

4023.2 Part II - Calculation of Outpatient Services Cost-to-Charge Ratios Net of Reductions for Medicaid Only.--This worksheet is not applicable for title XVIII. It is only applicable for select state Medicaid programs. This worksheet computes the outpatient cost-to-charge ratios reflecting the following:

- The percentage of capital reduction as identified on Worksheet S-2, Part I, line 95, the applicable column.
- The reduction in reasonable costs of hospital outpatient services (other than the capital-related costs of such services (also known as operating reduction)) is based upon the percentage entered on Worksheet S-2, Part I, line 97, the applicable column.

Column Descriptions

Column 1--Enter the amounts for each cost center from Worksheet B, Part I, column 26, as appropriate. Transfer the amount on line 92 from Worksheet D-1, Part IV, line 89, for the hospital and if you use inpatient routine beds as observation beds. If you have a distinct observation bed area, add subscripted line 92.01 and transfer the appropriate amount from Worksheet B, Part I, column 26. Do not bring forward costs in any cost center with a credit balance from Worksheet B, Part I, column 26.

Column 2--Enter the sum of the amounts for each cost center from Worksheet B, Part II, as appropriate. Do not bring forward costs in any cost center with a credit balance on Worksheet B, Part I, or Worksheet B, Part II. For line 92, enter the amounts from Worksheet D-1, Part IV, column 5, line 90. Combine the hospital and subprovider amounts if applicable.

Column 3--For each line, subtract column 2 from column 1, and enter the result.

Column 4--Multiply column 2 by the appropriate capital reduction percentage, and enter the result.

Column 5--Multiply column 3 by the outpatient reasonable cost reduction percentage, and enter the result.

Column 6--Subtract columns 4 and 5 from column 1, and enter the result.

Column 7--Enter the total charges from Worksheet C, Part I, column 8.

Column 8--Divide column 6 by column 7, and enter the result.

4024. WORKSHEET D - COST APPORTIONMENT

Worksheet D consists of the following five parts:

- Part I - Apportionment of Inpatient Routine Service Capital Costs
- Part II - Apportionment of Inpatient Ancillary Service Capital Costs
- Part III - Apportionment of Inpatient Routine Service Other Pass-Through Costs
- Part IV - Apportionment of Inpatient/Outpatient Ancillary Service Other Pass-Through Costs
- Part V - Apportionment of Medical and Other Health Services Costs

At the top of each part, indicate by checking the appropriate boxes the health care program, provider component or PARHM Demonstration, and the payment system, as applicable, for which the part is prepared.