



## **How Amounts Generally Billed (AGB) is calculated**

### **Amounts Generally Billed Calculation**

Emanate Health provides financial assistance to medical indigent patients meeting the eligibility criteria outlined in the Financial Assistance Policy for Medically Indigent Patients. After the patient's account(s) is reduced by the financial assistance adjustment based on policy, the patient is responsible for the remainder of his or her outstanding patient account, which shall be no more than the amount generally billed (AGB) to individuals who have Medicare and private health insurance for emergency and other medically necessary care.

The Look Back Method is used to determine AGB. Patients or members of the public may obtain this summary document online by visiting <https://www.EmanateHealth.org/Financialassistance> or by contacting our Business Office at 626.732.3100.

AGB is the sum of all amounts of claims that have been allowed by health insurers divided by the sum of the associated gross charges for those claims.

**AGB % = Sum of Claims Allowed Amount \$ / Sum of Gross Charges \$ for those claims**

Allowed Amount = Total charges less Contractual Adjustments

If no contractual adjustment is posted then total charges equals the allowed amount. Denial adjustments are excluded from the calculation as denials and do not impact allowed amount.

The AGB is calculated for each hospital on an annual basis

- Look Back Method is used. A twelve (12) month period is used.
- Includes Medicare fee for service and all private health insurers that pay claims to the hospital facility.
- Excluded payers: Medicaid, Medicaid pending, uninsured, self-pay case rates, Medicare facility billing, motor vehicle and liability and worker's compensation claims.

Current AGB's by hospital facility are as follows:

Queen of the Valley Hospital and Inter-Community Hospital the AGB is: 31.83 %

Foothill Presbyterian Hospital the AGB is 32.19 %.

The AGB is calculated annually and the Chief Financial Officer will determine the AGB rate, which cannot be more than the lowest individual hospital AGB. In the event the outstanding patient account balance is less than the calculated AGB discount based on deposits or previous payments made, Emanate Health will refund the patient the amount over the AGB calculated amount. Emanate Health will ensure that any prepayments or deposits required prior to receiving medically necessary care are less than AGB, in order to comply with the "safe harbor" requirements for section 1.50 (r)-5(d) of the Federal Income Tax Regulations.