

**9500.1105 BASIS OF PAYMENT FOR INPATIENT HOSPITAL SERVICES.****Subpart 1. Reporting requirements.**

A. No later than October 1 preceding a rebased rate year or 60 days from the department's request, whichever is later, a Minnesota and local trade area hospital must provide to the department complete, true, and authorized information as outlined in subitems (1) to (6). Information required in subitems (1) to (6) that is not provided in a timely manner will not be used in calculating the hospital's rates for that rate year and the following year if rebasing does not occur.

(1) The base year Medicare audited cost report of local trade area hospitals.

(2) The decision on whether certified registered nurse anesthetist services are to be paid separately from parts 9500.1090 to 9500.1155. Once elected, the decision to be paid separately is irrevocable.

(3) The elected outlier percentage for other than neonate and burn admissions to a minimum of 60 percent and a maximum of 80 percent. The chosen percentage shall apply to all program and specialty groups of the hospital.

(4) The most recent Medicare cost report submitted to Medicare by October 1 prior to a rebased rate year.

(5) The data on low income utilization necessary to implement the disproportionate population adjustment.

(6) The Medicare adjustments to prior base year data.

B. If Medicare does not require a hospital to file a complete cost report, that hospital must, no later than February 1 preceding a rebased rate year, provide true, complete, and authorized Medicare cost report data under the cost finding methods and allowable costs in effect during the base year.

**Subp. 2. Establishment of base years.**

A. The base year for the 1993 rate year shall be each Minnesota and local trade area hospital's most recent Medicare cost reporting period ending prior to September 1, 1988. If that cost reporting period is less than 12 months, it must be supplemented by information from the prior cost reporting period so that the base year is 12 months except for hospitals that closed during the base year.

B. The base year data will be moved forward three years beginning with the 1995 rate year. The base year data will be moved forward every two years after 1995 or every one year if notice is provided at least six months prior to the rate year by the department. For long-term care hospitals that open after April 1, 1995, the base year is the year for which

the hospital first filed a Medicare cost report as a long-term care hospital. That base year shall remain until it falls within the same period as other hospitals.

**Statutory Authority:** *MS s 256.9685; 256.969; 256.9695;*

**History:** *10 SR 227; 18 SR 1115; 26 SR 976*

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