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## *MEMO: AGB Calculation*

*2023*

Rady Children's Hospital-San Diego's (Rady Children's) provides financial assistance to eligible patients as outlined in its Financial Assistance Program policy. After an eligible patient's account is reduced based upon the Financial Assistance Program, the patient or their guarantor is responsible for the remainder of the outstanding balance on the patient account, which shall be no more than the amounts generally billed (AGB) to individuals who have Medicare fee-for-service and all private health insurance coverage for emergency and other medically necessary care.

Rady Children's calculates the AGB on an annual basis using the look back methodology. Rady Children's elects to calculate one average percentage of gross charges for all emergency and other medically necessary care. The AGB is the sum of all claims for emergency and other medically necessary care that have been allowed by health insurers from Medicare fee-for-service and all private health insurers from the prior fiscal year divided by the sum of the associated gross charges related to those claims from the prior fiscal year.

For fiscal year 2024, Rady Children's AGB is 40.87%