

## Instructions

### Quarterly CBM-9/B-9 Form Monitor and Variance Report Instructions

All hospitals subject to Rate Review must submit quarterly reports. The quarterly CBM/B-9 is to be submitted 30 days after the end of each quarter. There is a separate "Application CBM/B-9" that is to be used when submitting the hospital's rate application.

If this form is being completed for the 4<sup>th</sup> quarter, it **MUST** be completed in its entirety whether or not there is an overage.

Supporting case mix index and outlier data must be submitted with the 4<sup>th</sup> quarter (year end) report regardless of whether or not there is an overage.

The nongovernmental backup data for Outliers and Case Mix Index must include the following information for each discharge:

Account Number, Date of Discharge, DRG, Weight, LOS, Total Charges, Financial Class Code, and Insurance Plan Code.

#### Line

1. Enter the **year-to-date** acute nongovernmental gross inpatient and outpatient revenue **including** nursery revenue for each quarter.
2. Enter the corresponding **year-to-date** acute nongovernmental inpatient and outpatient utilization **excluding** nursery utilization **[DRG 390 and 391 (prior to 10/1/07) and MS-DRG 794 and 795 (effective 10/1/07) with revenue code 170 and 171]**.
2. Calculate the quarterly acute inpatient and outpatient rates estimated for each quarter by dividing the revenue on Line 1 by the utilization on Line 2.
3. If the current rate was set at the beginning of the hospital's fiscal year, enter the hospital's approved revenue limit as stated in the order which established the rate on this line. Otherwise, a weighted allowed rate must be calculated and submitted with the quarterly report by using **Exhibit E** of the standard rate application checklist or **Attachment V** of the benchmarking application checklist.
4. Enter the year-to-date overage (underage) for the hospital's most recently completed quarter (Line 3 minus Line 4). **If no overage has occurred then do not complete beyond Line 5 except at year end (4<sup>th</sup> quarter).**

**It is possible that you have received the next year's rate order before this form is due. Always use the rate order that established the revenue limits you entered on Line 4.**

5. Enter the most recent application's projected actual nongovernmental gross inpatient revenue **including** nursery revenue. Amount must tie to the most recent application's CBM/B-9 Line 1 of the application for which the revenue limit on Line 4 was established.
6. Enter the most recent application's projected actual nongovernmental inpatient utilization **excluding** nursery utilization. Amount must tie to prior year's CBM/B-9 Line 2 of the application for which the revenue limit on Line 4 was established.
7. Calculate the most recent application's projected actual nongovernmental charge per discharge by dividing Line 6 by Line 7. **Amount must tie to the most recent application's projected actual rate.** Most recent application is the application that established the limit on Line 4.
8. Enter the amount of the **unjustified** overage per nongovernmental discharge from the most recent order for which the revenue limit on Line 4 was established, whether a penalty was assessed or placed in abeyance. **Do not enter the amount of the penalty that was assessed.**
9. Calculate this line by subtracting the overage entered on Line 9 from the projected actual charge on Line 8.
10. Enter the prior year's nongovernmental **re-stated** case mix index. The case mix must be re-stated to remove outliers at the threshold established by the order from which the revenue limit on Line 4 was established.
11. Enter the **year-to-date** nongovernmental case mix index for the current year as calculated by the hospital **removing outliers (per Policy Statement 2006-1)** as established by the order which set the revenue limit on Line 4. (This index **must** tie to the same time frame as used for the revenue and utilization included in Lines 1 and 2 above.)
12. Calculate the percentage increase (decrease) from prior year's case mix. The calculation for this amount equals Line 12 divided by Line 11 minus 1.
13. Calculate the dollar value of change in the case mix index by multiplying Line 10 by Line 13.

14. Enter the **year-to-date** nongovernmental gross inpatient outlier revenue, **including** nursery revenue. The outlier threshold is stated in the rate order from which the revenue limit on Line 4 was established.
15. Enter the **year-to-date** nongovernmental inpatient discharges **excluding** nursery utilization. (This amount must equal Line 2 above.)
16. Calculate the **year-to-date** outlier revenue per nongovernmental discharge by dividing Line 15 by Line 16.
17. Enter the prior year's **re-stated projected actual** nongovernmental Gross Inpatient Outlier Revenue. **Prior year must be re-stated to current year's outlier threshold as set by the order, which established the revenue limit on Line 4.**
18. Enter the prior year's **projected actual** nongovernmental inpatient discharges **excluding** nursery utilization. This amount must equal Line 2 of the CBM/B-9 form in the hospital's last rate application.
19. Calculate the prior year's average outlier revenue per nongovernmental discharge by dividing Line 18 by Line 19.
20. Enter the percentage of the **inpatient** increase or decrease granted by the Authority in the rate order which the revenue limit on Line 4 was established.
21. Multiply Line 20 by Line 21 and add the product of the multiplication to the amount on Line 20. For example, a rate increase will result in a higher amount than Line 20 and a decrease will result in a lower amount than Line 20.
22. Calculate the dollar value change in the amount of outlier revenue per discharge by subtracting Line 22 from Line 17.
23. Enter the projected actual nongovernmental new service justification as determined by Attachment VII of the benchmarking checklist or H of the standard application checklist. (See Policy Statement 2006-3)
24. Enter the projected actual nongovernmental outpatient justification as determined by Attachment IV of the benchmarking checklist or F of the standard application checklist.
25. Calculate the total justification by adding Lines 14+23+24+25. (Only include those amounts that are positive numbers, i.e. if the case mix index for the hospital has decreased, do not add in the negative number on Line 14.)
26. Calculate the remaining unjustified overage by subtracting Line 5 from Line 26.