Chapter 12 Addendum N

Data Elements Used In Determination Of Outlier Payments

Outlier payments are payments made in addition to regular 60-day case-mix and wage-adjusted episode payments for episodes that incur unusually large costs due to home health care needs. Outlier payments are made for episodes for which the estimated costs exceed a threshold amount. The outlier threshold for each case-mixed group, Partial Episode Payment (PEP) adjustment, or total Significant Change In Condition (SCIC) adjustment is defined as the 60-day episode payment amount, PEP adjustment or total SCIC adjustment for that group plus a Fixed Dollar Loss (FDL) amount. The FDL amount is computed by multiplying the wage-adjusted 60-day episode payment amount by the FDL ratio. The outlier threshold is then subtracted from the total wage-adjusted imputed per visit cost for the 60-day episode to come up with the imputed costs in excess of the outlier threshold. The amount in excess of the outlier threshold is multiplied by the loss-sharing ratio to obtain the outlier payment. Following are the FDL ratios and loss-sharing ratios for the last three years:

UPDATE YEAR	FDL RATIO	LOSS-SHARING RATIO
CY 2006	0.65	0.80
FY 2007	0.67	0.80
CY 2008	0.89	0.80

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