

FY 1998 Prospective Payment System Payment Impact File (September 1997 Update):

This file contains data used to estimate FY 1998 payments under Medicare's prospective payment systems (PPS) for hospitals' operating and capital costs. The data are taken from various sources, including the Provider Specific File, the PPS-XI and PPS-XII cost report Minimum Data Sets, and prior years' impact files. The data set is abstracted from an internal file used for the impact analysis of the changes to PPS published in the Federal Register. This file is available for release one month after the PPS Proposed and Final Rules are published in the Federal Register, which generally occurs during May (Proposed) and September (Final).

FY 1997 PPS PAYMENT IMPACT FILE

<u>File Pos.</u>	<u>Format</u>	<u>Title</u>	<u>Description</u>
1-4	4.	Average Daily Census (ADC)	From cost reports
6-9	4.	Number of Beds	From cost reports
11-18	8.2	Medicare Discharges	From 1996 MEDPAR file (adjusted for transfer cases) ¹
20-25	6.4	Case-Mix Index	Version 15 GROUPER (adjusted for transfer cases) ²
27-32	6.4	Operating Cost of Living Adjustment	Applied to providers in Alaska and Hawaii for operating PPS
34-39	6.4	Capital Cost of Living Adjustment	Applied to providers in Alaska and Hawaii for capital PPS
41-49	9.7	Capital Outlier Percentage	Estimated capital outlier payments as a percentage of Federal capital PPS payments
51-56	7.5	Capital Cost-to-Charge Ratio	From Provider Specific File, ratio of Medicare capital costs to Medicare covered charges
59-67	9.7	Disproportionate Share (DSH) Patient Percentage	As determined from cost report and Social Security Administration (SSA) data
69-77	9.7	Capital DSH Adjustment Factor	Applied to Federal PPS payments
79-87	9.7	Operating DSH Adjustment Factor	Applied to operating PPS payments
89-94	\$6.	Hospital's Fiscal Year Ending Date	
From cost report96-103	8.2	Hospital-Specific Rate	Higher of 1982 or 1987 hospital-specific rates, updated through FY 1998. (Data for Sole Community

			Hospitals and Essential Access Community Hospitals.)
105-108	\$4.	Pre-Reclassification Metropolitan Statistical Area (MSA)	MSA where hospital is actually located, prior to any reclassification decisions by the Medicare Geographic Classification Review Board (MGCRB). Rural areas designated by two digit SSA State codes. ³
110-113	\$4.	Post-Reclassification FY 1998 MSA (Wage Index)	MSA used for wage index assignment after reclassification by the MGCRB.
115-118	\$4.	Post-Reclassification FY 1998 MSA (Standardized Payment Amount)	MSA used for standardized amount assignment after reclassification by the MGCRB.
120-126	7.5	Operating Cost-to-Charge Ratio	From Provider Specific file, ratio of Medicare operating costs to Medicare covered charges
128-136	9.7	Operating Outlier Percentage	Estimated operating outlier payments as a percentage of operating PPS payments
138-143	\$6.	Provider Number	Six character provider number, first two digits identify the State ³
145-146	2.	Provider Type	0 = Short term PPS hospital 7 = Rural Referral Center 8 = Indian hospital 14 = Medic are-Dependent, Small Rural Hospital 16 = Sole Community Hospital

17 = Sole Community Hospital and Rural Referral Center

21 = Essential Access Community Hospital (EACH)

22 = EACH and Rural Referral Center

148-154	7.5	Resident-to-ADC ratio	Used to calculate the indirect medical education (IME) adjustment for capital PPS payments
156	\$1.	Reclassification Status	Indicates hospitals reclassified by the MGCRB N = Not reclassified R = Reclassified for the standardized payment amount W = Reclassified for the wage index B = Reclassified for the standardized payment amount and the wage index L = Reclassified under Section 1886(d)(8) of the Social Security Act
158-159	2.	Census Division	Based on pre-reclassification MSA assignment 1 = New England 2 = Middle Atlantic 3 = South Atlantic 4 = East North Central

5 = East South Central

6 = West North Central

7 = West South Central

8 = Mountain

9 = Pacific

40 = Puerto Rico

161-166	6.4	Resident-to-Bed Ratio	Used to determine IME factor for operating PPS payments
168-176	9.7	Capital IME Adjustment	Based on resident-to-ADC ratio
178-186	9.7	Operating IME Adjustment	Based on resident-to-bed ratio
188-193	\$6.	Pre-Reclassification Urban/Rural Location	Urban/rural designations based on geographic location prior to reclassification by the MGCRB LURBAN = Large urban area OURBAN = Other urban area RURAL = Rural area
195-200	\$6.	Post-Reclassification Urban/Rural Location	Urban/rural designations after reclassification by the MGCRB (see pre-reclass urban/rural location for key)
202-207	6.4	Medicare Utilization Rate	
Medicare days as a percentage of total inpatient days. (Data not available for all hospitals)	9.7	Capital Wage Index	Used to determine geographic adjustment factor

219-227	9.7	Operating Wage Index	Applied to labor-share of standardized amount
229-232	4.	Mileage to Nearest Hospital	Travel distance, used to determine eligibility for hospital-specific payments for reclassified sole community hospitals.

Notes:

¹ Medicare discharges are adjusted to account for the less-than-full (per diem) payment hospitals receive for cases transferred to another PPS hospital prior to reaching the geometric mean length of stay for the DRG. The adjustment is calculated by accounting for transfers in proportion to the total per diem payment relative to the full DRG amount, calculated as:

$$1 \times (\text{Length of stay prior to transfer plus one day} \div \text{Geometric Mean LOS}),$$

where the result cannot exceed 1.

² The case-mix index is also adjusted to account for the per diem payment for transfers occurring before the geometric mean length of stay. This adjustment is calculated as:

$$\frac{\text{DRG Relative Weight} \times (\text{Length of stay prior to transfer plus one day} \div \text{Geometric Mean LOS})}{\text{Transfer adjusted number of Medicare discharges}}.$$

³ SSA State Codes:

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|-------------------------|------------------|
| 01 ALABAMA | 14 ILLINOIS |
| 02 ALASKA | 15 INDIANA |
| 03 ARIZONA | 16 IOWA |
| 04 ARKANSAS | 17 KANSAS |
| 05 CALIFORNIA | 18 KENTUCKY |
| 06 COLORADO | 19 LOUISIANA |
| 07 CONNECTICUT | 20 MAINE |
| 08 DELAWARE | 21 MARYLAND |
| 09 DISTRICT OF COLUMBIA | 22 MASSACHUSETTS |
| 10 FLORIDA | 23 MICHIGAN |
| 11 GEORGIA | 24 MINNESOTA |
| 12 HAWAII | 25 MISSISSIPPI |
| 13 IDAHO | 26 MISSOURI |
| 28 NEBRASKA | 27 MONTANA |
| 29 NEVADA | 30 NEW HAMPSHIRE |
| | 31 NEW JERSEY |

32 NEW MEXICO
33 NEW YORK
34 NORTH CAROLINA
35 NORTH DAKOTA
36 OHIO
37 OKLAHOMA
38 OREGON
39 PENNSYLVANIA

40 PUERTO RICO
41 RHODE ISLAND
42 SOUTH CAROLINA
43 SOUTH DAKOTA
44 TENNESSEE
45 TEXAS
46 UTAH
47 VERMONT
49 VIRGINIA
50 WASHINGTON
51 WEST VIRGINIA
52 WISCONSIN
53 WYOMING

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