

CY 2008 Final Rule Hospital Outpatient Department Prospective Payment System Payment Impact File

This file contains data used to assess the impact of the Medicare hospital outpatient department prospective payment system (OPPS) on payments (including beneficiary co-payments) to hospitals. The data comes from various sources, including hospital cost report extracts predominately from fiscal years 2005 and 2006 and the Final Rule FY 2008 impact file for hospital inpatient operating and capital payments. The data is abstracted from an internal file used to conduct the impact analysis of the final OPPS for CY 2008.

CY 2008 HOSPITAL OUTPATIENT  
PPS PAYMENT IMPACT FILE: FINAL RULE<sup>1</sup>

Column.	Title	Description
A	Provider Number	Six character OSCAR Provider Number (CMS Certification Number). In general, the first two digits identify the State. <sup>2</sup>
B	CBSA Code	Up to five character code designating the provider's CBSA location prior to wage index reclassification
C	Total Discounted Units	Discounted units are the total number of units after we adjust for the multiple procedure reduction of 50 percent that applies to payment for services assigned to status indicator "T" under the final payment system when multiple "T" status procedures are performed in the same encounter as well as terminated procedures. This unit field also reflects the AMA's estimates of new code utilization created for the MPFS final rule.
D	Rural Sole Community Hospitals	Identifies a Sole Community Hospital that has a rural geographic location and/or a rural reclassified wage index location. <sup>3</sup>
E	Post Reclassification Wage Index	Final FY 2008 inpatient hospital wage index after reclassification by the Medicare Geographic Classification Review Board (MGCRB). The wage index includes any outmigration adjustment, the IPPS rural floor budget neutrality adjustment, an occupational mix adjustment, and continues to use CBSAs to define labor market areas.
F	All Rural	Identifies hospitals that are considered rural, either because of their CBSA geographic location or their reclassified wage index location. LURBAN/OURBAN= 0 RURAL=1

G	Urban/Rural Geographic Location	Identifies urban or rural status based solely on CBSA geographic location. LURBAN= Large urban area OURBAN=Other urban area RURAL= Rural area
H	Region	Based on pre-reclassification CBSA assignment NE = New England MA = Middle Atlantic SA = South Atlantic WNC = West North Central ENC = East North Central ESC = East South Central WSC = West South Central MNT = Mountain PAC = Pacific PR = Puerto Rico
I	Disproportionate Share Patient Percentage	From FY 2008 FR IPPS impact file: <a href="http://www.cms.hhs.gov/AcuteInpatientPPS/FFD/list.asp#TopOfPage">http://www.cms.hhs.gov/AcuteInpatientPPS/FFD/list.asp#TopOfPage</a> . The DSH variable is based on cost report and Social Security Administration (SSA) data. <sup>4</sup>
J	Outpatient Cost-to-Charge Ratio	Cost-to-charge ratios are obtained from the July outpatient provider specific file. An internally calculated CCR is used to replace zero or missing values. For CCRs greater than the upper limit of 1.2, the statewide default CCR is used. <sup>5</sup>
K	Estimated 2007 PPS Payment	Estimated total CY 2007 Medicare program and beneficiary OPSS payments for the services for which CMS is able to simulate payments. These dollars include outlier payments and changes in the wage index attributable to 508 reclassifications under Pub. L. 108-173. <sup>6</sup>
L	Estimated 2008 PPS Payment	Estimated total CY 2008 Medicare program and beneficiary OPSS payments for the services for which CMS is able to simulate payments, including estimated CY 2008 outlier payments. <sup>4</sup>
M	Estimated 2008 Outlier Payment	Estimated OPSS outlier payments for CY 2008 under final outlier policy. <sup>7</sup>
N	Number of Beds	Derived from the most recent cost report of the provider.
O	Teaching Hospitals	Identifies major and minor teaching hospitals.

P	Ownership	Identifies type of ownership: voluntary, proprietary, or government. 1=Voluntary 2=Proprietary 3=Government
Q	Provider lines	This is the total number of times a payable service (HCPCS code) appears on the 2006 claims applying the final CY 2008 OPPS policy. This variable is used to create hospital "volume" groupings in the impact table.

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<sup>1</sup> Additional provider variables for short-term Hospitals paid under IPPS can be obtained from the FY 2008 FR hospital inpatient PPS Payment Impact File: <http://www.cms.hhs.gov/AcuteInpatientPPS/FFD/list.asp#TopOfPage>. This is the OSCAR Provider Number and not the NPI.

<sup>2</sup> A list of SSA state codes is available in Transmittal 29, Change Request 5490, "New Number Series and State Codes for CMS Certification Numbers (formerly OSCAR Provider Numbers)" issued October 12, 2007.

<sup>3</sup> The impact table presents impacts for rural sole community hospitals to those with a geographic rural location.

<sup>4</sup> This variable is missing for hospitals not included on the FR FY 2008 inpatient impact file, which generally are hospitals not paid under IPPS, although some short-term acute hospitals bill OPPS and not IPPS.

<sup>5</sup> The application of the statewide CCR is described in Transmittal 514, Change Request 3756, "April 2005 Update of the Hospital Outpatient Prospective Payment System (OPPS): Summary of Payment Policy Changes" issued March 30, 2005. <http://www.cms.hhs.gov/transmittals/downloads/R514CP.pdf>

<sup>6</sup> These payments are simulated, and actual payments will differ. Estimated amounts are based on the distribution of services present in the 2006 claims that we could model. The 2006 claims are weeded for those with valid, covered HCPCS and valid CCRs on the provider's most recent cost report. CMS does not predict behavioral changes in volume or case mix.

<sup>7</sup> As discussed in the section II.G. of the 2008 FR preamble, we used the CCR from the July (third quarter) outpatient provider specific file ([http://www.cms.hhs.gov/PCPricer/08\\_OPPS.asp#TopOfPage](http://www.cms.hhs.gov/PCPricer/08_OPPS.asp#TopOfPage)) to model the final outlier threshold and estimated outlier payments for 2008 included in this impact file.