

**FY 1998 Prospective Payment System Payment Impact File (September 1997 Update):**

This file contains data used to estimate FY 1998 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-XI and PPS-XII 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 one month after the PPS Proposed and Final Rules are published in the Federal Register, which generally occurs during May (Proposed) and September (Final). The dates of publication have since been changed to April for the Proposed Rules and August for the Final Rules.

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

**FY 1998 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>
ADC	Average Daily Census	From cost report.
BEDS	Beds	Number of beds, from cost report.
MCAR_DIS	Medicare Discharges	From 1996 MEDPAR file (adjusted for transfer cases). <sup>2</sup>
CMI	Case Mix Index	Version 15 GROUPER (adjusted for transfer cases). <sup>3</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.
FY_END	Fiscal Year End Date	Hospital's fiscal year ending date, from cost report.
HOSPRATE	Hospital-Specific Rate	Higher of 1982 or 1987 hospital-specific rates, updated through FY 1998. (Data for Sole Community Hospitals and Essential Access Community 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 1998 wage index assignment after reclassification by the MGCRB.
MSA_STDP	MSA Post-Reclassification Used for Std Payment Amount	MSA used for FY 1998 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 (EACH) 22 = EACH and 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 MGRB  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

<b>SAS Variable Name</b>	<b>Excel Variable Label</b>	<b>Source or Description</b>
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.
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> The case-mix index is also adjusted to account for the per diem payment for transfers occurring before the geometric mean length of stay. This adjustment is calculated as:

$$\frac{\text{DRG Relative Weight} \times (\text{Length of stay prior to transfer plus one day} \div \text{Geometric Mean LOS})}{\text{Transfer adjusted number of Medicare discharges}}$$