

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

Page 1 of 1

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 0.7600 ~~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

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

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