

CHARGEMASTER FAQ

WHAT IS A CHARGEMASTER?

A chargemaster is a list of charges for every service or item provided by a hospital – each test, exam, surgical procedure, room charge, etc. Given the wide range of services provided by hospitals, a chargemaster contains thousands of charges.

Chargemaster amounts are almost never billed to a patient or received as payment by a hospital. The chargemaster is created for Medicare, Medicaid and Insurance companies. These insurers then apply their contracted rates for the services on the chargemaster. In situations where a patient does not have insurance, our hospital has financial assistance policies that discount the amounts on the chargemaster. More information on our financial assistance policies can be found at [*customize for your hospital*].

Health insurance companies contract with hospitals to care for their customers. Hospitals are paid the insurance company's contract rate, which is significantly less than the amount on the chargemaster. The insurance company's contract rate, not the chargemaster, is the basis for determining the patient's actual 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 (20 percent of \$700).

ARE CHARGES THE SAME FOR EVERY PATIENT?

The list of charges is the same for everyone. However, the total charges for an individual often vary from one 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

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 surgeon who performs your procedure
- The anesthesiologist who works with the surgeon
- 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



HOW CAN I KNOW WHAT I WILL HAVE TO PAY?

Chargemaster information is not particularly helpful for estimating what health care services are going to cost you. If you have health insurance, the amount you will be expected to pay for your services depends on your specific health insurance coverage and your insurance company's contract with the hospital.

If you do not have health insurance, you may be eligible for reduced costs under the hospital's financial assistance policy or you may be eligible for Medicaid coverage. NCHA has included links to most North Carolina hospitals' financial assistance policies as part of our community benefit reporting at <https://www.ncha.org/community-benefits-listings/>.

WHERE CAN I FIND MORE INFORMATION?

If you would like more information about the chargemaster, what your care will cost you or the hospitals' financial assistance policy, please contact your hospital directly.

Talk with your insurance provider to understand your insurance coverage, which charges will be covered, how much you will be billed, deductibles and what you will be asked to pay.