

Fred Hutch Cancer Center Patient Financial Assistance Policy Appendix III - AGB Information Sheet

Fred Hutch Cancer Center determines Amounts Generally Billed (AGB) on an annual basis using the “look-back method,” described under Treasury Regulation Section 1.501(r)- 5(b)(1).

1. AGB Calculation:

- Each year, Fred Hutch Cancer Center’s Finance Department gathers data on every claim for the fiscal year that has an ending receivable balance of <\$1000.
- This includes claims with the discharge date for the prior fiscal year. Fred Hutch Cancer Center’s fiscal year is July 1 through the following June 30.
- Self-Pay claims are excluded.
- Fred Hutch Cancer Center’s annual AGB percentage is equal to the sum of amounts paid by third party payers divided by the sum of the associated gross charges for those claims during the prior fiscal year.

The calculation is summarized as follows:

$$\text{AGB\%} = \text{Prior Fiscal Year Total Insurance Payments/Total Gross Charges}$$

2. Timing and Use of AGB:

- Fred Hutch Cancer Center’s Finance Department will determine the current AGB percentage, and Fred Hutch Cancer Center will begin applying the current AGB percentage, within 120 days of the end of each fiscal year.
- Patients who are deemed eligible for financial assistance in accordance with Fred Hutch Cancer Center’s Patient Financial Assistance Policy will not be charged more than amounts generally billed (“AGB”) to individuals who are covered by insurance. Eligible patients with insurance coverage will not be personally responsible to pay more than AGB after all payments by the health insurer have been applied.

3. Effective December 1, 2023, Fred Hutch Cancer Center’s AGB is 45.9% (based on fiscal year 2023 claims data).