

**9500.1110 DETERMINATION OF RELATIVE VALUES OF THE DIAGNOSTIC CATEGORIES.**

Subpart 1. **Determination of relative values.** To determine the relative values of the diagnostic categories the department shall:

A. Select medical assistance claims for Minnesota and local trade area hospitals with admission dates from each hospital's base year.

B. Exclude the claims and charges in subitems (1) to (7):

(1) Medicare crossover claims;

(2) claims paid on a transfer rate per day according to part 9500.1128, subpart 2, item C;

(3) inpatient hospital services for which medical assistance payment was not made;

(4) inpatient hospital claims paid to a long-term care hospital;

(5) inpatient hospital services not covered by the medical assistance program on October 1 prior to a rebased rate year;

(6) inpatient hospital charges for noncovered days calculated as the ratio of noncovered days to total days multiplied by charges; and

(7) inpatient hospital services paid under part 9500.1128, subpart 2, item E.

C. Combine claims into the admission that generated the claim according to part 9500.1128, subpart 4.

D. Determine operating costs for each hospital admission in item C using each hospital's base year data according to subitems (1) to (5).

(1) Determine the operating cost of accommodation services by multiplying the number of accommodation service inpatient days by that accommodation service operating cost per diem and add the products of all accommodation services.

(2) Determine the operating cost of each ancillary service by multiplying the ancillary charges by that ancillary operating cost-to-charge ratio and add the products of all ancillary services. An ancillary operating cost-to-charge ratio will be adjusted for certified registered nurse anesthetist costs and charges according to the hospital's election under part 9500.1105, subpart 1, item A, subitem (2).

(3) Determine the operating cost of services rendered by interns and residents not in an approved teaching program by multiplying the number of accommodation service inpatient days in subitem (1) by that teaching program

accommodation service per diem and add the products of all teaching program accommodation services.

(4) Add subitems (1) to (3).

(5) Multiply the result of subitem (4) by the hospital cost index that corresponds to the hospital's fiscal year end in part 9500.1120, subpart 2, item B.

E. Assign each admission and operating cost identified in item D, subitem (5), to the appropriate program or specialty group and diagnostic category according to part 9500.1100, subparts 20a to 20e and 20g.

F. Determine the mean cost per admission within each program and the rehabilitation distinct part specialty group for the program and rehabilitation distinct part specialty group admissions identified in item E by dividing the sum of the operating costs by the total number of admissions.

G. Determine the mean cost per admission within each program and rehabilitation distinct part specialty group diagnostic category identified in item E by dividing the sum of the operating costs in each diagnostic category by the total number of admissions in each diagnostic category.

H. Determine the relative value for each diagnostic category by dividing item G by the corresponding result of item F within each program and the rehabilitation distinct part specialty group and round the quotient to five decimal places.

I. Determine the mean length of stay within each program and rehabilitation distinct part diagnostic category identified in item E by dividing the total number of inpatient service days in each diagnostic category by the total number of admissions in that diagnostic category and round the quotient to two decimal places.

J. Determine the day outlier trim point for each program and rehabilitation distinct part diagnostic category and round to whole days.

Subp. 2. **Redetermination of relative values.** The department shall reassign the program and specialty group diagnostic category composition in part 9500.1100, subparts 20a to 20g, after notice of the change in the State Register and a 30-day comment period. The relative values in this part and adjusted base year operating costs in part 9500.1115 and 9500.1116 must be redetermined when changes are made to part 9500.1100, subparts 20a to 20g.

Subp. 3. [Repealed, 18 SR 1115]

**Statutory Authority:** *MS s 256.9685; 256.969; 256.9695*

**History:** *10 SR 227; 11 SR 1688; 18 SR 1115; 26 SR 976*

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