

APPENDIX A

Basis for Calculating Amounts Charged to Patients

Cleveland Clinic 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 percentage applicable as of 1/1/2022 at each of our facilities is 27.1% resulting in a discount of 72.9% applied to gross charges. At Mercy Hospital, the AGB percentage is 32.1% resulting in a discount of 67.9% applied to gross charges.

The percentage was calculated using all claims allowed by both private pay insurers (including Medicare Advantage), Medicare (Traditional), and Medicaid for both inpatient and outpatient services having discharge dates from October 1, 2020 to September 30, 2021. Total expected payment from allowed claims was divided by total billed charges for such claims.

AGB was calculated using this private pay plus Medicare and Medicaid approach for each of the Cleveland Clinic hospital facilities. We have chosen to apply the facility rate most favorable to patients to all of our facilities in 2022.