

**Report to Joint Legislative Budget Committee  
on  
Hospital Inpatient Outlier Claims**

**Prepared by the AHCCCS Administration  
November 15, 2005**

## **Legislative Report Requirement**

“By November 15, 2005, the AHCCCS shall report to the JLBC on the methodology used to reimburse hospitals for outlier inpatient costs pursuant to section 36-2903.01(H)(10) ARS, the total reimbursements made in FY 04-05 pursuant to that section by county and by health care facility or provider, or both, information detailing the LOS and types of services reimbursed pursuant to that section and the portion of total inpatient reimbursements that qualify as outliers. The report shall also examine whether any services are being reimbursed pursuant to section 36-2903.01(H)(10) ARS that were not originally intended to qualify as outliers.”

For the purpose of this report, “claims” is defined as AHCCCS fee-for-service claims and health plan claims. Data was analyzed from years 2001-2005. Since 2005 data is not complete, only 2001-2004 results are referenced in this narrative.

## **A Brief History of Outlier Payment**

Effective March 1, 1993, AHCCCS implemented a tiered per diem hospital methodology which paid covered inpatient services an established rate per day based on level of care (or tier). Seven tiers were defined: Maternity, Neonatal Intensive Care Unit (NICU), Intensive Care Unity (ICU), Surgery, Psychiatric, Nursery and Routine.

In addition, AHCCCS implemented an outlier policy/provision to account for those inpatient hospital stays for which the operating costs per day were extraordinary, i.e., significantly higher than average.

### **Outliers Defined**

The intent of the original outlier provisions (effective 3/1/93) was to recognize within each tier those claims with “significantly higher operating costs per day” than the tiered per diem rates recognized. Outliers were determined to be those inpatient services provided as a continuous stay which had operating costs per day that exceed 2 standard deviations of the average operating cost per day across all tiers or 3 standard deviations of average cost per day within that tier. With this methodology, AHCCCS targeted 1% of all claims as outliers.<sup>1</sup> Based on that definition, AHCCCS calculated statewide outlier cost thresholds for each tier.

Effective for dates of service on and after October 1, 1998, AHCCCS rebased the inpatient tiered per diem rates. At that time, AHCCCS again calculated the outlier cost thresholds for each tier based on the above methodology. This methodology continued to target an outlier rate of 1% of all claims.

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<sup>1</sup> Capital/Outlier Litigation, Defendant’s Expert Report by Engquist, Pelrine & Powell, Inc. - April 1999

## **Payment for Outliers**

There are conditions that need to be met for a claim to qualify as an outlier and for a claim to be paid as an outlier. An example of outlier qualifications and payment calculations are provided in Exhibit 1.

AHCCCS outlier thresholds are categorized according to level of care through the tiered per diem structure. When the rebased tiers were established in 1998, an outlier cost threshold was also established for each tier. When the cost of a patient stay falls above that threshold, the claim qualifies for payment at an outlier rate.

## **The Significance of the Cost-to-Charge Ratio**

A hospital-specific cost-to-charge ratio (CCR) is used to determine whether a claim qualifies as an outlier. Since AHCCCS bases payment calculations on costs -- rather than billed charges, it is important for AHCCCS to have a methodology for determining the actual costs associated with each claim. In 1998, AHCCCS established a ratio for each hospital that gives the percentage of the hospital's costs (as reported on the Medicare Cost Report) as they relate to the hospital's billed charges (reported on the State chargemaster). These rates have not been updated since 1998.

To determine whether a claim is eligible for consideration of payment at the outlier rate, billed charges are multiplied by the hospital-specific CCR. The average of all Arizona hospital-specific CCRs is .3698. That is, on average Arizona hospitals' costs are 36.98% of billed charges. If the resulting calculated cost of care surpasses the outlier threshold, that claim qualifies for payment at the outlier rate.

The statewide cost-to-charge ratio is used to determine payment of qualifying outlier claims. Also in 1998, AHCCCS calculated a statewide CCR: an average cost-to-charge ratio using conglomerate data from all of the State's hospitals. AHCCCS pays inpatient claims that qualify as outliers by multiplying covered billed charges by the statewide CCR, which is .4075 (effective 10/1/98).

## **Billing Requirements**

AHCCCS' Fee For Service billing requirements state that hospitals must enter condition code 61 on each claim for which they want AHCCCS consideration for outlier payment. (This is also the case for claims submitted to the Health Plans.) The condition code serves as an indicator for the AHCCCS billing system to run that claim through the outlier payment logic versus tiered per diem payment logic. Even when claim's costs exceed the outlier threshold, if the claim is not designated with a condition code "61," it is not considered for payment at the outlier rate.

## Outlier Trends

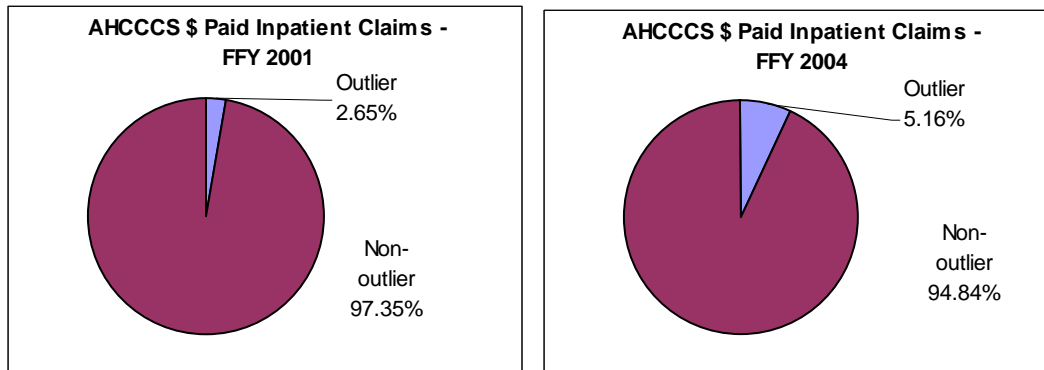
There are two significant trends noted in the outlier data studied. First, the number of claims that qualify as outliers has increased. Second, the payments for outlier claims as compared with general inpatient claims payment, have increased.

### The Increase in Claims Qualifying for Outlier Status

The methodology established in 1993 targeted 1% of all claims to be paid at outlier. In 2001, 2.12% of claims qualified as outlier and in 2004, 5.08% of all claims qualified as outlier. While not all of these qualifying claims are paid at the outlier rate due to the need for condition code 61, the rapid acceleration of claims that qualify for outlier status is notable.

### Increase in Outlier Payment

Outlier payments have risen from \$9,737,100 (2.65% of inpatient payments) in Federal Fiscal Year 2001 to \$46,992,298 (5.16% of all inpatient payments) in 2004.



### Outliers by Hospital

Exhibit 3 shows outlier data by hospital. The percent of claims paid as outlier has increased for most hospitals from 2001 through 2004. Also, the percentage of claims paid as outlier varies greatly from hospital to hospital; in 2004, those percentages ranged from 0% to 26.89% of total inpatient claims. The reasons for these variations include hospital chargemaster increases, outdated cost-to-charge ratios, increased use of the outlier modifier on claims, and other hospital-specific issues including geography, range of services, and acuity of services.

### Outliers by County

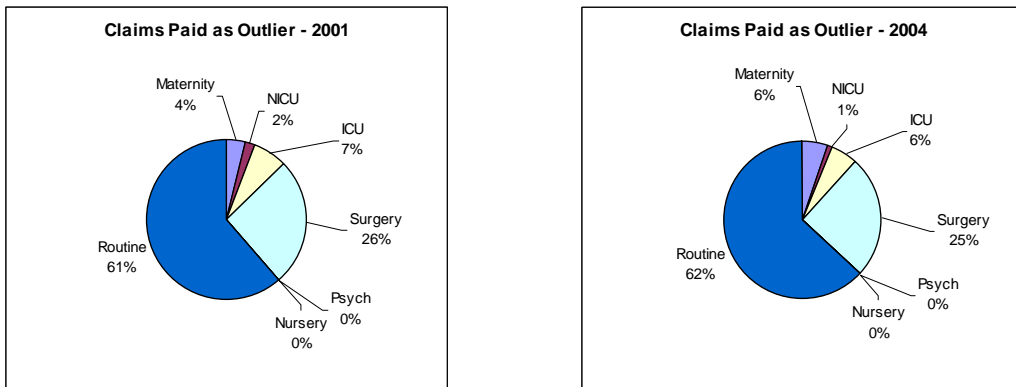
The table in Exhibit 4 sorts hospital outlier data by county. In general, the counties with the larger hospitals, trauma centers, and specialty hospitals have a larger percentage of outlier claims. However, due to population, geography, and availability of hospitals, some of the rural hospitals have a larger share of outliers. The urban counties (Maricopa

and Pima) have outlier ranges from 1.28% to 2.91% of claims paid as outlier in 2004. Rural counties have paid outlier values from 0% to 10.27%.

Types of Service Reimbursed as Outliers

Exhibit 5 shows inpatient claims by tier from 2001-2004. Three tiers have the greatest number of claims that qualify for outlier payment: Routine, Surgery and Intensive Care Unit (ICU).

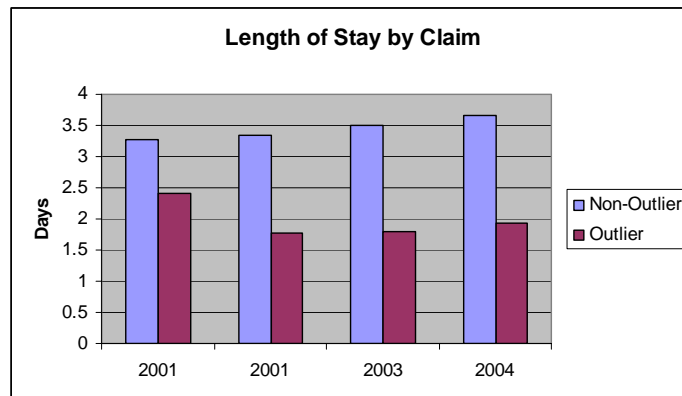
AHCCCS did not limit outliers to cover only certain types of services. The statute allows outlier payment for any service that has a cost that exceeds the given outlier thresholds. The illustration below shows the types of services that are being reimbursed as outlier claims.



The distribution of outliers by tier has remained fairly consistent; there have been no large changes in the composition of total outliers.

Length of Stay for Outlier Claims

The table in Exhibit 6 shows Outliers by length of stay (LOS) for each tier. The LOS by tier for outliers has shown no significant change as compared to the change in LOS for non-outlier claims. As expected, this data shows that outlier claims occur with shorter, more expensive stays.



## **Exhibit 1**

Report to Joint Legislative Budget Committee on Hospital Inpatient Outlier Claims



## REIMBURSEMENT OF INPATIENT HOSPITAL CLAIMS (CONT.)

- Same day admit/patient expires
  - ✓ AHCCCS will reimburse the facility the appropriate per diem payment for the date of death, provided the hospital bills for the accommodation day.

## OUTLIERS

AHCCCS reimburses in-state, non-IHS hospitals for inpatient claims with extraordinary cost per day as *outliers*. A claim is defined as an outlier if its covered costs per day exceed the statewide average cost thresholds. (See the [Outlier Calculation Worksheet, Exhibit 11-3.](#))

In order for claims to be paid at the outlier payment rate, hospitals must enter a Condition Code 61 in any Condition Code field (24-30) on the UB claim form. The entire claim for which AHCCCS is responsible must be submitted as one claim. If a claim has been paid and the provider decides to submit an adjustment for outlier consideration, the entire period of AHCCCS liability must be submitted on one claim form. The claim may not be split billed with a request for outlier reimbursement on the first claim and the remaining hospital stay billed on a subsequent claim. Claims that are identified as outlier with condition code 61 are subject to medical review.

A claim identified as an outlier with condition code 61 will be considered for outlier reimbursement if it is:

- An admit through discharge billing, identified by a bill type 111, or
- The last bill of interim billings which represents the total AHCCCS liability period of a confinement identified by bill type 114.

Example: Inpatient stay billed on two different claims

Dates of service	January 1 - 10
First claim submitted to AHCCCS	January 1 - 5
Bill Type: 112	Patient status: 30
Second claim submitted to AHCCCS	January 6 - 10
Bill Type: 114	Patient status: 01

After the initial claims have been reimbursed by AHCCCS, the provider decides to request outlier reimbursement. The provider must resubmit the entire stay on a single claim as a Replacement with a Condition Code 61 (See [Chapter 4, General Billing Rules](#), for information on submitting Replacements to UB claims).

Replacement submitted to AHCCCS	January 1 - 10
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Bill Type: 111

Patient status: 01

Condition Code: 61

AHCCCS will void the original claims and process the Replacement claim. If the Replacement claim qualifies for outlier payment, the outlier amount will be calculated. If the Replacement claim does not qualify for an outlier payment, the claim will be reimbursed using the tier per diem rates.

If a claim is identified as an outlier with Condition Code 61, but it does not qualify as an outlier, and the billed services are covered, that claim will be paid at the appropriate tiered per diem rate.

The hospital-specific fee-for-service rate sheets include hospital-specific billed charges per day (charge thresholds) as a guideline to assist hospitals in identifying claims to flag with the Condition Code 61.

#### Outlier Calculations:

The steps in the outlier process for claims classified at one tier are:

1.  $[\text{Total charges (-) non-covered charges}] \div \text{allowed accommodation days} (=) \text{covered charges per day}$ .
2.  $\text{Covered charges per day} (x) \text{ provider-specific cost-to-charge ratio} (=) \text{claim costs per day}$ .
3. If the claim costs per day exceed the tier threshold amount, the claim will pend for outlier medical review. If the costs per day do not exceed the threshold, the claim will pay at the appropriate tier(s).
4. If the claim is forwarded for outlier medical review, it will be reprocessed through the outlier calculation to determine if any disallowed charges disqualify the claim as an outlier. Although the claim costs per day may have initially exceeded the outlier threshold, upon completion of medical review, the costs per day may no longer exceed the threshold.
5. If the claim is still an outlier, reimbursement is calculated by multiplying the covered claim charges by the statewide inpatient cost-to-charge ratio, subtracting other deductions and applying discounts or penalties.



**OUTLIERS (CONT.)**

Outlier example 1 (single tier):

<b>Units (Days)</b>	<b>Revenue code</b>	<b>Description</b>	<b>Hospital charges</b>
3	17X	Nursery	\$ 3,000
		Ancillary 1	4,000
		Ancillary 2	1,500
		Ancillary 3	<u>6,000</u>
			\$14,500

1. Compute the hospital charges per day:

Total charges ÷ total days = Hospital charges per day

Total charges	\$14,500.00
Total days	3

Hospital charges per day = 14,500 ÷ 3 = \$ 4,833.33

2. Determine the hospital cost per day:

Charges per day x inpatient cost-to-charge ratio = Hospital cost per day

Hospital charges per day	\$4,833.33
Hospital-specific Inpatient cost-to-charge ratio	.3282

Hospital cost per day = \$4,833.33 X .3282 = \$1,586.30

3. Compare to the outlier threshold.

Is the cost per day (\$1,586.30) greater than the hospital-specific nursery tier threshold? If so, the claim qualifies as an outlier and will be forwarded for medical review. If not, the claim will pay at the appropriate tier.

Claims classified at more than one tier are processed with a weighted tier threshold amount:

Tier 1 threshold X number of accommodation days classified at Tier 1

Plus

Tier 2 threshold X number of accommodation days classified at Tier 2

Divided By

Total accommodation days

Equals

Weighted threshold amount



**OUTLIERS (CONT.)**

Outlier example 2 (two tiers):

An inpatient claim qualifies for five days at the ICU tier and two days at the Routine tier.

Units	Revenue Code	Description	Charges
5	203	ICU	\$12,500
2	110	Routine	2,000
		Ancillary 1	20,000
		Ancillary 2	18,500
		Ancillary 3	15,000
		Ancillary 4	<u>10,000</u>
			\$78,000

1. Compute the hospital charges per day:

Total charges	\$78,000.00
Total days	7
Charges per day = 78,000 ÷ 7 =	\$11,142.86

2. Determine the hospital cost per day:

Hospital charges per day	\$11,142.86
Inpatient cost to charge ratio	.3484
Hospital cost per day = \$11,142.86 X .3484 =	\$3,882.17

3. Since the claim has split across tiers, compute a weighted tier threshold:

Tier	Threshold	Number of Days
ICU	\$4,500	5
ROUTINE	\$2,000	2

[(Tier 1 threshold X days at Tier 1) + (Tier 2 threshold X days at Tier 2)] ÷ total days  
 [(\$4,500 X 5) + (\$2,000 X 2)] ÷ 7 = [\$22,500 + \$4,000] ÷ 7 = \$26,500 ÷ 7 = \$3,785.71

4. The cost per day (\$3,882.17) is greater than the weighted threshold (\$3,785.71), and the claim will go to medical review.
5. After medical review, the claim is processed through the outlier calculation again to determine if it still qualifies as an outlier.
6. If it is an outlier, reimbursement is calculated by multiplying covered charges by the statewide inpatient cost-to-charge ratio, subtracting other deductions and applying discounts or penalties.



## **DISCOUNTS AND PENALTIES**

AHCCCS calculates quick pay discounts and slow pay penalties on the AHCCCS allowed amount for in-state, non-IHS general acute hospital inpatient and outpatient claims billed on the UB claim form. Quick pay discounts and slow pay penalties are applied to:

- Inpatient claims reimbursed at the tier level
- Transplant claims reimbursed at the statewide inpatient cost-to-charge ratio
- Outlier claims reimbursed at the statewide inpatient cost-to-charge ratio
- Outpatient claims for dates of service prior to 7/1/2005, reimbursed at the provider-specific outpatient cost-to-charge ratio
- Outpatient claims for dates of service on or after 7/1/2005, reimbursed using the Outpatient Hospital Fee Schedule.

Effective October 1, 2001, a 1% quick pay discount is applied to claims paid within 30 days of the clean claim date.

The slow pay penalty is based on a 30 calendar day month, as illustrated below:

Claim paid within 31-60 days of clean claim date:	0% discount/penalty
Claim paid within 61-90 days of clean claim date:	1% penalty
Claim paid within 91-120 days of clean claim date:	2% penalty
etc.	

The penalty continues to accrue at a rate of 1 per cent per month or partial month until the claim is paid by AHCCCS.

### Discount/Penalty Example 1:

A claim is paid within 30 days of the clean claim date, and the quick pay discount is applied.

AHCCCS allowed amount (tier per diem)	\$10,000.00	
1% discount applied to AHCCCS allowed amount	<u>-100.00</u>	(\$10,000.00 X .01)
AHCCCS payment	\$ 9,900.00	

Discounts and penalties are applied on the net balance to claims with other insurance.

### Discount/Penalty Example 2:

A claim for a recipient with other insurance is paid within 30 days of the clean claim date.

AHCCCS allowed amount (tier per diem)	\$10,000.00
Other insurance payment	<u>- 2,000.00</u>

## **Exhibit 2**

Report to Joint Legislative Budget Committee on Hospital Inpatient Outlier Claims

**Inpatient Encounters & Claims Qualifying as Outlier by Federal Fiscal Year<sup>1</sup>**

FFY	Qualified for & Requested <sup>2</sup>			Qualified for, Requested & Paid <sup>3</sup>			Qualified for & Requested <sup>2</sup>			Qualified for, Requested & Paid <sup>3</sup>		
	No	Yes	Total	Number	Percent	Number	Percent	No	Yes	Total	Number	Percent
2001 <sup>4</sup>	No							No				
	Yes	514	0.48%	504	0.47%	\$9,748,058	2.65%	Yes	\$9,737,100	2.65%	\$9,737,100	2.65%
	Total	108,020		108,020		\$367,378,768		Total	\$367,378,768		\$367,378,768	
2002	No	0	0.74%	0	0.68%	\$0	2.24%	No	\$0	2.08%	\$0	2.08%
	Yes	1,258		1,160		\$13,968,663		Yes	\$13,010,637		\$13,010,637	
	Total	170,338		170,338		\$624,686,327		Total	\$624,686,327		\$624,686,327	
2003	No	48,512	1.17%	48,512	1.11%	\$48,512	3.58%	No	\$48,512	3.29%	\$48,512	3.29%
	Yes	2,286		2,168		\$27,222,388		Yes	\$25,050,397		\$25,050,397	
	Total	195,369		195,369		\$760,771,067		Total	\$760,771,067		\$760,771,067	
2004	No	0	2.07%	0	1.89%	\$0	5.66%	No	\$0	5.16%	\$0	5.16%
	Yes	4,242		3,870		\$51,597,621		Yes	\$46,992,298		\$46,992,298	
	Total	204,729		204,729		\$911,440,946		Total	\$911,440,946		\$911,440,946	
2005 <sup>5</sup>	No	0	2.14%	0	1.96%	\$0	6.65%	No	\$0	6.04%	\$0	6.04%
	Yes	3,027		2,767		\$42,233,534		Yes	\$38,316,313		\$38,316,313	
	Total	141,220		141,220		\$634,863,084		Total	\$634,863,084		\$634,863,084	

<sup>1</sup> AHCCCS is primary payer, acute, non-IHS in-state hospitals, paid as inpatient; data from APIPA and Pima health plans is self-reported.

<sup>2</sup> AHCCCS requires hospitals to put condition code 61 on claims to request outlier payment; most, but not all, plans report this on their

<sup>3</sup> Payment is greater than 100% tier per diem

<sup>4</sup> Self-reported data not available from health plans for FFY 2001

<sup>5</sup> Data through third quarter, with a computed 70% completion

**Exhibit 3**

Report to Joint Legislative Budget Committee on Hospital Inpatient Outlier Claims

**Inpatient Encounters & Claims Qualifying as Outlier by Hospital FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Hospital	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
432138 Arizona Heart Hospital	2001	124	8	6.45%	7	5.65%	\$603,515	\$78,652	13.03%	\$78,552	13.02%
	2002	206	18	8.74%	18	8.74%	\$1,224,006	\$185,096	15.12%	\$185,096	15.12%
	2003	210	24	11.43%	23	10.95%	\$1,112,168	\$236,091	21.23%	\$234,732	21.11%
	2004	250	38	15.20%	37	14.80%	\$2,115,562	\$414,593	19.60%	\$413,397	19.54%
	2005	159	37	23.27%	34	21.38%	\$1,342,565	\$367,550	27.38%	\$358,110	26.67%
882747 AZ Ortho Surgical Hospital	2005	4	1	25.00%	1	25.00%	\$29,046	\$17,675	60.85%	\$17,675	60.85%
760985 Arizona Spine & Joint	2004	2		0.00%		0.00%	\$11,285		0.00%		0.00%
	2005	2		0.00%		0.00%	\$4,032		0.00%		0.00%
531253 Arrowhead Community Hospital	2001	2,312		0.00%		0.00%	\$4,369,298		0.00%		0.00%
	2002	2,908	18	0.62%	18	0.62%	\$6,232,169	\$138,221	2.22%	\$138,221	2.22%
	2003	2,333	67	2.87%	65	2.79%	\$6,088,900	\$467,641	7.68%	\$464,289	7.63%
	2004	2,726	123	4.51%	112	4.11%	\$7,280,540	\$835,982	11.48%	\$802,398	11.02%
	2005	1,882	67	3.56%	62	3.29%	\$5,327,790	\$481,504	9.04%	\$473,560	8.89%
645400 Banner Baywood Heart Hospital	2001	37		0.00%		0.00%	\$213,479		0.00%		0.00%
	2002	137	1	0.73%	1	0.73%	\$722,665	\$49,384	6.83%	\$49,384	6.83%
	2003	192	2	1.04%	2	1.04%	\$1,097,481	\$80,536	7.34%	\$80,536	7.34%
	2004	238	19	7.98%	19	7.98%	\$1,922,958	\$492,219	25.60%	\$492,219	25.60%
	2005	146	13	8.90%	11	7.53%	\$1,073,614	\$229,638	21.39%	\$220,284	20.52%
021618 Banner Baywood Medical Center	2001	1,417	2	0.14%	2	0.14%	\$3,516,309	\$14,996	0.43%	\$14,996	0.43%
	2002	2,062		0.00%		0.00%	\$5,687,096		0.00%		0.00%
	2003	2,527		0.00%		0.00%	\$7,776,959		0.00%		0.00%
	2004	2,753	30	1.09%	21	0.76%	\$9,877,712	\$292,123	2.96%	\$276,550	2.80%
	2005	2,122	36	1.70%	26	1.23%	\$7,872,423	\$305,347	3.88%	\$287,012	3.65%
530099 Banner Desert Medical Center	2001	3,849	20	0.52%	19	0.49%	\$12,448,114	\$228,826	1.84%	\$226,169	1.82%
	2002	4,967	38	0.77%	38	0.77%	\$17,897,727	\$398,619	2.23%	\$398,619	2.23%
	2003	5,847	75	1.28%	73	1.25%	\$24,245,028	\$835,323	3.45%	\$829,471	3.42%
	2004	6,460	115	1.78%	110	1.70%	\$30,732,418	\$1,204,138	3.92%	\$1,198,388	3.90%
	2005	5,575	108	1.94%	91	1.63%	\$25,339,290	\$1,048,181	4.14%	\$1,012,618	4.00%
920620 Banner Estrella Med Cntr	2005	550	5	0.91%	5	0.91%	\$2,118,274	\$86,172	4.07%	\$86,172	4.07%
	2001	7,654	71	0.93%	69	0.90%	\$28,379,345	\$837,441	2.95%	\$834,759	2.94%
	2002	8,058	107	1.33%	104	1.29%	\$32,188,731	\$2,149,430	6.68%	\$2,136,709	6.64%
	2003	9,343	151	1.62%	148	1.58%	\$41,979,582	\$2,096,239	4.99%	\$2,093,431	4.99%
	2004	9,452	305	3.23%	297	3.14%	\$45,021,413	\$4,007,257	8.90%	\$3,977,767	8.84%
2005	7,276	178	2.45%	158	2.17%	\$34,651,022	\$1,977,617	5.71%	\$1,937,554	5.59%	

**Inpatient Encounters & Claims Qualifying as Outlier by Hospital FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Hospital	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
020602 Banner Mesa Medical Center	2001	1,669		0.00%		0.00%	\$4,765,248		0.00%		0.00%
	2002	2,460		0.00%		0.00%	\$6,727,605		0.00%		0.00%
	2003	2,639		0.00%		0.00%	\$7,434,478		0.00%		0.00%
	2004	2,800	25	0.89%	18	0.64%	\$9,124,384	\$178,857	1.96%	\$167,431	1.83%
	2005	2,215	34	1.53%	25	1.13%	\$7,370,426	\$202,195	2.74%	\$188,484	2.56%
529943 Banner Thunderbird Medical Center	2001	2,637	18	0.68%	17	0.64%	\$7,200,220	\$138,046	1.92%	\$137,149	1.90%
	2002	3,893	50	1.28%	49	1.26%	\$12,769,863	\$718,508	5.63%	\$717,613	5.62%
	2003	5,103	78	1.53%	76	1.49%	\$16,628,130	\$773,081	4.65%	\$768,003	4.62%
	2004	5,213	146	2.80%	134	2.57%	\$19,037,196	\$1,337,769	7.03%	\$1,323,258	6.95%
	2005	4,113	72	1.75%	51	1.24%	\$15,133,649	\$674,578	4.46%	\$642,361	4.24%
020066 Benson Hospital	2001	15		0.00%		0.00%	\$20,354		0.00%		0.00%
	2002	18		0.00%		0.00%	\$30,957		0.00%		0.00%
	2003	11		0.00%		0.00%	\$15,078		0.00%		0.00%
	2004	19	1	5.26%	1	5.26%	\$69,105	\$19,485	28.20%	\$19,485	28.20%
	2005	10		0.00%		0.00%	\$18,275		0.00%		0.00%
020280 Carondelet Holy Cross Hospital	2001	728	1	0.14%	1	0.14%	\$1,203,542	\$5,601	0.47%	\$5,601	0.47%
	2002	838	1	0.12%	1	0.12%	\$1,368,153	\$5,548	0.41%	\$5,548	0.41%
	2003	832	4	0.48%	4	0.48%	\$1,367,606	\$26,506	1.94%	\$26,506	1.94%
	2004	185		0.00%		0.00%	\$410,807		0.00%		0.00%
	2005	109	1	0.92%	1	0.92%	\$244,707	\$1,504	0.61%	\$1,504	0.61%
020321 Carondelet St. Joseph's - Tucson	2001	2,130	4	0.19%	4	0.19%	\$6,094,713	\$16,255	0.27%	\$16,255	0.27%
	2002	2,311	8	0.35%	8	0.35%	\$7,305,088	\$56,069	0.77%	\$56,069	0.77%
	2003	2,312	11	0.48%	11	0.48%	\$8,809,959	\$98,708	1.12%	\$98,708	1.12%
	2004	2,104	14	0.67%	11	0.52%	\$9,032,457	\$150,766	1.67%	\$147,668	1.63%
	2005	1,343	14	1.04%	13	0.97%	\$5,434,601	\$101,375	1.87%	\$100,413	1.85%
020339 Carondelet St. Mary's Hospital	2001	3,343	5	0.15%	5	0.15%	\$12,197,565	\$43,965	0.36%	\$43,965	0.36%
	2002	3,172	12	0.38%	11	0.35%	\$13,487,187	\$73,836	0.55%	\$69,378	0.51%
	2003	2,695	35	1.30%	35	1.30%	\$14,957,118	\$274,942	1.84%	\$274,942	1.84%
	2004	2,493	75	3.01%	71	2.85%	\$14,441,043	\$545,829	3.78%	\$540,716	3.74%
	2005	1,431	33	2.31%	29	2.03%	\$8,835,424	\$292,184	3.31%	\$287,773	3.26%
020404 Casa Grande Regional Medical Center	2001	2,630		0.00%		0.00%	\$6,940,746		0.00%		0.00%
	2002	2,878	3	0.10%	3	0.10%	\$8,402,295	\$22,763	0.27%	\$22,763	0.27%
	2003	3,074	31	1.01%	30	0.98%	\$9,202,113	\$195,228	2.12%	\$193,321	2.10%
	2004	3,149	107	3.40%	105	3.33%	\$10,542,059	\$562,663	5.34%	\$560,251	5.31%
	2005	2,350	76	3.23%	72	3.06%	\$7,992,354	\$431,999	5.41%	\$427,954	5.35%
500498 Chandler	2001	2,966	11	0.37%	11	0.37%	\$6,501,173	\$71,280	1.10%	\$71,280	1.10%

**Inpatient Encounters & Claims Qualifying as Outlier by Hospital FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Hospital	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
Regional Hospital	2002	3,661	31	0.85%	30	0.82%	\$9,382,951	\$324,122	3.45%	\$322,828	3.44%
	2003	4,504	59	1.31%	59	1.31%	\$11,606,848	\$572,876	4.94%	\$572,876	4.94%
	2004	4,734	173	3.65%	169	3.57%	\$15,714,702	\$2,473,008	15.74%	\$2,467,221	15.70%
	2005	3,567	129	3.62%	123	3.45%	\$12,028,295	\$2,121,013	17.63%	\$2,110,253	17.54%
	2001	780		0.00%		0.00%	\$1,529,932		0.00%		0.00%
020644 Cobre Valley Community Hospital	2002	880		0.00%		0.00%	\$1,825,777		0.00%		0.00%
	2003	845		0.00%		0.00%	\$1,991,877		0.00%		0.00%
	2004	656		0.00%		0.00%	\$1,823,081		0.00%		0.00%
	2005	575		0.00%		0.00%	\$1,497,213		0.00%		0.00%
	2001	160		0.00%		0.00%	\$249,991		0.00%		0.00%
020032 Copper Queen Community Hospital	2002	87		0.00%		0.00%	\$170,040		0.00%		0.00%
	2003	60		0.00%		0.00%	\$139,278		0.00%		0.00%
	2004	45		0.00%		0.00%	\$113,141		0.00%		0.00%
	2005	27		0.00%		0.00%	\$79,039		0.00%		0.00%
	2001	18		0.00%		0.00%	\$156,638		0.00%		0.00%
401761 Cornerstone Hospital of SE Arizona (formerly Summit)	2002	10		0.00%		0.00%	\$129,694		0.00%		0.00%
	2003	14		0.00%		0.00%	\$169,468		0.00%		0.00%
	2004	50		0.00%		0.00%	\$517,933		0.00%		0.00%
	2005	24		0.00%		0.00%	\$264,569		0.00%		0.00%
	2001	198		0.00%		0.00%	\$627,151		0.00%		0.00%
025305 DeLe Webb Memorial Hospital	2002	556		0.00%		0.00%	\$1,480,500		0.00%		0.00%
	2003	1,613	11	0.68%	10	0.62%	\$3,850,663	\$89,239	2.32%	\$88,312	2.29%
	2004	1,820	24	1.32%	22	1.21%	\$4,565,060	\$181,308	3.97%	\$178,420	3.91%
	2005	1,474	22	1.49%	22	1.49%	\$4,013,266	\$252,770	6.30%	\$252,770	6.30%
	2001	84		0.00%		0.00%	\$433,654		0.00%		0.00%
840365 El Dorado Medical Center	2002	110		0.00%		0.00%	\$544,939		0.00%		0.00%
	2003	147		0.00%		0.00%	\$849,878		0.00%		0.00%
	2004	153		0.00%		0.00%	\$1,061,387		0.00%		0.00%
	2005	87		0.00%		0.00%	\$668,705		0.00%		0.00%
	2001	1,908	1	0.05%	1	0.05%	\$8,188,643	\$5,495	0.07%	\$5,495	0.07%
020123 Flagstaff Medical Center	2002	2,181	4	0.18%	4	0.18%	\$10,331,001	\$57,065	0.55%	\$57,065	0.55%
	2003	2,232	10	0.45%	8	0.36%	\$12,536,462	\$92,749	0.74%	\$88,882	0.71%
	2004	1,603	10	0.62%	10	0.62%	\$10,331,253	\$133,208	1.29%	\$133,208	1.29%
	2005	1,177	10	0.85%	10	0.85%	\$7,786,360	\$193,798	2.49%	\$193,798	2.49%
	2001	277		0.00%		0.00%	\$1,429,740		0.00%		0.00%
155128 Hacienda De Los	2002	324		0.00%		0.00%	\$2,244,601		0.00%		0.00%

**Inpatient Encounters & Claims Qualifying as Outlier by Hospital FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Hospital	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
Ninos	2003	310		0.00%		0.00%	\$1,834,386		0.00%		0.00%
	2004	329		0.00%		0.00%	\$1,888,804		0.00%		0.00%
	2005	171		0.00%		0.00%	\$881,603		0.00%		0.00%
445131 Havasu Regional Medical Center	2001	374	1	0.27%	1	0.27%	\$1,133,753	\$5,883	0.52%	\$5,883	0.52%
	2002	404	9	2.23%	9	2.23%	\$1,379,737	\$49,199	3.57%	\$49,199	3.57%
	2003	394	11	2.79%	11	2.79%	\$1,162,743	\$78,523	6.75%	\$78,523	6.75%
	2004	419	15	3.58%	14	3.34%	\$1,180,254	\$104,037	8.81%	\$102,003	8.64%
	2005	415	8	1.93%	6	1.45%	\$1,051,035	\$84,206	8.01%	\$80,485	7.66%
026717 Healthsouth - Scottsdale	2001	2		0.00%		0.00%	\$11,649		0.00%		0.00%
	2002	8		0.00%		0.00%	\$89,735		0.00%		0.00%
	2003	10		0.00%		0.00%	\$88,557		0.00%		0.00%
	2004	27		0.00%		0.00%	\$312,371		0.00%		0.00%
	2005	18		0.00%		0.00%	\$171,809		0.00%		0.00%
028979 Healthsouth Rehab Institute of Tucson	2001	81		0.00%		0.00%	\$929,689		0.00%		0.00%
	2002	75		0.00%		0.00%	\$921,202		0.00%		0.00%
	2003	107		0.00%		0.00%	\$1,281,534		0.00%		0.00%
	2004	75		0.00%		0.00%	\$1,045,401		0.00%		0.00%
	2005	27		0.00%		0.00%	\$360,204		0.00%		0.00%
027434 Healthsouth Valley of the Sun	2001	5		0.00%		0.00%	\$108,216		0.00%		0.00%
	2002	21		0.00%		0.00%	\$252,940		0.00%		0.00%
	2003	41		0.00%		0.00%	\$425,779		0.00%		0.00%
	2004	47		0.00%		0.00%	\$476,569		0.00%		0.00%
	2005	42		0.00%		0.00%	\$461,047		0.00%		0.00%
446246 John C Lincoln Hospital - Deer Valley	2001	679	2	0.29%	2	0.29%	\$1,811,974	\$30,843	1.70%	\$30,843	1.70%
	2002	917	23	2.51%	23	2.51%	\$4,205,451	\$354,015	8.42%	\$354,015	8.42%
	2003	1,245	41	3.29%	38	3.05%	\$6,154,734	\$454,245	7.38%	\$447,102	7.26%
	2004	1,436	137	9.54%	117	8.15%	\$8,456,924	\$1,575,696	18.63%	\$1,526,370	18.05%
	2005	1,164	105	9.02%	84	7.22%	\$6,732,186	\$1,474,847	21.91%	\$1,386,741	20.60%
020181 John C Lincoln Hospital - North Mtn	2001	2,750		0.00%		0.00%	\$7,508,466		0.00%		0.00%
	2002	3,802		0.00%		0.00%	\$11,911,960		0.00%		0.00%
	2003	3,653	4	0.11%	4	0.11%	\$11,248,526	\$66,296	0.59%	\$66,296	0.59%
	2004	4,016	93	2.32%	75	1.87%	\$13,057,513	\$1,243,100	9.52%	\$1,183,223	9.06%
	2005	2,815	87	3.09%	76	2.70%	\$11,202,613	\$1,225,485	10.94%	\$1,194,692	10.66%
478281 Kindred Hospital - Phoenix	2001	139		0.00%		0.00%	\$1,014,269		0.00%		0.00%
	2002	129		0.00%		0.00%	\$1,179,897		0.00%		0.00%
	2003	191		0.00%		0.00%	\$1,926,669		0.00%		0.00%

**Inpatient Encounters & Claims Qualifying as Outlier by Hospital FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Hospital	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
	2004	207		0.00%		0.00%	\$2,214,000		0.00%		0.00%
	2005	134		0.00%		0.00%	\$1,368,081		0.00%		0.00%
715625 Kindred Hospital - Scottsdale	2003	55		0.00%		0.00%	\$598,137		0.00%		0.00%
	2004	93		0.00%		0.00%	\$875,692		0.00%		0.00%
	2005	76		0.00%		0.00%	\$723,267		0.00%		0.00%
478265 Kindred Hospital - Tucson	2001	20	1	5.00%	1	5.00%	\$200,276	\$52,404	26.17%	\$52,404	26.17%
	2002	75	1	1.33%	1	1.33%	\$818,703	\$96,075	11.73%	\$96,075	11.73%
	2003	63		0.00%		0.00%	\$653,817		0.00%		0.00%
	2004	99	1	1.01%	1	1.01%	\$1,179,175	\$108,472	9.20%	\$108,472	9.20%
	2005	53		0.00%		0.00%	\$620,860		0.00%		0.00%
020256 Kingman Regional Medical Center	2001	603		0.00%		0.00%	\$1,632,730		0.00%		0.00%
	2002	773		0.00%		0.00%	\$2,629,656		0.00%		0.00%
	2003	852		0.00%		0.00%	\$2,721,775		0.00%		0.00%
	2004	794		0.00%		0.00%	\$3,307,379		0.00%		0.00%
	2005	685		0.00%		0.00%	\$2,290,032		0.00%		0.00%
020298 / 874223 Kino Community / University Physicians at Kino	2001	491		0.00%		0.00%	\$2,325,969		0.00%		0.00%
	2002	618		0.00%		0.00%	\$2,395,439		0.00%		0.00%
	2003	783		0.00%		0.00%	\$2,789,219		0.00%		0.00%
	2004	544		0.00%		0.00%	\$1,582,191		0.00%		0.00%
	2005	372		0.00%		0.00%	\$1,188,039		0.00%		0.00%
480046 La Paz Regional Medical Center	2001	38		0.00%		0.00%	\$99,022		0.00%		0.00%
	2002	55		0.00%		0.00%	\$140,193		0.00%		0.00%
	2003	57		0.00%		0.00%	\$168,813		0.00%		0.00%
	2004	27		0.00%		0.00%	\$71,843		0.00%		0.00%
	2005	16		0.00%		0.00%	\$51,770		0.00%		0.00%
020107 Maricopa County Medical Center	2001	15,278	20	0.13%	20	0.13%	\$51,161,639	\$172,890	0.34%	\$172,890	0.34%
	2002	16,805	41	0.24%	41	0.24%	\$58,937,650	\$297,267	0.50%	\$297,267	0.50%
	2003	15,919	95	0.60%	93	0.58%	\$66,273,711	\$687,955	1.04%	\$685,562	1.03%
	2004	15,891	197	1.24%	172	1.08%	\$77,415,429	\$1,771,498	2.29%	\$1,739,703	2.25%
	2005	10,249	115	1.12%	109	1.06%	\$52,085,762	\$1,280,169	2.46%	\$1,270,165	2.44%
434697 Maryvale Hospital Medical Center	2001	4,962	1	0.02%	1	0.02%	\$10,779,762	\$5,782	0.05%	\$5,782	0.05%
	2002	6,056	28	0.46%	27	0.45%	\$14,573,424	\$152,676	1.05%	\$151,783	1.04%
	2003	7,863	86	1.09%	83	1.06%	\$19,842,947	\$481,524	2.43%	\$475,066	2.39%
	2004	7,206	134	1.86%	123	1.71%	\$19,952,960	\$986,917	4.95%	\$968,704	4.85%
	2005	5,503	120	2.18%	117	2.13%	\$15,023,894	\$1,083,709	7.21%	\$1,075,765	7.16%
449357 Mayo	2001	84	1	1.19%	1	1.19%	\$639,040	\$2,294	0.36%	\$2,294	0.36%

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			Number	Percent	Number	Percent		Number	Percent	Number	Percent
Clinic Hospital	2002	169	3	1.78%	2	1.18%	\$746,925	\$15,905	2.13%	\$15,028	2.01%
	2003	134	5	3.73%	5	3.73%	\$896,874	\$73,443	8.19%	\$73,443	8.19%
	2004	165	10	6.06%	9	5.45%	\$1,540,885	\$73,568	4.77%	\$72,619	4.71%
	2005	118	5	4.24%	5	4.24%	\$891,221	\$35,559	3.99%	\$35,559	3.99%
	2001	2,205	2	0.09%	2	0.09%	\$5,077,258	\$11,824	0.23%	\$11,824	0.23%
493148 Mesa General Hospital	2002	2,364	5	0.21%	5	0.21%	\$5,781,519	\$90,570	1.57%	\$90,570	1.57%
	2003	2,570	50	1.95%	48	1.87%	\$7,273,194	\$605,066	8.32%	\$602,784	8.29%
	2004	2,730	116	4.25%	116	4.25%	\$9,304,702	\$1,840,671	19.78%	\$1,840,671	19.78%
	2005	1,770	82	4.63%	79	4.46%	\$6,362,956	\$1,396,600	21.95%	\$1,391,724	21.87%
	2001	452		0.00%		0.00%	\$970,296		0.00%		0.00%
020082 Mt. Graham Community Hospital	2002	737	1	0.14%	1	0.14%	\$1,880,019	\$10,188	0.54%	\$10,188	0.54%
	2003	656		0.00%		0.00%	\$1,627,034		0.00%		0.00%
	2004	697		0.00%		0.00%	\$1,902,835		0.00%		0.00%
	2005	520		0.00%		0.00%	\$1,396,050		0.00%		0.00%
	2001	620		0.00%		0.00%	\$1,510,600		0.00%		0.00%
020016 Navapache Regional Medical Center	2002	721		0.00%		\$1,818,206		0.00%		0.00%	
	2003	740		0.00%		\$2,014,380		0.00%		0.00%	
	2004	712	1	0.14%	1	0.14%	\$1,814,587	\$3,516	0.19%	\$3,516	0.19%
	2005	678		0.00%		\$1,522,840		0.00%		0.00%	
	2001	17	0	0.00%	0	0.00%	\$150,565	\$0	0.00%	\$0	0.00%
018194 Northern Arizona Rehab	2002	29	0	0.00%	0	0.00%	\$324,393	\$0	0.00%	\$0	0.00%
	2003	16	0	0.00%	0	0.00%	\$134,178	\$0	0.00%	\$0	0.00%
	2004	25	0	0.00%	0	0.00%	\$332,744	\$0	0.00%	\$0	0.00%
	2005	13	0	0.00%	0	0.00%	\$145,973	\$0	0.00%	\$0	0.00%
	2001	17		0.00%		0.00%	\$32,764		0.00%		0.00%
020058 Northern Cochise Community Hospital	2002	18		0.00%		\$27,034		0.00%		0.00%	
	2003	25		0.00%		\$60,641		0.00%		0.00%	
	2004	28		0.00%		\$56,616		0.00%		0.00%	
	2005	25		0.00%		\$62,619		0.00%		0.00%	
	2001	1,585	3	0.19%	3	0.19%	\$3,840,491	\$34,544	0.90%	\$34,544	0.90%
481309 Northwest Medical Center	2002	2,024	10	0.49%	10	0.49%	\$5,298,610	\$69,691	1.32%	\$69,691	1.32%
	2003	2,441	14	0.57%	13	0.53%	\$7,024,257	\$137,759	1.96%	\$136,432	1.94%
	2004	2,502	22	0.88%	21	0.84%	\$7,838,004	\$346,510	4.42%	\$339,621	4.33%
	2005	1,789	39	2.18%	36	2.01%	\$6,399,878	\$517,716	8.09%	\$511,457	7.99%
	2001	27		0.00%		0.00%	\$118,143		0.00%		0.00%

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			Number	Percent	Number	Percent		Number	Percent	Number	Percent
529919 Page Hospital	2001	181		0.00%		0.00%	\$291,677		0.00%		0.00%
	2002	214		0.00%		0.00%	\$415,854		0.00%		0.00%
	2003	167		0.00%		0.00%	\$320,725		0.00%		0.00%
	2004	53		0.00%		0.00%	\$128,210		0.00%		0.00%
	2005	36		0.00%		0.00%	\$66,227		0.00%		0.00%
643602 Paradise Valley Hospital	2001	1,636	7	0.43%	7	0.43%	\$3,564,752	\$42,457	1.19%	\$42,457	1.19%
	2002	1,972	24	1.22%	24	1.22%	\$4,573,204	\$175,767	3.84%	\$175,767	3.84%
	2003	2,195	36	1.64%	33	1.50%	\$5,922,333	\$208,260	3.52%	\$201,599	3.40%
	2004	2,173	49	2.25%	45	2.07%	\$6,587,741	\$375,571	5.70%	\$370,356	5.62%
	2005	1,459	30	2.06%	28	1.92%	\$4,313,477	\$271,061	6.28%	\$269,079	6.24%
405599 Payson Hospital Corporation	2001	366	10	2.73%	10	2.73%	\$869,215	\$54,672	6.29%	\$54,672	6.29%
	2002	504	44	8.73%	44	8.73%	\$1,572,028	\$164,275	10.45%	\$164,275	10.45%
	2003	548	85	15.51%	81	14.78%	\$1,821,075	\$435,455	23.91%	\$431,531	23.70%
	2004	619	135	21.81%	131	21.16%	\$2,250,684	\$765,585	34.02%	\$755,457	33.57%
	2005	417	137	32.85%	123	29.50%	\$1,893,419	\$987,875	52.17%	\$935,407	49.40%
532417 Phoenix Baptist Hospital	2001	2,786		0.00%		0.00%	\$6,126,620		0.00%		0.00%
	2002	3,277	26	0.79%	26	0.79%	\$8,998,389	\$490,509	5.45%	\$490,509	5.45%
	2003	4,317	94	2.18%	90	2.08%	\$12,215,076	\$1,492,211	12.22%	\$1,488,126	12.18%
	2004	4,281	147	3.43%	139	3.25%	\$13,443,973	\$1,688,127	12.56%	\$1,676,822	12.47%
	2005	3,359	56	1.67%	52	1.55%	\$9,404,955	\$621,825	6.61%	\$613,582	6.52%
706707 Phoenix Children's Hospital	2001	2,849	21	0.74%	21	0.74%	\$27,897,390	\$4,046,178	14.50%	\$4,046,178	14.50%
	2002	2,881	16	0.56%	16	0.56%	\$23,401,150	\$623,424	2.66%	\$623,424	2.66%
	2003	3,848	30	0.78%	29	0.75%	\$31,925,235	\$1,264,254	3.96%	\$1,263,351	3.96%
	2004	3,685	51	1.38%	47	1.28%	\$33,802,190	\$1,523,715	4.51%	\$1,513,920	4.48%
	2005	2,896	72	2.49%	70	2.42%	\$30,699,773	\$3,583,227	11.67%	\$3,580,230	11.66%
817687 Phoenix Memorial Hospital	2001	2,442	4	0.16%	4	0.16%	\$6,847,785	\$23,276	0.34%	\$23,276	0.34%
	2002	2,168	33	1.52%	33	1.52%	\$7,602,223	\$339,015	4.46%	\$339,015	4.46%
	2003	368	55	14.95%	55	14.95%	\$2,534,673	\$661,597	26.10%	\$661,597	26.10%
	2004	1,737	101	5.81%	98	5.64%	\$10,036,624	\$1,469,136	14.64%	\$1,462,419	14.57%
	2005	1,868	78	4.18%	76	4.07%	\$10,172,170	\$1,482,459	14.57%	\$1,477,576	14.53%
920604 Phoenix Rehab Hospital	2005	30		0.00%		\$462,216		0.00%		0.00%	
836174 Promise Spcity Hosp-Phx	2004	25		0.00%		\$472,367		0.00%		0.00%	
	2005	20		0.00%		\$405,999		0.00%		0.00%	
	2001	369	3	0.81%	3	0.81%	\$880,898	\$5,442	0.62%	\$5,442	0.62%
Memorial Hospital	2002	374		0.00%		\$959,994		0.00%		0.00%	

**Inpatient Encounters & Claims Qualifying as Outlier by Hospital FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Hospital	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
	2003	195		0.00%		0.00%	\$570,584		0.00%		0.00%
	2004	177		0.00%		0.00%	\$411,891		0.00%		0.00%
	2005	108		0.00%		0.00%	\$314,749		0.00%		0.00%
020652	2001	1,796	9	0.50%	9	0.50%	\$6,910,122	\$61,944	0.90%	\$61,944	0.90%
Scottsdale	2002	2,296	2	0.09%	2	0.09%	\$7,875,256	\$12,877	0.16%	\$12,877	0.16%
Healthcare -	2003	2,868	3	0.10%	2	0.07%	\$10,991,349	\$17,600	0.16%	\$16,133	0.15%
Osborn	2004	2,856	58	2.03%	54	1.89%	\$11,638,358	\$392,706	3.37%	\$384,558	3.30%
	2005	1,614	47	2.91%	42	2.60%	\$6,608,787	\$397,531	6.02%	\$388,559	5.88%
021501	2001	789		0.00%		0.00%	\$2,396,279		0.00%		0.00%
Scottsdale	2002	1,058		0.00%		0.00%	\$2,871,967		0.00%		0.00%
Healthcare - Shea	2003	1,350		0.00%		0.00%	\$4,868,425		0.00%		0.00%
	2004	1,385	18	1.30%	16	1.16%	\$5,403,067	\$131,414	2.43%	\$128,467	2.38%
	2005	933	14	1.50%	14	1.50%	\$3,172,409	\$99,959	3.15%	\$99,959	3.15%
020024	2001	700		0.00%		0.00%	\$1,412,731		0.00%		0.00%
Vista Community	2002	839	10	1.19%	10	1.19%	\$1,856,127	\$54,010	2.91%	\$54,010	2.91%
Hospital	2003	956	6	0.63%	6	0.63%	\$2,109,131	\$37,318	1.77%	\$37,318	1.77%
	2004	1,037	1	0.10%	1	0.10%	\$2,126,995	\$4,379	0.21%	\$4,379	0.21%
	2005	645		0.00%		0.00%	\$1,553,443		0.00%		0.00%
558439	2001	205		0.00%		0.00%	\$482,215		0.00%		0.00%
Southeast	2002	92		0.00%		0.00%	\$253,136		0.00%		0.00%
Arizona Medical	2003	76		0.00%		0.00%	\$203,002		0.00%		0.00%
Center	2004	67		0.00%		0.00%	\$176,167		0.00%		0.00%
	2005	33		0.00%		0.00%	\$86,592		0.00%		0.00%
104365	2001	18		0.00%		0.00%	\$277,580		0.00%		0.00%
Southern	2002	24		0.00%		0.00%	\$390,357		0.00%		0.00%
Arizona Rehab	2003	49		0.00%		0.00%	\$558,533		0.00%		0.00%
	2004	52		0.00%		0.00%	\$610,472		0.00%		0.00%
	2005	25		0.00%		0.00%	\$410,321		0.00%		0.00%
486028	2001	6		0.00%		0.00%	\$89,531		0.00%		0.00%
Select	2002	15		0.00%		0.00%	\$346,025		0.00%		0.00%
Specialty Hospital	2003	58		0.00%		0.00%	\$888,891		0.00%		0.00%
- Mesa	2004	6		0.00%		0.00%	\$85,116		0.00%		0.00%
	2005	18		0.00%		0.00%	\$290,478		0.00%		0.00%
459835	2001	119		0.00%		0.00%	\$1,414,223		0.00%		0.00%
Select	2002	104		0.00%		0.00%	\$1,613,139		0.00%		0.00%
Specialty Hospital	2003	90		0.00%		0.00%	\$1,400,954		0.00%		0.00%
- Phoenix											

### Inpatient Encounters & Claims Qualifying as Outlier by Hospital FFY 2001 - 2005

2005 Data through Third Quarter, computed at 70% complete

Hospital	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
	2004	96		0.00%		0.00%	\$1,713,041				0.00%
	2005	23		0.00%		0.00%	\$547,781				0.00%
707721 Select	2003	1		0.00%		0.00%	\$1,680				0.00%
Specialty - Phx	2004	7		0.00%		0.00%	\$71,980				0.00%
Downtown	2005	7		0.00%		0.00%	\$119,703				0.00%
707739 Select	2004	5		0.00%		0.00%	\$88,373				0.00%
Spclty-Scottsdale	2005	7		0.00%		0.00%	\$186,912				0.00%
691974 St.	2001	11,710	170	1.45%	167	1.43%	\$52,672,447	\$2,016,865	3.83%	\$2,013,952	3.82%
Joseph's Hospital	2002	12,775	314	2.46%	311	2.43%	\$60,096,858	\$3,639,948	6.06%	\$3,636,969	6.05%
- Phoenix	2003	14,749	636	4.31%	629	4.26%	\$70,650,340	\$8,381,102	11.86%	\$8,371,501	11.85%
	2004	15,005	725	4.83%	700	4.67%	\$80,155,946	\$12,030,417	15.01%	\$11,939,920	14.90%
	2005	10,935	520	4.76%	505	4.62%	\$58,922,899	\$8,540,625	14.49%	\$8,513,510	14.45%
495904 St.	2001	514	54	10.51%	54	10.51%	\$4,350,526	\$1,143,776	26.29%	\$1,143,776	26.29%
Luke's Medical	2002	505	57	11.29%	57	11.29%	\$3,547,986	\$750,360	21.15%	\$750,360	21.15%
Center	2003	767	113	14.73%	110	14.34%	\$5,887,918	\$1,472,986	25.02%	\$1,460,743	24.81%
	2004	801	184	22.97%	173	21.60%	\$7,359,553	\$2,859,307	38.85%	\$2,830,343	38.46%
	2005	454	86	18.94%	86	18.94%	\$4,463,344	\$1,524,373	34.15%	\$1,524,373	34.15%
948325 Surgical											
Specity Hosp AZ	2005	2		0.00%		0.00%	\$5,541		0.00%		0.00%
494930 Tempe	2001	493	22	4.46%	22	4.46%	\$2,085,966	\$189,917	9.10%	\$189,917	9.10%
St. Luke's	2002	637	36	5.65%	36	5.65%	\$2,673,538	\$267,646	10.01%	\$267,646	10.01%
Hospital	2003	990	51	5.15%	51	5.15%	\$4,407,063	\$474,431	10.77%	\$474,431	10.77%
	2004	1,581	111	7.02%	97	6.14%	\$6,916,336	\$809,378	11.70%	\$783,015	11.32%
	2005	704	78	11.08%	71	10.09%	\$4,676,793	\$1,012,684	21.65%	\$1,000,868	21.40%
493750 Tucson	2001	1		0.00%		0.00%	\$2,273		0.00%		0.00%
General Hospital											
403775 Tucson	2001	192	4	2.08%	4	2.08%	\$825,199	\$43,215	5.24%	\$43,215	5.24%
Heart Hospital	2002	135	6	4.44%	6	4.44%	\$546,973	\$100,097	18.30%	\$100,097	18.30%
	2003	106	14	13.21%	11	10.38%	\$669,791	\$227,662	33.99%	\$218,636	32.64%
	2004	119	35	29.41%	32	26.89%	\$926,812	\$577,601	62.32%	\$574,190	61.95%
	2005	83	16	19.28%	16	19.28%	\$579,757	\$315,149	54.36%	\$315,149	54.36%
020462 Tucson	2001	4,222	12	0.28%	11	0.26%	\$14,360,133	\$87,912	0.61%	\$87,066	0.61%
Medical Center	2002	5,535	41	0.74%	41	0.74%	\$18,485,389	\$266,653	1.44%	\$266,653	1.44%
	2003	7,654	41	0.54%	39	0.51%	\$25,745,981	\$290,930	1.13%	\$286,432	1.11%
	2004	7,660	36	0.47%	34	0.44%	\$27,423,597	\$279,128	1.02%	\$277,839	1.01%
	2005	5,709	34	0.60%	29	0.51%	\$19,976,047	\$227,609	1.14%	\$219,428	1.10%

**Inpatient Encounters & Claims Qualifying as Outlier by Hospital FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Hospital	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
020470 University Medical Center	2001	5,647	19	0.34%	18	0.32%	\$22,889,937	\$221,249	0.97%	\$220,383	0.96%
	2002	6,057	39	0.64%	39	0.64%	\$26,927,018	\$663,598	2.46%	\$663,598	2.46%
	2003	6,343	50	0.79%	48	0.76%	\$28,439,684	\$1,029,001	3.62%	\$1,023,623	3.60%
	2004	5,878	95	1.62%	91	1.55%	\$33,422,947	\$1,734,475	5.19%	\$1,718,824	5.14%
	2005	3,763	78	2.07%	73	1.94%	\$21,410,095	\$1,498,079	7.00%	\$1,490,692	6.96%
020438 Verde Valley Medical Center	2001	634	2	0.32%	2	0.32%	\$1,450,935	\$15,080	1.04%	\$15,080	1.04%
	2002	697	6	0.86%	6	0.86%	\$1,922,619	\$61,078	3.18%	\$61,078	3.18%
	2003	701	3	0.43%	3	0.43%	\$2,113,694	\$30,418	1.44%	\$30,418	1.44%
	2004	793	3	0.38%	3	0.38%	\$2,573,473	\$38,655	1.50%	\$38,655	1.50%
	2005	492	1	0.20%	1	0.20%	\$1,573,363	\$9,934	0.63%	\$9,934	0.63%
020793 Walter Boswell Memorial Hospital	2001	344		0.00%		\$1,105,759		0.00%			0.00%
	2002	490	1	0.20%	1	0.20%	\$2,229,909	\$9,456	0.42%	\$9,456	0.42%
	2003	648	41	6.33%	39	6.02%	\$3,846,672	\$410,281	10.67%	\$406,678	10.57%
	2004	599	49	8.18%	48	8.01%	\$3,757,249	\$709,381	18.88%	\$708,452	18.86%
	2005	441	17	3.85%	17	3.85%	\$2,662,405	\$201,794	7.58%	\$201,794	7.58%
531237 Western Arizona Medical Center	2001	358	5	1.40%	5	1.40%	\$1,001,490	\$39,057	3.90%	\$39,057	3.90%
	2002	435	11	2.53%	10	2.30%	\$1,110,438	\$83,218	7.49%	\$82,302	7.41%
	2003	423	21	4.96%	19	4.49%	\$1,569,458	\$175,892	11.21%	\$173,261	11.04%
	2004	370	15	4.05%	15	4.05%	\$1,286,509	\$145,990	11.35%	\$145,990	11.35%
	2005	381	8	2.10%	8	2.10%	\$1,412,944	\$62,434	4.42%	\$62,434	4.42%
806416 West Valley Hospital	2003	30	1	3.33%	1	3.33%	\$63,808	\$5,147	8.07%	\$5,147	8.07%
	2004	1,563	73	4.67%	72	4.61%	\$4,725,250	\$469,578	9.94%	\$467,680	9.90%
	2005	1,464	74	5.05%	68	4.64%	\$4,438,282	\$536,930	12.10%	\$523,492	11.79%
	2001	103		0.00%		0.00%	\$219,112		0.00%		0.00%
	2002	67		0.00%		0.00%	\$324,441		0.00%		0.00%
192584 White Mountain Regional Medical Center	2003	26		0.00%		\$78,117		0.00%			0.00%
	2004	20		0.00%		\$50,767		0.00%			0.00%
	2005	13		0.00%		\$38,087		0.00%			0.00%
	2001	21		0.00%		\$36,886		0.00%			0.00%
	2002	10		0.00%		\$19,854		0.00%			0.00%
649577 Wickenburg Regional Hospital	2003	8		0.00%		\$13,235		0.00%			0.00%
	2004	12		0.00%		\$26,077		0.00%			0.00%
	2005	6		0.00%		\$19,229		0.00%			0.00%
	2001	555		0.00%		\$987,325		0.00%			0.00%
	2002	641	1	0.16%		\$1,193,184	\$1,225	0.10%			0.00%
020389 Winslow Memorial Hospital	2003	630		0.00%		\$1,318,530		0.00%			0.00%

### Inpatient Encounters & Claims Qualifying as Outlier by Hospital FFY 2001 - 2005

2005 Data through Third Quarter, computed at 70% complete

Hospital	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
	2004	535	3	0.56%	3	0.56%	\$1,091,358	\$13,858	1.27%	\$13,858	1.27%
	2005	479		0.00%		0.00%	\$958,548		0.00%		0.00%
020420 Yavapai Regional Medical Center	2001	1,136		0.00%		0.00%	\$2,452,534		0.00%		0.00%
	2002	1,052		0.00%		0.00%	\$2,685,967		0.00%		0.00%
	2003	1,430	1	0.07%	1	0.07%	\$3,806,887	\$3,322	0.09%	\$3,322	0.09%
	2004	1,543	22	1.43%	22	1.43%	\$4,217,905	\$126,117	2.99%	\$126,117	2.99%
	2005	1,197	25	2.09%	24	2.01%	\$3,542,898	\$154,492	4.36%	\$154,070	4.35%
020264 Yuma Regional Medical Center	2001	2,454		0.00%		0.00%	\$5,449,613		0.00%		0.00%
	2002	2,689		0.00%		0.00%	\$6,572,463		0.00%		0.00%
	2003	2,775		0.00%		0.00%	\$7,706,540		0.00%		0.00%
	2004	3,084	2	0.06%	1	0.03%	\$8,410,797	\$10,150	0.12%	\$9,830	0.12%
	2005	2,045	6	0.29%	5	0.24%	\$5,749,838	\$30,216	0.53%	\$28,656	0.50%
776411 Yuma Rehabilitation Hospital	2003	7		0.00%		0.00%	\$111,155		0.00%		0.00%
	2004	18		0.00%		0.00%	\$244,409		0.00%		0.00%
	2005	9		0.00%		0.00%	\$157,056		0.00%		0.00%
Total - All Hospitals	2001	107,984	514	0.48%	504	0.47%	\$367,358,946	\$9,748,058	2.65%	\$9,737,100	2.65%
	2002	125,060	1,079	0.86%	1,066	0.85%	\$446,531,228	\$13,017,403	2.92%	\$12,991,146	2.91%
	2003	139,031	2,145	1.54%	2,086	1.50%	\$540,821,516	\$25,041,838	4.63%	\$24,933,064	4.61%
	2004	142,816	3,844	2.69%	3,608	2.53%	\$621,188,610	\$47,037,859	7.57%	\$46,514,369	7.49%
	2005	104,573	2,774	2.65%	2,554	2.44%	\$461,533,356	\$37,441,651	8.11%	\$36,953,681	8.01%

<sup>1</sup> AHCCCS is primary payer, acute, non-IHS in-state hospitals, paid as inpatient

<sup>2</sup> AHCCCS requires hospitals to put condition code 61 on claims to request outlier payment; most, but not all, plans report this on their encounters. Data have also been cleaned to reflect outlier payments that were made but did not have condition code 61 reported

<sup>3</sup> Payment is greater than 100% tier per diem

## **Exhibit 4**

Report to Joint Legislative Budget Committee on Hospital Inpatient Outlier Claims

**Inpatient Encounters & Claims Qualifying as Outlier by Hospital's County FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

County	FFY	Total Inpatient # E/Cs <sup>1,2</sup>	Outlier Requested <sup>3</sup>		Outlier Paid <sup>4</sup>		Total Inpatient Payments <sup>1,2</sup>	Outlier Requested <sup>3</sup>		Outlier Paid <sup>4</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
Apache	2001	472	3	0.64%	3	0.64%	\$1,100,010	\$5,442	0.49%	\$5,442	0.49%
	2002	441		0.00%		0.00%	\$1,284,435		0.00%		0.00%
	2003	221		0.00%		0.00%	\$648,700		0.00%		0.00%
	2004	197		0.00%		0.00%	\$462,657		0.00%		0.00%
	2005	121		0.00%		0.00%	\$352,836		0.00%		0.00%
Cochise	2001	1,097		0.00%		0.00%	\$2,198,054		0.00%		0.00%
	2002	1,054	10	0.95%	10	0.95%	\$2,337,295	\$54,010	2.31%	\$54,010	2.31%
	2003	1,128	6	0.53%	6	0.53%	\$2,527,130	\$60,290	2.39%	\$60,290	2.39%
	2004	1,196	2	0.17%	2	0.17%	\$2,542,024	\$23,865	0.94%	\$23,865	0.94%
	2005	740		0.00%		0.00%	\$1,799,968		0.00%		0.00%
Coconino	2001	2,106	1	0.05%	1	0.05%	\$8,630,884	\$5,495	0.06%	\$5,495	0.06%
	2002	2,424	4	0.17%	4	0.17%	\$11,071,248	\$57,065	0.52%	\$57,065	0.52%
	2003	2,415	10	0.41%	8	0.33%	\$12,991,365	\$92,749	0.71%	\$88,882	0.68%
	2004	1,681	10	0.59%	10	0.59%	\$10,792,206	\$133,208	1.23%	\$133,208	1.23%
	2005	1,226	10	0.82%	10	0.82%	\$7,998,560	\$193,798	2.42%	\$193,798	2.42%
Gila	2001	1,146	10	0.87%	10	0.87%	\$2,399,147	\$54,672	2.28%	\$54,672	2.28%
	2002	1,384	44	3.18%	44	3.18%	\$3,397,805	\$164,275	4.83%	\$164,275	4.83%
	2003	1,393	85	6.10%	81	5.81%	\$3,812,952	\$435,455	11.42%	\$431,531	11.32%
	2004	1,275	135	10.59%	131	10.27%	\$4,073,765	\$765,585	18.79%	\$755,457	18.54%
	2005	992	137	13.81%	123	12.40%	\$3,390,632	\$987,875	29.14%	\$935,407	27.59%
Graham	2001	452		0.00%		0.00%	\$970,296		0.00%		0.00%
	2002	737	1	0.14%	1	0.14%	\$1,880,019	\$10,188	0.54%	\$10,188	0.54%
	2003	656		0.00%		0.00%	\$1,627,034		0.00%		0.00%
	2004	697		0.00%		0.00%	\$1,902,835		0.00%		0.00%
	2005	520		0.00%		0.00%	\$1,396,050		0.00%		0.00%
La Paz	2001	38		0.00%		0.00%	\$99,022		0.00%		0.00%
	2002	55		0.00%		0.00%	\$140,193		0.00%		0.00%
	2003	57		0.00%		0.00%	\$168,813		0.00%		0.00%
	2004	27		0.00%		0.00%	\$71,843		0.00%		0.00%
	2005	16		0.00%		0.00%	\$51,770		0.00%		0.00%
Maricopa	2001	74,749	443	0.59%	435	0.58%	\$263,664,150	\$9,117,285	3.46%	\$9,108,038	3.45%
	2002	87,691	872	0.99%	862	0.98%	\$320,086,914	\$11,182,815	3.49%	\$11,163,157	3.49%
	2003	98,589	1,808	1.83%	1,766	1.79%	\$394,001,402	\$21,907,423	5.56%	\$21,831,210	5.54%

**Inpatient Encounters & Claims Qualifying as Outlier by Hospital's County FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

County	FFY	Total Inpatient # E/Cs	Outlier Requested <sup>3</sup>		Outlier Paid <sup>4</sup>		Total Inpatient Payments <sup>1,2</sup>	Outlier Requested <sup>3</sup>		Outlier Paid <sup>4</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
	2004	104,412	3,251	3.11%	3,040	2.91%	\$467,182,321	\$41,367,433	8.85%	\$40,894,289	8.75%
	2005	77,385	2,288	2.96%	2,108	2.72%	\$353,781,285	\$32,533,079	9.20%	\$32,134,525	9.08%
Mohave	2001	1,335	6	0.45%	6	0.45%	\$3,767,972	\$44,940	1.19%	\$44,940	1.19%
	2002	1,612	20	1.24%	19	1.18%	\$5,119,832	\$132,416	2.59%	\$131,501	2.57%
	2003	1,669	32	1.92%	30	1.80%	\$5,453,977	\$254,416	4.66%	\$251,784	4.62%
	2004	1,583	30	1.90%	29	1.83%	\$5,774,142	\$250,026	4.33%	\$247,992	4.29%
	2005	1,481	16	1.08%	14	0.95%	\$4,754,011	\$146,641	3.08%	\$142,919	3.01%
Navajo	2001	1,175		0.00%		0.00%	\$2,497,925		0.00%		0.00%
	2002	1,362	1	0.07%		0.00%	\$3,011,391	\$1,225	0.04%		0.00%
	2003	1,370		0.00%		0.00%	\$3,332,911		0.00%		0.00%
	2004	1,247	4	0.32%	4	0.32%	\$2,905,945	\$17,374	0.60%	\$17,374	0.60%
	2005	1,157		0.00%		0.00%	\$2,481,388		0.00%		0.00%
Pima	2001	17,832	48	0.27%	46	0.26%	\$64,534,116	\$499,544	0.77%	\$497,833	0.77%
	2002	20,146	117	0.58%	116	0.58%	\$77,250,599	\$1,326,019	1.72%	\$1,321,561	1.71%
	2003	22,714	165	0.73%	157	0.69%	\$91,949,238	\$2,059,002	2.24%	\$2,038,773	2.22%
	2004	21,729	278	1.28%	278	1.28%	\$99,081,421	\$3,742,782	3.78%	\$3,707,331	3.74%
	2005	14,733	214	1.45%	196	1.33%	\$66,266,642	\$2,952,113	4.45%	\$2,924,913	4.41%
Pinal	2001	2,630		0.00%		0.00%	\$6,940,746		0.00%		0.00%
	2002	2,878	3	0.10%	3	0.10%	\$8,402,295	\$22,763	0.27%	\$22,763	0.27%
	2003	3,074	31	1.01%	30	0.98%	\$9,202,113	\$195,228	2.12%	\$193,321	2.10%
	2004	3,149	107	3.40%	105	3.33%	\$10,542,059	\$562,663	5.34%	\$560,251	5.31%
	2005	2,350	76	3.23%	72	3.06%	\$7,992,354	\$431,999	5.41%	\$427,954	5.35%
Santa Cruz	2001	728	1	0.14%	1	0.14%	\$1,203,542	\$5,601	0.47%	\$5,601	0.47%
	2002	838	1	0.12%	1	0.12%	\$1,368,153	\$5,548	0.41%	\$5,548	0.41%
	2003	832	4	0.48%	4	0.48%	\$1,367,606	\$26,506	1.94%	\$26,506	1.94%
	2004	185		0.00%		0.00%	\$410,807		0.00%		0.00%
	2005	109	1	0.00%	1	0.00%	\$244,707	\$1,504	0.00%	\$1,504	0.00%
Yavapai	2001	1,770	2	0.11%	2	0.11%	\$3,903,469	\$15,080	0.39%	\$15,080	0.39%
	2002	1,749	6	0.34%	6	0.34%	\$4,608,586	\$61,078	1.33%	\$61,078	1.33%
	2003	2,131	4	0.19%	4	0.19%	\$5,920,581	\$33,740	0.57%	\$33,740	0.57%
	2004	2,336	25	1.07%	25	1.07%	\$6,791,378	\$164,772	2.43%	\$164,772	2.43%
	2005	1,689	26	1.54%	25	1.48%	\$5,116,261	\$164,425	3.21%	\$164,004	3.21%
Yuma	2001	2,454		0.00%		0.00%	\$5,449,613		0.00%		0.00%

### Inpatient Encounters & Claims Qualifying as Outlier by Hospital's County FFY 2001 - 2005

2005 Data through Third Quarter, computed at 70% complete

County	FFY	Total Inpatient # E/Cs <sup>1,2</sup>	Outlier Requested <sup>3</sup>		Outlier Paid <sup>4</sup>		Total Inpatient Payments <sup>1,2</sup>	Outlier Requested <sup>3</sup>		Outlier Paid <sup>4</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
	2002	2,689		0.00%		0.00%	\$6,572,463		0.00%		0.00%
	2003	2,782		0.00%		0.00%	\$7,817,695		0.00%		0.00%
	2004	3,102	2	0.06%	1	0.03%	\$8,655,206	\$10,150	0.12%	\$9,830	0.11%
	2005	2,054	6	0.29%	5	0.24%	\$5,906,894	\$30,216	0.51%	\$28,656	0.49%
Statewide	2001	107,984	514	0.48%	504	0.47%	\$367,358,946	\$9,748,058	2.65%	\$9,737,100	2.65%
	2002	125,060	1,079	0.86%	1,066	0.85%	\$446,531,228	\$13,017,403	2.92%	\$12,991,146	2.91%
	2003	139,031	2,145	1.54%	2,086	1.50%	\$540,821,516	\$25,041,838	4.63%	\$24,933,064	4.61%
	2004	142,816	3,844	2.69%	3,608	2.53%	\$621,188,610	\$47,037,859	7.57%	\$46,514,369	7.49%
	2005	104,573	2,774	2.65%	2,554	2.44%	\$461,533,356	\$37,441,651	8.11%	\$36,953,681	8.01%

<sup>1</sup> AHCCCS is primary payer, acute, non-IHS in-state hospitals, paid as inpatient

<sup>2</sup> Excludes AIPA and Pima health plans

<sup>3</sup> AHCCCS requires hospitals to put condition code 61 on claims to request outlier payment; most, but not all, plans report this on their encounters. Data have also been cleaned to reflect outlier payments that were made but did not have condition code 61 reported.

<sup>4</sup> Payment is greater than 100% tier per diem

2005 Data through third quarter, computed at 70% complete

**Exhibit 5**

Report to Joint Legislative Budget Committee on Hospital Inpatient Outlier Claims

**Inpatient Encounters & Claims Qualifying as Outlier by Level of Service (Tier) FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Tier Level	FFY	Total Inpatient # E/CS	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
Maternity	2001	32,426	20	0.06%	19	0.06%	\$79,544,949	\$120,301	0.15%	\$119,164	0.15%
	2002	35,518	60	0.17%	59	0.17%	\$92,632,621	\$832,295	0.90%	\$831,069	0.90%
	2003	38,550	101	0.26%	94	0.24%	\$105,687,204	\$585,663	0.55%	\$576,393	0.55%
	2004	39,280	203	0.52%	188	0.48%	\$113,831,515	\$1,656,051	1.45%	\$1,632,816	1.43%
	2005	30,047	143	0.48%	130	0.43%	\$92,377,568	\$1,164,327	1.26%	\$1,139,447	1.23%
NICU	2001	2,647	8	0.30%	8	0.30%	\$28,352,324	\$237,767	0.84%	\$237,767	0.84%
	2002	1,766	8	0.45%	8	0.45%	\$21,861,421	\$141,772	0.65%	\$141,772	0.65%
	2003	1,546	12	0.78%	12	0.78%	\$18,393,387	\$342,649	1.86%	\$342,649	1.86%
	2004	1,596	27	1.69%	25	1.57%	\$23,358,243	\$538,880	2.31%	\$536,340	2.30%
	2005	837	19	2.27%	19	2.27%	\$13,751,344	\$1,110,086	8.07%	\$1,110,086	8.07%
ICU	2001	2,666	34	1.28%	34	1.28%	\$20,525,984	\$708,319	3.45%	\$708,319	3.45%
	2002	2,918	69	2.36%	67	2.30%	\$24,729,607	\$1,160,005	4.69%	\$1,144,533	4.63%
	2003	3,208	139	4.33%	136	4.24%	\$33,388,589	\$2,712,186	8.12%	\$2,706,389	8.11%
	2004	3,063	205	6.69%	195	6.37%	\$38,847,343	\$4,800,099	12.36%	\$4,720,521	12.15%
	2005	2,011	137	6.81%	128	6.36%	\$24,974,702	\$3,787,509	15.17%	\$3,758,843	15.05%
Surgery	2001	6,956	122	1.75%	122	1.75%	\$36,743,798	\$1,261,489	3.43%	\$1,261,489	3.43%
	2002	10,344	270	2.61%	268	2.59%	\$56,712,576	\$3,262,199	5.75%	\$3,259,588	5.75%
	2003	11,947	542	4.54%	529	4.43%	\$71,961,512	\$6,715,321	9.33%	\$6,692,592	9.30%
	2004	12,958	905	6.98%	840	6.48%	\$86,050,731	\$11,093,859	12.89%	\$10,950,368	12.73%
	2005	9,177	687	7.49%	652	7.10%	\$66,434,100	\$9,505,866	14.31%	\$9,427,204	14.19%
Psych <sup>4</sup>	2001	1,371		0.00%		\$4,433,819		0.00%		0.00%	
	2002	2,680		0.00%		\$8,404,747		0.00%		0.00%	
	2003	5,163	2	0.04%	2	0.04%	\$21,019,417	\$12,619	0.06%	\$12,619	0.06%
	2004	5,153		0.00%		\$25,720,180		0.00%		0.00%	
	2005	2,938		0.00%		\$14,968,429		0.00%		0.00%	
Nursery	2001	26,098		0.00%		\$20,478,825		0.00%		0.00%	
	2002	28,832		0.00%		\$24,376,456		0.00%		0.00%	
	2003	30,833		0.00%		\$27,753,720		0.00%		0.00%	
	2004	32,019	3	0.01%	3	0.01%	\$29,836,984	\$18,320	0.06%	\$18,320	0.06%
	2005	24,129		0.00%		\$24,964,893		0.00%		0.00%	
Routine	2001	28,883	299	1.04%	290	1.00%	\$91,191,873	\$6,223,496	6.82%	\$6,213,675	6.81%
	2002	34,415	623	1.81%	616	1.79%	\$110,728,131	\$5,840,583	5.27%	\$5,834,445	5.27%
	2003	38,477	1,217	3.16%	1,184	3.08%	\$134,323,492	\$10,161,372	7.56%	\$10,102,159	7.52%
	2004	38,987	2,268	5.82%	2,132	5.47%	\$153,703,114	\$19,835,136	12.90%	\$19,614,250	12.76%

**Inpatient Encounters & Claims Qualifying as Outlier by Level of Service (Tier) FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Tier Level	FFY	Total Inpatient # E/CS	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>		Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	2005	28,534	1,604	5.62%	1,458	5.11%	\$113,590,821	\$14,511,190	12.77%	\$14,298,526	12.59%	
NICU - Nursery	2001	770	1	0.13%	1	0.13%	\$7,308,752	\$173,635	2.38%	\$173,635	2.38%	
	2002	1,076		0.00%		0.00%	\$12,580,918		0.00%		0.00%	
	2003	1,443	5	0.35%	5	0.35%	\$19,481,659	\$454,811	2.33%	\$454,811	2.33%	
	2004	1,459	5	0.34%	5	0.34%	\$22,017,229	\$596,176	2.71%	\$596,176	2.71%	
	2005	1,077	5	0.46%	5	0.46%	\$17,456,261	\$168,935	0.97%	\$168,935	0.97%	
ICU- Surgery	2001	2,102	17	0.81%	17	0.81%	\$40,342,825	\$793,032	1.97%	\$793,032	1.97%	
	2002	2,654	29	1.09%	29	1.09%	\$47,958,087	\$1,159,436	2.42%	\$1,159,436	2.42%	
	2003	2,867	62	2.16%	62	2.16%	\$56,689,374	\$2,310,464	4.08%	\$2,310,464	4.08%	
	2004	3,263	133	4.08%	129	3.95%	\$72,409,954	\$6,209,153	8.57%	\$6,184,099	8.54%	
	2005	2,344	99	4.22%	91	3.88%	\$56,116,316	\$5,165,425	9.20%	\$5,101,359	9.09%	
ICU- Routine	2001	3,876	12	0.31%	12	0.31%	\$37,601,205	\$226,348	0.60%	\$226,348	0.60%	
	2002	4,707	20	0.42%	19	0.40%	\$45,650,768	\$621,114	1.36%	\$620,302	1.36%	
	2003	4,871	65	1.33%	65	1.33%	\$51,268,274	\$1,746,752	3.41%	\$1,734,988	3.38%	
	2004	4,940	95	1.92%	91	1.84%	\$54,724,880	\$2,290,186	4.18%	\$2,261,479	4.13%	
	2005	3,403	80	2.35%	71	2.09%	\$36,365,691	\$2,028,314	5.58%	\$1,949,281	5.36%	
Routine - Surgery	2001	150		0.00%		\$695,091		0.00%		0.00%		
	2002	104		0.00%		\$645,314		0.00%		0.00%		
	2003	109		0.00%		\$768,451		0.00%		0.00%		
	2004	89		0.00%		\$660,319		0.00%		0.00%		
	2005	72		0.00%		\$508,640		0.00%		0.00%		
Psych - Routine	2001	3		0.00%		\$5,699		0.00%		0.00%		
	2002	3		0.00%		\$25,354		0.00%		0.00%		
	2003	5		0.00%		\$9,633		0.00%		0.00%		
	2004	2		0.00%		\$4,940		0.00%		0.00%		
	2005	0		0.00%		\$0		0.00%		0.00%		
Maternity - Routine	2001	24		0.00%		\$59,520		0.00%		0.00%		
	2002	27		0.00%		\$70,304		0.00%		0.00%		
	2003	6		0.00%		\$14,269		0.00%		0.00%		
	2004	3		0.00%		\$8,054		0.00%		0.00%		
	2005	1		0.00%		\$2,018		0.00%		0.00%		
Maternity - Surgery	2001	2		0.00%		\$9,378		0.00%		0.00%		
	2002	7		0.00%		\$42,335		0.00%		0.00%		

### Inpatient Encounters & Claims Qualifying as Outlier by Level of Service (Tier) FFY 2001 - 2005

2005 Data through Third Quarter, computed at 70% complete

Tier Level	FFY	Total Inpatient # E/CS	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>		Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	2003	1	1	0.00%		0.00%	\$1,383					
ICU-Psych	2001	7		0.00%		0.00%	\$34,328					
	2002	7		0.00%		0.00%	\$55,808					
	2003	4		0.00%		0.00%	\$26,491					
	2004	4		0.00%		0.00%	\$15,125					
	2005	3		0.00%		0.00%	\$22,573					
ICU-NIC	2002	1		0.00%		0.00%	\$19,470					
ICU-Nursery	2002	1		0.00%		0.00%	\$37,310					
Total-	2001	107,984	514	0.48%	504	0.47%	\$367,358,946	\$9,748,058	2.65%	\$9,737,100	2.65%	
All Tiers	2002	125,060	1,079	0.86%	1,066	0.85%	\$446,531,228	\$13,017,403	2.92%	\$12,991,146	2.91%	
	2003	139,031	2,145	1.54%	2,086	1.50%	\$540,821,516	\$25,041,838	4.63%	\$24,933,064	4.61%	
	2004	142,816	3,844	2.69%	3,608	2.53%	\$621,188,610	\$47,037,859	7.57%	\$46,514,369	7.49%	
	2005	104,573	2,774	2.65%	2,554	2.44%	\$461,533,356	\$37,441,651	8.11%	\$36,953,681	8.01%	

<sup>1</sup> AHCCCS is primary payer, acute, non-IHS in-state hospitals, paid as inpatient, APIPA and Pima data are not included

<sup>2</sup> AHCCCS requires hospitals to put condition code 61 on claims to request outlier payment; most, but not all, plans report this on their encounters.

Data have also been cleaned to reflect outlier payments that were made but did not have condition code 61 reported

<sup>3</sup> Payment is greater than 100% tier per diem

<sup>4</sup> Includes days at acute care hospitals paid at BHS rate.

Note: Claims are paid at a split tier rate when a patient has received care at two different levels of service during one stay.

**Inpatient Encounters & Claims Qualifying as Outlier by Level of Service (Tier) FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Tier Level	FFY	Total Inpatient # E/CS	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent		Number	Percent	Number	Percent
Maternity	2001	32,426	20	0.06%	19	0.06%	\$79,544,949	\$120,301	0.15%	\$119,164	0.15%
	2002	35,518	60	0.17%	59	0.17%	\$92,632,621	\$832,295	0.90%	\$831,069	0.90%
	2003	38,550	101	0.26%	94	0.24%	\$105,687,204	\$585,663	0.55%	\$576,393	0.55%
	2004	39,280	203	0.52%	188	0.48%	\$113,831,515	\$1,656,051	1.45%	\$1,632,816	1.43%
	2005	30,047	143	0.48%	130	0.43%	\$92,377,568	\$1,164,327	1.26%	\$1,139,447	1.23%
NICU	2001	2,647	8	0.30%	8	0.30%	\$28,352,324	\$237,767	0.84%	\$237,767	0.84%
	2002	1,766	8	0.45%	8	0.45%	\$21,861,421	\$141,772	0.65%	\$141,772	0.65%
	2003	1,546	12	0.78%	12	0.78%	\$18,393,387	\$342,649	1.86%	\$342,649	1.86%
	2004	1,596	27	1.69%	25	1.57%	\$23,358,243	\$538,880	2.31%	\$536,340	2.30%
	2005	837	19	2.27%	19	2.27%	\$13,751,344	\$1,110,086	8.07%	\$1,110,086	8.07%
ICU	2001	2,666	34	1.28%	34	1.28%	\$20,525,984	\$708,319	3.45%	\$708,319	3.45%
	2002	2,918	69	2.36%	67	2.30%	\$24,729,607	\$1,160,005	4.69%	\$1,144,533	4.63%
	2003	3,208	139	4.33%	136	4.24%	\$33,388,589	\$2,712,186	8.12%	\$2,706,389	8.11%
	2004	3,063	205	6.69%	195	6.37%	\$38,847,343	\$4,800,099	12.36%	\$4,720,521	12.15%
	2005	2,011	137	6.81%	128	6.36%	\$24,974,702	\$3,787,509	15.17%	\$3,758,843	15.05%
Surgery	2001	6,956	122	1.75%	122	1.75%	\$36,743,798	\$1,261,489	3.43%	\$1,261,489	3.43%
	2002	10,344	270	2.61%	268	2.59%	\$56,712,576	\$3,262,199	5.75%	\$3,259,588	5.75%
	2003	11,947	542	4.54%	529	4.43%	\$71,961,512	\$6,715,321	9.33%	\$6,692,592	9.30%
	2004	12,958	905	6.98%	840	6.48%	\$86,050,731	\$11,093,859	12.89%	\$10,950,368	12.73%
	2005	9,177	687	7.49%	652	7.10%	\$66,434,100	\$9,505,866	14.31%	\$9,427,204	14.19%
Psych <sup>4</sup>	2001	1,371		0.00%		\$4,433,819		0.00%		0.00%	
	2002	2,680		0.00%		\$8,404,747		0.00%		0.00%	
	2003	5,163	2	0.04%	2	0.04%	\$21,019,417	\$12,619	0.06%	\$12,619	0.06%
	2004	5,153		0.00%		\$25,720,180		0.00%		0.00%	
	2005	2,938		0.00%		\$14,968,429		0.00%		0.00%	
Nursery	2001	26,098		0.00%		\$20,478,825		0.00%		0.00%	
	2002	28,832		0.00%		\$24,376,456		0.00%		0.00%	
	2003	30,833		0.00%		\$27,753,720		0.00%		0.00%	
	2004	32,019	3	0.01%	3	0.01%	\$29,836,984	\$18,320	0.06%	\$18,320	0.06%
	2005	24,129		0.00%		\$24,964,893		0.00%		0.00%	
Routine	2001	28,883	299	1.04%	290	1.00%	\$91,191,873	\$6,223,496	6.82%	\$6,213,675	6.81%
	2002	34,415	623	1.81%	616	1.79%	\$110,728,131	\$5,840,583	5.27%	\$5,834,445	5.27%
	2003	38,477	1,217	3.16%	1,184	3.08%	\$134,323,492	\$10,161,372	7.56%	\$10,102,159	7.52%
	2004	38,987	2,268	5.82%	2,132	5.47%	\$153,703,114	\$19,835,136	12.90%	\$19,614,250	12.76%

**Inpatient Encounters & Claims Qualifying as Outlier by Level of Service (Tier) FFY 2001 - 2005**

2005 Data through Third Quarter, computed at 70% complete

Tier Level	FFY	Total Inpatient # E/CS	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>		Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	2005	28,534	1,604	5.62%	1,458	5.11%			\$14,511,190	12.77%	\$14,298,526	12.59%				
NICU - Nursery	2001	770	1	0.13%	1	0.13%			\$173,635	2.38%	\$173,635	2.38%			\$173,635	2.38%
	2002	1,076		0.00%		0.00%				0.00%		0.00%				0.00%
	2003	1,443	5	0.35%	5	0.35%			\$454,811	2.33%	\$454,811	2.33%			\$454,811	2.33%
	2004	1,459	5	0.34%	5	0.34%			\$596,176	2.71%	\$596,176	2.71%			\$596,176	2.71%
	2005	1,077	5	0.46%	5	0.46%			\$168,935	0.97%	\$168,935	0.97%			\$168,935	0.97%
ICU- Surgery	2001	2,102	17	0.81%	17	0.81%			\$793,032	1.97%	\$793,032	1.97%			\$793,032	1.97%
	2002	2,654	29	1.09%	29	1.09%			\$1,159,436	2.42%	\$1,159,436	2.42%			\$1,159,436	2.42%
	2003	2,867	62	2.16%	62	2.16%			\$2,310,464	4.08%	\$2,310,464	4.08%			\$2,310,464	4.08%
	2004	3,263	133	4.08%	129	3.95%			\$6,209,153	8.57%	\$6,184,099	8.54%			\$6,184,099	8.54%
	2005	2,344	99	4.22%	91	3.88%			\$5,165,425	9.20%	\$5,101,359	9.09%			\$5,101,359	9.09%
ICU- Routine	2001	3,876	12	0.31%	12	0.31%			\$226,348	0.60%	\$226,348	0.60%			\$226,348	0.60%
	2002	4,707	20	0.42%	19	0.40%			\$621,114	1.36%	\$620,302	1.36%			\$620,302	1.36%
	2003	4,871	65	1.33%	65	1.33%			\$1,746,752	3.41%	\$1,734,988	3.38%			\$1,734,988	3.38%
	2004	4,940	95	1.92%	91	1.84%			\$2,290,186	4.18%	\$2,261,479	4.13%			\$2,261,479	4.13%
	2005	3,403	80	2.35%	71	2.09%			\$2,028,314	5.58%	\$1,949,281	5.36%			\$1,949,281	5.36%
Routine - Surgery	2001	150		0.00%		0.00%			\$695,091	0.00%		0.00%				0.00%
	2002	104		0.00%		0.00%			\$645,314	0.00%		0.00%				0.00%
	2003	109		0.00%		0.00%			\$768,451	0.00%		0.00%				0.00%
	2004	89		0.00%		0.00%			\$660,319	0.00%		0.00%				0.00%
	2005	72		0.00%		0.00%			\$508,640	0.00%		0.00%				0.00%
Psych - Routine	2001	3		0.00%		0.00%			\$5,699	0.00%		0.00%				0.00%
	2002	3		0.00%		0.00%			\$25,354	0.00%		0.00%				0.00%
	2003	5		0.00%		0.00%			\$9,633	0.00%		0.00%				0.00%
	2004	2		0.00%		0.00%			\$4,940	0.00%		0.00%				0.00%
	2005	0		0.00%		0.00%			\$0	0.00%		0.00%				0.00%
Maternity - Routine	2001	24		0.00%		0.00%			\$59,520	0.00%		0.00%				0.00%
	2002	27		0.00%		0.00%			\$70,304	0.00%		0.00%				0.00%
	2003	6		0.00%		0.00%			\$14,269	0.00%		0.00%				0.00%
	2004	3		0.00%		0.00%			\$8,054	0.00%		0.00%				0.00%
	2005	1		0.00%		0.00%			\$2,018	0.00%		0.00%				0.00%
Maternity - Surgery	2001	2		0.00%		0.00%			\$9,378	0.00%		0.00%				0.00%
	2002	7		0.00%		0.00%			\$42,335	0.00%		0.00%				0.00%

### Inpatient Encounters & Claims Qualifying as Outlier by Level of Service (Tier) FFY 2001 - 2005

2005 Data through Third Quarter, computed at 70% complete

Tier Level	FFY	Total Inpatient # E/CS	Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>		Total Inpatient Payments <sup>1</sup>		Outlier Requested <sup>2</sup>		Outlier Paid <sup>3</sup>	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	2003	1	1	0.00%		0.00%	\$1,383					
ICU-Psych	2001	7		0.00%		0.00%	\$34,328					
	2002	7		0.00%		0.00%	\$55,808					
	2003	4		0.00%		0.00%	\$26,491					
	2004	4		0.00%		0.00%	\$15,125					
	2005	3		0.00%		0.00%	\$22,573					
ICU-NIC	2002	1		0.00%		0.00%	\$19,470					
ICU-Nursery	2002	1		0.00%		0.00%	\$37,310					
Total-	2001	107,984	514	0.48%	504	0.47%	\$367,358,946	\$9,748,058	2.65%	\$9,737,100	2.65%	
All Tiers	2002	125,060	1,079	0.86%	1,066	0.85%	\$446,531,228	\$13,017,403	2.92%	\$12,991,146	2.91%	
	2003	139,031	2,145	1.54%	2,086	1.50%	\$540,821,516	\$25,041,838	4.63%	\$24,933,064	4.61%	
	2004	142,816	3,844	2.69%	3,608	2.53%	\$621,188,610	\$47,037,859	7.57%	\$46,514,369	7.49%	
	2005	104,573	2,774	2.65%	2,554	2.44%	\$461,533,356	\$37,441,651	8.11%	\$36,953,681	8.01%	

<sup>1</sup> AHCCCS is primary payer, acute, non-IHS in-state hospitals, paid as inpatient, APIPA and Pima data are not included

<sup>2</sup> AHCCCS requires hospitals to put condition code 61 on claims to request outlier payment; most, but not all, plans report this on their encounters. Data have also been cleaned to reflect outlier payments that were made but did not have condition code 61 reported

<sup>3</sup> Payment is greater than 100% tier per diem

<sup>4</sup> Includes days at acute care hospitals paid at BHS rate.

Note: Claims are paid at a split tier rate when a patient has received care at two different levels of service during one stay.

## **Exhibit 6**

Report to Joint Legislative Budget Committee on Hospital Inpatient Outlier Claims

	2005	Not Outlier	4.33	13
		Total	4.33	13
	Total	Not Outlier	4.20	105
		Total	4.20	105
ICU-Routine	2001	Not Outlier	7.06	27,205
		Outlier	8.10	170
		Total	7.06	27,375
	2002	Not Outlier	6.66	31,188
		Outlier	4.32	95
		Total	6.65	31,283
	2003	Not Outlier	6.72	32,222
		Outlier	3.79	284
		Total	6.67	32,506
	2004	Not Outlier	6.71	32,355
		Outlier	3.64	429
		Total	6.64	32,784
	2005	Not Outlier	6.18	20,549
		Outlier	3.93	314
		Total	6.13	20,863
Total	Not Outlier	6.68	143,519	
	Outlier	4.09	1,292	
	Total	6.64	144,811	
ICU-Surgery	2001	Not Outlier	11.82	24,614
		Outlier	6.70	134
		Total	11.77	24,748
	2002	Not Outlier	10.99	28,817
		Outlier	4.94	163
		Total	10.92	28,980
	2003	Not Outlier	11.43	31,967
		Outlier	4.37	306
		Total	11.26	32,273
	2004	Not Outlier	11.85	37,011
		Outlier	5.55	783
		Total	11.58	37,794
	2005	Not Outlier	11.81	26,580
		Outlier	4.76	447
		Total	11.53	27,027
Total	Not Outlier	11.57	148,989	
	Outlier	5.12	1,833	
	Total	11.40	150,822	
Maternity	2001	Not Outlier	2.24	72,450
		Outlier	1.63	31
		Total	2.24	72,481
	2002	Not Outlier	2.27	80,618
		Outlier	2.23	134
		Total	2.27	80,752
	2003	Not Outlier	2.31	88,772

		Outlier	1.42	138
		Total	2.31	88,910
	2004	Not Outlier	2.32	90,815
		Outlier	1.93	381
		Total	2.32	91,196
	2005	Not Outlier	2.35	70,414
		Outlier	1.99	273
		Total	2.35	70,687
	Total	Not Outlier	2.30	403,069
		Outlier	1.88	957
		Total	2.30	404,026
Maternity-Routine	2001	Not Outlier	2.79	67
		Total	2.79	67
	2002	Not Outlier	2.81	76
		Total	2.81	76
	2003	Not Outlier	2.50	15
		Total	2.50	15
	2004	Not Outlier	2.67	8
		Total	2.67	8
	2005	Not Outlier	2.00	2
		Total	2.00	2
	Total	Not Outlier	2.75	168
		Total	2.75	168
Maternity-Surgery	2001	Not Outlier	3.50	7
		Total	3.50	7
	2002	Not Outlier	4.43	31
		Total	4.43	31
	2003	Not Outlier	1.00	1
		Total	1.00	1
	Total	Not Outlier	3.90	39
		Total	3.90	39
NICU	2001	Not Outlier	10.32	27,147
		Outlier	7.88	126
		Total	10.30	27,273
	2002	Not Outlier	11.41	20,058
		Outlier	3.50	28
		Total	11.37	20,086
	2003	Not Outlier	10.59	16,217
		Outlier	6.57	92
		Total	10.55	16,309
	2004	Not Outlier	12.19	19,119
		Outlier	6.50	182
		Total	12.09	19,301
	2005	Not Outlier	12.12	9,902
		Outlier	12.00	240
		Total	12.12	10,142
	Total	Not Outlier	11.13	92,443

		Outlier	7.77	668
		Total	11.10	93,111
NICU-Nursery	2001	Not Outlier	10.12	7,786
		Outlier	49.00	49
		Total	10.18	7,835
	2002	Not Outlier	13.04	14,013
		Outlier	11.00	11
		Total	13.03	14,024
	2003	Not Outlier	13.66	19,623
		Outlier	20.33	122
		Total	13.68	19,745
	2004	Not Outlier	14.61	21,223
		Outlier	24.83	149
		Total	14.65	21,372
	2005	Not Outlier	15.37	16,459
		Outlier	16.33	98
		Total	15.37	16,557
Total	Not Outlier	13.63	79,104	
	Outlier	21.45	429	
	Total	13.65	79,533	
Nursery	2001	Not Outlier	1.75	45,779
		Outlier	1.00	1
		Total	1.75	45,780
	2002	Not Outlier	1.85	53,418
		Outlier	3.00	3
		Total	1.85	53,421
	2003	Not Outlier	1.87	57,749
		Total	1.87	57,749
	2004	Not Outlier	1.88	60,047
		Outlier	4.75	19
		Total	1.88	60,066
	2005	Not Outlier	1.98	47,661
		Outlier	6.00	6
		Total	1.98	47,667
	Total	Not Outlier	1.87	264,654
Outlier		4.14	29	
Total		1.87	264,683	
Psych	2001	Not Outlier	5.76	7,885
		Outlier	1.00	1
		Total	5.75	7,886
	2002	Not Outlier	5.32	14,261
		Total	5.32	14,261
	2003	Not Outlier	6.77	34,964
		Outlier	1.50	3
		Total	6.77	34,967
	2004	Not Outlier	8.46	43,602
		Total	8.46	43,602

	2005	Not Outlier	8.72	25,620
		Total	8.72	25,620
	Total	Not Outlier	7.30	126,332
		Outlier	1.33	4
		Total	7.30	126,336
Psych-Routine	2001	Not Outlier	5.33	16
		Total	5.33	16
	2002	Not Outlier	11.67	35
		Total	11.67	35
	2003	Not Outlier	2.00	10
		Total	2.00	10
	2004	Not Outlier	2.50	5
		Total	2.50	5
	Total	Not Outlier	5.08	66
		Total	5.08	66
Routine	2001	Not Outlier	3.52	100,562
		Outlier	1.89	613
		Total	3.50	101,175
	2002	Not Outlier	3.54	119,711
		Outlier	1.54	987
		Total	3.51	120,698
	2003	Not Outlier	3.60	133,962
		Outlier	1.50	1,868
		Total	3.53	135,830
	2004	Not Outlier	3.76	138,164
		Outlier	1.64	3,648
		Total	3.64	141,812
	2005	Not Outlier	3.58	96,775
		Outlier	1.58	2,365
		Total	3.47	99,140
	Total	Not Outlier	3.61	589,174
		Outlier	1.60	9,481
		Total	3.54	598,655
Routine-Surgery	2001	Not Outlier	5.32	798
		Total	5.32	798
	2002	Not Outlier	6.77	704
		Total	6.77	704
	2003	Not Outlier	7.45	812
		Total	7.45	812
	2004	Not Outlier	7.58	675
		Total	7.58	675
	2005	Not Outlier	6.90	497
		Total	6.90	497
	Total	Not Outlier	6.65	3,486
		Total	6.65	3,486
Surgery	2001	Not Outlier	4.23	28,844
		Outlier	1.47	191

		Total	4.17	29,035
	2002	Not Outlier	4.16	41,905
		Outlier	1.64	455
		Total	4.10	42,360
	2003	Not Outlier	4.30	48,978
		Outlier	1.48	829
		Total	4.17	49,807
	2004	Not Outlier	4.46	53,932
		Outlier	1.45	1,262
		Total	4.26	55,194
	2005	Not Outlier	4.49	38,139
		Outlier	1.56	1,054
		Total	4.27	39,193
	Total	Not Outlier	4.33	211,798
		Outlier	1.51	3,791
		Total	4.20	215,589
Total-All Tiers	2001	Not Outlier	3.28	352,830
		Outlier	2.42	1,388
		Total	3.28	354,218
	2002	Not Outlier	3.35	415,828
		Outlier	1.78	1,992
		Total	3.34	417,820
	2003	Not Outlier	3.50	478,310
		Outlier	1.80	3,992
		Total	3.47	482,302
	2004	Not Outlier	3.67	510,719
		Outlier	1.93	7,348
		Total	3.63	518,067
	2005	Not Outlier	3.54	361,132
		Outlier	1.93	5,117
		Total	3.50	366,249
	Total	Not Outlier	3.48	2,118,819
		Outlier	1.91	19,837
		Total	3.45	2,138,656

<sup>a</sup> Excludes APIPA, Pima & Pima LTC plans

<sup>b</sup> Claims are paid at a split tier rate when a patient has received care at two different levels of service during one stay.