

### **Amounts Generally Billed Calculation**

Kansas City Orthopaedic Institute (KCOI) provides financial assistance to medical indigent patients meeting the eligibility criteria outlined in the Financial Assistance Policy for Medically Indigent Patients. After the patient's account(s) is reduced by the financial assistance adjustment based on policy, the patient is responsible for the remainder of his or her outstanding patient account, which shall be no more than the amount generally billed (AGB) to individuals who have Medicare and private health insurance for emergency and other medically necessary care.

The Look Back Method is used to determine AGB. Patients or members of the public may obtain this summary document at no charge by contacting the hospital billing office.

AGB is the sum of all amounts of claims that have been allowed by health insurers divided by the sum of the associated gross charges for those claims.

$$\text{AGB \%} = \text{Sum of Claims Allowed Amount \$} / \text{Sum of Gross Charges \$ for those claims}$$

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 and do not impact allowed amount.

The AGB is calculated for each hospital on an annual basis

- Look Back Method is used. A twelve (12) month period is used.
- Includes Medicare fee for service and commercial payers
- Excluded payers: Medicaid, Medicaid pending, uninsured, self-pay case rates, Medicare facility billing, motor vehicle and liability and worker's compensation claims.

Hospital: Kansas City Orthopaedic Institute

Amounts Generally Billed: 28%

Effective: January 1, 2023