

Exhibit A: Limitation of Charges/AGB

Hospital	AGB %	Method
Johnson City Medical Center	16%	1
Franklin Wood Community Hospital	16%	1
Woodridge Psychiatric Hospital	30%	1
Johnston Memorial Hospital	19%	1
Smyth County Community Hospital	21%	1
Russell County Hospital	20%	1
Indian Path Community Hospital	15%	1
Norton Community Hospital	20%	1
Sycamore Shoals Hospital	15%	1
Unicoi County Hospital	37%	1
Johnson County Community Hospital	27%	1
Dickenson Community Hospital	38%	1
Bristol Regional Medical Center	29%	1
Holston Valley Medical Center	27%	1
Lonesome Pine Hospital	24%	1
Hawkins County Memorial Hospital	23%	1
Hancock County Hospital	34%	1
Takoma Regional Hospital	28%	1
Laughlin Memorial Hospital	32%	1

Methods:

1. Under this method all claims paid by Medicare fee-for-service and private health insurers over a twelve month period are used. For these claims, the sum of all allowable reimbursement amounts is divided by the sum of the associated gross charges.
2. Under this method all claims paid by Medicare fee-for-service over a twelve month period are used. For these claims the sum of all allowable reimbursement amounts is divided by the sum of the associated gross charges.
3. Under this method the limitation of charges is calculated prospectively using the billing and coding process as if the eligible individual were a Medicare or Medicaid beneficiary and the reimbursement amounts are the Medicare or Medicaid allowable amounts for the services provided.
4. "Claims" for purposes of this Exhibit include claims for medical necessary services and claims for emergency services.

How to Apply the 501 Amounts Generally Billed (AGB) Percent

1. 501r is a mandated policy implemented by the Internal Revenue Service that Ballad Health must follow.
2. This percent is subject to review and modifications on an annual basis. For October 1, 2017-September 30, 2018, the AGB percent ranges from 15% to 37% based off of the above table. This percent is the maximum amount of gross charges that are allowed to be billed to patients who qualify for financial assistance, as displayed in the example below.

Gross Charges	\$1,000
AGB Percent	15%
Allowed billable to patient	\$150
Charity	\$850