9500.1115 DETERMINATION OF ADJUSTED BASE YEAR OPERATING COST PER ADMISSION AND PER DAY OUTLIER.

Subpart 1. **Adjusted base year operating cost per admission for Minnesota and local trade area hospitals.** The department will determine the adjusted base year operating cost per admission by program and the rehabilitation distinct part specialty group for each Minnesota and local trade area hospital according to items A to D.

A.   Determine and classify the operating cost for each admission according to part 9500.1110, subpart 1, items A to E.

B.   Determine the operating costs for day outliers for each admission in item A that is recognized in outlier payments.

For each base year admission that is a day outlier, cut the operating cost of that admission at the trim point by multiplying the operating cost of that admission by the ratio of the admission's days of inpatient hospital services in excess of the trim point, divided by the admission's length of stay, and then multiply the cut operating cost by each hospital's elected outlier percentage or 70 percent if an election is not made. When neonate or burn diagnostic categories are used, the department shall substitute 90 percent for the 70 percent or elected percentage.

C.   For each admission, subtract item B from item A, and for each hospital, add the results within each program and the rehabilitation distinct part specialty group, and divide this amount by the number of admissions within each program and the rehabilitation distinct part specialty group.

D.   Adjust item C for case mix according to subitems (1) to (4).

(1)   Multiply the hospital's number of admissions by program and the rehabilitation distinct part specialty group within each diagnostic category by the relative value of that diagnostic category.

(2)   Add together each of the products determined in subitem (1).

(3)   Divide the total from subitem (2) by the number of admissions and round that quotient to five decimal places.

(4)   Divide the cost per admission as determined in item C by the quotient calculated in subitem (3) and round that amount to whole dollars.

Subp. 2. **Adjusted base year operating cost per day outlier for Minnesota and local trade area hospitals.** The department will determine the adjusted base year operating

cost per day outlier by program and the rehabilitation distinct part specialty group for each Minnesota and local trade area hospital according to items A and B.

A. To determine the allowable operating cost per day that is recognized in outlier payments, add the amounts calculated in subpart 1, item B and divide the total by the total number of days of inpatient hospital services in excess of the trim point.

B. Adjust item A for case mix according to subitems (1) to (4).

(1) Multiply the hospital's number of outlier days by program and the rehabilitation distinct part specialty group within each diagnostic category by the relative value of that diagnostic category.

(2) Add the products determined in subitem (1).

(3) Divide the total from subitem (2) by the number of hospital outlier days.

(4) Divide the cost per day outlier as determined in item A by the quotient calculated in subitem (3) and round that amount to whole dollars.

Subp. 3. **Out-of-area hospitals.** The department will determine the adjusted base year operating cost per admission and per day outlier by program for out-of-area hospitals according to items A to C.

A. Multiply each adjusted base year operating cost per admission and per day outlier for each Minnesota and local trade area hospital determined in subparts 1 and 2 by the number of corresponding admissions or outlier days in that hospital's base year.

B. Add the products calculated in item A.

C. Divide the total from item B by the total admissions or outlier days for all the hospitals and round that amount to whole dollars.

Subp. 4. **Minnesota metropolitan statistical area and local trade area hospitals that do not have five or more medical assistance admissions or five or more day outlier medical assistance admissions in the base year and low volume local trade area hospitals.** The department will determine the adjusted base year operating cost per admission or per day outlier by program according to items A to C.

A. Multiply each adjusted base year cost per admission and per day outlier for each Minnesota metropolitan statistical area and local trade area hospital determined in subparts 1 and 2 by the number of corresponding admissions or outlier days in that hospital's base year.

B. Add the products calculated in item A.

C. Divide the total from item B by the total admissions or outlier days for all Minnesota metropolitan statistical area and local trade area hospitals and round that amount to whole dollars.

Subp. 5. **Nonmetropolitan statistical area hospitals that do not have five or more medical assistance admissions or five or more day outlier medical assistance admissions in the base year.** The department will determine the adjusted base year operating cost per admission or per day outlier by program for nonmetropolitan statistical area hospitals by substituting nonmetropolitan statistical area hospitals terms and data for the metropolitan statistical area hospitals terms and data under subpart 4.

Subp. 5a. **Minnesota and local trade area hospitals that do not have five or more medical assistance rehabilitation distinct part specialty group admissions or five or more day outlier medical assistance rehabilitation distinct part specialty group admissions in the base year.** The department will determine the adjusted base year operating cost per admission or per day outlier for the rehabilitation distinct part specialty group for Minnesota and local trade area hospitals by substituting Minnesota and local trade area hospital terms and data for the metropolitan statistical area hospital terms and data under subpart 4.

Subp. 6. **Limitation on separate payment.** Out-of-area hospitals that have a rate established under subpart 3 may not have certified registered nurse anesthetists services paid separately from parts 9500.1090 to 9500.1155.

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

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

Published Electronically: *October 16, 2013*