

8 CCR 9789.21 - As of December 1, 2009

(The underlined text reflects amendments made in accordance with the administrative director Orders effective November 29, 2004, July 15, 2005, December 1, 2005, December 1, 2006, March 1, 2007, April 1, 2007, and January 1, 2008, and by the orders of the acting administrative director effective December 1, 2008 and December 1, 2009.)

§ 9789.21. Definitions for Inpatient Hospital Fee Schedule

(a) "Average length of stay" means the geometric mean length of stay for a diagnosis-related group assigned by CMS.

(b) "Capital outlier factor" means fixed loss cost outlier threshold x capital wage index x large urban add-on x (capital cost-to-charge ratio/total cost-to-charge ratio).

For discharges on or after January 1, 2008, "Capital outlier factor" means fixed loss cost outlier threshold x capital wage index x (capital cost-to-charge ratio/total cost-to-charge ratio) as modified by Title 42, Code of Federal Regulations, Section 412.316(b), as it is in effect on November 11, 2003, amended October 1, 2004, amended October 1, 2006, and amended as of October 1, 2007, which document is hereby incorporated by reference and will be made available upon request of the Administrative Director.

(1) The capital wage index, also referred to as the capital geographic factor (GAF), is specified in the Federal Register of October 6, 2003 (correcting the rule published on August 1, 2003) at Vol. 68, page 57736, Table 4A for urban areas, Table 4B on page 57743 for rural areas, and Table 4C on page 57744 for reclassified hospitals, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after November 29, 2004, the capital wage index, also referred to as the capital geographic factor (GAF), is specified in the Federal Register of December 30, 2004 at Vol. 69 FR 78526 (CMS-1428-F2)(correcting the final rule published on August 11, 2004 (CMS-1428-F; 69 FR 48916) and correcting the correction to the final rule published on October 7, 2004 (CMS-1428-CN2; 69 FR 60242)), Table 4A₁ beginning on page 78619 for urban areas by MSA, Table 4A₂ beginning on page 78637 for urban areas by CBSA; Table 4B₁ beginning on page 78660 for rural areas by MSA and Table 4B₂ beginning on page 78661 for rural areas by CBSA; and Table 4C₁ beginning on page 78662 for reclassified hospitals by MSA and Table 4C₂ beginning on page 78665 for reclassified hospitals by CBSA, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2005, the capital wage index, also referred to as the capital geographic factor (GAF), is specified in the Federal Register of September 30, 2005 at Vol. 70 FR 57161 (CMS-1500-CN) (correcting the final rule published on August 12, 2005 at Vol. 70 FR 47278 (CMS-1500-F)), on page 57163 for Table 4A for certain urban areas by CBSA, Table 4B for certain rural areas by CBSA, and Table 4C for certain reclassified hospitals by CBSA; and as specified in the final rule published on August 12, 2005 (CMS-1500-F; 70 FR 47278), Table 4A beginning on page 47580 for urban areas by CBSA; Table 4B beginning on page 47603 for rural areas by CBSA; and Table 4C beginning on page 47604 for reclassified hospitals by CBSA, which documents are hereby incorporated by reference and will be made available upon request to the Administrative Director.

The capital wage index, also referred to as the capital geographic factor (GAF), is specified in the Federal Register of October 11, 2006 at Vol. 71 FR 59886 (CMS-1488-N) (additional notice to the final rule published on August 18, 2006 (CMS-1488-F; 71 FR 47870)), Table 4A-1 beginning on page 59975 for urban areas by CBSA for discharges effective December 1, 2006 through March 31, 2007, Table 4A-2 beginning on page 59998 for certain urban areas by CBSA for discharges effective April 1, 2007; Table 4B-1 beginning on page 59998 for rural areas by CBSA for discharges effective December 1, 2006 through March 31, 2007, Table 4B-2 beginning on page 59999 for certain rural areas by CBSA for discharges effective April 1, 2007; and Table 4C-1 beginning on page 59999 for reclassified hospitals by CBSA for discharges effective December 1, 2006 through March 31, 2007, and Table 4C-2 beginning on page 60003 for certain reclassified hospitals by CBSA for discharges effective April 1, 2007, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after January 1, 2008, the capital wage index, also referred to as the capital geographic factor (GAF), is specified in the Federal Register of October 10, 2007 at Vol. 72 FR 57634 (CMS-1533-CN2) (correcting the final rule published on August 22, 2007 (CMS-1533-FC; 72 FR 47130)), Table 4A beginning on page 57698 for urban areas by CBSA; Table 4B beginning on page 57721 for rural areas by CBSA; and Table 4C beginning on page

57722 for reclassified hospitals by CBSA, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2008, the capital wage index, also referred to as the capital geographic factor (GAF), is specified in the Federal Register of October 3, 2008 at Vol. 73 FR 57888 (CMS-1390-N) (notice to the final rule published on August 19, 2008 (CMS-1390-F; 73 FR 48434)), Table 4A beginning on page 57956 for urban areas by CBSA and by state; Table 4B beginning on page 57961 for rural areas by CBSA and by state; and Table 4C beginning on page 57962 for reclassified hospitals by CBSA and by state, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2009, the capital wage index, also referred to as the capital geographic factor (GAF), is specified in the Federal Register of October 7, 2009 at Vol. 74 FR 51496 (CMS-1406-CN) (correcting the final rule published on August 27, 2009 at Vol. 74 FR 43754 (CMS-1406-F)), Table 4A beginning on page 51505 for certain urban areas by CBSA and by state, Table 4B on page 51506 for certain rural areas by CBSA and by state, and Table 4C on page 51506 for certain reclassified hospitals by CBSA and state; and as specified in the Federal Register of August 27, 2009 at Vol. 74 FR 43754 (CMS-1406-F), Table 4A beginning on page 44085 for urban areas by CBSA and by state; Table 4B beginning on page 44091 for rural areas by CBSA and by state; and Table 4C beginning on page 44091 for reclassified hospitals by CBSA and by state, which documents are hereby incorporated by reference and will be made available upon request to the Administrative Director.

(2) The "large urban add-on" is indicated by the post-reclassification urban/rural location published in the Payment Impact File at positions 229-235. As stated in *Title 42, Code of Federal Regulations, Section 412.316(b)*, as it is in effect on November 11, 2003, the "large urban add-on" is an additional 3% of what would otherwise be payable to the health facility.

For discharges on or after November 29, 2004, the "large urban add-on" is indicated by the standardized payment amount location published in the FY2005 Final Rule Impact File. As stated in *Title 42, Code of Federal Regulations, Section 412.316(b)*, as it is in effect on November 11, 2003 and amended as of October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director, the "large urban add-on" is an additional 3% of what would otherwise be payable to the health facility.

For discharges on or after December 1, 2005, the "large urban add-on" is indicated by the URSPA - urban or rural designation for the standardized payment amount location published in the Impact File for IPPS FY 2006 Final Rule. As stated in *Title 42, Code of Federal Regulations, Section 412.316(b)*, as it is in effect on November 11, 2003 and amended as of October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director, the "large urban add-on" is an additional 3% of what would otherwise be payable to the health facility.

For discharges on or after December 1, 2006, the "large urban add-on" is indicated by the URSPA - urban or rural designation for the standardized payment amount location published in the Impact file for FY2007 Final Rule (October 2006). As stated in *Title 42, Code of Federal Regulations, Section 412.316(b)*, as it is in effect on November 11, 2003, amended October 1, 2004, and amended as of October 1, 2006, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director, the "large urban add-on" is an additional 3% of what would otherwise be payable to the health facility.

For discharges on or after January 1, 2008, the "large urban add-on" adjustment was eliminated as stated in *Title 42, Code of Federal Regulations, Section 412.316(b)*, as it is in effect on November 11, 2003, amended October 1, 2004, amended October 1, 2006, and amended as of October 1, 2007, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

(3) "Fixed loss cost outlier threshold" means the Medicare fixed loss cost outlier threshold for inpatient admissions. The fixed loss cost outlier threshold for FY 2004 is \$ 31,000 as published in the Federal Register of August 1, 2003 at volume 68, number 148 at page 45477.

The fixed loss cost outlier threshold for FY 2005 is \$ 25,800 as published in the Federal Register of August 11, 2004 at volume 69, number 154 at page 49278, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

The fixed loss cost outlier threshold for FY 2006 is \$ 23,600 as published in the Federal Register of August 12, 2005 at volume 70, number 155 at page 47494, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

The fixed loss cost outlier threshold for FY 2007 is \$ 24,485 as published in the Federal Register of October 11, 2006 at volume 71, number 196 at page 59890, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

The fixed loss cost outlier threshold for FY 2008 is \$ 22,185 as published in the Federal Register of November 27, 2007 at volume 72, number 227 at page 66887, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

The fixed loss cost outlier threshold for FY 2009 is \$ 20,045 as published in the Federal Register of October 3, 2008 at volume 73, number 193 at page 57891, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

The fixed loss cost outlier threshold for FY 2010 is \$ 23,140 as published in the Federal Register of August 27, 2009 at volume 74, number 165 at page 44011, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

(c) "CMS" means the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services.

(d) "Composite factor" means the factor calculated by the administrative director for a health facility by adding the prospective operating costs and the prospective capital costs for the health facility, excluding the DRG weight and any applicable outlier and new technology payment, as determined by the federal Centers for Medicare & Medicaid Services (CMS) for the purpose of determining payment under Medicare.

(1) Prospective capital costs are determined by the following formula:

(A) Capital standard federal payment rate x capital geographic adjustment factor x large urban add-on x [1 + capital disproportionate share adjustment factor + capital indirect medical education adjustment factor]

For discharges on or after January 1, 2008, the prospective capital costs are determined by the following formula as modified by Title 42, Code of Federal Regulations, Section 412.316(b), as it is in effect on November 11, 2003, amended October 1, 2004, amended October 1, 2006, and amended as of October 1, 2007, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director: Capital standard payment rate x capital geographic adjustment factor x [1 + capital disproportionate share adjustment factor + capital indirect medical education adjustment factor]

(B) The "capital standard federal payment rate" is \$ 414.18 as published by CMS in the Federal Register of October 6, 2003 (correcting the publication of August 1, 2003), at Vol. 68, page 57735, Table 1D, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after November 29, 2004, the OMFS "capital standard payment rate" is \$416.73 (\$413.83 x 1.007). The estimated increase in the capital market basket is 0.7%, as published by CMS in the Federal Register of August 11, 2004 (CMS-1428-F, 69 FR 48916) at page 49285, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2005, the OMFS "capital standard payment rate" is \$420.06 (\$416.73 x 1.008). The estimated increase in the capital market basket is 0.8%, as published by CMS in the Federal Register of August 12, 2005 (CMS-1500-F, 70 FR 47278) at page 47500, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2006, the OMFS "capital standard payment rate" is \$424.68 (\$420.06 x 1.0110). The estimated increase in the capital market basket is 1.10%, as published by CMS in the Federal Register of August 18, 2006 (CMS-1488-F, 71 FR 47870) at page 48163, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after January 1, 2008, the OMFS "capital standard payment rate" is \$430.20 (\$424.68 x 1.013). The estimated increase in the capital market basket is 1.3%, as published by CMS in the Federal Register of

August 22, 2007 (CMS-1533-FC, 72 FR 47130) at page 47426, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2008, the OMFS "capital standard payment rate" is \$436.22 (\$430.20 x 1.014). The estimated increase in the capital market basket is 1.4%, as published by CMS in the Federal Register of August 19, 2008 (CMS-1390-F, 73 FR 48434) at page 48776, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2009, the OMFS "capital standard payment rate" is \$441.46 (\$436.22 x 1.012). The estimated increase in the capital market basket is 1.2%, as published by CMS in the Federal Register of October 7, 2009 (CMS-1406-CN, 74 FR 51496) (correcting final rule of August 27, 2009 (CMS-1406-F, 74 FR 43754)) at 51498, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

(C) The "capital geographic adjustment factor" is published in the Payment Impact File at positions 243-252.

For discharges on or after November 29, 2004, the "capital geographic adjustment factor" is indicated by the POST RECLASS GAF (post reclass geographic adjustment factor for capital) location published in the FY2005 Final Rule Impact File.

For discharges on or after December 1, 2005, the "capital geographic adjustment factor" is indicated by the WICGRN (post reclass GAF for capital) location published in the Impact File for IPPS FY 2006 Final Rule.

For discharges on or after December 1, 2006, the "capital geographic adjustment factor" is indicated by the Post Reclass GAF_a (post reclass geographic adjustment factor (GAF) for capital first half FY 2007) and Post Reclass GAF_b (post reclass geographic adjustment factor (GAF) for capital second half FY 2007) locations published in the Impact file FY2007 Final Rule (October 2006).

For discharges on or after January 1, 2008, the "capital geographic adjustment factor" is indicated by the Post Reclass GAF (post reclass geographic adjustment factor (GAF) for capital FY 2008) location published in the Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data.

For discharges on or after December 1, 2008, the "capital geographic adjustment factor" is indicated by the Post Reclass GAF (post reclass geographic adjustment factor (GAF) for capital FY 2009) location published in the Impact file for FY 2009 Final Rule (September 2008).

For discharges on or after December 1, 2009, the "capital geographic adjustment factor" is indicated by the Post Reclass GAF (post reclass geographic adjustment factor (GAF) for capital FY 2010) location published in the Impact file for FY 2010; Correction Notice.

(D) The "large urban add-on" is indicated by the post-reclassification urban/rural location published in the Payment Impact File at positions 229-235. As stated in *Title 42, Code of Federal Regulations, Section 412.316(b)*, effective November 11, 2003, the "large urban add-on" is an additional 3% of what would otherwise be payable to the health facility.

For discharges on or after November 29, 2004, the "large urban add-on" is indicated by the standardized payment amount location published in the FY2005 Final Rule Impact File. As stated in *Title 42, Code of Federal Regulations, Section 412.316(b)*, as it is in effect on November 11, 2003 and amended as of October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director, the "large urban add-on" is an additional 3% of what would otherwise be payable to the health facility.

For discharges on or after December 1, 2005, the "large urban add-on" is indicated by the URSPA - urban or rural designation for the standardized payment amount location published in the Impact File for IPPS FY 2006 Final Rule. As stated in *Title 42, Code of Federal Regulations, Section 412.316(b)*, as it is in effect on November 11, 2003 and amended as of October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director, the "large urban add-on" is an additional 3% of what would otherwise be payable to the health facility.

For discharges on or after December 1, 2006, the "large urban add-on" is indicated by the URSPA - urban or rural designation for the standardized payment amount location published in the Impact file for FY2007 Final Rule (October 2006). As stated in *Title 42, Code of Federal Regulations, Section 412.316(b)*, as it is in effect on November 11, 2003,

amended October 1, 2004, and amended as of October 1, 2006, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director, the "large urban add-on" is an additional 3% of what would otherwise be payable to the health facility.

For discharges on or after January 1, 2008, the "large urban add-on" adjustment was eliminated as stated in Title 42, Code of Federal Regulations, Section 412.316(b), as it is in effect on November 11, 2003, amended October 1, 2004, amended October 1, 2006, and amended as of October 1, 2007, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

(E) The "capital disproportionate share adjustment factor" is published in the Payment Impact File at positions 117-126.

For discharges on or after November 29, 2004, the "capital disproportionate share adjustment factor" is indicated by the CAPITAL DSH ADJ. (capital disproportionate share (DSH) adjustment) location published in the FY2005 Final Rule Impact File.

For discharges on or after December 1, 2005, the "capital disproportionate share adjustment factor" is indicated by the DSHCPG (capital disproportionate share (DSH) adjustment) location published in the Impact File for IPPS FY 2006 Final Rule.

For discharges on or after December 1, 2006, the "capital disproportionate share adjustment factor" is indicated by the DSHCPG (capital disproportionate share (DSH) adjustment) location published in the Impact file FY2007 Final Rule (October 2006).

For discharges on or after January 1, 2008, the "capital disproportionate share adjustment factor" is indicated by the DSHCPG (capital disproportionate share (DSH) adjustment) location published in the Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data.

For discharges on or after December 1, 2008, the "capital disproportionate share adjustment factor" is indicated by the DSHCPG (capital disproportionate share (DSH) adjustment) location published in the Impact file for FY 2009 Final Rule (September 2008).

For discharges on or after December 1, 2009, the "capital disproportionate share adjustment factor" is indicated by the DSHCPG (capital disproportionate share (DSH) adjustment) location published in the Impact file for FY 2010; Correction Notice.

(F) The "capital indirect medical education adjustment factor" (capital IME adjustment) is published in Payment Impact File at positions 202-211.

For discharges on or after November 29, 2004, the "capital indirect medical education adjustment factor" is indicated by the IME ADJUSTMENT - CAPITAL (IME adjustment factor for capital PPS) location published in the FY2005 Final Rule Impact File.

For discharges on or after December 1, 2005, the "capital indirect medical education adjustment factor" is indicated by the TCHCP (IME adjustment factor for capital PPS) location published in the Impact File for IPPS FY 2006 Final Rule.

For discharges on or after December 1, 2006, the "capital indirect medical education adjustment factor" is indicated by the TCHCP (IME adjustment factor for capital PPS) location published in the Impact file FY2007 Final Rule (October 2006).

For discharges on or after January 1, 2008, the "capital indirect medical education adjustment factor" is indicated by the TCHCP (IME adjustment factor for capital PPS) location published in the Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data.

For discharges on or after December 1, 2008, the "capital indirect medical education adjustment factor" is indicated by the TCHCP (IME adjustment factor for capital PPS) location published in the Impact file for FY 2009 Final Rule (September 2008).

For discharges on or after December 1, 2009, the "capital indirect medical education adjustment factor" is indicated by the TCHCP (IME adjustment factor for capital PPS) location published in the Impact file for FY 2010; Correction Notice.

(2) Prospective operating costs are determined by the following formula:

(A) [(Labor-related national standardized amount x operating wage index) + nonlabor-related national standardized amount] x [1 + operating disproportionate share adjustment factor + operating indirect medical education adjustment]

For discharges on or after November 29, 2004, the prospective operating costs are determined by the following formula as modified by Section 403 of Public Law 108-173 amended sections 1886(d)(3)(E) of the Social Security Act, and as stated in Title 42, Code of Regulations, Section 412.64(h)(3), as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director:

1. The wage-adjusted standard rate is determined as follows:

If operating wage index >1.0, wage-adjusted rate = OMFS standard operating rate x (labor-related share x operating wage index + nonlabor-related share)

If operating wage index <=1.0, wage-adjusted rate = OMFS standard operating rate x (.62 x operating wage index + .38)

2. The wage-adjusted operating rate is further adjusted for any additional payments for teaching and serving a disproportionate share of low-income patients.

OMFS Adjusted operating rate = wage-adjusted standard rate x (1 + operating disproportionate share adjustment factor + operating indirect medical education adjustment)

(B) The "labor-related national standardized amount" is \$ 3,136.39, as published by the federal Centers for Medicare & Medicaid Services in the Federal Register of October 6, 2003 (correcting the publication of August 1, 2003), at Vol. 68 page 57735, Table 1A, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director and as modified by Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, §401, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after November 29, 2004, the OMFS standard operating rate is \$4,569.83 (\$4,423.84 x 1.033). The estimated operating market basket is 3.3%, as published by CMS in the Federal Register of August 11, 2004 (CMS-1428-F, 69 FR 48916) at page 49274, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes greater than 1.0, the labor-related portion is 71.066 percent of the standard operating rate, as published by CMS in the Federal Register of August 11, 2004 (CMS-1428-F, 69 FR 48916) at page 49070, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in Title 42, Code of Regulations, Section 412.64(h)(3), as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2005, the OMFS standard operating rate is \$ 4,738.91 (\$4,569.83 x 1.037). The estimated operating market basket is 3.7%, as published by CMS in the Federal Register of August 12, 2005 (CMS-1500-F, 70 FR 47278) at page 47492, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes greater than 1.0, the labor-related portion is 69.731 percent of the standard operating rate, as published by CMS in the Federal Register of August 12, 2005 (CMS-1500-F, 70 FR 47278) at page 47393, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in Title 42, Code of Regulations, Section 412.64(h)(3), as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2006, the OMFS standard operating rate is \$ 4,900.03 (\$4,738.91 x 1.034). The estimated operating market basket is 3.4%, as published by CMS in the Federal Register of August 18, 2006 (CMS-1488-F, 71 FR 47870) at page 48146, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes greater than 1.0, the labor-related portion is 69.731 percent of the standard operating rate, as published by CMS in the Federal Register of August 18, 2006 (CMS-1488-F, 71 FR 47870) at page 48029, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the

standard operating rate, as stated in Title 42, Code of Regulations, Section 412.64(h)(3), as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after January 1, 2008, the OMFS standard operating rate is \$ 5,061.73 (\$4,900.03 x 1.033). The estimated operating market basket is 3.3%, as published by CMS in the Federal Register of August 22, 2007 (CMS-1533-FC, 72 FR 47130) at page 47415, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes greater than 1.0, the labor-related portion is 69.731 percent of the standard operating rate, as published by CMS in the Federal Register of August 22, 2007 (CMS-1533-FC, 72 FR 47130) at page 47344, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in Title 42, Code of Regulations, Section 412.64(h)(3), as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2008, the OMFS standard operating rate is \$ 5,243.95 (\$5,061.73 x 1.036). The estimated operating market basket is 3.6%, as published by CMS in the Federal Register of August 19, 2008 (CMS-1390-F, 73 FR 48434) at page 48759, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes greater than 1.0, the labor-related portion is 69.731 percent of the standard operating rate, as published by CMS in the Federal Register of August 19, 2008 (CMS-1390-F, 73 FR 48434) at page 48592, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in Title 42, Code of Regulations, Section 412.64(h)(3), as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2009, the OMFS standard operating rate is \$ 5,354.08 (\$5,243.95 x 1.021). The estimated operating market basket is 2.1%, as published by CMS in the Federal Register of August 27, 2009 (CMS-1406-F, 74 FR 43754) at page 44002, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes greater than 1.0, the labor-related portion is 68.802 percent of the standard operating rate, as published by CMS in the Federal Register of August 27, 2009 (CMS-1406-F, 74 FR 43754) at page 43856, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in Title 42, Code of Regulations, Section 412.64(h)(3), as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

(C) The "operating wage index" is published in the Payment Impact File at positions 253-262.

For discharges on or after November 29, 2004, the "operating wage index" is indicated by the final wage index location published in the FY2005 Final Rule Impact File.

For discharges on or after December 1, 2005, the "operating wage index " is indicated by the post reclass wage index location published in the Impact File for IPPS FY 2006 Final Rule.

For discharges on or after December 1, 2006, the "operating wage index " is indicated by the post reclass wage index_a and post reclass wage index_b locations published in the Impact file FY2007 Final Rule (October 2006).

For discharges on or after January 1, 2008, the "operating wage index " is indicated by the post reclass wage index location published in the Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data.

For discharges on or after December 1, 2008, the "operating wage index " is indicated by the post reclass wage index location published in the Impact file for FY 2009 Final Rule (September 2008).

For discharges on or after December 1, 2009, the "operating wage index " is indicated by the post reclass wage index location published in the Impact file for FY 2010; Correction Notice.

(D) The "nonlabor-related national standardized amount" is \$ 1,274.85, as published by CMS in the Federal Register of October 6, 2003 (correcting the publication of August 1, 2003), at Vol. 68, page 57735, Table 1A, which docu-

ment is hereby incorporated by reference and will be made available upon request to the Administrative Director and as modified by Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, §401, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after November 29, 2004, the nonlabor-related portion is that portion of operating costs attributable to nonlabor costs, and is determined by the following formula as modified by Section 403 of Public Law 108-173 amended sections 1886(d)(3)(E) of the Social Security Act, and as stated in Title 42, Code of Regulations, Section 412.64(h), as it is in effect on October 1, 2004, which documents are hereby incorporated by reference and will be made available upon request to the Administrative Director:

100% - labor-related portion(%).

(E) The "operating disproportionate share adjustment factor" is published in the Payment Impact File at positions 127-136 and as modified by Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, §402, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after November 29, 2004, the "operating disproportionate share adjustment factor" is indicated by the OPERATING DSH ADJ. (operating disproportionate share (DSH) adjustment) location published in the FY2005 Final Rule Impact File.

For discharges on or after December 1, 2005, the "operating disproportionate share adjustment factor " is indicated by the DSHOPG (operating disproportionate share (DSH) adjustment) location published in the Impact File for IPPS FY 2006 Final Rule.

For discharges on or after December 1, 2006, the "operating disproportionate share adjustment factor " is indicated by the DSHOPG (operating disproportionate share (DSH) adjustment) location published in the Impact file FY2007 Final Rule (October 2006).

For discharges on or after January 1, 2008, the "operating disproportionate share adjustment factor " is indicated by the DSHOPG (operating disproportionate share (DSH) adjustment) location published in the Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data.

For discharges on or after December 1, 2008, the "operating disproportionate share adjustment factor " is indicated by the DSHOPG (operating disproportionate share hospital (DSH) adjustment) location published in the Impact file for FY 2009 Final Rule (September 2008).

For discharges on or after December 1, 2009, the "operating disproportionate share adjustment factor " is indicated by the DSHOPG (operating disproportionate share hospital (DSH) adjustment) location published in the Impact file for FY 2010; Correction Notice.

(F) The "operating indirect medical education adjustment" is published in the Payment Impact File at positions 212-221 and as modified by Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, §502, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after November 29, 2004, the "operating indirect medical education adjustment" is indicated by the IME ADJUSTMENT - OPERATING (IME adjustment factor for operating PPS) location published in the FY2005 Final Rule Impact File.

For discharges on or after December 1, 2005, the "operating indirect medical education adjustment " is indicated by the TCHOP (IME adjustment factor for operating PPS) location published in the Impact File for IPPS FY 2006 Final Rule.

For discharges on or after December 1, 2006, the "operating indirect medical education adjustment " is indicated by the TCHOP (IME adjustment factor for operating PPS) location published in the Impact file FY2007 Final Rule (October 2006).

For discharges on or after January 1, 2008, the "operating indirect medical education adjustment " is indicated by the TCHOP (IME adjustment factor for operating PPS) location published in the Impact file for IPSS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data.

For discharges on or after December 1, 2008, the "operating indirect medical education adjustment " is indicated by the TCHOP (IME adjustment factor for operating PPS) location published in the Impact file for FY 2009 Final Rule (September 2008).

For discharges on or after December 1, 2009, the "operating indirect medical education adjustment " is indicated by the TCHOP (IME adjustment factor for operating PPS) location published in the Impact file for FY 2010; Correction Notice.

(G) For sole community hospitals, the operating component of the composite rate shall be the higher of the prospective operating costs determined using the formula in (2) or the hospital-specific rate published in the Payment Impact File at positions 137-145.

For discharges on or after November 29, 2004, the hospital-specific rate is indicated by the sole community hospital cost/case 1982/1987 and sole community hospital cost/case 1996 locations published in the FY2005 Final Rule Impact File.

For discharges on or after December 1, 2005, the hospital-specific rate is indicated by the OLDHSPPS (82/87 hospital specific rate updated to FY2006) and HSP96 (1996 hospital specific rate updated to FY2006) locations published in the Impact File for IPSS FY 2006 Final Rule.

For discharges on or after December 1, 2006, the hospital-specific rate is indicated by the HSP Rate (82/87/96 hospital specific rate updated to FY2007 for SCH providers) location published in the Impact file FY2007 Final Rule (October 2006).

For discharges on or after January 1, 2008, the hospital-specific rate is indicated by the HSP Rate (82/87/96 hospital specific rate updated to FY2008 for SCH providers) location published in the Impact file for IPSS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data.

For discharges on or after December 1, 2008, the hospital-specific rate is indicated by the HSP Rate (82/87/96 hospital specific payment (HSP) rate updated to FY2009 for SCH providers) location published in the Impact file for FY 2009 Final Rule (September 2008).

For discharges on or after December 1, 2009, the hospital-specific rate is indicated by the FY10 HSP Rate (82/87/96/06 hospital specific payment (HSP) rate updated to FY2010 for SCH providers) location published in the Impact file for FY 2010; Correction Notice.

(3) A table of composite factors for each health facility in California is contained in Section 9789.23. The sole community hospital composite factors that incorporate the operating component specified in subdivision (d)(2)(G) are listed in italics in the column headed "Composite" set forth in Section 9789.23.

(e) "Costs" means the total billed charges for an admission, excluding non-medical charges such as television and telephone charges, charges for Durable Medical Equipment for in home use, charges for implantable medical devices, hardware, and/or instrumentation reimbursed under subdivision (f) of Section 9789.22, multiplied by the hospital's total cost-to-charge ratio.

(f) "Cost-to-charge ratio" means the sum of the hospital specific operating cost-to-charge ratio and the hospital specific capital cost-to-charge ratio. The operating cost-to-charge ratio for each hospital is published in the Payment Impact File at positions 161-168. The capital cost-to-charge ratio for each hospital is published in the Payment Impact File at positions 99-106.

For discharges on or after November 29, 2004, the operating cost-to-charge ratio for each hospital is indicated by the OPCCR (from provider specific file; ratio of Medicare operating costs to Medicare covered charges) location published in the FY2005 Final Rule Impact File. The capital cost-to-charge ratio for each hospital is indicated by the CPCCR (from provider specific file; ratio of Medicare capital costs to Medicare covered charges) location published in the FY2005 Final Rule Impact File.

For discharges on or after December 1, 2005, the operating cost-to-charge ratio for each hospital is indicated by the OPCCR (from provider specific file; ratio of Medicare operating costs to Medicare covered charges) location published

in the Impact File for IPPS FY 2006 Final Rule. The capital cost-to-charge ratio for each hospital is indicated by the CPCCR (from provider specific file; ratio of Medicare capital costs to Medicare covered charges) location published in the Impact File for IPPS FY 2006 Final Rule.

For discharges on or after December 1, 2006, the operating cost-to-charge ratio for each hospital is indicated by the OPCCR (from provider specific file; ratio of Medicare operating costs to Medicare covered charges) location published in the Impact file FY2007 Final Rule (October 2006). The capital cost-to-charge ratio for each hospital is indicated by the CPCCR (from provider specific file; ratio of Medicare capital costs to Medicare covered charges) location published in the Impact file FY2007 Final Rule (October 2006).

For discharges on or after January 1, 2008, the operating cost-to-charge ratio for each hospital is indicated by the OPCCR (from provider specific file; ratio of Medicare operating costs to Medicare covered charges) location published in the Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data. The capital cost-to-charge ratio for each hospital is indicated by the CPCCR (from provider specific file; ratio of Medicare capital costs to Medicare covered charges) location published in the Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data.

For discharges on or after December 1, 2008, the operating cost-to-charge ratio for each hospital is indicated by the Operating CCR (from provider specific file; ratio of Medicare operating costs to Medicare covered charges) location published in the Impact file for FY 2009 Final Rule (September 2008). The capital cost-to-charge ratio for each hospital is indicated by the Capital CCR (from provider specific file; ratio of Medicare capital costs to Medicare covered charges) location published in the Impact file for FY 2009 Final Rule (September 2008).

For discharges on or after December 1, 2009, the operating cost-to-charge ratio for each hospital is indicated by the Operating CCR (from provider specific file; ratio of Medicare operating costs to Medicare covered charges) location published in the Impact file for FY 2010; Correction Notice. The capital cost-to-charge ratio for each hospital is indicated by the Capital CCR (from provider specific file; ratio of Medicare capital costs to Medicare covered charges) location published in the Impact file for FY 2010; Correction Notice.

(g) "Cost outlier case" means a hospitalization for which the hospital's costs, as defined in subdivision (e) above, exceeds the cost outlier threshold.

(h) "Cost outlier threshold" means the sum of the Inpatient Hospital Fee Schedule payment amount, the payment for new medical services and technologies reimbursed under subdivision (g) of Section 9789.22, and the hospital specific outlier factor.

(i) "Diagnosis Related Group (DRG)" means the inpatient classification scheme used by CMS for hospital inpatient reimbursement. The DRG system classifies patients based on principal diagnosis, surgical procedure, age, presence of comorbidities and complications and other pertinent data.

(j) "DRG weight" means the weighting factor for a diagnosis-related group assigned by CMS for the purpose of determining payment under Medicare. Section 9789.24 lists the DRG weights and geometric mean lengths of stay as assigned by CMS.

(k) "FY" means the CMS fiscal year October 1 through September 30.

(l) "Health facility" means any facility as defined in *Section 1250 of the Health and Safety Code*.

(m) "Inpatient" means a person who has been admitted to a health facility for the purpose of receiving inpatient services. A person is considered an inpatient when he or she is formally admitted as an inpatient with the expectation that he or she will remain at least overnight and occupy a bed, even if it later develops that such person can be discharged or is transferred to another facility and does not actually remain overnight.

(n) "Inpatient Hospital Fee Schedule maximum payment amount" is that amount determined by multiplying the DRG weight x hospital composite factor x 1.20.

(o) "Labor-related portion" is that portion of operating costs attributable to labor costs, as specified in the Federal Register of October 6, 2003 (correcting the publication of August 1, 2003), at Vol. 68, page 57735, Table 1A, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after November 29, 2004, for wage indexes greater than 1.0, the labor-related portion is 71.066 percent of the standard operating rate, as published by CMS in the Federal Register of August 11, 2004 (CMS-

1428-F, 69 FR 48916) at page 49070, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in *Title 42, Code of Regulations, Section 412.64(h)(3)*, as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2005, for wage indexes greater than 1.0, the labor-related portion is 69.731 percent of the standard operating rate, as published by CMS in the Federal Register of August 12, 2005 (CMS-1500-F, 70 FR 47278) at page 47393, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in *Title 42, Code of Regulations, Section 412.64(h)(3)*, as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2006 for wage indexes greater than 1.0, the labor-related portion is 69.731 percent of the standard operating rate, as published by CMS in the Federal Register of August 18, 2006 (CMS-1488-F, 71 FR 47870) at page 48029, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in *Title 42, Code of Regulations, Section 412.64(h)(3)*, as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after January 1, 2008, for wage indexes greater than 1.0, the labor-related portion is 69.731 percent of the standard operating rate, as published by CMS in the Federal Register of August 22, 2007 (CMS-1533-FC, 72 FR 47130) at page 47344, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in *Title 42, Code of Regulations, Section 412.64(h)(3)*, as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2008, for wage indexes greater than 1.0, the labor-related portion is 69.731 percent of the standard operating rate, as published by CMS in the Federal Register of August 19, 2008 (CMS-1390-F, 73 FR 48434) at page 48592, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in *Title 42, Code of Regulations, Section 412.64(h)(3)*, as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2009, for wage indexes greater than 1.0, the labor-related portion is 68.802 percent of the standard operating rate, as published by CMS in the Federal Register of August 27, 2009 (CMS-1406-F, 74 FR 43754) at page 43856, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director. For wage indexes less than or equal to 1.0, the labor-related portion is 62 percent of the standard operating rate, as stated in *Title 42, Code of Regulations, Section 412.64(h)(3)*, as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

(p) "Medical services" means those goods and services provided pursuant to Article 2 (commencing with *Section 4600*) of *Chapter 2 of Part 2 of Division 4 of the Labor Code*.

(q) "Operating outlier factor" means $((\text{fixed loss cost outlier threshold} \times ((\text{labor-related portion} \times \text{wage index}) + \text{nonlabor-related portion})) \times (\text{operating cost-to-charge ratio} / \text{total cost-to-charge ratio}))$.

(1) The wage index, also referred to as operating wage index in the Payment Impact File at positions 253-262, is specified as the wage index at Federal Register of October 6, 2003 (correcting rule published on August 1, 2003) at Vol. 68, page 57736, Table 4A for urban areas; Table 4B on page 57743 for rural areas, and Table 4C on page 57744 for reclassified hospitals, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after November 29, 2004, the "operating wage index" is indicated by the final wage index location published in the FY2005 Final Rule Impact File, and is specified as the wage index in the Federal Register of

December 30, 2004 at Vol. 69 FR 78526 (CMS-1428-F2)(correcting the final rule published on August 11, 2004 (CMS-1428-F; 69 FR 48916) and correcting the correction to the final rule published on October 7, 2004 (CMS-1428-CN2; 69 FR 60242)), Table 4A₁ beginning on page 78619 for urban areas by MSA, Table 4A₂ beginning on page 78637 for urban areas by CBSA; Table 4B₁ beginning on page 78660 for rural areas by MSA and Table 4B₂ beginning on page 78661 for rural areas by CBSA; and Table 4C₁ beginning on page 78662 for reclassified hospitals by MSA and Table 4C₂ beginning on page 78665 for reclassified hospitals by CBSA, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2005, the "operating wage index " is indicated by the post reclass wage index location published in the Impact File for IPPS FY 2006 Final Rule, and is specified as the wage index in the Federal Register of September 30, 2005 at Vol. 70 FR 57161 (CMS-1500-CN) (correcting the final rule published on August 12, 2005 at Vol. 70 FR 47278 (CMS-1500-F)), on page 57163 for Table 4A for certain urban areas by CBSA, Table 4B for certain rural areas by CBSA, and Table 4C for certain reclassified hospitals by CBSA; and as specified in the final rule published on August 12, 2005 (CMS-1500-F; 70 FR 47278), Table 4A beginning on page 47580 for urban areas by CBSA; Table 4B beginning on page 47603 for rural areas by CBSA; and Table 4C beginning on page 47604 for reclassified hospitals by CBSA, which documents are hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2006, the "operating wage index " is indicated by the post reclass wage index a and post reclass wage index b locations published in the Impact file FY2007 Final Rule (October 2006). The wage index is specified in the Federal Register of October 11, 2006 at Vol. 71 FR 59886 (CMS-1488-N) (additional notice to the final rule published on August 18, 2006 (CMS-1488-F; 71 FR 47870)), Table 4A-1 beginning on page 59975 for urban areas by CBSA for discharges effective December 1, 2006 through March 31, 2007, Table 4A-2 beginning on page 59998 for certain urban areas by CBSA for discharges effective April 1, 2007; Table 4B-1 beginning on page 59998 for rural areas by CBSA for discharges effective December 1, 2006 through March 31, 2007, Table 4B-2 beginning on page 59999 for certain rural areas by CBSA for discharges effective April 1, 2007; and Table 4C-1 beginning on page 59999 for reclassified hospitals by CBSA for discharges effective December 1, 2006 through March 31, 2007, and Table 4C-2 beginning on page 60003 for certain reclassified hospitals by CBSA for discharges effective April 1, 2007, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after January 1, 2008, the "operating wage index " is indicated by the post reclass wage index location published in the Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data, and is specified as the wage index in the Federal Register of October 10, 2007 at Vol. 72 FR 57634 (CMS-1533-CN2) (correcting the final rule published on August 22, 2007 (CMS-1533-FC; 72 FR 47130)), Table 4A beginning on page 57698 for urban areas by CBSA; Table 4B beginning on page 57721 for rural areas by CBSA; and Table 4C beginning on page 57722 for reclassified hospitals by CBSA, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2008, the "operating wage index " is indicated by the post reclass wage index location published in the Impact file for FY 2009 Final Rule (September 2008) , and is specified as the wage index in the Federal Register of October 3, 2008 at Vol. 73 FR 57888 (CMS-1390-N) (notice to the final rule published on August 19, 2008 (CMS-1390-F; 73 FR 48434)), Table 4A beginning on page 57956 for urban areas by CBSA and by state; Table 4B beginning on page 57961 for rural areas by CBSA and by state; and Table 4C beginning on page 57962 for reclassified hospitals by CBSA and by state, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after December 1, 2009, the "operating wage index " is indicated by the post reclass wage index location published in the Impact file for FY 2010; Correction Notice, and is specified as the wage index in the Federal Register of October 7, 2009 at Vol. 74 FR 51496 (CMS-1406-CN) (correcting the final rule published on August 27, 2009 at Vol. 74 FR 43754 (CMS-1406-F)), Table 4A beginning on page 51505 for certain urban areas by CBSA and by state, Table 4B on page 51506 for certain rural areas by CBSA and by state, and Table 4C on page 51506 for certain reclassified hospitals by CBSA and state; and as specified in the Federal Register of August 27, 2009 at Vol. 74 FR 43754 (CMS-1406-F), Table 4A beginning on page 44085 for urban areas by CBSA and by state; Table 4B beginning on page 44091 for rural areas by CBSA and by state; and Table 4C beginning on page 44091 for reclassified hospitals by CBSA and by state, which documents are hereby incorporated by reference and will be made available upon request to the Administrative Director.

(2) The nonlabor-related portion is that portion of operating costs attributable to nonlabor costs as defined in the Federal Register of October 6, 2003 (correcting the publication of August 1, 2003), at Vol. 68, page 57735, Table 1A, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

For discharges on or after November 29, 2004, the nonlabor-related portion is determined by the following formula as modified by Section 403 of Public Law 108-173 amended sections 1886(d)(3)(E) of the Social Security Act, and as stated in Title 42, Code of Regulations, Section 412.64(h), as it is in effect on October 1, 2004, which document is hereby incorporated by reference and will be made available upon request of the Administrative Director:

100% - labor-related portion(%).

(r) "Outlier factor" means the sum of the capital outlier factor and the operating outlier factor. A table of hospital specific outlier factors for each health facility in California is contained in Section 9789.23.

(s) "Payment Impact File" means the FY 2004 Prospective Payment System Payment Impact File (October 2003 Update) (IMPF04) published by the federal Centers for Medicare & Medicaid Services (CMS), which document is hereby incorporated by reference. The description of the file is found at <http://cms.hhs.gov/providers/hipps/impact.rcd.lay.pdf>. The file is accessible through <http://cms.hhs.gov/providers/hipps/ippspufs.asp>. A paper copy of the Payment Impact File, with explanatory material, is available from the Administrative Director upon request. An electronic copy is available from the Administrative Director at <http://www.dir.ca.gov/DWC/dwc.home.page.htm>.

For discharges on or after November 29, 2004, the impact file is entitled "FY 2005 Final Impact (as of Dec. 30, 2004)", published by the federal Centers for Medicare & Medicaid Services (CMS), which document is hereby incorporated by reference. The description of the file is found at http://www.cms.hhs.gov/providers/hipps/hist_impact_94-04.asp. A paper copy of the "FY 2005 Final Impact (as of Dec. 30, 2004)" is available from the Administrative Director upon request.

For discharges on or after December 1, 2005, the impact file is entitled "Impact File for IPPS FY 2006 Final Rule", published by the federal Centers for Medicare & Medicaid Services (CMS), which document is hereby incorporated by reference. The description of the file is found at <http://www.cms.hhs.gov/providers/hipps/ippspufs.asp>. A paper copy of the "Impact File for IPPS FY 2006 Final Rule" is available from the Administrative Director upon request.

For discharges on or after December 1, 2006, the impact file is entitled "Impact File for IPPS FY 2007 Final Rule October 2006", published by the federal Centers for Medicare & Medicaid Services (CMS), which document is hereby incorporated by reference. The description of the file is found at <http://www.cms.hhs.gov/AcuteInpatientPPS/>. A paper copy of the "Impact File for IPPS FY 2007 Final Rule October 2006" is available from the Administrative Director upon request.

For discharges on or after January 1, 2008, the impact file is entitled "Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data", published by the federal Centers for Medicare & Medicaid Services (CMS), which document is hereby incorporated by reference. The description of the file is found at <http://www.cms.hhs.gov/AcuteInpatientPPS/>. A paper copy of the "Impact file for IPPS FY 2008 Final Rule - November 2007 FY 2008 Final Notice Data" is available from the Administrative Director upon request.

For discharges on or after December 1, 2008, the impact file is entitled "Impact file for FY 2009 Final Rule (September 2008)", published by the federal Centers for Medicare & Medicaid Services (CMS), which document is hereby incorporated by reference. The description of the file is found at <http://www.cms.hhs.gov/AcuteInpatientPPS/>. A paper copy of the "Impact file for FY 2009 Final Rule (September 2008)" is available from the Administrative Director upon request.

For discharges on or after December 1, 2009, the impact file is entitled "Impact file for FY 2010; Correction Notice", published by the federal Centers for Medicare & Medicaid Services (CMS), which document is hereby incorporated by reference. The description of the file is found at <http://www.cms.hhs.gov/AcuteInpatientPPS/>. A paper copy of the "Impact file for FY 2010; Correction Notice" is available from the Administrative Director upon request.

(t) "Professional Component" means the charges associated with a professional service provided to a patient by a hospital based physician. This component is billed separately from the inpatient charges.