

Why Is Healthcare So Expensive?

A Patient-Friendly Explanation from Golden Heart Medical LLC

A Note to Our Patients

We understand that healthcare costs can feel confusing and, at times, overwhelming. Our goal is to be transparent and help you understand why costs are what they are and how we work to keep your care as affordable and high-quality as possible.

1. Insurance Is Complicated

Health insurance plays a major role in how care is priced.

- Different plans pay different amounts for the same service
- Deductibles, copays, and coinsurance all affect what you owe
- Insurance companies often require extra steps like: prior authorizations, change in formularies, require chart notes sent to them, insurance companies send significant amounts of un-needed faxes and paperwork, all of which add time and administrative work

Even when you have insurance, it does not always mean services are fully covered.

2. Behind-the-Scenes Costs

Healthcare involves much more than the visit itself.

Costs include:

- Medical staff salaries- and training
- Medical equipment and supplies
- Electronic health record systems
- Billing and administrative staff
- Regulatory and compliance requirements
- Malpractice
- Bookkeeper
- Accountant

- Lawyer
- State medical license
- State Business
- Federal and State unemployment
- Workman's Comp
- Rent
- Phones
- Website maintenance
- Continuing Medical Education
- Board certification

All of these are necessary to provide safe, high-quality care.

3. Administrative Work Is Extensive

A significant portion of healthcare involves non-clinical work, such as:

- Processing insurance claims
- Handling prior authorizations
- Communicating with pharmacies and specialists
- Managing patient records and documentation

These tasks take time and resources but are required to coordinate your care properly.

4. Medication and Treatment Costs

The cost of medications, testing, and treatments can vary widely.

- Drug prices are often set by manufacturers
- Insurance coverage for medications differs
- Some treatments require additional approvals or specialty handling

This can impact both what the clinic is paid and what patients are billed.

5. Regulations and Compliance

Healthcare is a highly regulated field.

Clinics must follow strict guidelines to ensure:

- Patient privacy (HIPAA compliance)
- Accurate documentation and coding
- Safe and ethical care

Meeting these standards requires ongoing training, systems updates and oversight.

6. What Can I DO to Decrease My Cost

Coming soon will be a section that will discuss how to save money.