

## **CHARGEMASTER FAQ**

### **WHAT IS A CHARGEMASTER?**

A chargemaster is a comprehensive list of charges for each inpatient and outpatient service or item provided by a hospital – each test, exam, surgical procedure, room charge, etc. Given the many services provided by hospitals 24 hours a day, seven days a week, a chargemaster can contain thousands of services and related charges.

Chargemaster amounts are almost never billed to a patient or received as payment by a hospital. The chargemaster amounts are billed to an insurance company, Medicare, or Medicaid, and those insurers then apply their contracted rates to the services that are billed.

Health insurance companies contract with hospitals to care for their customers. Hospitals are paid the insurance company's contract rate, which generally is significantly less than the amount listed on the chargemaster. The insurance company's contract rate, not the chargemaster, is the basis for determining the patient's actual out of pocket costs. As an example, a hospital may charge \$1,000 for a particular service, while the insurer's contract rate may be \$700. If the patient's insurance plan indicates the patient is responsible for 20 percent of the contract rate, the patient would owe \$140 ( $\$700 \times 20$  percent).

### **ARE CHARGES THE SAME FOR EVERY PATIENT?**

The list of charges is the same for all patients. However, the total charges for an individual patient often vary from one patient to another for a number of reasons, including:

- How long it takes to perform the service or how long it takes you to recover in the hospital
- Whether the service or procedure you receive is more or less difficult than expected
- What kinds of medication you require
- Whether you experience complications and need additional treatment
- Other health conditions you may have that may affect your care

### **IS THE CHARGE THE SAME AS WHAT A PATIENT PAYS?**

Chargemaster information is not particularly helpful for patients to estimate what health care services are going to cost them out of their own pocket.

The charge listed in the chargemaster is generally not the amount a patient will pay. If you have health insurance, the amount you will be billed and expected to pay for your services depends on your specific health insurance coverage and your insurance company's contract with the hospital.

## **WHAT IS NOT INCLUDED IN THE CHARGEMASTER LIST?**

The hospital's chargemaster does not include charges for services provided by the doctor (or doctors) who treat you while you are at the hospital. You may receive separate bills from the hospital and the doctors involved in your care.

Here is a partial list of health care providers who may bill you separately:

- Your personal doctor, if he/she sees you in the hospital
- The radiologist who reads your x-rays or other imaging
- Other doctors who may be consulted by your doctor during your time in the hospital
- Laboratory testing
- Therapy services

## **WHERE CAN I FIND MORE INFORMATION ABOUT HOSPITAL COSTS?**

If you would like more information about the chargemaster or what your care will cost you, please contact Milynda Binder at (567) 207-2235.

Please consult with your insurance provider to understand your insurance coverage, which charges will be covered, how much you will be billed, information on deductibles and your expected out-of-pocket responsibility.