

USA Health System FAP

Addendum of Amount Generally Billed (AGB)

The AGB is an amount that is not more than the amounts generally billed to individuals who have insurance covering such care as defined by IRS Section 501(r)(5)(A).

All patients of a USA Health System Hospital are charged equally for the services provided in that hospital. If it is determined that a patient qualifies for financial assistance under the USA Health System Financial Assistance Policy, the charges¹ made to the eligible patient will be reduced by an amount appropriate to the award. If the award is 100%, the patient will be advised and the amount charged for those services will be reduced to zero and no longer billed. Where there is an award of financial assistance that does not cover 100% of the charges for the service, the amounts charged to eligible patients will be discounted to an amount that is not more than the amounts generally billed (AGB) to patients who have insurance.

The method used to determine the AGB² for USA Health University Hospital and USA Health Children & Women’s Hospital will be the Internal Revenue Service’s “Look-Back Method”³. This is the amount, for which, an insured patient would be responsible at the individual hospital. If the patient has been billed and paid an amount greater than the amount of their award, then they will be refunded the excess paid. The Look-Back Percentage is calculated as a combination of the discounts allowed to Medicare (Fee Schedule) and all private insurers’ patients. The look-back percentage is calculated separately for each hospital and also separately for Inpatients and Outpatients.

USA Hospital System	Amount Generally Billed (AGB)
USA Health University Hospital	Discount to Charges
Inpatient Charges	44%
Outpatient Charges	69%
USA Health Children’s & Women’s Hospital	Discount to Charges
Inpatient Charges	46%
Outpatient Charges	65%

¹ In the event that there were charges for services not covered by the Financial Assistance Policy, only those covered charges will be reduced to the amount of the assistance award.

² There are two methods allowed for calculating the “Amount Generally Billed”. The methods are the Look-Back Method, and the Prospective Medicare or Medicaid Method. The USA Health System is not required to use the same method for all hospital facilities. The USA Health System may change its AGB calculation method at any time.

³ Under the look-back method, AGB is calculated by multiplying the hospital facility’s gross charges for the care provided by one or more AGB percentages. Guidance for calculating AGB allows for one average percentage of gross charges for all care or for all emergency and other medically necessary care provided by the hospital facility, or multiple AGB percentages for separate categories of care, or for separate items or services. . The AGB percentage for USA Health System is calculated as a separate average for each hospital and is also calculated as a separate average for Inpatients and Outpatients accounts. Under the look-back method, the AGB percentage numerator is equal to the sum of all claims for emergency and other medically necessary care that have been allowed by health insurers or, if the hospital facility prefers, claims allowed for all medical care during a prior 12-month period by:

- Medicare fee-for-service;
- Medicare fee-for-service and all private health insurers that pay claims to the hospital facility; or
- Medicaid, either alone or in combination with the insurer(s) described above.

The AGB percentage denominator is equal to the sum of the associated gross charges for those claims. The USA Health System’s AGB’s are calculated at least annually under the look-back method.

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