

Ratios

Cost or Other Ratios--The "Cost or Other" ratio is transferred from column 9:

<u>For</u>	<u>To</u>
Hospital, subprovider, SNF, NF, swing bed-SNF, and swing bed-NF:	
1. Inpatient ancillary services for titles V, XVIII, Part A, and XIX	Wkst. D-4, column 1, for each cost center
Ancillary services furnished by the hospital-based HHA	Wkst. H-6, Part II, column 1, line as appropriate
Hospital-based CORF, CMHC, or OPT/OOT/OSP shared ancillary services for titles V, XVIII, Part B, and XIX	Wkst. J-2, Part II, column 3, line as appropriate

TEFRA Inpatient Ratio--Transfer the TEFRA inpatient ratio on lines 37 through 64 and 66 through 68 from column 10 for hospital or subprovider components for titles V, XVIII, Part A, and XIX inpatient services subject to the TEFRA rate of increase ceiling (see 42 CFR 413.40) to Worksheet D-4, column 1 for each cost center.

PPS Inpatient Ratio--Transfer the PPS inpatient ratio on lines 37 through 64 and 66 through 68 from column 11 for hospital or subprovider components for titles V, XVIII, Part A, and XIX inpatient services subject to PPS (see 42 CFR 412.1(a) through 412.125) to Worksheet D-4, column 1 for each cost center.

3620.2 Part II - Calculation of Outpatient Services Cost to Charge Ratios Net of Reductions.--This worksheet computes the outpatient cost to charge ratios reflecting the following: (Do not complete this section for cost reporting periods beginning on or after August 1, 2000.)

o The reduction in hospital outpatient capital payments attributable to portions of cost reporting periods occurring from October 1, 1989 through September 30, 1998, as required by §1861(v)(1)(S)(ii) of the Act. The amount of capital reduction is 10 percent for payments for services rendered from October 1, 1991 through July 31, 2000.

o The reduction in reasonable costs of hospital outpatient services (other than the capital-related costs of such services) attributable to portions of cost reporting periods occurring from October 1, 1990 through September 30, 1998, as required by §1861(v)(1)(S)(ii) of the Act and enacted by §4151(b) of OBRA 1990. The amount of the reduction is 5.8 percent for payments for services rendered on or after October 1, 1990 through July 31, 2000. The reduction does not apply to inpatient services paid under Part B of the program (10/90).

The reductions do not apply to sole community hospitals (SCH), rural primary care hospitals (RPCH)/Critical Access Hospitals (CAH). However, if you have been granted SCH status or have ended SCH status during this cost reporting period, calculate the reductions for the periods during which time your hospital was not granted SCH status during your cost reporting year (i.e., compute the reduction percentage by dividing the number of days in your cost reporting period to which the reductions applied (and during which you were not a SCH) by the total number of days in the cost reporting period. Multiply that ratio by the applicable percentage. The result is the applicable outpatient reduction percentage). Titles V and XIX follow their state plan in determining the applicable outpatient cost to charge ratios.

NOTE: For cost reporting periods beginning before August 1, 2000, if the RPCH/CAH is a complex which has subproviders, Worksheet C, Part II must be completed to accommodate the RPCH/CAH's subproviders.

Column Descriptions

Column 1--Enter the amounts for each cost center from Worksheet B, Part I, column 27, as appropriate. Transfer the amount on line 62 from Worksheet D-1, line 85 for the hospital and the subprovider if applicable and if you use inpatient routine beds as observation beds (10/00). If you have a distinct observation bed area, add subscripted line 62.01 and transfer the appropriate amount from Worksheet B, Part I, column 27. Do not bring forward costs in any cost center with a credit balance from Worksheet B, Part I, column 27.

Column 2--Enter the sum of the amounts for each cost center from Worksheet B, Parts II and III, as appropriate. Do not bring forward costs in any cost center with a credit balance on Worksheet B, Part I, Worksheet B, Part II, or Worksheet B, Part III. For line 62, enter the amounts from Worksheet D-1, Part IV, column 5, sum of lines 86 and 87. 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.

Column 9--Enter the cost to charge ratio required for hospital inpatient part B exempt from the 5.8 percent reduction. That percentage is equal to column 1 minus column 4 and that result divided by the amount from column 7.

3620.3 Part III - Computation of Total Inpatient Ancillary Costs - Rural Primary Care Hospitals.--This worksheet computes the total inpatient ancillary cost for rural primary care hospitals. This worksheet is not applicable for cost reporting periods beginning after October 1, 1997. CAHs replaced RPCHs and are reimbursed on reasonable cost based on a combined per diem of routine and ancillary costs.

Column Descriptions

Column 1--Enter on each line the amount from the corresponding line of Worksheet B, Part I, column 27. The amount reported on line 62 is transferred from Worksheet D-1, line 85. Do not bring forward any cost center with a credit balance from Worksheet B, Part I, column 27. However, report the charges applicable to such cost centers with a credit balance in columns 2 and 3 of the appropriate lines on Worksheet C, Part III.

Column 2--Enter on each cost center line the total gross patient charges, including charity care for that cost center, from Worksheet C, Part I, column 8. If the total charges in column 2 include charges for physician services, the charges in column 3 must also include physician charges.