HSP Fauquier Health
Supplement to the Healthcare Financial Assistance Policy
Amounts Generally Billed (AGB) Calculation Summary
Effective November 1, 2026

Pursuant to Treasury Regulations §1.501(r)-5(a)(1), a hospital must limit the amount charged for care provided to any individual who is eligible for assistance under its financial assistance policy to not more than amounts generally billed (AGB) in the case of emergency and other medically necessary care. §1.501(r)-5(b)(1) provides two methods for hospital facilities to use to determine AGB: (1) look-back method; or (2) prospective Medicare or Medicaid method. As stated in HSP Fauquier Health's Healthcare Financial Assistance Policy (FAP), HSP Fauquier Health calculates its AGB percentage based on the look-back method.

HSP Fauquier Health selected the "look-back" method based on actual claims paid to the hospital facility. In accordance with §1.501(r)-5(b)(3)(i), HSP Fauquier Health calculates its AGB percentage based on the Medicare fee-for-service and all private health insurers that pay claims to the hospital facility. The AGB is calculated annually by dividing the sum of the amounts of all of its claims for emergency and other medically necessary care that have been allowed by Medicare and Commercial insurers during a prior 12-month period by the sum of the associated gross charges for those claims. The 12-month period utilized for the hospital facility's AGB calculation was July 1, 2025 – June 30, 2026.

Correlating to the variation of the charge master and the managed care contract rates, the AGB calculation for the hospital was 21.1%. The hospital applies its AGB percentage to gross charges.