



policy Statement

TO: Hospital Administrators
Hospital CFO's
Consultants

FROM: Sonia D. Chambers, Chair

A handwritten signature in black ink, appearing to read "Sonia D. Chambers".

DATE: March 22, 2006

RE: Policy Statement 2006-4
Benchmarking Peer Group Outlier Threshold Updates

Effective Date: Hospital Fiscal Year 2007 compliance

Pursuant to WV C.S.R. §65-26-5.2.b.6, the Authority must update the outlier thresholds annually by the DRI inflation factor designated by the Authority.

The new thresholds are calculated as follows:

Peer Group Outlier Thresholds Updated

Using 2007 Average DRI

Source: 4th Qtr. 2005 Global Insight Health Care Cost Review

Effective: Hospital Fiscal Year 2007

	FYE	DRI	Now	DRI	Outlier Thresholds New Rounded up to nearest 100
2nd quarter	6/30	3.5%			
3rd quarter	9/30	3.3%			
4th quarter	12/31	3.3%			
Average		3.37%			
Peer Group 1			\$60,000	3.37%	\$62,100
Peer Group 2			\$50,000	3.37%	\$51,700
Peer Group 3			\$26,000	3.37%	\$26,900