

## **Amounts Generally Billed**

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Amounts Generally Billed (AGB) is determined using the Prospective Method, which is based on the billing and coding process Maui Health Systems (MHS) uses for Medicare fee-for-service for emergency or medically necessary services. Total expected payment from Medicare was divided by total expected billed charges for such claims, and that number was subtracted from 1 to calculate the AGB adjustment percentage. The AGB reduction to gross charges is 67% for hospital charges through October 2018.

Starting in November 2018, MHS is using the Look-back method to determine AGB. This method is based on the lowest average of the amounts that were paid to a MHS facility by private health insurers, Medicare fee-for-service and Medicaid fee-for-service (and co-pays and deductibles) for emergency or medically necessary services, based on actual claim data from July 1, 2017 to June 30, 2018. Total expected payment from allowed claims was divided by total billed charges for such claims, and that number was subtracted from 1 to calculate the AGB percentage. The AGB reduction to gross charges is 56% for hospital charges, effective November 2018.