



Policy Statement

To: Hospital Administrators
Hospital CFOs
Consultants

From: Sonia D. Chambers, Chair

Date: April 20, 2009

Re: **Policy Statement 2009-1**
Benchmarking Peer Group Outlier Threshold Update

Effective Date: Hospital Fiscal Year 2010 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 2010 fiscal year; therefore, the outlier threshold stated in the hospital's FY 2009 rate decision will be used when filing the FY 2010 rate application.

The new thresholds are calculated as follows:

Peer Group Outlier Thresholds

Updated Using 2010 Average DRI
Source: 4th Quarter 2008 Global Insight Health Care Cost Review
Effective: Hospital Fiscal Year 2010

	FYE	DRI
2nd Quarter	6/30	1.60%
3rd Quarter	9/30	2.20%
4th Quarter	12/31	2.60%
Average		2.13%

FY 2010 Outlier Thresholds

	Current Threshold	Average DRI	New Threshold (rounded to the nearest \$100)
Peer Group 1	\$66,000	2.13%	\$67,400
Peer Group 2	\$55,000	2.13%	\$56,200
Peer Group 3	\$28,600	2.13%	\$29,200