

Additional Facility Costs due to PACs: Example Calculation

KNEE REPLACEMENT		a	b	c
		Unique # of Patients	Total of Allowed	Average of Allowed
1	ALL RELEVANT	267	\$7,871,157	\$29,480
2	RELEVANT IP STAY	267	\$5,806,606	\$21,748
3	RELEVANT OP FACI/PROF	267	\$1,684,489	\$6,309
4	RELEVANT PHARMACY	230	\$380,062	\$1,652
5	ALL TYPICAL	267	\$5,928,973	\$22,206
6	TYPICAL IP STAY INDEX	213	\$4,353,654	\$20,440
7	TYPICAL OP FACI/PROF	267	\$1,196,921	\$4,483
8	TYPICAL PHARMACY	230	\$378,398	\$1,645
9	ALL PAC	149	\$1,607,810	\$10,791
10	PAC IP STAY INDEX	54	\$1,118,578	\$20,714
11	PAC OP FACI/PROF	134	\$487,568	\$3,639
12	PAC PHARMACY	54	\$1,664	\$31
13	TYPICAL IP STAY RE-ADMIT	2	\$22,401	\$11,201
14	PAC IP STAY RE-ADMIT	14	\$311,973	\$22,284
15	Additional Facility Costs due to PACs		\$14,796	

Additional Facility Costs due to PACs Calculations:

The Additional facility costs due to PACs calculation is used to separate the cost associated with the typical hospital stay and cost associated with the PAC.

$$(\text{PAC IP Stay Index Average} - \text{Typical IP Stay Index Average}) \times \text{Number of PAC Stays} = \text{Additional Facility Costs due to PACs}$$

or

$$(10c-6c) \times 9a = (20,714-20,440) \times 54 = 14,796$$

In the scenario above an average typical inpatient hospital stay costs \$20,440 (cell 6c). By subtracting this from the average PAC inpatient stay (\$20,714, cell 10c) we can determine the average amount of the PAC inpatient stay cost that is associated with PACs. An average of \$274 per PAC inpatient stay claim is associated with the care of PACs. By multiplying this average by the number of PAC inpatient stays we find the total amount of dollars spent on the care of PACs occurring in an inpatient setting (\$14,796).

Remainder of the Facility Costs Calculation:

The total PAC IP stay costs for the above data is \$1,118,578 (cell 10b). In the calculations above we determined that \$14,796 of the total PAC IP stay dollars were related to the treatment of the PAC. The remaining \$1,103,782 is the typical portion of the inpatient stays. This is the total amount of dollars on all the PAC IP Stay claims that are not associated to the care of the PAC, but are associated to the typical cost of the hospital stay.

The remainder (\$1,103,782) should be added to the Typical IP Stay costs (\$4,353,654, cell 6b) for a new Typical IP Stay total of \$5,457,436. Please note that the relevant IP Stay numbers do not need to be edited as these are a combination of the PAC and Typical Stay Costs.

PAC Percentage Calculation:

The PAC percentage should be calculated by adding the PAC dollars listed below and dividing them by the total relevant costs.

1	PAC OP FACI/PROF	\$487,568
2	PAC PHARMACY	\$1,664
3	PAC IP STAY RE-ADMIT	\$311,973
4	Additional Facility Costs due to PACs	\$14,796

Total PAC dollars = \$816,001

Total Relevant dollars = \$7,871,157 (cell 1b from first table)

PAC Percentage = 10%