



OUTPATIENT COST OUTLIER FOR EXPENSIVE DRUGS AND DEVICES

Line 1	Enter the total charges from the claim.	_____
Line 2	Enter the non-covered charges from the claim.	_____
Line 3	Net Charges (Line 1 minus Line 2)	_____
Line 4	Enter the hospital's cost to charge ratio. Each cost reporting hospital received its cost to charge ratio that should be used. The cost to charge ratio for all other facilities is 0.50.	_____
Line 5	Net covered cost is Line 3 times Line 4.	_____
Line 6	Enter and multiply by 4 the APL rate for the highest payable procedure being billed.	_____
Line 7	Gross outlier is Line 5 minus Line 6. If the result is less than or equal to zero, then stop. The claim is not subject to reimbursement for cost outlier. Go to Line 9 and enter zero.	_____
Line 8	Marginal cost factor is 0.80. This factor is used for all providers.	_____ .80
Line 9	Cost outlier adjustments is Line 7 times Line 8.	_____
Line 10	Enter the reimbursement rate for the highest payable APL procedure being billed.	_____
Line 11	Total payment Line 9 plus Line 10.	_____