

12VAC30-70-351. Updating rates for inflation.

Each July, the DRI-Virginia moving average values as compiled and published by DRI/McGraw-Hill under contract with the department shall be used to update the base year standardized operating costs per case, as determined in 12VAC30-70-361, and the base year standardized operating costs per day, as determined in 12VAC30-70-371, to the midpoint of the upcoming state fiscal year. The most current table available prior to the effective date of the new rates shall be used to inflate base year amounts to the upcoming rate year. Thus, corrections made by DRI/McGraw-Hill in the moving averages that were used to update rates for previous state fiscal years shall be automatically incorporated into the moving averages that are being used to update rates for the upcoming state fiscal year. In setting rates effective from July 1, 2003 through June 30, 2004, for Type II hospitals, the moving average value that would normally be used to represent inflation occurring from the midpoint of SFY2003 to the midpoint of SFY2004, shall be replaced by a percentage calculated by DMAS to ensure that the resulting estimated increase in payments to hospitals, by Medicaid, does not exceed \$10,863,375 in SFY2004.