Instructions for Completion of
Cost Outlier
Admissions 12/03/01 and After

Line   **Field Description**

Line 1   Obtain the DRG under which the claim was paid from the hospital's remittance advice (voucher).

Line 2   Enter the Total Charges from the claim.

Line 3   Enter the Noncovered Charges from the claim.

Line 4   Subtract line 3 from line 2.

Line 5   Enter the Indirect Medical Education (IME) factor from Table A, item 18.

Line 6   Divide line 4 by line 5.

Line 7   Enter the Medicaid Cost-to-Charge Ratio from Table A, item 3.

Line 8   Multiply line 6 times line 7.

Line 9   Enter the Federal DRG Rate from Table A item 6.

Line 10   Enter the Adjusted Weighting Factor from HFSWEB 010, line 5 for the DRG listed in line 1.

Line 11   Multiply line 9 times line 10.

Line 12   Enter Specific Fixed Loss Threshold from Table A item 17.

Line 13   Enter line 11 plus line 12.

Line 14   Subtract line 13 from line 8. If the result is less than or equal to zero (0), go to line 16 and enter zero (0).

Line 15   Marginal Cost Factor 0.80 (effective 1/1/95).

Line 16   Multiply line 14 times line 15. Enter the result from line 16 to line 10, HFSWEB 010.