



## Reduce Fee/Free Care Policy

### Appendix A

The Amount Generally Billed (AGB) is calculated based on the combined percentage of what Medicare and all Commercial and Managed Care payers allow for services billed in a 12-month period. The percentage calculated will be multiplied times the total charges on the claim to arrive at the AGB. Grace Cottage will limit amounts charged for emergency or other medically necessary care provided to individuals eligible for assistance under this policy to not more than the AGB. Grace Cottage will update the AGB annually. For FY 2018 the AGB discount is 76%.

#### Calculation of the AGB

12-month period: 07/01/2016 – 06/30/2017

Total charges generated for Medicare, Commercial, and Managed Care Patients:

\$21,571,185.00

Total Allowed charges by Medicare, Commercial, and Managed Care Patients:

|                         |                 |
|-------------------------|-----------------|
| Total Charges Generated | \$21,571,185.00 |
| Less                    |                 |
| Total Contractual       | \$5,255,567.00  |
|                         | -----           |
| Total Allowed Charges   | \$16,315,618.00 |

Total percentage of allowed charges:

$$\frac{\$16,315,618.00}{\$21,571,185.00} = 76\%$$