Wake Forest Baptist Health utilizes Epic as its third-party information system for patient billing, which houses its payer contract information. Wake Forest Baptist Health is using Epic's standard output as the content for most of the facility-specific machine-readable standard charges files.

Due to limitations in presenting complicated and differing contracted rate methodologies in a standardized way, the contracted rate (i.e., payer-specific negotiated charges) in the machine-readable files will not always reflect the contracted rate that applies in an individual patient's case. As described below, there are variables that exist by patient and/or health insurance plan that must be taken into account to arrive at contracted rates applicable for specific items and services.

If there is a discrepancy between a payer-specific negotiated charge listed in the machine-readable file(s) and the contracted rate applicable to a specific patient claim, the terms of the payer contract will control, so the machine-readable file(s) may be of limited benefit to our patients. We recommend Wake Forest Baptist Health patients use our Price Estimation tool for personalized cost estimates for Wake Forest Baptist Health hospital services.

Examples of potential contracted rate differences include but are not limited to the following:

Payer contracts based on DRG reimbursement

Some payers base rates on diagnosis related group (DRG) reimbursement with additional payment terms. In some cases, a payer-specific negotiated charge provided in the machine-readable file(s) may not always be applicable to an individual case due to differences in negotiated rate methodology that depend on the mix of items and services on a claim. The DRG calculation methodology reflects rates based on an average patient account for each DRG and applied against base contract terms (not including high cost outliers and carve-out payments for high cost drugs and implants). For example, differences in length of stay and calculation methods may result in a payment rate for some patient claims that vary from the payer-specific negotiatedcharges reflected in the machine-readable file(s). Furthermore, the average account chosen to represent the historical gross charge may be a different average account chosen to represent the payer-specific negotiated rate. This may lead to a situation where the negotiated rate looks to be higher than the gross charge when, in reality, the negotiated rate is typically capped at billed charges.

Per diem rates

Per diem rates in the machine-readable file(s) were calculated based on the length of stay for the average account. Rates in an individual case will depend on the patient's actual length of stay.

Medicare Advantage health insurance plans and other payers using Medicare methodology

For Medicare Advantage health insurance plans and payer rates based on Medicare methodology, contracted rates in the machine-readable file(s) may not reflect the rate applicable to every individual case, because Epic's methodology calculates the contracted rate without factoring in service location, provider group, rate hierarchy and other pricing calculations applicable to Medicare payment methodologies.

Medicare rates are typically updated annually on October 1, for inpatient rate updates, and January 1, for outpatient rate updates. Medicare may make retrospective rate changes that are not reflected in the machine-readable file(s) because the file was created before Wake Forest Baptist Health received notification of the rate change.

Please consult publicly available Medicare rates for additional rate information.

Payers with varying rate terms

Some payer contracts have varying rate methodologies. In some cases, a payer-specific negotiated charge provided in the machine-readable file(s) may not be applicable to an individual case due to

differences in negotiated rate methodology that depend on the mix of services on a claim. Differences in service type and location could affect the rates that apply in an individual case.

Multiple procedure reductions

If more than one procedure is performed during a single visit, the contracted rate for the secondary and subsequent procedures could be lower than a single procedure rate, depending on the payer contract terms. The machine-readable file(s) contains the single procedure rate, which may be higher than any applicable multiple procedure rate.

Hierarchy

When a payer contract has multiple negotiated rate methodologies, the contracted rate for some services can take precedence over rates for other services, depending on the mix of services on a claim. The machine-readable file(s) will reflect the contracted rate for a single service, which may be different from the actual rate if multiple services are provided to an individual.

Pharmacy charges

Outpatient pharmacy gross charges for items provided are from the central hospital pharmacy subsystem. Drug charges are based on the suggested dose or the package size and are subject to change based upon dosages.

Out-of-network insured patients

Discounted cash rates are reflective of patients without insurance coverage, and do not apply to patients with health insurance plans for which the hospital is out-of-network.