of their lives.

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Thanks for reading.

– Gregory Allan

How to Survive Hospital Costs Without Insurance, by Gregory Allan

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For the labourer is worthy of his hire. (Luke 10:7)

Behold, the hire of the labourers who have reaped down your fields, which is of you kept back by fraud, crieth: and the cries of them which have reaped are entered into the ears of the Lord. (James 5:4)

Blessed are they which do hunger and thirst after righteousness: for they shall be filled. (Matthew 5:6)

Thou shalt not steal. (Exodus 20:15)

*This book is dedicated
to my wife and children,
for whom it was written,
Without their love and patience,
I never could have finished it.*

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Chapter Ten, Hospital's Responses

In this chapter we'll examine the various responses the hospital can make to your first letter.

If you are waiting for a BCBS schedule to arrive in the mail, don't hold your breath. I suppose it could happen. But since the first version of this report I've asked readers to send me a copy if they get one. So far, nothing.

It seems reasonable to think, "Either they comply with the contract, and give me what I ask for, or they don't." It's not that easy. I've seen a lot of letters from hospitals made to look like they intended to comply, but in reality they were making a counteroffer.

No matter what their letters may appear to be saying, there are really only three possible responses to your letter:

Acceptance

Refusal

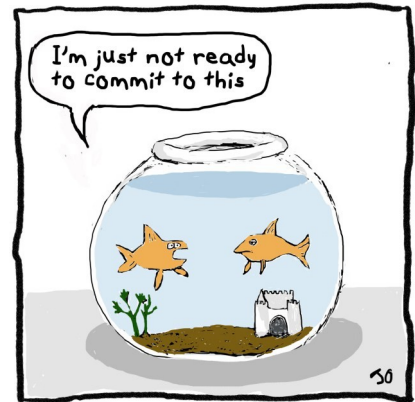
Counteroffer

Recognizing which is which, is sometimes more difficult than you would think. We'll deal with each of these in turn.

Acceptance

An acceptance is usually pretty easy to recognize.

The most common means of acceptance is the hospital cashing a check such as the one shown in Appendix A-8. As shown earlier, the check is made out in such a way that if it is cashed, the hospital admits full satisfaction. Often, the only way you'll know your offer has been accepted, is when you find out the check has been cashed.



It's possible the hospital might have cashed the check by mistake. Your first thought might be, "Well, any way it gets accepted is okay with me." You might be tempted to lay low, and hope they don't realize what they've done.

But if the hospital finds their mistake and gives you notice of the error, you must give them the opportunity to back out of the deal. Remember, you must be the one to always act in good faith. As long as you take the high road, you will be most likely to win in the end.

One of my readers, let's call him John, told me his story of being sued by a hospital. John had started with a qualified contract; had used the A-9 and A-7 letters, and A-8 draft, and had set

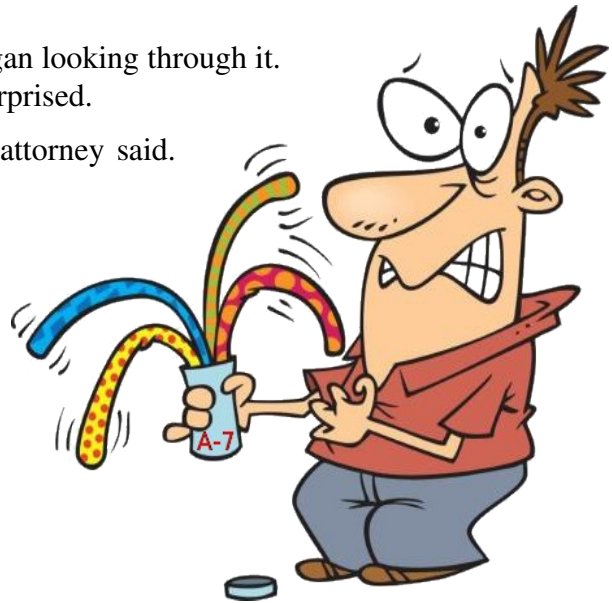
things up for six installments. By the day of the hearing, he'd already made four payments, and had only two left to pay. John had converted all his checks into A-8 drafts, according to instructions. The hospital was suing for the full amount of the original bill, less the amount John had paid in installments.

John showed up on the day of the hearing, prepared, with a certified copy of his records. Instead of going directly into court, the judge had scheduled some time for John to meet privately with the hospital's attorney. Many courts do this now, to save the court's time in case something can be worked out at the last minute.

John showed his case file to the attorney, who began looking through it. When the attorney got to the A-7 letter, he was surprised.

"The hospital never showed me this letter," the attorney said.
"I didn't know you sent this."

The attorney went on to explain to John that in his State a law had been passed several years ago, that said putting restrictions on a check (such as the A-8), in and of itself, had no effect. The only way it is binding, is if the check is accompanied by a letter which fully explains the conditions. He said, "Nobody ever sends the letter. It's the first time I've seen one. If I'd known about this letter, we wouldn't even be here today."



The attorney read the letter again, and immediately told John he was going to settle, out-of-court, on the condition John made his next two payments according to schedule. John, of course, agreed.

It might be tempting to think the attorney was just being kind. I've worked with hundreds of attorneys and I'll tell you without a doubt, the attorney settled because he knew he had no case. This was a win for John, because he did everything exactly according to instructions.

Most hospitals don't sue. However, many of them do try to continue billing for the full amount, after cashing the A-8 draft marked "full-satisfaction." This is why we take it a step further.

Never "lay low" and hope things will go away. They don't. The methods I'm teaching you are all about holding your head up high, being the good guy, and acting in good faith.

The best way to fix their acceptance in cement, is to send them a thank-you notice. Appendix A-13 is a good example. It includes all the necessary information. The tone of the letter is such that even if the acceptance was accidental, the hospital may be too embarrassed to admit their mistake.

Letter A-13 also contains an optional paragraph to help ease the acceptance of installment payments. Do not include that paragraph if you have made payment in full.

Suppose the hospital sues you a month, or six months after receiving your A-13 letter. Consider what a judge's response would be to a hospital's claim of "mistake," if you are able to produce a certified copy of your full record, which includes a copy of a thank-you notice, sent by Certified Mail, to which the hospital did not respond for thirty days or more. Who will be seen as having acted in good faith?

Refusal

I've only seen a few instances in which a hospital makes a true refusal. Chances are, you'll never see one. You might see a letter which at first glance appears to be a refusal, but is really a bluff. Here's how to know the difference:

Remember, you've got a contract with the hospital. You are obligated to certain duties in the contract, and so is the hospital. If you were subject to the standard contract offered by the hospital, then all the advantage would be on the hospital's side. But by the time you get this far, you're dealing with a non-standard contract which has been modified so as to be more to your advantage.



SHE REFUSES TO GET MARRIED, HE REFUSES HER REFUSAL, AND THEIR STANDOFF IS OUTLIVING MOST MARRIAGES.

Sometimes carrying something out to its logical end-conclusion can help us to more clearly see the steps in the middle.

What happens if **you** flatly refuse to live up to your duties in the contract? Can the hospital sue you and win? Yes, of course.

What if the hospital refuses to live up to its duties-- can you sue them and win? Yes, of course!

It's pretty obvious that you're not going to sue the hospital because they won't accept your money, or because they won't give you a BCBS schedule of fees. You'd get nowhere trying to sue them for those reasons, because there is no damage to you. In fact it's to your advantage if they don't, because you save all the money you would otherwise have had to pay them. No judge will award you discovery if you haven't been damaged.

But what if the hospital tries to sue you for non-payment. Are you entitled to discovery? Yes. Now let's back up and look at what sort of position the hospital would be in, if they sent you a refusal letter.

A refusal means the hospital acknowledges and agrees it is obligated to comply with your demands, but refuses anyway. It puts them into an immediate condition called "breach of contract." If this happens, you may be entitled to damages.

Glance back for a moment at the admission form shown in an earlier chapter. Notice how many paragraphs deal with liability. Obviously the hospital is very concerned with liability. If the hospital is in breach of contract, and the matter ends up in court, the hospital might also lose their liability waiver. Are they going to purposely do anything which might make them liable to you for damages? Absolutely not.

Now let's get right to the point: Your contract with the hospital obligates you to pay for services rendered. However, your duty to pay is subject to conditions. You are not obligated to pay whatever the hospital might ask. Your obligation is limited by the schedule of fees contained in a contract between the hospital, and BCBS (or whichever insurance company you used in your letter).

The hospital knows the contents of that schedule, but you do not. There is an ancient and well-recognized maxim of law which says:

“There is no obligation to do impossible things.” (Impossibilium nulla obligatio est)

(Black's Law Dictionary)

It is impossible for you to pay them the correct amount, if you don't know how much to pay. Some other relevant maxims:

“The law compels no one to show that which he is presumed not to know.”

(Lofft's English King's Bench Reports)

“Nothing that is inconvenient is lawful.”

(Coke on Littleton)

These maxims suggest that you might be completely released from any obligation to pay whatsoever, so long as the hospital refuses to disclose their schedule of fees with BCBS. In spite of this, you've shown abundant good faith by making an offer in settlement. After all, you want to preserve a good relationship with the hospital.

If the hospital refuses outright, their position will be completely indefensible; it goes against commercial law, and they'd be in breach of contract. This is why they will never do it.

Counteroffer

Every response the hospital might send you which is not an acceptance or a refusal, is a counteroffer. These come in all shapes and sizes, and often appear to be something else entirely. Some of the most common ones are discussed below.

Actual. A very few hospitals will deal with you honestly. They will acknowledge your contract, and the price difference. These hospitals are very easy to deal with, and should be commended for their integrity.

The first time I saw this was when I was counseling some good friends on a maternity bill. The

hospital responded by saying they were unable to disclose their contract with BCBS. But they sent several copies of bills from other patients who had BCBS insurance, and who had gone through identical procedures. The patients' names and personal information were blacked out, but the charges were visible. My friends decided, on my advice, to accept the hospital's figures. They settled for a discount of about 77% off the original bill.

Unfortunately the honest ones are in the minority. We'd all be better off if hospitals would just drop the scam, and charge a fair price for their services.

Just to help the honest ones stay honest, and avoid any misunderstandings, be sure to use the letter at Appendix A-13 to cement the settlement. The few dollars you'll spend on Certified Mail postage are well worth the peace of mind.

Ignored

The most common example of a counteroffer, is the simplest kind of unresponsive answer: a second computer generated bill. Your letter is ignored, and a second bill arrives. Usually thirty days after the first one.

You might be tempted to just toss the bill in the trash. After all, they didn't answer your letter. The bill is obviously a mistake. It can't be important, right? Wrong.



There are two principles of commercial law here. The first is that each notice stands on its own. The second principle is that silence can be considered the same as consent. So if the hospital sends you a second bill after receiving your letter, that bill can be considered a counteroffer. Then if you throw it in the trash, you're assumed to have accepted their offer. It doesn't matter that their second bill was identical to the first.

For this reason it is essential that you always respond to any and all correspondence they send you. That is, until you send them a letter which establishes reasonable cause why you should not. Don't worry about that now, it's a few letters down the road.

The letter at Appendix A-11 is a sample letter sent in reply to a second billing. This letter puts them on notice that you consider their billing to be a mistake. It gives them second notice of your first letter, and demands a responsive answer.

Bluff

There are as many different ways to bluff in this game as in poker. I've seen some that actually border on fraud. Some can even be kind of funny.

I once saw a letter from a hospital in which the administrator claimed they had a blanket 10% discount agreement with BCBS. They knocked 10% off the bill, and asked for payment. The patient replied with a letter similar to Appendix A-12. He said he would be happy to pay 90% of the original bill, if the hospital would produce evidence of the 10% BCBS contract. Of course the hospital never produced the contract.



After receiving his letter, the hospital quickly settled for 70% off (30% of) the original bill. That amount was probably still more than BCBS would have paid. I can only assume that the “10%” letter was completely fraudulent, and once they saw this patient wasn't going for it, they preferred to settle rather than have the fraud uncovered by a judge.

Bluff letters will try to mislead you in some way.

They may appear to point out a mistake you've made. Unless you've really made a mistake, which should not happen if you follow my instructions, these letters are smokescreens.

They might claim something is “required by law.” This is one of my favorites, and the answer is simple:

I have every intention of following the law. Please show me the law, together with the implementing regulation which identifies me as a “person” required to comply with this law, and I will promptly submit.

There is a principle in commercial law called a “refusal for cause.” A good example of a legitimate refusal for cause is the letters at Appendix A-10, and A-11. Notice that the letters cite specific items of the contract with which the other party has not complied. Notice the letters also demonstrate why the hospital's request cannot be met, because of the hospital's own non-compliance.

Beware of being fooled by what appears to be a refusal for cause. Here's an example of an attempt to fool me. This is an actual letter I received from a hospital in 2003. It appears to be a refusal for cause, but it's really a counteroffer. See if you can figure out why:

Dear Sir:

I am in receipt of your Tender of Offer of Performance dated June 10, 2003, as well as your Refusal for Cause Without Dishonor dated July 29, 2003. Both of the correspondences we have received at [ABC Hospital] reference Blue Cross Blue Shield allowable. I have researched your accounts and do not see where you presented an insurance card stating you had such carrier, therefore, you would be subjected to the Blue Cross Blue Shield payment schedule.

I have enclosed your check for the amount of \$330.00. Payment of that amount does not constitute payment in full therefore I have refused to deposit it.

Upon your proof of Blue Cross Blue Shield participation, we will submit through the proper channels. I will not, however, send you a copy of our contract with Blue Cross Blue Shield because you are requesting it.

Should you choose to disregard your statements for payment in full I will forward your account to our collection agency for further collection attempts.

Sincerely,

[Jane Doe]

Business Office Manager

There are so many things wrong with this letter I should run a contest to see who can point out the most.

Do you think she is an ignorant woman using incorrect English, or do you think she knows exactly what she's doing, and is hoping I'm the one who is ignorant?

My guess is that she knows. Her "mistakes" are too consistent to be real mistakes. Most importantly, she never lies to me. Here's what I see:

- A. She says she has "researched my accounts and... therefore, (I) **would be** subjected to the (BCBS) payment schedule."
- B. She returned my check because it was not "payment in full," but she doesn't tell me what would constitute payment in full. When compared with the BCBS schedule, it is just as possible that I paid too much, as it is that I paid too little. This is a flaw in her letter. She leaves me without a clear remedy, but that's okay, because she's about to make me a counteroffer. Two counteroffers, actually.
- C. Here's the first counteroffer: If I will give her proof that I have BCBS insurance, she'll submit it through proper channels.
- D. The second counteroffer complies perfectly with commercial law, it's exactly what I've told you earlier in this chapter: If I disregard the statements she sends me, then she'll be able to send the account to a collection agency. Of course she doesn't say that if I don't disregard them, but instead send proper responses, then she'll never have a valid case for collection. This is exactly like the first conversation Mr. Anderson / Neo had with Mr. Smith in the movie The Matrix.

- E. I have to mention this last part, because it's just plain funny to me. She's not sending me the contract between the hospital and BCBS. Why? Because I asked for it. Funny, she didn't send me one before I asked for it either. I'm quite sure I'd never get a copy without a subpoena.



Remember, this is nothing more than a counter-offer. If I'm fooled by it, I may decide to pay in-full. That's what Jane is hoping. Or I may fail to respond, and Jane knows that my silence would signal my agreement. My reply to Jane's letter is shown in Appendix A-10. Jane's letter is the second most common type of what I'll call an unresponsive answer.

Using these examples, you should be able to effectively reply to any unacceptable counteroffer.

One response may not be enough. The hospital may try more than one bluff, and throw in a few computer-generated bills for good measure. They are accustomed to overwhelming people with paperwork, and then taking advantage of them with commercial process and superior records.

You are now developing the tools to turn the tables on them.

Remember to always respond to whatever they send you, unless you've included in your letter a paragraph such as the one near the bottom of A-11, which states you will not be held liable to respond to computer-generated statements.

If along the way you receive a counteroffer you want to accept, be sure to protect yourself by modifying your check as shown in Appendix A-8. And always follow up with the thank-you notice at A-13.

In the next chapter I'll show you how to deal with hospitals that refuse to live up to their contract. You've already set them up, now the hammer is about to fall.

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