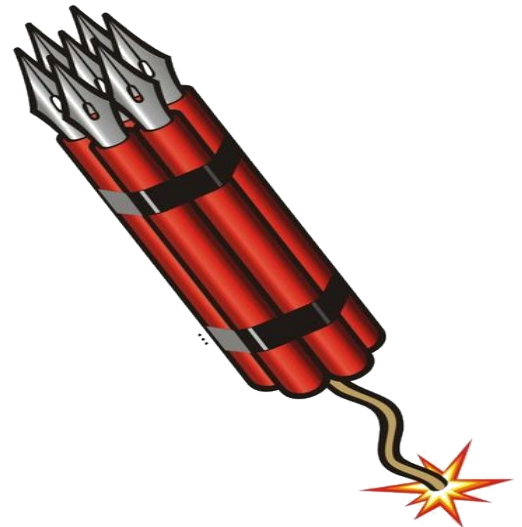




How to Survive Hospital Costs Without Insurance

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 Twelve

Collection Agencies Run Like Frightened Puppies

Many hospitals can be a pleasure to work with. Others are just the opposite. Depending on which type your hospital is, at some point during your letter campaign, your hospital may turn your account over to a collection agent (hereinafter “CA”, can equally stand for collection agency).

If this happens to you, don't worry. You are standing on solid legal ground, though the CA probably doesn't know it yet. Even if he does, he will try to bluff and bluster.

This chapter will show you how to deal with them.

Understanding the Enemy

I've always felt that people who work for collection agencies for any length of time, should find a more honorable line of work. It's not that I think they don't perform a necessary service. People should pay their bills, but a lot of them don't. Creditors have to collect somehow.

The problem is, even if they were good people when they first got the job, they're not any more. They get jaded. You can't blame them, really. Collection agents spend eight hours a day dealing with people who won't or can't pay their bills, and they usually don't make any money unless they collect it from you.

That makes them dangerous.

Like most people, CAs don't like to work very hard, or spend any more than necessary to get the job done. They hire employees who haven't seen your file, and probably wouldn't open it if it were right in front of them-- which it isn't. The bottom line is, they don't care about right or wrong. They only care about getting your money. They're likely to do or say anything they can to get you to part with it.

If you've ever dealt with CAs before, you know how unpleasant it can be. The reasons are obvious. Usually the debtor is in the wrong-- he should have paid the bill, and he knows it. Besides, CAs are experts at procedures in commercial law. Or at least their scripts make them behave that way.



Everything they do is designed to lead you into a cattle chute. Like a funnel, you have less wiggle-room with every step, until finally you have no choice but to pay. Anyway, that's how it's supposed to work.

You're about to learn how to change all that, but first we need to look at the CA himself; who he is, what he can and cannot do, and his tactics.

Commercial Process

In the CA's relentless pursuit of your money, he relies mainly on two things:

1. His knowledge of commercial law; and
2. Your ignorance of commercial law.

The most important commercial principle the CA knows about is presumption. The CA knows that the legal system generally presumes creditors to be right, and debtors to be wrong. This is known as a rebuttable presumption. The alleged debtor must present his evidence to the contrary, or else the alleged creditor can and will persuade the court to enforce his claim-- even on the flimsiest of evidence.

In other words, “innocent until proven guilty” is right out the window. The CA is counting on the public schools to have taught you that you don't have to prove your innocence, so he doesn't have to work as hard.

The following simple example illustrates my point. It might not always go this way in every court, depending on the judge, but it is the simplest way to explain what I'm getting at:

Suppose I send you a bill for \$500. I can put anything I want as the reason, as long as it sounds even remotely reasonable-- let's say “yard maintenance.”

You open the bill, and say to yourself “I don't know this guy from Adam, and I never agreed to any yard maintenance.” You toss the bill in the trash.

Thirty days later, I send you another bill, marked “Second Notice.”

You think, “This guy is crazy, I'm not paying him a dime.” You toss the bill in the trash.

Thirty days later I send you a certified letter that says, “Delinquent Account. Pay within thirty-days or this account will be turned in for collection.” Now, all of a sudden, you're a little concerned. So you try calling the phone number listed on the bill to straighten this out, but no one answers. This time, you don't throw the bill out, but you don't do anything with it either.

Thirty days later, that last notice is now buried under a stack of magazines. A “notice to appear” in court arrives in your mailbox. I'm suing you for \$500.

When you show up, you try to tell the judge that you never hired me. He tells you to shut up and wait your turn.

First he hears from me; it's my claim, and I get to talk first. I lie. I tell the judge you hired me

orally; I did the work for you on such and such a date; I sent you a bill but you never responded; I sent a second notice, and a delinquent-account notice. I have copies of everything I sent, and proof of service too. You never responded. Now I'm suing for my money.

Now the judge turns to you. He asks why you didn't pay my bill.

You inform the judge that you never hired me, and never set eyes on me until today.

He asks why you didn't respond to my bills.

You answer that you threw them in the trash.

With little or no additional discussion, the judge rules in my favor and orders you to pay \$500 plus court costs.

Why did this happen? Because I used commercial process. I created the presumption of a debt. Although that presumption was rebuttable you, thinking you were innocent and would never have to prove it, offered no evidence to the contrary. In fact, since you truly did throw my letters into the trash and never responded, you had no evidence to present. This was all I needed to get a judgment.

The first exchange of contact between the CA and the alleged debtor is always the most important. This is the point at which the CA learns whether or not it has a fish on the line.

Your first contact from a CA will usually be a very simple looking bill. It will contain an account number, an amount to be paid, and the name of the original creditor. It will also contain a statement similar to this:

"Unless you notify this office within thirty (30) days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid."

The CA is establishing a record. He is showing good faith. If you do not respond, and respond timely (that means "as soon as possible, but definitely within less than 30 days), you are showing bad faith, and the CA has correctly established his presumption according to the principles of commercial law.

His bill has all sorts of shortcomings, but if you don't know how to assert your rights by calling attention to them, the CA will win by presumption.

By What Authority?

The key to understanding how to stay out of a CA's clutches, is to understand the nature of the beast.

You are entitled to know, "Who is the CA?" I don't mean what is the name printed on the bill, I mean "Who is he, as far as the law is concerned?" What gives the CA "standing?" In other words, who is this guy, and what gives him the right to even speak to you, let alone



collect a debt?

How does he get his authority? The CA must satisfy this first step before he can even approach the second hurdle.

The CA is not the original creditor, the hospital is. You have no contract with the CA. You've never promised him anything. There are basically only two ways a CA can claim the legal right to collect a debt:

1. Agency. The CA is an employee, or contractor for the hospital, which hires the CA to collect the debt for them. The hospital still owns the debt.
2. Holder in due course. The hospital sells the debt to a CA. The CA acts on its own behalf.

If and when the CA ever discloses evidence of his legal standing, then, and only then, should you discuss rights and duties under the original (admission) contract. In fact, until his legal standing is disclosed, you should not discuss anything at all with him, not even the weather or the latest football scores. Let's look at these one at a time:

Agency

As an agent, a CA may be paid for the time he spends pestering you, whether or not he ever collects a dime. Or he may be paid on commission-- a percentage of whatever he collects.

The key thing to remember about an agent is that he is like an employee, he works for the principal (in this case, the original creditor, the hospital). All the money collected goes back to the principal.

When you deal with an agent, it is legally the same as if you were dealing with the principal. If you pay the agent in full, the principal is completely satisfied. If the agent adjusts the bill and accepts a lesser amount, the principal is still completely satisfied (provided the agent had the authority to adjust the bill).

More importantly, as the principal's representative, the agent has no more authority to override the conditions of the contract than the principal does. If the principal is obligated to give you evidence that substantiates the charges in his bill, then the agent is just as obligated. If the agent violates the contract, the principal is responsible. Hospitals hate liability.



Holder in Due Course.

This is the most common capacity the CA works under.

Most people believe, when they're dealing with a CA, they are dealing with an agent. In most

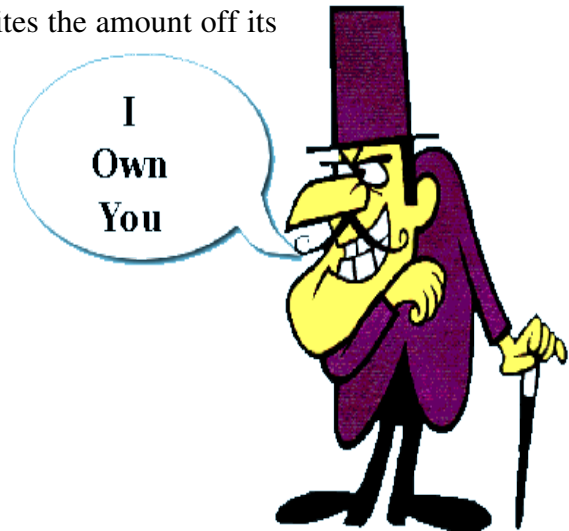
cases, this could not be further from the truth.

As a holder in due course, the CA takes the risk of buying a “problem” account. He pays the hospital pennies on the dollar-- sometimes less than ten-percent of the face value of the debt, in exchange for the right to collect the full amount. Any amount the CA can collect, over and above what he paid, is where he makes his profit.

The hospital considers the balance as a loss, and writes the amount off its taxes.

Now the CA owns the debt. It is responsible for any actions it may take in trying to collect. The hospital is out of the deal. Sort of.

From the debtor's perspective, there's a big problem with this situation which almost never occurs to most people. Even if you pay the CA the full amount, the hospital will still consider you a deadbeat. After all, the hospital was only paid a token amount. When you pay the CA, he “discharges” the debt, which means no one can ever go after you for further payment. But that is not the same thing as actually paying, or “satisfying” the debt.



I'm sure you can see where this might be a problem. Of course no one cares about this problem except the debtor/future-patient, who might have trouble getting services from the hospital the next time he is sick.

This potential problem is greatly reduced for you, if you use my methods, since you will have proof you did everything within your power to satisfy the hospital's claim.

Since you are now using my methods, it's the CA who has the problem. He knows his own weaknesses, but he's hoping you'll never find out. Here's what Black's Law Dictionary has to say, in part, about a holder in due course:

“A holder in due course of a consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of the goods or services obtained pursuant to the credit contract or with the proceeds thereof.”

In other words, the CA can only make you do what you were obligated to do under the original contract. No more, no less. What's more, you are still entitled to any evidence the hospital might have been required to produce, prior to you being obligated to pay.

Read the quote from Black's again. It tells you straight out, that if you have claims, it's up to **you** to assert them.

The hospital's standard contract does not obligate it to prove or justify its claim. You changed all that when you modified the form. Now the hospital *is* obligated to prove its claim. This means

that regardless of whether the CA is an agent, or a holder in due course, once you assert your claims, he's obligated to the same conditions in the contract which caused the hospital to hand it over to the CA in the first place.

Obviously, the CA doesn't have access to the hospital's records. It is impossible for them to fulfill their obligation without going back to the hospital for information.

That's why there is a rule in commercial law that says only assets can be assigned, not liability. Asserting your claims at this stage, puts the whole ball of wax squarely back into the hospital's lap. When you assert your claims correctly, the CA must either turn the account back over to the hospital, or give up any hope of ever collecting.

Turning the Tables

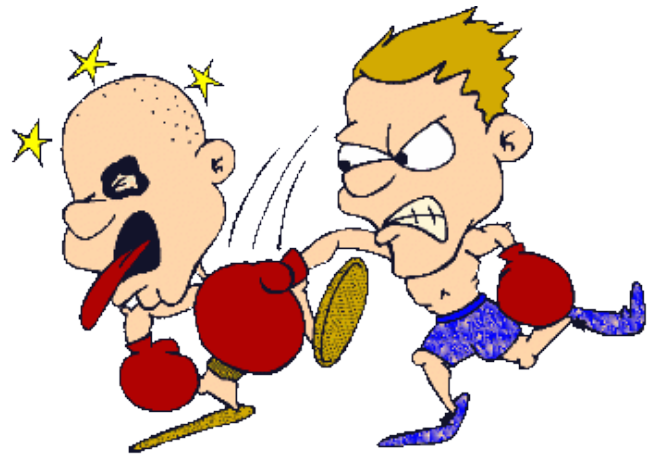
Your first line of protection is your Phone Script (Appendix A-5). Just as you did when dealing with the hospital, follow this script exactly and you should have little or no trouble with harassment phone calls.

It is very important that you never say anything to a CA which is not on the script. Just like the cop movies on TV, anything you say can and will be used against you. These people are experts at what they do. The most seemingly harmless comment can come back to haunt you later.

My approach to CAs involves two steps, kind of like a “one-two punch.” Both steps deal with the CA's authority.

Before I go on, I have to tell you something odd: I've never had to use the second punch. None of my readers have either. With the first punch, I discovered CAs have a glass jaw.

I was almost disappointed. The second punch is so much stronger. I know it would work, because it follows commercial law. But I've never had the chance to use it. You're going to laugh as you finish this chapter.



The letter at Appendix B-1 is always my first letter to a CA. The wording of the letter uses specific legal jargon, which is important. But the basic idea of the letter is this simple question, coupled with a demand:

“Who are you, and by what right do you presume to collect a debt from me? Show me.”

Seems like a simple question, doesn't it? Surely, this is the most basic part of a CA's business. Any CA should be able to produce evidence of its authority at the drop of a hat. Wouldn't you think?

I've never seen one willing to answer. Sure, they'll reply, but that's not the same thing. They'll

send more bills, they'll try the phone, they'll wiggle and squirm in every way they can think of, but they won't produce evidence of their authority.

I know for a fact that some of the people who have bought this report were doctors, hospital executives, and collection agents. They wanted to read what it said, so they could figure out in advance how to stop people who used my letters. But still, no CA will produce his authority.

What's the big secret? Surely there's a contract between the CA and the hospital. What could possibly be in such a contract, that would cause such panic in the hearts of collection agents when you ask to see it? I don't know. I've never seen one. If you ever see one, I hope you'll send me a copy.

Here's the deal: In all the combined experience of myself, my family and friends, and my readers, Letter B-1 stops the CA dead in his tracks. Until and unless they are willing to produce evidence of their authority, they have to take their ball and go home.

On the off-chance that someone ever does, I've got your bases covered with the next letter. Appendix B-4 shows how to correctly assert your claims. You will probably never use it.

Letter B-3 is similar to B-4, in that you should only use it if the CA has already provided evidence of his authority. The difference is that B-3 assumes either that the hospital cashed your draft, or you defaulted them. In either case, you no longer have any obligation to pay. The hospital can't sell something which does not exist. The CA bought a pig in a poke.

You will probably never use B-3, for the same reasons as B-4, but reading the letter will help you to understand the principles of commercial law which are at work. The only valid response a CA might make to this letter is a request for a copy of your record. Remember, this is the amazingly hypothetical situation in which the CA has already produced evidence of his authority-- so, you should promptly comply, and be sure to certify the record as described earlier.

The letters at B-2 and B-5 are fault and default, respectively. You will almost definitely use them. These letters are very similar to their counterparts from Appendix A, only they are tailored to use with collection agents.

Closure

A few readers of my prior book reported that when one CA had been discouraged, they would simply resell the account to another CA, and the process would have to be repeated. This was before I emphasized the importance of following through with the Appendix A letters to the hospital.

I've also taken further measures to fix this problem. In Letters A-15 and B-5 (Default), you will find a paragraph which puts the hospital/CA on notice that it will be held liable for any harassment or damage inflicted against you, due to their actions.

Once they've been given this notice, they know they will be held to a higher standard. They can be sued for damages. It is very likely the hospital will now call off the dogs, and CAs will run

for cover.

If they don't, you may have a good case for libel. Lawsuits for libel often bring large awards. It's not likely the hospital will want this potential liability. They'll put a stop to the CA, even if they have to buy the alleged debt back from them.

You've almost graduated from Gregory Allan's school of financial healthcare defense.

The next chapter summarizes what you've learned, and offers a few additional helpful hints.



Chapter Thirteen, Summary

Do you recall the old parable, “It is better to teach a man to fish, than give him food for a day.”? It is my hope this report will teach you how to fend for yourself in the healthcare arena.

You've just finished my step-by-step guide, and learned How to Survive Hospital Costs Without Insurance.

You learned of the conspiracy between hospitals and insurance companies to get your money, and how they obligate you to pay outrageous fees.

You learned the major flaw in their contracts, and how to overcome it and receive huge discounts.

You even learned how to hold them to the discounted price, and how to thwart the best efforts of people who do bill collection for a living.

The following pages contain the actual letters and documents used throughout the report. They are split into two sections, “A,” and “B.”



Why the Two Appendices?

The appendices are split in two parts for a very good reason.

Appendix A contains all the paperwork you will use with the hospital.

Appendix B contains paperwork to be used with collection agencies (CA).

I've divided them because I want it to be absolutely clear that you are dealing with two different entities, which must be treated separately.

You cannot assume the CA is acting as an agent of the hospital. Unless either the CA or the hospital produces evidence of the CA's authority, you cannot assume the CA has any authority at all. For all you know, some crook went through the hospital's trash, found a discarded printout with your account information on it, and is trying to rob you. Identity theft happens all the time.

That means you cannot assume the hospital ever sees any letters you send to a CA. They probably do not.

In my experience, the most common point at which a hospital will turn an account over to a CA, is after you issue the A-14 Letter (Fault), but before the A-15 (Default). They look at this as their last chance to get a few bucks out of an account on which they will never otherwise collect.

I'm also guessing the hospital is hoping you will be distracted, and neglect to ever send them a

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