

**WAC 296-23A-0430 How does the department calculate a hospital specific case-mix adjusted average cost per case?** The department determines the case-mix adjusted average cost per case for each hospital by:

(1) Allocating costs for hospital services at a detailed revenue code level using medicare cost report data and medicare definitions for allowable costs. 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;

(2) Totaling the costs of all DRG cases;

(3) Dividing the total by the number of cases; and

(4) Then dividing that number by the hospital's case-mix index.

(5) Per case costs are indexed to the payment period for inflation and other factors.

[Statutory Authority: RCW 51.04.020, 51.04.030 and 51.36.080. WSR 97-06-066, § 296-23A-0430, filed 2/28/97, effective 4/1/97.]