

Community Healthcare System Financial Assistance Policy

Basis for Calculating Amounts Charged to Patients

Community Healthcare System utilizes the “look-back” method to determine the “amounts generally billed” (AGB) to individuals who have insurance covering Emergency or other Medically Necessary Care. The AGB is calculated annually and is based on the annual average reimbursement received from all commercial and private health insurers that pay claims to Community Healthcare System and Medicare fee-for-service, all in accordance with IRS Reg. Sec. 1.501(r)-5(b)(3), 1.501(r)-5(b)(3)(ii)(B) and 1.501(r)-5(b)(3)(iii). The AGB percentage applicable as of 07/01/2022 at each of our facilities is 24% resulting in a discount of 76% applied to gross charges. Community Healthcare System will begin applying its AGB percentages by the 120th day after the end of the 12-month period used in calculating the AGB percentage.

The percentage was calculated using all claims allowed by Medicare for both inpatient and outpatient services having discharge dates from July 1, 2022 to June 30, 2023. Total expected payment from allowed claims was divided by total billed charges for such claims.

AGB was calculated using this Medicare approach for each of the Community Healthcare System hospital facilities. We have chosen to apply the facility rate most favorable to patients to all of our facilities in 2024.