

What does Amounts Generally Billed (AGB) mean?

Amounts generally billed (AGB) means financial assistance-eligible patients will not be charged more than the amounts that are generally billed to individuals who have insurance covering the same care.

What this means for our patients is that an individual determined eligible for financial assistance in accordance with Providence Financial Assistance policies will not be charged more for emergency or medically necessary hospital care than the amounts generally billed to individuals with insurance covering such care.

How Amounts Generally Billed (AGB) is Calculated

Providence calculates the AGB percentage under the “look-back method” described in Internal Revenue Service regulations and is calculated as follows:

1. On an annual basis, the AGB percentage is calculated using a prior 12-month period.
2. The AGB percentage is determined by dividing the sum of allowed amounts (including co-insurance, co-payments, and deductibles) by Medicare fee-for-service or a commercial payer by the sum of associated gross charges for those claims.
3. If the patient is eligible for financial assistance under Providence Financial Assistance policies, the AGB percentage is applied to the gross charges for the patient’s encounter for emergency or other medically necessary care to determine the maximum amount of the gross charges for which the eligible patient may be personally responsible.

What are the current AGB’s used by Providence and its Affiliates?

Based on Medicare and/or Commercial contractual allowances between September 1, 2022, through August 31st, 2023, Providence will charge patients eligible for financial assistance **no more** than the below-noted AGB percentage for emergency or medically necessary services received in 2023 and are calculated as follows:

| System, location, or facility | AGB Method used | AGB Percentage % |
|--|------------------------|--|
| Providence for Southern California hospitals located in Los Angeles, Orange, and High Desert Counties | Look-back | 14.7% (Based on Medicare) |
| Providence for Northern California hospitals located in Sonoma and Humboldt Counties | Look-back | 12.1% (Based on Medicare) |
| Providence for Alaska, Montana, Oregon, Washington, as well as Swedish and Kadlec in WA | Look-back | 27% (Based on Medicare and Commercial) |
| Covenant Grace Medical Center in Texas | Look-back | 26.6% (Based on Medicare and Commercial) |
| Covenant Medical Center, Covenant Children’s Hospital, Covenant Levelland, Covenant Plainview in Texas | Look-back | 14.2% . (Based on Medicare and Commercial) |
| Covenant Health Hobbs – New Mexico | Look-back | 33.0% (Based on Medicare and Commercial) |