

APPENDIX A

AMOUNT GENERALLY BILLED

The Amount Generally Billed (AGB) is calculated based on the combined percentage of what Medicare and all Commercial and Managed Care payers allow for services billed in a 12 month period. The percentage calculated will be multiplied times the total charges on the claim to arrive at the AGB. The calculated AGB for a particular claim will be the amount all discounts will be applied to.

Calculation of the AGB

12 month period: 7/1/2015 – 6/30/2016

Total Charges Generated for Medicare, Commercial and Managed Care Patients:
\$ 1,000,000.00

Total Allowed charges by Medicare, Commercial and Managed Care Patients:

Total Charges generated	\$ 30,893,134
Less:	
Total Contractual	\$ 13,584,231
Total Allowed Charges	<u>\$ 17,308,903</u>

Total percentage of allowed charges:

$$\frac{\$ 17,308,903}{\$ 30,893,134} = 56.03\%$$