

FY 1996 Prospective Payment System Payment Impact File:

This file contains data used to estimate FY 1996 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-IX and PPS-X Minimum Data Sets, and prior 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 1996 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 1994 MEDPAR file (adjusted for transfer cases) |
| 20-25 | 6.4 | Case Mix Index | Version 13 GROUPER |
| 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 payments 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 DRG 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 capital 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 report |
| 96-103 | 8.2 | Hospital-Specific Rate | Higher of 1982 or 1987 hospital-specific rates, updated through FY 1996. (Data for Sole Community Hospitals and Essential Access Community Hospitals.) |

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| 105-108 | \$4. | Pre-Reclassification Metropolitan Statistical Area (MSA) | MSA where hospital is actually located, prior to any reclassification decisions by the Medicare Geographic Reclassification Review Board (MGCRB). Rural areas designated by two digit SSA State codes. |
| 110-113 | \$4. | Post-Reclassification FY 1996 MSA (Wage Index) | MSA used for wage index assignment after reclassification by the MGCRB. |
| 115-118 | \$4. | Post-Reclassification FY 1996 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 DRG payments |
| 138-143 | \$6. | Provider Number | Six character provider number, first two digits identify the State |
| 145-146 | 2. | Provider Type | <ul style="list-style-type: none"> 0 = Short term PPS hospital 7 = Rural Referral Center 8 = Indian 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 |

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| 148-154 | 7.5 | Resident-to-ADC ratio | Used to calculate the indirect medical education adjustment (IME) 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. | Pre-Reclassification Region | Region used to assign the regional standardized payment amounts prior to reclassification by the MGCRB 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 |

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| 161-162 | 2. | Post-Reclassification Region | Region used to assign the regional standardized payment amounts after reclassification by the MGCRB (see pre-reclassification region for key) |
| 164-169 | 6.4 | Resident-to-Bed Ratio | Used to determine IME factor for operating PPS payments |
| 171-179 | 9.7 | Capital IME Adjustment | Based on resident-to-ADC ratio |
| 181-189 | 9.7 | Operating IME Adjustment | Based on resident-to-bed ratio |
| 191-196 | \$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 |
| 198-203 | \$6. | Post-Reclassification Urban/Rural Location | Urban/rural designations based on geographic location after reclassification by the MGCRB (see pre-reclass urban/rural location for key) |
| 205-210 | 6.4 | Medicare Utilization Rate | Medicare days as a percentage of total inpatient days. (Data not available for all hospitals) |
| 212-220 | 9.7 | Capital Wage Index | Used to determine geographic adjustment factor |
| 222-230 | 9.7 | Operating Wage Index | Applied to labor-share of standardized amount |
| 232-235 | 4. | Mileage to Nearest Hospital | Travel distance, used to determine eligibility for hospital-specific payments for reclassified sole community hospitals. |