

Uncompensated Care Methodology

Determine Trauma claims: A hospital's entire claims for a given time period less those claims which do not meet pre-established trauma criteria results in those trauma related claims. Trauma claim criteria:

Trauma Service Codes (ACS-COT): 800-959.9 **AND**

- Admitted to the hospital for treatment
- Not admitted but expired in the Emergency Department
- Placed in observation

Excluded Service Codes

- 905-909.9 Late effects of injury
- 910-924.9 Superficial injuries and contusions
- 930-939.9 Foreign body orifice

Determine Admit Utilization: Done by dividing the number of trauma related claims by the total number of claims for a hospital, we determine trauma utilization as a percentage of all claims.

$$\text{HospTrauma}_{\text{claim}} / \text{Hospital}_{\text{claim}} = \text{Hosp Admit Util}$$

Severity Adjusted Utilization: In order to adjust for injury severity, the hospital's population of trauma claims will be multiplied by the appropriate Diagnosis Related Group (DRG) weight.

$$\text{Sum (Claim Length of Stay x Claim DRG) for all claims} = \text{HospTraumaAcuity}$$

Eligibility Criteria: Non-trauma hospitals which prove to have an admit utilization rate **AND** severity adjusted utilization equal to the minimum utilization rates established by the designated trauma centers will be eligible for participation in the pool. All designated trauma centers are eligible.

$$\text{Admit Util} \geq \text{Min. Trauma Hosp Admit Util}$$

AND

$$\text{Hosp Trauma Acuity} \geq \text{Min Trauma Hosp Acuity}$$

Unreimbursed Cost: The sum of all self-pay patient claims for a hospital is multiplied by that hospital's cost-to-charge ratio as reported in their Joint Annual Report. This amount represents a hospital's unreimbursed trauma cost.

$$\text{Sum of Uncompensated Trauma Charges x JAR cost-to-charge} = \text{Hosp Cost}$$

Distribution Amount: Each hospital would then be reimbursed based on that hospital's unreimbursed cost as a percent of the total unreimbursed costs of all eligible hospitals.

$$\text{Hosp Cost} / \text{Sum of all Hosp x Trauma Pool} = \text{Hospital Specific Pool Payment}$$