

SUBJECT: REDUCED FEE/FREE CARE POLICY	REFERENCE #16.0050
DEPARTMENT: Finance	Page: 10 OF: 13
APPROVED BY: Stephen A. Brown, CFO	EFFECTIVE: 10/01/2017 REVISED: 03/23/2023

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 2023 the AGB discount is 68%

Calculation of the AGB:

12 month period: 07/01/2021-06/30/2022				
Total charges generated for Medicare and Commercial patients:				
Medicare	4100, 4110, 4120, 4130	17,004,546		
Commercial	4100, 4110, 4120, 4130	<u>14,203,902</u>		
				31,208,448
Total contractual allowance for Medicare and Commercial patients:				
Medicare	4200, 4210, 4215, 4220	5,194,778		
Commercial	4200, 4210, 4215, 4220	<u>4,824,319</u>		
				<u>10,019,097</u>
	Total Allowed Charges			21,189,351
Total percentage of allowed charges:				
		<u>21,189,351</u>	=	68%
		31,208,448		