



Origination 7/2/2024  
Last Approved 7/3/2024  
Effective 7/3/2024  
Last Revised 7/2/2024  
Next Review 7/3/2026

Owner Leigh Stiltner:  
Director, Revenue  
Cycle  
Area Financial  
Services

## Limitations On Charges

### POLICY:

St. Claire HealthCare in compliance with the final rule for IRS 1.501(r)-5(b)(3) published December 31, 2014, establish Amounts Generally Billed (AGB) policy as it relates to patients who are screened and determined to be eligible for assistance with out of pocket expenses as outlined in the Financial Assistance Health Care Policy.

Patients who meet the qualifications set forth in Financial Assistance HealthCare Policy will have their patient responsibility limited to the Amounts Generally Billed (AGB) as set forth in the IRS 1.501(r)-5(b)(3) *Look-back Method* and outlined in this policy.

### PURPOSE:

- I. Annually, St. Claire HealthCare will review all claims which were processed for payment by Medicare Fee-For-Service and all private health insurers which pay claims to the hospital for the 12 month review period, which begins annually on the 1st day of July and ends on the 30th day of June.
- II. The allowable amount (i.e. amount paid by the insurer combined with the patient's responsibility as determined by the insurer) for the subject claims will be divided by the gross charges for those subject claims to determine the AGB percentage. *Allowable Amount of Subject Claims/Gross Charges of Subject Claims=AGB Percentage* **164,814,335/641,723,512=0.26**
- III. A single AGB percentage will be calculated and utilized for services performed at St. Claire HealthCare.
- IV. The AGB percentage will then be applied to all charges associated with claims for emergency and medically necessary care which have been found to be eligible for consideration for

- financial assistance in accordance with the guidelines established within the policy.
- V. Utilization of new AGB calculations will be implemented annually by the 1st day of July.

## Approval Signatures

Step Description	Approver	Date
Editor/Approver	Wendell McClurg: VP Financial Svcs/CFO	7/3/2024
	Leigh Stiltner: Director, Revenue Cycle	7/3/2024

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