

Government-Owned and -Operated Hospital Billing Methodology

Government-owned and -operated hospital providers cost-based interim and final rates for a given year will be calculated using the Medicare Cost Report, based on patient type using the formulas described below:

1. Where Medicare cannot be billed at all, the Medicaid rate is equal to the per diem found on the Cost Report at Worksheet D-1 Line 38 plus a “Part B per diem” calculated by adding costs on Worksheet A-8-2, Column 4, Line 200, plus Worksheet A-8 Column 2, Line 40.09 and dividing by allowable inpatient days found on Worksheet D-1, Column 1, Line 2.
2. Where Medicare can be billed only for Part B services, the Medicaid rate is equal to the per diem found on the Cost Report at Worksheet D-1, Line 38
3. Where Medicare can be billed for only Part D , the Medicaid rate is equal to the per diem found on the Cost Report at Worksheet D-1 Line 38 plus a “Part B per diem” calculated by adding costs on Worksheet A-8-2, Column 4, Line 200, plus Worksheet A-8 Column 2, Line 40.09 and dividing by inpatient days found on Worksheet D-1, Column 1, Line 2 minus a “Part D per diem” calculated by dividing the costs at Worksheet B, Part 1, Column 0, Line 15 by inpatient days found on Worksheet D-1, Column 1, Line 2.
4. Where Medicare can be billed for Parts B and D, the Medicaid rate is equal to the per diem found on the Cost Report at Worksheet D-1, Line 38 minus a “Part D per diem” calculated by dividing the costs at Worksheet B, Part 1, Column 0, Line 15 by inpatient days found on Worksheet D-1, Column 1, Line 2.

Where Medicare can be billed for Part A for services rendered to a patient on a particular day, Medicaid will only pay for any deductible or co-insurance not covered by Medicare Part A.