
different treatment provided due to the patient's health.

Cost: For a hospital, it is the total expense incurred to provide the healthcare. 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 healthcare 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 healthcare 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 is the amount actually paid to a hospital. Hospitals are paid by health plans and/or patients, but the total amount paid is **significantly less** than the starting charges.

- ▶ On average in 2017 Medicare paid Illinois hospitals only 90% 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's total 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% (\$50,200 for family of 4 in 2018) of the federal poverty level (FPL) in urban areas and 125% (\$31,375 for family of 4 in 2018) in rural areas.
- ▶ Illinois hospitals provide discounts to 135% of the hospital's costs to patients with incomes up to 600% (\$150,600 family of 4 in 2018) FPL in urban areas and 300% FPL (\$75,300 family of 4 in 2018) in rural areas.
- ▶ Illinois hospitals provided nearly \$800 million in free and discounted care measured at cost in 2017.

HOW CAN I USE THIS HOSPITAL CHARGE INFORMATION TO COMPARE 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.

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 office at [815-777-1340](tel:815-777-1340)

Such an 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 hospital stay for a particular procedure, while another may require a two-day stay for the same procedure due to underlying medical condition.

Remember, patients **with** health insurance will only pay the specified deductible, copay and coinsurance amounts established by their health plan. Patients **without** health insurance or sufficient financial resources may be eligible for significant discounts from charges. Please contact the patient financial services office for further information.