

CBM-9/B-9

Monitor and Variance Report Instructions

Application Form

Line

1. Enter the projected actual nongovernmental acute inpatient or outpatient revenue including nursery revenue from the CBM-2/B-2 form.
2. Enter the corresponding projected actual nongovernmental inpatient and outpatient utilization from the CBM-1/B-1 Form, excluding nursery utilization (**MS-DRG 794 and 795 with revenue code 170 and 171**). **NOTE: If a method other than straight-line was used for the projections, please give a detailed explanation of how the projected actual was derived.**
3. Calculate the projected actual rates for the inpatient acute and outpatient acute by dividing revenue on Line 1 by utilization on Line 2.
4. 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 most recent order. Otherwise, a weighted allowed rate must be calculated by using the example provided as Attachment V of the Benchmarking Checklist or Exhibit E of the Standard Application Checklist. Please indicate if weighted allowed is used.
5. Enter the overage (underage) for the hospital's current fiscal year – Line 3 minus Line 4.
6. Enter the prior year's projected actual nongovernmental acute inpatient revenue including nursery revenue. Amount must tie to prior year's CBM-9 or B-9 Line 1. (Do not complete the outpatient column).
7. Enter the prior year's projected actual nongovernmental acute inpatient utilization excluding nursery utilization (MS-DRG 794 and 795 with revenue code 170 and 171). Amount must tie to prior year's CBM-9 or B-9 Line 2. (Do not complete the outpatient column).
8. Calculate the prior year's projected actual nongovernmental charge per discharge by dividing Line 6 by Line 7. Amount must tie to prior year's projected actual rate.
9. Enter the amount of the prior year's unjustified overage per nongovernmental discharge, whether a penalty was assessed or placed in abeyance. Use the order that established the revenue limit on Line 4. **Do not enter the penalty amount.**

10. Calculate this line by subtracting the overage entered on Line 9 from the projected actual charge on Line 8.
11. Enter the prior year's **re-stated** nongovernmental case mix index. Utilize the most recent case mix index from the last application's CBM-9/B-9 and re-state it to **EXCLUDE** outliers at the threshold stated in the order, which established the revenue limit on Line 4.
12. Enter the current year's nongovernmental case-mix index as calculated by the hospital. (This index should use the same time frame as the prior year's index.) Provide detailed documentation supporting the index. **Further, per Policy Statement 2006-1, the case mix EXCLUDES outliers at the same threshold as Line 11 and nursery discharges with MS-DRG 794 or 795 with revenue code 170 and 171.**
13. The calculation for this amount equals Line 12 ÷ Line 11 minus 1.
14. Calculate the dollar value of change in the case-mix index by multiplying Line 13 x Line 10.
15. Enter the current year's projected actual nongovernmental gross inpatient outlier revenue, **including** nursery revenue. **Because outlier thresholds are different for a standard rate application and a benchmarking application, your applicable outlier threshold is stated in your current rate order. NOTE:** The projected actual outlier revenue must be supported by a detailed year-to-date listing of each outlier, including outlier charges and discharge date plus a schedule showing the calculations used to determine the projected actual revenue. **(Any projected actual amount which differs significantly from a straight-line method of projecting must provide a thorough explanation of why it varies and demonstrate that it is more comparable to the projected revenues as reported on the B-2 or CBM-2 form, whichever is applicable.)**
16. Enter the projected actual nongovernmental inpatient discharges **excluding** nursery utilization. This amount must equal Line 2 of the CBM-9/B-9 form.
17. Calculate the current year's projected actual outlier revenue per nongovernmental discharge by dividing Line 15 by Line 16.
18. Take the amount on Line 15 from the CBM-9/B-9 form submitted with last year's rate application and **re-state** it to reflect the current year's outlier threshold. See your current rate order for the outlier threshold, as each peer group is different.

19. Enter the prior year's projected actual nongovernmental acute inpatient discharges **excluding** nursery utilization. This amount must equal Line 2 of the prior year's CBM-9 or B-9 form.
20. Calculate the prior year's average outlier revenue per nongovernmental discharge by dividing Line 18 by Line 19.
21. Enter the percentage of the inpatient increase or decrease granted as stated in the last rate order.
22. 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.
23. Calculate the dollar value change in the base amount of outlier revenue per discharge by subtracting Line 22 from Line 17.
24. Enter the **year-to-date** nongovernmental gross inpatient or outpatient new service revenue **including** new service nursery revenue (Column A and/or B) as calculated on Attachment VIII of the Benchmarking Checklist or Exhibit H of the Standard Application Checklist. **(NOTE: In order to utilize new service(s) as justification for an overage it must first have been approved by the Rate Review Division. Approval or non-reviewability by the CON division does NOT constitute approval by the Rate Review Division.)**
25. Enter the projected actual nongovernmental outpatient justification as calculated on Attachment IV of the Benchmarking Checklist or Exhibit F of the Standard Application Checklist.
26. Subtotal (Lines 14+23+24+25). Include each line **ONLY** if **POSITIVE**.
27. Unexplained difference per nongovernmental discharge or visit. (Line 5 minus Line 26)