




## Policy Statement

To: Hospital Administrators  
Hospital CFOs  
Consultants

From: Sonia D. Chambers, Chair 

Date: April 12, 2010

Re: **Policy Statement 2010-1**  
Benchmarking Peer Group Outlier Threshold Update

**Effective Date: Hospital Fiscal Year 2011 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 2011 fiscal year; therefore, the outlier threshold stated in the hospital's FY 2010 rate decision will be used when filing the FY 2011 rate application.

The new thresholds are calculated as follows:

# Peer Group Outlier Thresholds

Updated Using 2011 Average DRI

Source: 4<sup>th</sup> Quarter 2009 Global Insight Health Care Cost Review

Effective: Hospital Fiscal Year 2011

	FYE	DRI
2nd Quarter	6/30	2.30%
3rd Quarter	9/30	2.40%
4th Quarter	12/31	2.60%
<b>Average</b>		<b>2.43%</b>

## FY 2011 Outlier Thresholds

	Current Threshold	Average DRI	New Threshold (rounded to the nearest \$100)
Peer Group 1	\$67,400	2.43%	\$69,000
Peer Group 2	\$56,200	2.43%	\$57,600
Peer Group 3	\$29,200	2.43%	\$29,900