



Policy Statement

To: Hospital Administrators
Hospital CFOs
Consultants

From: Sonia D. Chambers, Chair

Date: April 15, 2008

Re: **Policy Statement 2008-1**
Benchmarking Peer Group Outlier Threshold Update

A handwritten signature in black ink, appearing to read "Sonia D. Chambers", is written over the printed name in the "From:" field.

Effective Date: Hospital Fiscal Year 2009 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 outlier thresholds will be effective for determining compliance for the hospital's 2009 fiscal year; therefore, the outlier threshold stated in the hospital's FY 2008 rate decision will be used when filing the FY 2009 rate application.

The new thresholds are calculated as follows:

Peer Group Outlier Thresholds

Updated Using 2009 Average DRI

Source: 4th Quarter 2007 Global Insight Health Care Cost Review

Effective: Hospital Fiscal Year 2009

	FYE	DRI
2nd Quarter	6/30	3.10%
3rd Quarter	9/30	3.00%
4th Quarter	12/31	2.70%
Average		2.93%

FY 2009 Outlier Thresholds

	Current Threshold	Average DRI	New Threshold (rounded to the nearest \$100)
Peer Group 1	\$64,100	2.93%	\$66,000
Peer Group 2	\$53,400	2.93%	\$55,000
Peer Group 3	\$27,800	2.93%	\$28,600