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Five Hospital Billing Scams That Can Cost You Thousands

You go to the hospital to get better — not to get financially blindsided. Yet every year, millions of Americans open their mailboxes to find medical bills that make them gasp: $8,000 for a few hours in the ER. $3,500 for lab work. Thousands more for doctors they never met.

Hospital billing in America has become so complex that even experienced healthcare professionals struggle to decode it. Hidden in that complexity are practices that can quietly cost patients thousands of dollars — often without them realizing they've been overcharged.

Here are five hospital billing traps you need to know about — and the simple questions that can protect your wallet.

1. Upcoding: When a Routine Visit Becomes "Critical Care"

One of the most common billing abuses is known as **upcoding** — charging for a more serious and expensive level of care than was actually provided. For example, a relatively straightforward emergency room visit for a minor injury or shortness of breath may be billed as "critical care," dramatically increasing the charge. The difference between billing codes can mean hundreds or even thousands of dollars.

Hospitals bill insurers — and patients — using CPT (Current Procedural Terminology) codes that determine how much gets paid. If the code reflects a higher level of complexity than your visit warranted, you pay more.

Question to ask:

Can I get an itemized bill with CPT codes?

Once you have those codes, you can compare them to your medical record — and dispute anything that doesn't line up.

2. Surprise Out-of-Network Charges — Inside an In-Network Hospital

You did everything right. You chose an in-network hospital. You checked with your insurance company. You confirmed coverage.

And you still get billed.

Even when a hospital is in-network, certain providers inside the hospital may not be — anesthesiologists, radiologists, emergency room physicians, pathologists. You don't choose these doctors. You may never even see them. But you can still be billed at out-of-network rates. While federal law has reduced some forms of "surprise billing," gaps and gray areas remain, particularly for ground ambulances and certain specialty services.

Question to ask (before a scheduled procedure):

Will all providers involved in my care be in-network?
If the hospital can't answer clearly, push for specifics — in writing.

3. Duplicate or Phantom Charges

Hospital bills are long, dense, and often nearly impossible to decipher. That's partly why duplicate or phantom charges slip through.

Watch out for duplicate charges and bills:

- The same lab test billed twice
- Charges for medications you never received
- Supplies you didn't use
- Procedures that were canceled but still billed

Sometimes these are honest clerical errors. Sometimes they are the byproduct of fragmented hospital billing systems. Either way, patients pay if they don't catch them. Studies consistently show that a significant percentage of hospital bills contain errors -- and those errors often favor the hospital.

Question to ask:

Can you show me where this treatment is documented in my medical record?
If it's not documented, it shouldn't be billed.

4. Revenue-Driven Testing

Modern medicine offers remarkable diagnostic tools — but more testing doesn't always mean better care.

Hospitals generate revenue through imaging, lab work, monitoring, and overnight admissions. In some cases, patients are recommended additional CT scans, MRIs, blood tests, or extended stays that don't clearly align with their symptoms or treatment plan. Defensive medicine plays a role. So does institutional financial pressure.

That doesn't mean every additional test is unnecessary. But it does mean you have the right to ask why.

Question to ask:

Is this test medically necessary, or optional?
You can also ask:

How will this result change my treatment?
If the answer is vague, it may be worth a second opinion.

5. Financial Assistance That's Never Mentioned

Most nonprofit hospitals are required to offer charity care or income-based financial assistance. Many also provide discounts for uninsured or underinsured patients.
But here's the problem: hospitals are not always proactive about telling you.

Patients frequently discover — too late — that they qualified for substantial financial relief but were never informed. In other cases, applications are denied for minor paperwork errors. Medical debt remains one of the leading causes of personal bankruptcy in the United States. Yet billions of dollars in financial assistance go unclaimed each year.

Question to ask:

Can I see the hospital's financial assistance policy?
Get it in writing. Ask for an application. And apply before your bill goes to collections.

The Bottom Line: Scrutinize First, Pay Later

Hospitals are essential institutions staffed by dedicated professionals. But hospital billing departments operate under financial pressures and complex reimbursement rules that don't always align with patients' best interests.

The healthcare system assumes patients won't question their bills. That assumption is costly. Before you pay:

- Request an itemized bill
- Review every line
- Compare it to your medical record
- Call your insurer
- Appeal questionable charges

You don’t need a law degree or a medical degree — just persistence. Because when it comes to hospital billing, the most expensive mistake you can make is assuming the bill is automatically correct.

Peter J. Pitts, a former FDA Associate Commissioner, is President of the Center for Medicine in the Public Interest.