

WAC 296-23A-0720 How does the department calculate the hospital-specific per APC rate used for paying outpatient services under the outpatient prospective payment system (OPPS)? (1) OPPS payment rates are calculated with a formula that blends a hospital-specific rate and a statewide rate. Each hospital's historic labor and industries' reimbursement level in combination with the department's statewide payments will determine payment rates.

(2) For the statewide rate, the department:

(a) Determines the total number of APC procedures that the department paid the covered hospitals. The relative weights for all of these APCs are summed.

(b) Determines the total dollar amount the department paid for those APCs.

(c) Determines the total dollar amount the department paid as outlier payments.

(d) Subtracts the total outlier payments in (c) of this subsection from the total dollar amount in (b) of this subsection and then divides the adjusted dollar amount by the APC relative weight total from (a) of this subsection.

$$(\text{Sum of APC payments} - \text{Sum of outlier payments}) / \text{Sum of APC relative weights} = \text{Statewide rate}$$

(3) For the hospital-specific rate, the department:

(a) Segregates all the APCs for each hospital and totals the relative weights for each hospital.

(b) Determines the total dollar amount the department historically paid each hospital for those APCs.

(c) Determines the total dollar amount the department historically paid each hospital as an outlier payment for those APCs.

(d) Subtracts the total hospital-specific outlier payments in (c) of this subsection from the total hospital-specific APC payments in (b) of this subsection and then divides the hospital's adjusted dollar amount by the hospital-specific APC relative weight total from (a) of this subsection.

$$(\text{Sum of hospital-specific APC payment} - \text{Sum of hospital-specific outlier payments}) / \text{Sum of the hospital-specific APC relative weights} = \text{Hospital-specific rate}$$

(4) The final per APC rate paid to a hospital is a blended combination of the hospital-specific and statewide rates.

[Statutory Authority: RCW 51.04.020, 51.04.030, 51.36.080, 51.36.085. WSR 01-24-045, § 296-23A-0720, filed 11/29/01, effective 1/1/02.]