

Chapter HRSC 1

GENERAL PROVISIONS

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**HRSC 1.01 Definitions.** In chs. HRSC 1 to 5 and to interpret provisions of ch. 54, Stats:

(1) "Accounts receivable" means claims arising from rendering patient care services.

(1m) "Ancillary services" means a hospital's clinical, diagnostic and treatment services, not room and board or nursing services.

(2) "Bad debts" means claims arising from rendering patient care services that the hospital, using a sound credit and collection policy, determines are uncollectible. "Bad debts" does not include charity care.

(2m) "Budget year" means the fiscal year of a hospital for which rates are being set during a rate review.

(3) "Case mix" means a measure of the types of patients treated in a hospital during a specified period.

(3m) "Charge element" means any hospital service, supply or combination of services or supplies reported at the direction of the commission.

(4) "Charity care" means reductions in the hospital's charges for patient care services due to indigence of the patient. "Charity care" does not include bad debts or allowances related to medical assistance, medicare or general relief payments.

(5) "Commission" means the Wisconsin hospital rate-setting commission.

(6) "Fixed cost" means a hospital's expenses that do not generally vary in relation to the hospital's volume.

(7) "General relief" means hospital care for which a municipality or county is liable under s. 49.02 or 49.03, Stats., or hospital care for which the state is liable under s. 49.035, 49.04 or 49.046, Stats.

(8) "Hospital" has the meaning provided in s. 50.33 (1), Stats.

(9) "Intensity" means the standard of care established by the clinical health professions for a given case mix and volume, measured as the number and kind of ancillary services provided and the level of nursing services provided.

(10) "Variable cost" means a hospital's expenses that generally vary in relation to the hospital's volume.

(11) "Volume" includes the following:

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(a) The number of inpatient and outpatient admissions at a hospital during a specified period. The commission shall adjust the calculation of outpatient admission volume in recognition of the different level of services provided to outpatients, as compared to inpatients, to create a method of calculating total admissions.

(b) The number of inpatient and outpatient days at a hospital during a specified period. The commission shall adjust the calculation of outpatient days in recognition of the different level of services provided to outpatients, as compared to inpatients, to create a method of calculating total days.

(c) The number of procedures of any particular type performed by a hospital during a specified period.

(d) The number of times any charge element is billed.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85; am. (1) (intro.), Register, October, 1985, No. 358, eff. 11-1-85.

**HRSC 1.03 Naming agents.** The commission may designate its agents and grant them authority to examine confidential materials, conduct investigations or hearings and perform other functions authorized by the commission. The commission shall issue to each agent an identification card.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.05 Supervisor of hearings.** The chairperson of the commission may assign to each agent the supervision of a particular investigation or, if the assignment is indicated on the commission's calendar, the conduct of a hearing.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.09 Communications and documents addressed to the commission.** (1) **ADDRESS.** All written communications concerning the commission's activities shall be addressed to the commission.

Note: The present address of the commission is as follows:  
Wisconsin Hospital Rate-Setting Commission  
Room 215  
110 E. Main St.  
Madison, WI 53702

(2) **DOCUMENT FORMAT.** Documents shall be printed on 8 and 1/2 by 11 inch paper unless the commission otherwise provides. The first page of each communication or document addressed to the commission shall contain a distinctive title identifying the action requested and, if one exists, a docket number. All written information submitted on behalf of a hospital to the commission shall be signed by the hospital's chief executive officer or a designated agent.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.11 Service of documents.** Service of documents on the commission or other parties in commission proceedings shall be by 1st class or registered mail or by delivery in person. The date of service is the day the document is postmarked or delivered in person.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.13 Assessing commission expenses.** Regardless of whether it actually submits a rate request for that year each hospital shall, within 30 days after the end of its fiscal year, certify to the commission its gross annual patient revenue during the hospital's preceding fiscal year. Commencing July 1, 1985, the commission shall use these data to apportion its assessment of expenses among the hospitals. The commission will make its first annual inflationary adjustment to the \$1,500,000 cap on the cost of its operations on July 1, 1984.

Note: See s. 54.31, Stats., concerning the commission's duty to assess part of its costs among hospitals according to each hospital's gross annual patient revenue. To apportion its expenses for calendar year 1985, the commission will use the most recent data available on gross annual patient revenues.

1983 Wisconsin Act 27, section 2020 (17) (c) 2 indicates that the legislature intends the cost of Commission operations not to exceed \$1,500,000 annually, paid one-third by general purpose state revenues and two-thirds by fees charged to hospitals. That section also indicates that this annual spending limit should be adjusted to reflect annual changes in the consumer price index. Section HRSC 1.13 establishes the year on which these consumer price index changes are made. This base year, commencing on July 1, 1983, is used because it begins on the same date 1983 Wisconsin Act 27 became law and is identical to the base year used for adjusting hospital trend factors under s. HRSC 3.09.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.15 Hospital gross annual patient revenue.** For the purpose of administering ss. 54.13 (1) (b) and 54.21 (2) (a), Stats., and ss. HRSC 1.13 and 3.07 (2) the commission shall, to the extent practicable, calculate the gross annual patient revenue of a hospital that is jointly operated in connection with a nursing home by excluding the revenue generated by the nursing home. To the extent practicable the commission shall use the method specified in s. HRSC 3.017 (1) to complete this calculation.

Note: Section 54.13 (1) (b), Stats., authorizes the commission to disallow a percentage of excess revenue generated by any hospital. Section 54.21 (2) (a), Stats., grants expedited review to hospitals that request only marginal rate increases. Section HRSC 1.13 implements the commission's method of apportioning its assessment of expenses among hospitals. Section HRSC 3.07 (2) grants a plant depreciation incentive to hospitals. This rule attempts to separate the revenue generated by a hospital from that generated by a jointly-operated nursing home when the commission determines the applicability of these sections. Similarly, s. HRSC 3.017 (1) attempts to separate financial requirements generated by a hospital from those generated by a jointly-operated nursing home.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.17 Role of competition.** Consistent with s. 54.01, Stats., one of the commission's regulatory strategies shall be to allow the development of competitive forces in the health care industry. The commission shall, in adopting orders, provide reasonable flexibility for hospitals to compete in the marketplace.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.