

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 1/1/2017 at each of our facilities is 25.6% resulting in a discount of 74.4% applied to gross charges.

The percentage was calculated using all claims allowed by both private pay insurers (including Medicare Advantage) and Medicare (Traditional) for both inpatient and outpatient services having discharge dates from October 1, 2015 to September 30, 2016. Total expected payment from allowed claims was divided by total billed charges for such claims.

AGB was calculated using this private pay plus Medicare 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 2017.