



## How Amounts Generally Billed (AGB) is calculated

Southwest Health System, Inc. (SHS) provides financial assistance to medically indigent patients meeting the eligibility criteria outlined in the Financial Assistance Policy (FAP). SHS does not charge FAP eligible patients more for emergency or other medically necessary care than amounts generally billed (AGB) to those who have insurance covering such care. Rather, SHS provides emergent or other medically necessary care free of charge to any patients who meet the eligibility criteria for financial assistance under this policy. The exception to this is SHS's Retail Pharmacy. Following are amounts charged after primary insurance processes:

- Retail Pharmacy 340B drugs are a \$0.00 copay under this policy
- Retail Pharmacy Non-340B drugs are a \$5.00 copay under this policy

SHS calculates two AGB percentages; one for hospital charges and one for clinic or professional charges. SHS uses the look-back method to determine AGB. Patients or members of the public may obtain this summary document online by visiting <https://www.swhealth.org/patient-visitors/financial-assistance/> or by contacting our Patient Financial Services department at 970-564-2130.

AGB is a percentage determined by dividing the sum of all of the amounts of its claims for emergent and other medically necessary care that have been allowed by Medicare fee-for-service for the preceding twelve (12) months, 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 do not impact allowed amount.

AGB for Southwest Memorial Hospital = 37%

AGB for Southwest Medical Group = 30%

SHS has chosen to apply the lowest AGB percentage

Effective Date: 12/18/2023-12/18/2024

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 payments made toward the outstanding balance at the time of application, SHS will refund the patient the amount over the AGB calculated amount. SHS 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.