

How Amounts Generally Billed (AGB) is Calculated

No individual determined eligible for financial assistance under Providence, Swedish or Kadlec financial assistance policies will be charged more for emergency or medically necessary hospital care than the amounts generally billed (“AGB”) to individuals with insurance covering such care. AGB is a percentage of Providence, Swedish or Kadlec’s full, undiscounted charges for such care. The AGB for Providence, Swedish and Kadlec Hospitals are calculated as follows:

- (1) For 2022, Covenant Health Hobbs in New Mexico and Providence Healdsburg Hospital in Sonoma County CA will use the “prospective” Medicare method of determining AGB. Prospective AGB equals the amount that would be reimbursed by Medicare fee-for-service, plus the amount the patient would be responsible for paying in the form of co-payments, co-insurance and deductibles, if he or she were a Medicare beneficiary at the time of service.
- (2) For 2022, Providence, Swedish and Kadlec are using the “look-back method” to calculate the AGB for each Hospital. This method bases AGB on contractual allowances with a primary payer of either Medicare fee-for-service or a commercial payer during the period of July 1, 2020, through June 30, 2021. Providence, Swedish and Kadlec reduce total hospital charges by the sum of total contractual allowances made by those payers to estimate allowed charges, then divides allowed charges by the sum of total hospital charges for those claims to identify the “AGB percentage” for each Providence, Swedish and Kadlec Hospital.
- (3) For hospitals using the “look-back method”, the AGB percentage is calculated separately for each Providence, Swedish and Kadlec Hospital. With the exception of Grace Medical Center, Providence, Swedish and Kadlec Hospitals within certain regions adopt the lowest AGB percentage from among all the Providence, Swedish and Kadlec Hospitals located within the same region or a combination of regions. Each Providence, Swedish or Kadlec Hospital will charge patients eligible for financial assistance no more than the below-noted AGB percentage for emergency or medically necessary services in 2022:
 - a) California: All Southern California Providence Hospitals located in Los Angeles, Orange and High Desert Counties will use the lowest AGB percentage from all of the Providence Hospitals in Southern California, which is 19.3 percent. Northern California hospitals located in Sonoma and Humboldt counties will use the lowest AGB of 20.2 percent with the exception of Providence Healdsburg Hospital in Sonoma County.
 - b) Alaska, Montana, Oregon, and Washington: Providence, Swedish and Kadlec Hospitals located in Alaska, Montana, Oregon and Washington will use the lowest AGB percentage from all of the Providence Hospitals within those combined regions, which is 27.7 percent.
 - c) Texas: Covenant Medical Center, Covenant Children’s Hospital, Covenant Levelland, Covenant Plainview will use the lowest AGB percentage to calculate the AGB at 17.4 percent. Grace Medical Center’s AGB is 25.1 percent.