

3527. WORKSHEET C - RATIO OF COST TO CHARGES FOR ANCILLARY OUTPATIENT COST CENTERS

This worksheet computes the ratio of cost to charges for ancillary services and, for costs not subject to the outpatient capital reduction, the outpatient ratio of cost to charges. This ratio is used on Worksheet D.

Column 1.--Enter on each line the amount from the corresponding line of Worksheet B, Part I, column 18 or Worksheet B, Part III, column 5. Do not bring forward any cost center with a credit balance from Worksheet B, Part I, column 18 or Worksheet B, Part III, column 5. However, report the charges applicable to such cost centers with a credit balance in column 2 of the applicable line on Worksheet C.

Column 2.--Enter on each cost center line the total gross patient charges including charity care for that cost center. Include in the applicable cost centers items reimbursed on a fee schedule (e.g., DME, oxygen, prosthetics and orthotics). DME, oxygen, and orthotic and prosthetic devices (except for enteral and parental nutrients and intraocular lenses furnished by providers) are paid by the DMERC or the regional home health intermediary based on the lower of the supplier's actual charge or a fee schedule. Therefore, do not include Medicare charges applicable to these items in the Medicare charges reported on Worksheet D. However, include your standard customary charges for these items in total charges on Worksheet C. This is necessary to avoid the need to split your organizational cost centers such as medical supplies between those items paid on a fee basis and those items subject to cost reimbursement.

Column 3.--Divide the cost for each cost center in column 1 by the total charges for the cost center in column 2 to determine the ratio of total cost to total charges. Enter the resultant department ratios in this column. Round ratios to 6 decimal places.