Public Viewing of Hospital Charges

I. Purpose. This allows the public to view Richland Memorial Hospital's standard charges in compliance with the Affordable Care Act, Section 2718(e) of the Public Health Service Act. It is intended to promote transparency for patients to understand their potential financial liability for services obtained at our hospital and to allow comparison for similar services across hospitals

However, hospital charge masters are lengthy and complex documents and do not provide information at a level conducive for this purpose. Therefore, additional information, as outlined below, will be provided to patients seeking price estimates.

II. Definitions. Hospital charges are the amounts set before any discounts. Hospitals are required by the federal government to utilize uniform charges as the starting point for bills.

Charges are based on what type of care was provided and can differ from patient to patient for the same service depending on any complications or different treatment provided due to the patient's health. Therefore, actual charges for a specific patient will differ from the listed standard charges.

III. Estimates/Financial Assistance. Many patients that will seek hospital charge information are interested in knowing what their out-of-pocket financial responsibility will be. This is an opportunity to have important conversations regarding finances. Those with health insurance can be directed to contact their health plan for specific financial obligations. Those without health insurance should be provided information related to the hospital's financial assistance policy, the Hospital Uninsured Patient Discount Act and any other discounts that could be applied.

Requests for specific price estimates should be directed to patient financial services for further assistance at (618) 395-6021.

IV. Handout Provided. This document can be provided to all requesting access to the hospital's standard charges.

V. Time/Location to View Charges. The public may view this information at the following location: In patient financial services there will be a designated representative available during regular business hours to assist the public in accessing the information. To set up an appointment please call (618) 395-6021.

Effective Date: October 1, 2014

Handout – Request to View Hospital Standard Charges

These charges represent the standard charges for diagnosis-related groups. The charges are for care without complications. Actual charges may be different for specific patients due to medical condition, length of time spent in surgery or recovery, necessary specific equipment, supplies or medication, complications requiring unanticipated procedures or other treatment ordered by the physician.

If a patient had health insurance, significant discounts have already been obtained by the insurance company and the patient only needs to pay the deductible, copay, and/or coinsurance. Patients should contact their health plan directly for their specific financial obligations that aren't reimbursed by insurance.

If a patient does not have health insurance, significant discounts are available that could result in either the care being free or at a greatly reduced price.

Please contact the patient financial services office at (618) 395-6021.

This information is not a quote or a guarantee of what the charges will be for a specific patient's care.

This charge information does not include the professional services provided by a physician, surgeon, radiologist, ER physician, pathologist, advanced practice nurse or other independent practitioners.

Patients will likely receive separate bills for the physicians and other professionals who provided treatment. These physicians may not be participating providers in the same insurance plans and networks as the hospital. As such, there may be greater patient financial responsibility for these services which are not under contract with the health plan.

An important component for choosing a health care provider is determining quality of care. Your doctor can be a helpful resource in choosing where to obtain care. Further Medicare hospital-specific quality outcome measures are located on Hospital Compare.

Frequently Asked Questions:

1. **How much will I actually pay out of my pocket?**

Patient Pays:

A patient with health insurance needs to pay the deductible, copay and/or coinsurance set by their health plan.

The financial obligations could differ depending on whether the hospital or physicians are "out-of-network," meaning the health plan does not have a contract with them. Contact your insurance company to understand what your financial obligations will be.

A patient without health insurance will discuss financial assistance options available that could include either a complete write-off or a substantial reduction of the charges in accordance with the Illinois Hospital Uninsured Patient Discount Act and the hospital's financial assistance program.

Please contact patient financial services at (618) 395-6021 to obtain further information about the discounts available.

Health insurance plan pays:

Health plans such as Medicare, Medicaid, workers' compensation, commercial health insurance etc., do not pay charges. Instead, they pay a set price that has been predetermine or negotiated in advance. The patient only pays the out-of-pocket amounts set by the health plan.

If you need help understanding your health care bill, please contact patient financial services at (618) 395-6021.

2. **What do the following health insurance terms mean?**

Deductible: The amount the patient needs to pay for health care services before the health plan begins to pay. The deductible may not apply to all services.

Copay: A fixed amount the patient pays for a covered health care service, such as a physician office visit or prescription.

Coinsurance: The percentage the patient pays for a covered health service. This is based on the allowed amount for the service. You pay coinsurance plus any deductibles you owe.

A patient's specific health care plan coverage, including the deductible, copay and coinsurance, varies depending on what plan the patient has. Health plans also have differing networks of hospitals, physicians and other providers that the plan has contracted with. Patients need to contact their health plan for this specific information.

3. **What is the difference between total charges, cost and price?**

Total Charge: The amount set before any discounts. Hospitals are required by the federal government to utilize uniform charges as the starting point for all bills.

The charges are based on what type of care was provided and can differ from patient to patient for similar services, depending on any complications or different treatment provided due to the patient's health.

Cost: For a hospital, it is the total expense incurred to provide the health care. Hospitals have higher costs to provide care than freestanding or retail providers, even for the same type of service. This is because a hospital is open 24 hours a day, 7 days a week and needs to have everything necessary available to cover any and all emergencies. Non-hospital health care providers can choose when to be available and typically would not provide services that would result in losses. A hospital's cost of services can vary depending on additional factors such as:

Types of services it provides since many vital services are provided at a loss such as trauma, burn, neonatal, psychiatric and others;

Providing medical education programs to train physicians, nurses and other health care professionals, again provided at a loss;

More patients with significantly higher levels of illness, yet payment doesn't cover;

A disproportionately high number of patients who are on public assistance or uninsured and unable to pay much if anything toward the cost of their care.

Total Price: The amount actually paid to the hospital. Hospitals are paid by health plans and/or patients, but the total amount paid is <u>significantly less</u> than the starting charges.

On average in 2013, Medicare paid Illinois hospital only 91% of a hospital's cost to provide that care and Medicaid even less.

Medicare and Medicaid pay hospitals according to a set fee schedule depending on the service provided, much less than the hospital charge and actually less than their costs.

Commercial insurers negotiate discounts with hospitals on behalf of their enrollees and pay hospitals at varying discount levels, but much less than starting charges.

Illinois hospitals provide free care to uninsured patients with incomes up to 200% of the federal poverty level (FPL) in urban areas and 125% in rural areas.

Illinois hospitals provide discounts to 135% of hospital's costs to patients with incomes up to 600% FPL in urban areas and 300% FPL in rural areas.

Illinois hospitals provided $1.07 billion in free and discounted care measured at cost in 2012. In addition, they wrote off about $780 million in bad debt cost.

4. **How can I use this hospital charge information for comparing prices?**

Charge information is not necessarily useful for consumers who are "comparison shopping" between hospitals because the descriptions for a particular service could vary from hospital to hospital and what is included in that description. It is difficult to try to independently compare the charges for a procedure at one facility versus another. An actual procedure is comprised of numerous components from several different departments – room and board, laboratory, other diagnostics, pharmaceuticals, therapies, etc.

A patient who has the specific insurance codes for services requested, available from their physician, can better gauge charge estimates across hospitals. Ask your physician to provide the technical name of the procedure that has been recommended as well as the specific ICD and CPT codes for service.

5. **How can I get an estimate for a specific procedure?**

If you need an estimate for a specific procedure or operation, please contact the patient financial services department at (618) 395-6021.

Such estimate will be an average charge for the procedure without complications. A physician or physicians make the determination regarding specific care needed based on considerations using the patient's diagnosis, general health condition and many other factors. For example, one individual may require only a one-day stay for the exact same procedure.

Remember that the patient will not pay charges. Rather, the patient with health insurance will only pay the specified deductible, copay and coinsurance amounts established by their health plan. A patient without health insurance or sufficient financial resources may be eligible for significant discounts from charges. Please contact the patient financial services depart for further information.