

### **FY 2000 Prospective Payment System Payment Impact File (August 1999 Update):**

This file contains data used to estimate FY 2000 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-XIII and PPS-XIV cost report Minimum Data Sets, and prior years' impact files.

The PPS payment impact file is created by the Centers for Medicare and Medicaid Services (CMS). The variables on the data set are abstracted from an internal file used to conduct an impact analysis of the changes to PPS published in the Federal Register. The payment impact file is available for release after the PPS Proposed and Final Rules are published in the Federal Register, which generally occurs during April (Proposed) and August (Final).

The file on the California Hospital Data Project web site contains data for PPS hospitals located in California.

#### **FY 2000 PPS PAYMENT IMPACT FILE**

<b>SAS Variable Name</b>	<b>Excel Variable Label</b>	<b>Source or Description</b>
PROVNUM	Provider Number	Six character provider number; first two digits identify the State. <sup>1</sup>
HOSPNAME	Hospital Name	From cost report.
ADC	Average Daily Census	From cost report.
BEDS	Beds	Number of beds, from cost report.
MCAR_DIS	Medicare Discharges	From 1998 MEDPAR file (adjusted for transfer cases). <sup>2,3</sup>
CMI	Case Mix Index	Version 17 GROUPER (adjusted for transfer cases). <sup>4</sup>
CAP_OPCT	Capital Outlier Percentage	Estimated capital outlier payments as a percentage of Federal capital PPS payments.
CAP_CCR	Capital Cost-to-Charge Ratio	Ratio of Medicare capital costs to Medicare covered charges, from Provider Specific File.

<b>SAS Variable Name</b>	<b>Excel Variable Label</b>	<b>Source or Description</b>
DSH_PCT	DSH Patient Percentage	Disproportionate share (DSH) patient percentage, as determined from cost report and Social Security Administration data.
C_DSHADJ	Capital DSH Adjustment Factor	Applied to Federal PPS payments.
O_DSHADJ	Operating DSH Adjustment Factor	Applied to operating PPS payments.
HOSPRATE	Hospital-Specific Rate	Higher of 1982 or 1987 hospital-specific rates, updated through FY 2000. (Data for Sole Community Hospitals and Medicare-Dependent Small, Rural Hospitals.)
MSA_PRE	MSA Pre-Reclassification	Metropolitan Statistical Area (MSA) where hospital is actually located, prior to any reclassification decisions by the Medicare Geographic Classification Review Board (MGCRB). Rural areas designated by two digit SSA State codes. <sup>1</sup>
MSA_WNDX	MSA Post-Reclassification Used for Wage Index	MSA used for FY 2000 wage index assignment after reclassification by the MGCRB.
MSA_STDP	MSA Post-Reclassification Used for Std Payment Amount	MSA used for FY 2000 standardized payment amount assignment after reclassification by the MGCRB.
OP_CCR	Operating Cost-to-Charge Ratio	Ratio of Medicare operating costs to Medicare covered charges, from Provider Specific File.
OP_OPCT	Operating Outlier Percentage	Estimated operating outlier payments as a percentage of operating PPS payments

SAS Variable Name	Excel Variable Label	Source or Description
PROVTYPE	Provider Type	0 = Short-term PPS hospital 7 = Rural referral center 8 = Indian hospital 14 = Medicare-dependent, small rural hospital 16 = Sole community hospital 17 = Sole community hospital and rural referral center 21 = Essential access community hospital/rural referral center
RES2ADC	Resident-to-ADC ratio	Used to calculate the indirect medical education (IME) adjustment for capital PPS payments.
RECLASS	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
CENSUS_D	Census Division	Based on pre-reclassification MSA assignment  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
RES2BED	Resident-to-Bed Ratio	Used to determine IME factor for operating PPS payments.
CAP_IME	Capital IME Adjustment	Based on resident-to-ADC ratio.

SAS Variable Name	Excel Variable Label	Source or Description
OP_IME	Operating IME Adjustment	Based on resident-to-bed ratio.
URB_PRE	Urban/Rural Location Pre-Reclassification	Urban/rural designations based on geographic location prior to reclassification by the MGCRB  LURBAN = Large urban area OURBAN = Other urban area RURAL = Rural area
URB_POST	Urban/Rural Location Post-Reclassification	Urban/rural designations after reclassification by the MGCRB (see above for key).
MCAREPCT	Medicare Percent	Medicare days as a percentage of total inpatient days. (Data not available for all hospitals.)
CAP_WNDX	Capital Wage Index	Used to determine geographic adjustment factor.
OP_WNDX	Operating Wage Index	Applied to labor-share of standardized amount.
MLG_HOSP	Mileage to Nearest Hospital	Travel distance, used to determine eligibility for hospital-specific payments for reclassified sole community hospitals.

**Notes:**

<sup>1</sup> SSA State Codes:  
05 CALIFORNIA

<sup>2</sup> Medicare discharges are adjusted to account for the less-than-full (per diem) payment hospitals receive for cases transferred to another PPS hospital prior to reaching the geometric mean length of stay for the DRG. The adjustment is calculated by accounting for transfers in proportion to the total per diem payment relative to the full DRG amount, calculated as:

$1 \times (\text{Length of stay prior to transfer plus one day} \div \text{Geometric Mean LOS})$ ,  
where the result cannot exceed 1.

<sup>3</sup> In addition to transfers from one PPS hospital to another, Medicare discharges are adjusted to account for the implementation of section 4407 of the Balanced Budget Act, which requires Medicare to pay as transfers discharges from 10 DRGs to postacute care. In the case of seven of these DRGs (14, 113, 236, 263, 264, 429, and 483), transfers to postacute care are paid using the same methodology as transfers from one PPS hospital to another. For three DRGs (209, 210, and 211), payment is equal to half of what the case would get under the PPS to PPS transfer methodology, and half of what the case would be paid if it were paid as a normal discharge.

<sup>4</sup> The case-mix index is also adjusted to account for transfers occurring before the geometric mean length of stay. This adjustment is calculated as:

$$\frac{\text{Sum of (DRG Relative Weight X (Transfer Payment Amount } \div \text{ Full DRG Payment Amount))}}{\text{Transfer adjusted number of Medicare discharges}}$$