**How to Better Manage Health Care Costs**

According to the most recent data available from the Centers for Medicare and Medicaid Services, [the average American spends nearly $10,000 per year on healthcare](https://www.cnbc.com/2017/06/23/heres-how-much-the-average-american-spends-on-health-care.html), and that number is expected to continue to rise. The \_\_\_\_\_\_\_\_\_\_ Society of CPAs offers these tips to help you get the care you need while reining in healthcare spending.

[Shop Around and Negotiate](https://www.nerdwallet.com/ask/question/is-it-possible-to-negotiate-a-lump-sum-payment-for-medical-bills-4355)

Are your health insurance premiums too high? Shop around for a better deal. Compare your options carefully, since a plan with lower monthly premiums may come with higher deductibles, copayments or other expenses. Before an expensive procedure, ask the hospital for an estimate of what the cost will be and determine how much of it you’ll have to pay. If it’s too much, contact other hospitals and compare costs. Don’t hesitate to negotiate once you’ve received a medical bill, either. The hospital or physician may be willing to reduce the total if you pay in one lump sum, for example, or can offer evidence that the charge is higher than average for your area or at similar medical providers.

**Get Lower Prices on Medications**

Generic drug prices are generally less expensive than those for brand-name medications. If you prefer a brand name, however, there may be less expensive alternatives to the one you’re using. Find out if your insurance covers a cheaper medication that does the same job. Check prices at a variety of pharmacies, too, to see who has the best deals—discount card offerings may be cheaper than billing through your insurance. Pharmaceutical companies offer coupons for many popular medications, but [be sure that the drugs on offer are actually best for your needs](https://www.consumerreports.org/cro/2012/03/don-t-get-hooked-on-prescription-drug-coupons/index.htm) and check if and when the discount expires. [There are also federal and state organizations and not-for-profits that help lower-income consumers](https://www.medicareinteractive.org/get-answers/programs-for-people-with-limited-income/overview-of-help-paying-for-prescription-drugs/my-income-is-low-are-there-programs-that-can-help-pay-for-my-prescriptions) save money on prescriptions. Drug companies, too, often have patient assistance programs that provide free or lower-cost medications to those in need.

[Know the Details of a High-Deductible Health Insurance Plan](https://www.nytimes.com/2016/11/01/business/is-high-deductible-health-insurance-worth-the-risk.html?_r=0)

You might choose a high-deductible insurance plan if you consider yourself generally healthy and don’t expect any medical issues in the near term. The attraction is that monthly premiums may be significantly lower than other plans with lower deductibles. The risk, however, is that if you have medical expenses, you will have to pay more of them upfront because of the high deductible. If your deductible is several thousand dollars a year, for example, you will pay out-of-pocket for many doctor’s visits and prescriptions, as well as other medical care, before you’ve met the deductible and your insurance coverage kicks in. The bottom line: Read the fine print carefully before choosing one of these plans so you aren’t surprised later about expenses for which you’re responsible. In addition, consider coupling this plan with a health savings account (HSA). Designed to be used exclusively with high-deductible health insurance plans, HSAs offer a tax-advantaged way to save money used for out-of-pocket medical costs.

[Explore Flexible Spending Accounts](https://www.irs.gov/pub/irs-pdf/p969.pdf)

With a flexible spending account set up by your employer, your contributions can be used to pay for items not covered by your health insurance, such as copays. Your contributions are not included in your taxable income, lowering your tax bill, and withdrawals are tax free as long as they’re used to pay for qualified medical expenses. If your employer offers this benefit, find out the details to determine if it’s right for you.

**Turn to Your Local CPA**

Knowing your health care needs will be covered is critical to anyone’s peace of mind, but insurance can also put a big dent in your budget. Contact your local CPA with questions about making the best health insurance choices or with any other financial concerns. To find one near you, go to [mscpaonline.org/findacpa](http://www.mscpaonline.org/findacpa).