

**NORTHERN MAINE MEDICAL CENTER**  
**Financial Assistance Program Policy**  
**Addendum B - Amounts Generally Billed (AGB) Basis and Calculation**

Once eligibility for financial assistance has been established, Northern Maine Medical Center will not charge patients who are eligible for financial assistance more than the amounts generally billed (AGB) to insured patients for emergency or medically necessary care.

To calculate the AGB, Northern Maine Medical Center uses the "look-back" method described in section 4(b)(2) of the IRS and Treasury's 501(c)(r) final rule.

In this method, Northern Maine Medical Center uses data based on claims sent to Medicare fee-for-service and all private commercial insurers for care over the past year to determine the percentage of gross charges that is typically allowed by these insurers.

The AGB percentage is then multiplied by gross charges for care to determine the AGB. Northern Maine Medical Center re-calculates the percentage each year. For fiscal year 2018, the AGB percentage for services is 59%.

Example

If the gross charge for an outpatient procedure is \$1,000, and the AGB is 59%, any patient eligible for financial assistance under this policy will not be personally responsible for paying more than \$590 for that outpatient procedure.

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AGB - Look-Back Method Calculation

12 month period:      October 1, 2017      - September 30, 2018

All claims for the following payors were utilized:

Medicare fee-for-service

All Private health insurers

Calculation of AGB percentage:

$$\frac{\text{Sum of Amounts Allowed}}{\text{Sum of Associated Gross Charges}} = \frac{41,506,954}{69,908,361} = 59\%$$