

DEPT. OF MEDICAL ASSISTANCE SERVICES  
Methods and Standards for Establishing Payment Rates—  
Inpatient Hospital Services

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12 VAC 30-70-331. Statewide operating rate per case.

A. The statewide operating rate per case shall be equal to the base year standardized operating costs per case, as determined in 12 VAC 30-70-361, times the inflation values specified in 12 VAC 30-70-351 times the adjustment factor specified in subsection B of this section.

B. The adjustment factor shall be determined separately for Type One and Type Two hospitals ~~and shall be the ratio of the following two numbers:~~

1. For Type One hospitals the adjustment factor shall be a calculated percentage that causes the type One hospital statewide operating rate per case to equal the type Two hospital statewide operating rate per case;

2. ~~For~~ Effective July 1, 2005, for Type Two hospitals the adjustment factor shall be .7500 ~~the ratio of the following two numbers:~~

~~a. The numerator of the factor is the aggregate total Medicaid operating payments to affected hospitals in hospital fiscal years ending in the base year.~~

~~b. The denominator of the factor is the aggregate total Medicaid allowable operating cost as determined from settled cost reports from the same hospitals in the same year.~~

CERTIFIED:

I hereby certify that these regulations are full, true and correctly dated.

\_\_\_\_\_  
Date

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Patrick W. Finnerty, Director  
Dept. of Medical Assistance Services