

Amounts Generally Billed Calculation

Sparrow Health System calculates the amounts generally billed (AGB) percentage using the “lookback” method. AGB is calculated by dividing the sum of all Medicare fee-for-service and private health insurers that have paid claims to the HFHS Facility during a 12-month period, by the sum of the associated gross charges for those claims, all in accordance with IRS Reg. Sec. 1.501(r)-5(b)(3). The AGB percentages will be updated annually. A consolidated AGB lower than some of the calculated facility will be used for simplicity. We will use the AGB for the Sparrow Health System listed below, 25%.

January 2020 – December of 2020 data used to calculate AGB for FY 2021.

Location	AGB
Lansing	29%
Clinton	43%
Ionia	44%
Carson City	41%
Eaton	51%
SPARROW HEALTH SYSTEM	25%