



AGB CALCULATION

The "Amount Generally Billed" or "AGB" is the amount Franciscan Healthcare (FH) generally bills to insured patients. FH determines its AGB utilizing the method detailed below.

FH utilizes the look-back method to establish its AGB and AGB Percentage. The AGB is FH's gross charges multiplied by the AGB Percentage. FH's current AGB Percentage is 72%. The AGB Percentage is calculated by dividing the total of all claims allowed by health insurers during the prior 12-month period by the total gross charges for those claims. Claims are considered to be "allowed" not based upon when the care was provided, but when the insurer determines the allowable amount of the claim. The amount "allowed" includes the amount the insurer will pay plus the amount for which the individual is personally responsible (including co-pays and deductibles). Allowed claims are included in the AGB Percentage calculation regardless of whether they have been paid or collected. "Health insurers" for purposes of this definition are Medicare fee-for-service and all private health insurers.

FH calculates its AGB Percentage on an annual basis. For purposes of this policy, each new AGB Percentage will be implemented within 120 days of the 12 month period used by FH to calculate the AGB Percentage.