

SUBJECT: REDUCED FEE/FREE CARE POLICY	REFERENCE #16.0050
DEPARTMENT: Finance	Page: 9 OF: 12
	EFFECTIVE: 10/01/2017
APPROVED BY: Stephen A. Brown, CFO	REVISED: 02/07/2020

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 2020 the AGB discount is 70%

Calculation of the AGB:

12-month period: 07/01/2018-06/30/2019

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

\$ 24,872,695

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

Total Charges Generated:	\$24,872,695
Less	
Total Contractual:	\$7,449,348

Total Allowed Charges:	\$17,423,347

Total percentage of allowed charges:

\$17,423,347	
-----	= 70%
\$24,872,695	