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Memorandum

To: Hospital Administrators
Hospital CFO's
Consultants

From : D. Parker Haddix
Chairman 

Date: March 30, 2000

Re: Distinct Part Unit Contract Review
Benchmarking Rate Application Process Only
Policy Statement **2000-3**

When a hospital utilizes the Benchmarking rate application process, the Authority does not set rates for Distinct Part Units. The question has been posed: "what happens to the review of discount contracts for those units?" Outlined below is the Authority's position with respect to those contracts:

All Distinct Part Unit contracts must be submitted to the Authority for review. West Virginia Code §16-29B-20(a)(2) requires review for "every proposed contact . . . for the payment of patient care services." Therefore, the Authority is required to review discount contracts for Distinct Part Units.

If contracts have not been submitted due to the uncertainty about this process, please submit those as soon as possible.