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## 42 C.F.R. § 412.62

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### Federal rates for inpatient operating costs for fiscal year 1984.

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- (a) *General rule.* CMS determines national adjusted DRG prospective payment rates for operating costs, for each inpatient hospital discharge in fiscal year 1984 involving inpatient hospital services of a hospital in the United States subject to the prospective payment system under subpart B of this part, and determines regional adjusted DRG prospective payment rates for inpatient operating costs for such discharges in each region, for which payment may be made under Medicare Part A. Such rates are determined for hospitals located in urban or rural areas within the United States and within each such region, respectively, as described in paragraphs (b) through (k) of this section.
- (b) *Determining allowable individual hospital inpatient operating costs.* CMS determines the Medicare allowable operating costs per discharge of inpatient hospital services for each hospital in the data base for the most recent cost reporting period for which data are available.
- (c) *Updating for fiscal year 1984.* CMS updates each amount determined under paragraph (b) of this section for fiscal year 1984 by—
- (1) Updating for fiscal year 1983 by the estimated average rate of change of hospital costs industry-wide between the cost reporting period used under paragraph (b) of this section and fiscal year 1983; and
  - (2) Projecting for fiscal year 1984 by the applicable percentage increase in the hospital market basket for fiscal year 1984.
- (d) *Standardizing amounts.* CMS standardizes the amount updated under paragraph (c) of this section for each hospital by—
- (1) Adjusting for area variations in case mix among hospitals;
  - (2) Excluding an estimate of indirect medical education costs;

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