

# REIMBURSEMENT MANUAL

## DETERMINATION OF COST OF SERVICES TO BENEFICIARIES

01-81

2202.6

### Definitions

#### 2202. DEFINITIONS

2202.1 Inpatient.--An inpatient is a person who has been admitted to a hospital or skilled nursing facility for bed occupancy to receive inpatient hospital or skilled nursing services. A person is considered an inpatient if he is formally admitted as an inpatient with the expectation that he will remain at least overnight an occupy a bed even though it later develops that he can be discharged, or is transferred to another hospital and does not actually use a hospital bed overnight. (See Hospital Manual § 210 for exceptions.)

2202.2 Outpatient.--An outpatient is a person who has not been admitted by the provider as an inpatient and who is not lodged in the provider facility while receiving its services. Where a provider uses the category "day patient;" i.e., an individual who receives the facility's services during the day and is not expected to be lodged in the facility at midnight, the individual is classified as an outpatient.

2202.3 Apportionment.--Apportionment means an allocation or distribution of allowable cost between the beneficiaries of the health insurance program and other patients.

2202.4 Charges.--Charges refer to the regular rates established by the provider for services rendered to both beneficiaries and to other paying patients. **Charges should be related consistently to the cost of the services** and uniformly applied to all patients whether inpatient or outpatient. All patients' charges used in the development of apportionment ratios should be recorded at the gross value; i.e., charges before the application of allowances and discounts deductions. (See §2206.1 for information on accrual of charges and § 2204.1 for hospital based physicians charges.)

2202.5 Cost.--Cost refers to reasonable cost as described in § 2102.1.

2202.6 Routine Services.--Inpatient routine services in a hospital or skilled nursing facility generally are those services included in by the provider in a daily service charge--sometimes referred to as **the "room and board" charge**. Routine services are composed of two board components; (1) general routine services, and (2) special care units (SCU's), including coronary care units (CCU's) and intensive care Units (ICU's). Included in routine services are the regular room, dietary and nursing services, minor medical and surgical supplies, medical social services, psychiatric social services, and the use of certain equipment and facilities for which a separate charge is not customarily made.

2202.8 Ancillary Services.--Ancillary services in a hospital or SNF include laboratory, radiology, drugs, delivery room (including maternity labor room), operating room (including postanesthesia and postoperative recovery rooms), and therapy services (physical, speech, occupational). Ancillary services may **also include other special items and services for which charges are customarily made in addition to a routine service charge**. (See §2203.1 and §2203.2 for further discussion of ancillary services in an SNF.)