CALCULATION OF NET INPATIENT REVENUE FOR PENNSYLVANIA HOSPITAL ASSESSMENT

1. Annualize all revenue amounts, expenses and charges for partial year cost reports.**
   - Determine number of days covered by the cost report by subtracting begin date from end date.
   - Divide 365 by number of days covered by cost report to determine annualization factor.
   - Multiply annualization factor by all reported data elements to determine annualized amounts for all data.

2. Divide SNF inpatient program charges by all inpatient program charges to establish SNF Ratio.
   - Numerator: D-4-SNF Col 2 Row 101 plus D-4-S/B SNF Col 2 Row 101
   - Denominator: D-4 SNF Col 2 Row 101
   - D-4 SNF S/B Col 2 Row 101
   - D-4 Subprovider I Col 2 Row 101
   - D-4 Subprovider II Col 2 Row 101
   - D-4 Total Col 2 Row 101

3. Multiply SNF ratio from 2 by ancillary inpatient revenue to determine SNF portion of ancillary inpatient service revenue.
   - Ratio from 2 above X G-2 Column 1 Row 17

4. Subtract SNF ancillary inpatient revenue from total inpatient revenue to determine inpatient revenue net of SNF ancillary inpatient revenue.
   - Subtract amount from 3 above from the sum of G-2 Col I Rows 1, 2, 2.01, 15, 17 and 18

5. Divide inpatient revenue net of SNF ancillary inpatient revenue by total patient revenue to determine ratio of total patient revenue net of SNF ancillary inpatient revenue to total patient revenue.
   - Divide amount from 4 above by G-2 Col. 3 Row 25

6. Multiply ratio of total patient revenue net of SNF ancillary inpatient revenue to total revenue by the Net Patient Revenue amount to determine the net patient revenue amount for assessment purposes.
   - Ratio from 5 above X G-3 Col. 1 Row 3

** New hospitals (first year of paying the assessment) - begin with step 2. Do not annualize the revenue amount.
Descriptions of the 13 Medicare Cost Report Data Elements used in the Calculation of Net Inpatient Revenue

**CMS 2552**

**G-2 Col 1**
Row 1  Hospital Inpatient Revenue
Row 2  Subprovider I Inpatient Revenue
Row 2.01  Subprovider II Inpatient Revenue
Row 15  Total ICU Inpatient Revenue
Row 17  Ancillary Services Inpatient Revenue
Row 18  Outpatient Services Inpatient Revenue

**G-2 Col 3**
Row 25  Total Patient Revenue

**G-3 Col 1**
Row 3  Net Patient Revenue

**D-4 Col 2**
Row 101  Total Inpatient Program Charges

**D-4 S/B- SNF Col 2**
Row 101  Inpatient Program Charges S/B-SNF

**D-4 SNF Col 2**
Row 101  Inpatient Program Charges- SNF

**D-4 Sub I Col 2**
Row 101  Inpatient Program Charges- Subprovider I

**D-4 Sub II Col 2**
Row 101  Inpatient Program Charges- Subprovider II