

**WAC 296-23A-0310 What is the method for calculating percent of allowed charges (POAC) factors?** POAC factors are based on medicare cost report data and are calculated by dividing adjusted operating expenses by adjusted patient revenues. The department will allow costs for graduate medical education and charity care. Allowable costs for charity care shall not exceed a maximum of two percent of the facility's total allowable costs. A hospital's POAC factor shall not exceed one hundred percent of allowed charges.

Payment rates are calculated by multiplying the POAC factor by the allowed charges.

**Amount Paid = (POAC Factor) X (Allowed Charges)**

Each hospital will be notified of their revised POAC factor thirty days prior to implementation. Incorrect data or erroneous calculations can be appealed in accordance with WAC 296-23A-0600.

[Statutory Authority: RCW 51.04.020, 51.04.030 and 51.36.080. WSR 97-06-066, § 296-23A-0310, filed 2/28/97, effective 4/1/97.]