| BAPTIST HEALTH<br>POLICY AND PROCEDURE MANUAL<br>No. 3.14 | | |
|---|---|---|
| **Section:** Patient Care<br>FINANCE | **Subject:**<br>HOSPITAL FINANCIAL ASSISTANCE POLICY | |
| **Original Date:**<br>October, 1998 | **Supersede:** | **Effective Date:**<br>October 1, 2017 |
| **Review Date:**<br>June 19, 2021 | **Scope:** | |
| **Approved:**<br>June 19, 2018 | | **/Scott Wooten, CFO** |

## I. POLICY

In accordance with the philosophy, mission and core values of Baptist Health, it is our policy to provide Medically Necessary Care for all patients regardless of their financial resources. This policy applies only to Baptist Health Hospitals and the providers listed in Attachment A. This policy does not apply to the providers listed in Attachment B or for any elective or other procedure not deemed to be Medically Necessary Care.

## II. PURPOSE

To provide financial relief to patients who meet the specified financial assistance criteria in accordance with the Federal Poverty Guidelines listed in Attachment C and defined in this policy in a manner consistent with the requirements of Section 501(r) of the Internal Revenue Code.

## III. DEFINITIONS

AHCA: Florida Agency for Health Care Administration

Amount Generally Billed ("AGB"): The average amount of all claims allowed by traditional Medicare and commercial health care insurers over a twelve (12) month look-back period for Medically Necessary Care. The AGB will be updated annually within 120 days of the last day included in the previous year's calculations.

Amount Generally Billed Percentage ("AGB%"): The AGB divided by the gross patient charges for all claims over a twelve (12) month look-back period that were paid by Medicare and commercial health care insurers.

Application: the Financial Assistance Application, which includes an online and paper version. A copy of the paper version may be found in Attachment D and on the Baptist Health website at https://www.baptistjax.com/patient-info/financial-assistance.

Baptist Health Hospitals: All Baptist Health acute care hospitals (Baptist Medical Center Beaches, Baptist Medical Center Jacksonville, Baptist Medical Center Nassau, Baptist Medical Center South and Wolfson Children's Hospital), which includes the outpatient departments and the

freestanding emergency centers (Baptist Emergency at Clay, Baptist Emergency at North, and Baptist Emergency at Town Center).

Financial Assistance: That portion of a patient's bill for which the patient is not responsible due to inability to pay as determined by the financial assistance criteria outlined in this policy.

EMTALA: The regulations adopted by the Centers for Medicare and Medicaid Services pursuant to the Emergency Medical Treatment and Labor Act of 1986.

Excess Discretionary Assets: Fair market value of savings, investments and non-homesteaded property over $75,000. Excludes assets held in qualified pension plans, 401(k) plans, 403(b) plans and other qualified retirement plans.

Excess Family Income: 50% of annual family income over 200% of the Federal Poverty Level.

Emergency Medical Care: Health care provided by a Baptist Health Hospital to patients with an Emergent Medical Condition.

Emergent Medical Condition: A health care condition manifesting itself by acute symptoms of sufficient severity, which may include severe pain, such that the absence of immediate medical attention could reasonably be expected to result in serious jeopardy to patient health, including a pregnant woman or fetus, serious impairment to bodily functions or serious dysfunction of any bodily organ or part. This definition includes a pregnant woman who is having contractions if there is inadequate time to effect a safe transfer to another hospital prior to delivery or a transfer may pose a threat to the health and safety of the patient or fetus, or that there is evidence of the onset and persistence of uterine contractions or rupture of the membranes.

Extraordinary Collection Actions ("ECAs"): Actions taken by a health care provider against an individual that involves (i) selling the individual's debt to a third party, (ii) reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus, (iii) deferring or denying Medically Necessary Care prior to payment of, or because of, an individual's nonpayment for previously obtained care, and (iv) legal or judicial process (excluding bankruptcy claims and liens permitted by state law pertaining to a personal injury judgment, settlement or compromise).

An Extraordinary Collection Action (ECA) does not include any: settlements, judgments, or compromises arising from a patient's suit against a third party who caused the patient's injuries come from the third party, not from the injured patient, and thus hospital liens to obtain such proceeds should not be treated as collection actions against the patient. In addition, the portion of the proceeds of a judgment, settlement, or compromise attributable under state law to care that a hospital facility has provided may appropriately be viewed as compensation for that care.

Federal Poverty Level ("FPL"): a measure of income issued every year by the Department of Health and Human Services which is used to determine eligibility for certain programs and benefits. An FPL table is available in Attachment C.

Gross Patient Charges: The amounts charged by Baptist for services provided before any contractuals, adjustments, or discounts are applied.

Healthcare Predictor Score ("HPS"): Credit Agency Healthcare Predictor Score of 20 or less (low propensity to pay); Credit Agency Healthcare Predictor Score of 21-350 (medium propensity to pay) and a minimum of $5,000 in active bad debt collections, not including the account being reviewed, or regardless of Credit Agency Healthcare Predictor Score, active bad debt collections of

$20,000 or more.

Patient Financial Advocate: An employee empowered to accept and evaluate an Application for Financial Assistance.

Medically Necessary Care: Medical or allied care, goods, or services furnished or ordered that meet the following conditions: (i) Are necessary to protect life, to prevent significant illness or significant disability, to alleviate severe pain or to better evaluate a patient to determine a safe discharge disposition; (ii) Are individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the patient's needs; (iii) Are consistent with generally accepted professional medical standards as determined by the Medicaid program, and not experimental or investigational; (iv) Are reflective of the level of service that can be safely furnished, and for which no equally effective and more conservative or less costly treatment is available statewide; and (v) Are furnished in a manner not primarily intended for the convenience of the recipient, the recipient's caretaker, or the provider. Care provided in a hospital on an inpatient basis is not medically necessary if, consistent with the provisions of appropriate medical care, it can be effectively furnished more economically on an outpatient basis or in an inpatient facility of a different type. The fact that a provider has prescribed, recommended, or approved medical or allied care, goods, or services does not, in itself, make such care, goods or services medically necessary.

Time-Pay: A payment arrangement for a patient or guarantor to pay his or her medical bill over an agreed-upon period of time.

## IV. PROCEDURES

### A. IDENTIFICATION/SCREENING

The evaluation of the need to receive medical care will be based upon clinical assessment. When a person presents to the Emergency Room or in cases where a possible Emergent Medical Condition exists, Baptist Health Hospitals will provide emergency treatment to all patients seeking such care, regardless of ability to pay in accordance with the requirements of EMTALA. Accordingly, Baptist Health's financial evaluation should occur only after appropriate medical evaluation and care have been rendered.

When non-emergent services are requested, a financial evaluation should occur prior to rendering care whenever possible. After clinical and/or financial evaluation, individuals may be referred to appropriate alternative programs for services. If a patient refuses to seek care at the appropriate facility, financial assistance may be denied. In addition, if a patient continues to present to the Emergency Room for services that are clearly non-emergent, the patient will be seen as required by EMTALA, but may be denied Financial Assistance.

Referrals for financial assistance determination are primarily initiated or identified by Patient Financial Advocates and representatives of Patient Financial Services, Patient Access Services and the Social Services Department. Referrals may also be initiated or identified by other Baptist Health employees, physicians, or community members. In addition, all patient statements inform patients of the availability of financial assistance and how to apply for assistance under Baptist Health Hospitals' Financial Assistance Policy.

Patients potentially eligible for financial assistance will be screened by a Patient Financial Advocate or a Patient Financial Services representative for assistance through federal, state, county and other social service program. Patient Financial Advocates/Patient Financial Services Representatives will work collaboratively with other health care members to explore

alternative financial resources for the patients.

**B. FINANCIAL ASSISTANCE ELIGIBILITY**

This policy and the Patient Financial Advocates' contact information are posted on Baptist Health's website at https://www.baptistjax.com/patient-info/financial-assistance.

Family income and, in some cases, discretionary assets are the primary criteria of financial assistance eligibility. For patients with family income equal to or less than 200% of the Federal Poverty Level, which may be found on Attachment C, the amount eligible for financial assistance equals the patient responsible balance. For patients with family income greater than 200% of the FPL, the amount eligible for financial assistance equals the patient responsible balance reduced by Excess Discretionary Assets and Excess Annual Family Income. Excess Discretionary Assets include the fair market value of savings, investments, and non-homesteaded property above $75,000. Excess Annual Family Income equals 50% of annual family income above 200% of the FPL. Patients eligible for financial assistance who have a share of cost will be granted a 80% discount on their share of cost. At no time shall a patient be charged more than the AGB% for Medically Necessary Care, including Emergency Medical Care. The calculation to arrive at the AGB% of 80% is explained on Attachment E.

Patient responsible balances usually originate from a single episode of care. However, unpaid patient responsible balances for services provided not more than 12 months subsequent to the Financial Assistance application date will be eligible for financial assistance consideration. To the extent required by law, a patient who qualifies for Financial Assistance will receive a refund of any payments made by him or her that exceed the amount for which s/he is determined to be responsible under this Financial Assistance Policy. However, if there is any indication that the financial status of a patient has changed, information may be updated regardless of the date of the last application, which may affect one's eligibility for financial assistance.

Medicaid patients, upon exhaustion of benefits, will automatically qualify for financial assistance allowance as long as they remain eligible for Medicaid. A Medicaid patient's share of cost under the Medically Needy provisions of the Medicaid program will be eligible for financial assistance consideration.

**C. APPLICATION PROCESS AND DOCUMENTATION**

Any individual who believes that she or he may be eligible for Financial Assistance for Medically Necessary Care may complete an Application for Financial Assistance, which may be found in Attachment D, on the Baptist Health website at https://www.baptistjax.com/patient-info/financial-assistance, or in person at each hospital facility free of charge. The Application may be submitted at any time, but shall only apply to balances for services provided not more than 12 months subsequent to the date the Application is submitted. Once an Application has expired, a new Application must be completed in order to maintain eligibility for Financial Assistance. Paper and electronic Applications are available. Applicants are encouraged to utilize Patient Financial Advocates for assistance in order to provide a consistent format to document the Financial Assistance determination. An Application must be signed by the applicant/guarantor and the Patient Financial Advocate. Patient Financial Advocates may be reached by phone at (904) 202-2092. Any individual needing assistance in another language, may call (904) 202-2435.

The applicant is responsible for completing the Application in its entirety and furnishing documentation used to determine eligibility for Financial Assistance. In addition to the

Application, appropriate documentation may include one or more of the following:

1. W-2 withholding forms;
2. Paycheck stubs;
3. Income tax returns;
4. Profit & Loss Statement from a self-employed business;
5. Forms approving or denying unemployment or workers' compensation;
6. Written verification of wages from an employer;
7. Written verification from public welfare agencies or any governmental agency which can attest to the patient's income status for the past twelve (12) months;
8. A Medicaid remittance voucher which reflects the patient's Medicaid benefits for that Medicaid fiscal year have been exhausted (Charges applicable to Hill-Burton and contractual adjustments should not be claimed as Financial Assistance);
9. Proof of indigency from another provider of care, i.e., WeCare, Gift of Sight, and Vision is Priceless;
10. Proof of full time student status from college admissions office;
11. Proof of acceptance into a participating program such as Patrons of the Heart, Solace for the Children, etc., or any other international program from the appropriate hospital president or their designee; (These patients will be considered international charity and adjusted to the appropriate code); and
12. Affidavit of Support (properly completed)

Waiver of supporting documentation is at the total discretion of Baptist Health. In these situations financial information listed on the Application will be used.

In all cases, if an Application has not been completed, but the patient has completed and signed an Affidavit of Support, which may be found in Attachment D (the "Affidavit"), it will be used to determine Financial Assistance eligibility given no contradictory supporting documentation.

If after 3 attempts Baptist Health is unable to obtain either a complete Application or a complete Affidavit, the patient will be screened for financial assistance using the Healthcare Predictor Score; provided, however, that Baptist Health will not perform such HPS screening for any patient whose insurance plan[1] is not then contracted with the applicable Baptist Health Hospital for it to be "in-network" ("Out of Network Patients"). Out of Network Patients must submit a complete Application or a complete Affidavit to be eligible for Financial Assistance consideration under this Policy.

Individuals who are denied Financial Assistance may have the determination reviewed by sending a request for reconsideration within thirty (30) days of the date of determination to the following address: Baptist Health, P.O. Box 45094, Jacksonville, FL 32232, Attn: Financial Assistance Advocate. Approval levels based on income and assets are set by policy and are not eligible for reconsideration. Miscalculations or misapplication of the criteria or inadvertent omissions or mistakes in completing the Application will be reviewed to determine if a correction of such errors would result in a different outcome regarding eligibility or level of financial assistance.

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1 The Managed Care Department will provide to the Patient Financial Services Department quarterly, or when changes occur, a list of those insurance plans that do not then contract with a Baptist Health Hospital as 'in-network'.

**D. CHARITY CATEGORIES**

Basic Financial Assistance: Total family income <200% of Federal Poverty Level (FPL)

Partial Financial Assistance: Total family income >200% of FPL but <400% of FPL and balance due from patient after asset offset is >50% of total family income

Catastrophic Financial Assistance: Total family income >400% of FPL and balance due from patient after asset offset is >50% of total family income

Special Consideration: Extenuating circumstances may support a financial assistance allowance not otherwise provided for under the general eligibility criteria of this policy. Such circumstances may include significant other financial obligations or expected future medical needs. All such special considerations require the approval of the Vice President-Revenue Cycle, Vice President of Finance, or CFO.

**E. BILLING/COLLECTION PRACTICES**

Patient Statements

Statements are sent every 30 days and patients will receive 4 statements unless they have paid in full, called and made financial arrangements, been approved for Financial Assistance, or statements are classified as return mail. If financial arrangements have been made and the patient is being placed on Time-Pay, the accounts are transferred to the appropriate Time-Pay collector code. Patient will continue to receive monthly statements until the account has been paid in full. If the patient defaults on their Time-Pay, the account is returned to a typical self-pay track. Information concerning how to apply for Financial Assistance and the telephone number to an individual who is responsible for expediting the resolution of any billing dispute shall be prominently displayed on all statements. A copy of the Plain Language Summary which explains the Financial Assistance is available will also be mailed to the patient with the 30 day notice prior to sending the account to collections.

Collection Process

Accounts that are not in Time-Pay and have self-pay responsibility are worked by the self-pay collectors. All patients receive, either directly or indirectly (via their guardian, guarantor or attorney), a combination of 4 statements and 2 automated phone calls. Additional calls are made by a self-pay collector based on the dollar amount of the account. No Extraordinary Collection Actions will be initiated against individuals who have been approved for (or have a pending application for) Financial Assistance. Reports to a credit agency may be initiated against those individuals who have not been approved for (or do not have a pending application for) Financial Assistance until no sooner than the 240$^{th}$ day after the date of the first post-discharge billing statement and at least 30 days after Baptist Health or its agent provides the individual with written notice of a deadline after which such reports may begin.

If an account has not been paid in full after all statements have been sent and the individual has not been approved for Financial Assistance (and reasonable efforts have been made to determine if the individual is eligible for such assistance), the account will be sent to a primary collection agency. The account will stay with the primary agency for 120 days. If no payment arrangements have been made or if regular payments are not being made to the agency, the account is closed and returned to Baptist Health. Accounts that are with a primary collector are not reported to the credit bureau.

Once the account is closed and returned from the primary agency and a balance still remains, the account will be referred to a secondary agency for the period of 365 days. Accounts which are placed at a secondary agency are reported to the credit bureau. After 365 days any accounts that still have a balance and are not on payment plans are closed and returned to Baptist Health. Balances will remain on the credit bureau file.

**F. PUBLICATION OF THIS POLICY**

Individuals may obtain without charge a written copy of this policy, a plain language summary of it, the Application, and the procedure for calculating discounts and determining eligibility by visiting the Baptist Health webpage at https://www.baptistjax.com/patient-info/financial-assistance or by submitting a request in writing to Baptist Health, P.O. Box 45094, Jacksonville, FL 32232, Attn: Financial Assistance Advocate. Such documents will be available in various different languages based upon the lesser of 5% of the hospital's community or 1,000 as is required by law or Baptist Health policy. This Policy and the plain language summary shall be made available on the Baptist Health website and in the Baptist Health Hospitals' emergency rooms, admissions offices, and other points of intake. Baptist Health will adopt measures to notify and inform the residents of Northeast Florida about this Policy as required by state and federal law.

**REFERENCES**

A. **Attachment A** – Providers Covered by the Financial Assistance Policy
B. **Attachment B** – Providers Not Covered by the Financial Assistance Policy
C. **Attachment C** – Federal Poverty Guidelines
D. **Attachment D** – Application for Financial Assistance
E. **Attachment E** – Calculation of AGB%

## LIST OF PROVIDERS COVERED BY THE FINANCIAL ASSISTANCE POLICY

Per Reg. Sec. 1.504(r)-4(b)(1)(iii)(F) and Notice 2015-46, this list specifies which providers of emergency and medically necessary care delivered in the hospital facility are covered by the Financial Assistance Program (FAP). Elective procedures and other care that is not emergency care or otherwise medically necessary are not covered by the FAP for any providers.

Baptist Medical Center of the Beaches, Inc.

Baptist Medical Center of Nassau, Inc.

Southern Baptist Hospital of Florida, Inc.

d/b/a: Baptist Medical Center Jacksonville

Baptist Medical Center South

Baptist Emergency at Clay

Baptist Emergency at North

Baptist Emergency at Town Center

Wolfson Children's Hospital

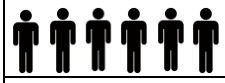
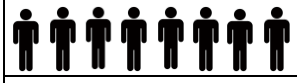
# LIST OF PROVIDERS NOT COVERED BY THE FINANCIAL ASSISTANCE POLICY

21st Century Oncology Jacksonville
Ackerman Cancer Center
Allergy & Asthma Specialists of North Florida
Amelia Anesthesia
Amelia Internal Medicine
Ashchi Heart & Vascular Center
Baptist Agewell Physicians
Baptist Behavioral Health
Baptist ENT Specialists
Baptist Heart Specialists
Baptist Internal Medicine Group
Baptist MD Anderson Cancer Physicians
Baptist Neurology
Baptist Obstetrics & Gynecology
Baptist Primary Care
Baptist Pulmonary Specialists
Baptist Rheumatology
Baptist Urology
Bartram Park Family ENT
Beaches Ear Nose & Throat
Borland Groover Clinic
Cancer Specialists of North Florida
Cardiothoracic & Vascular Surgical Associates
Carithers Pediatric Group
Clinic for Kidney Diseases
Digestive Disease Consultants
Drs. Mori, Bean and Brooks
Emergency Resources Group
Edward D. Tribuzio, MD
FABEN Obstetrics & Gynecology
Family Allergy & Asthma Specialists
Family Medical Centers
First Coast Cardiovascular Institute
Florida Anesthesia Associates
Internal Medical Group
Intracoastal Dermatology
Institute of Pain Management
Jacksonville Anesthesia
Jacksonville Multi-Specialty Group
Jacksonville Orthopedic Institute
Jacksonville Pediatrics
Jacksonville Pediatric Associates
Lyerly Neurosurgery
McIver Urological Clinic
Nemours Children’s Specialty Care
Nephrology Associates of NE Florida
North Florida OB/GYN Associates
North Florida Surgeons
Podiatry Associates of Florida
Regional Obstetrics Consultants
Southeast Anesthesia & Spine Specialists
Southeastern Pathology Associates
Southeastern Retina Specialist
St. John's Pediatrics
UF Health Physicians
UF Jacksonville Physicians
University of Florida Health Science Center Jacksonville
Women’s Physicians of Jacksonville

Patients and families are encouraged to check with provider’s office as they may offer financial assistance and discounted care.

## Guidelines for Financial Assistance Eligibility

To determine if you qualify for financial assistance, Baptist Health considers how much income your family receives per year, how many people are in your family, and what other household financial resources you may have ("discretionary assets"). We compare the information you provide us with the current Federal Poverty Guidelines (FPG). The chart below is a general guideline:

| Number of people in household | Full charity care (free care) may be available if your annual family income is: | Partial charity care or discounts may be available if your annual family income is: |
|---|---|---|
| | *Below 200% of 2019 FPG* | *200% to 400% of 2019 FPG* |
|  | Less than $24,280 | $24,280 to $48,560 |
|  | Less than $32,920 | $32,920 to $65,840 |
|  | Less than $41,560 | $41,560 to $83,120 |
|  | Less than $50,200 | $50,200 to $100,400 |
|  | Less than $58,840 | $58,840 to $117,680 |
|  | Less than $67,480 | $67,480 to $134,960 |
|  | Less than $76,120 | $76,120 to $152,240 |
|  | Less than $84,760 | $84,760 to $169,520 |
| More than 8 people in your household | Add $4,320 for each additional person | |

Baptist Jacksonville
Baptist South
Baptist Beaches
Baptist Nassau
Baptist Clay
Baptist Town Center
Baptist North
Wolfson Children's Hospital

# Financial Assistance Application for Hospital Services

| Date: | Account: |
|---|---|

| Patient Information | Guarantor Information (if different than patient) |
|---|---|
| Name: | Name: |
| Street: | Street: |
| City: | City: |
| State: Zip Code: | State: Zip Code: |
| Home Phone: | Home Phone: |
| Work Phone: | Work Phone: |
| Date of Birth: | Date of Birth: |
| Social Security #: | Social Security #: |
| Marital Status: | Marital Status: |

Include information for self, spouse, dependent children under age 18 living in household and dependent full-time students under age 25

| Name | Relationship | Date of Birth | Social Security # |
|---|---|---|---|
| | | | |
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## Employment /Income History

List employment and other sources/amounts of weekly income for the past twelve (12) months for all family members

| Family Member | Employer | Employer Telephone # | Monthly Wages | Date of Employment MM/YR – MM/YR |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

## Other Income History

List all other sources of monthly income for the past twelve (12) months for all family members

| Other Monthly Income | Family Member Name | From | To | Amount |
|---|---|---|---|---|
| Social Security | | | | |
| Investment Income | | | | |
| Pension | | | | |
| SSI | | | | |
| Unemployment | | | | |
| Worker's Comp | | | | |
| Alimony | | | | |
| TANF | | | | |
| VA Benefits | | | | |
| Rental Property | | | | |
| Insurance Annuity | | | | |
| Child Support | | | | |
| Interest Income | | | | |
| Other | | | | |
| **Total Other Income** | | | | |
| **Grand Total Wages and Other Income** | | | | |

## Assets

| | |
|---|---|
| Cash, Savings, Checking Accounts | $ |
| Certificate of Deposits | $ |
| U.S. Savings Bond, U.S. Treasury Bonds/Bills | $ |
| Stocks, Mutual Funds, Trust Funds | $ |
| Retirement Income (401K, 403K, IRA's) | $ |
| Do you own secondary homes/property other than your primary residence: Yes No | $ (Fair Market Value) |
| Secondary home/property address | |
| **Total Assets** | $ |

I hereby authorize my and/or my spouse current and past employers to release employment and salary information to Baptist Health System. I hereby certify that the information on this application for Financial Assistance is true and correct to the best of my knowledge. Baptist Health System, at its sole discretion, may require proof of income to validate charity care eligibility.

I hereby authorize Baptist Health to obtain a credit report to assist in the evaluation of my financial assistance application.

**In accordance with Section 817.50 of the Florida Statues, providing false information to defraud a hospital for the purpose of obtaining goods or services is a misdemeanor in the second degree.**

Applicant/Guarantor: _____ Date: _____

Witness: _____ Date: _____

Hospital Representative: _____ Date: _____

**For Hospital Verification of Wages**

| | |
|---|---|
| Employer: | Verified Wages: |
| Company Representative: | Employee Signature: |

## Calculation for Baptist Health's AGB% during the 2018-2019 Fiscal Year

An individual who is eligible for the financial assistance program will never be charged more than 20% of the total hospital charges for medically necessary care. That includes both inpatient and outpatient care. Twenty percent (20%) is the average rate at which Medicare fee-for-service and commercial health care insurers reimburse Baptist Health.

To reach that 20% rule, we use the "look-back" method. We add up all claims paid to us during a 12-month period by Medicare fee-for-service and commercial health care insurance companies for Medically Necessary Care. We divide that amount by the full total of the charges for those claims. The number we get is called the Amount Generally Billed, or "AGB". The claims we review are those that have been paid and discharged within that 12-month period. If a claim has not been finalized by the last day of the 12-month period, we do not count that claim in the total. Claims are only counted when paid. The AGB will be updated annually within 120 days of the last day included in the previous year's calculations.

When calculating the AGB percentage (AGB%), we include the full amount allowed by an insurance company. That means the amount the company pays plus the amount the patient pays. A patient's responsibility my include co-payments, co-insurance, and deductibles. In terms of what amount we count for the patient's payment, it does not matter whether the full charge for the service was actually paid. We also do not take into account whether a discount was applied to the patient's bill. The AGB is divided by the gross patient charges for all claims over a 12-month look-back period that were paid by Medicare and commercial health care insurers.

Finally, the percentage used for all hospitals and emergency clinics is the lowest yield of the four hospitals. Self Pay patients are given a discount equal to the inverse of the AGB percentage, in the example above, 80%.