

DEFINITIONS

For definitions of medical terms, refer to:

<http://www.nlm.nih.gov/medlineplus/mpldictionary.html>

Admission source

Admission source indicates where the patient was located prior to admission to the hospital.

Routine admission: Patient was admitted to the hospital from home, via physician or clinic referral, or due to birth (i.e., newborns). It does not include patients who were admitted from the emergency department or any other health care facility.

Emergency department admission: Patient was admitted to the hospital through the emergency department.

Long-term health care facility admission: Patient was admitted to the hospital from a long-term health care facility.

Other hospital admission: Patient was admitted to the hospital from another hospital.

Other admissions: Patient was admitted through court/law enforcement or other admission sources.

Adjusted for inflation

Cost can be adjusted for economy-wide inflation by removing increases that reflect the effect of changing average prices for all goods and services. In this report, the U.S. Bureau of Economic Analysis Gross Domestic Product Price Index is used to remove economy-wide inflation. Additional inflation that is specific to the hospital sector is not removed in this calculation. Data in Exhibit 1.1 and 4.1 are adjusted for economy-wide inflation.

Aggregate costs

Aggregate costs are the sum of all costs for all hospital stays.

Charges

Hospital charges reflect the amount the hospital billed for the entire hospital stay and do not include professional (physician) fees. The charge is generally more than the amount paid to the hospital by payers for the hospitalization and is also generally more than the hospital's costs of care.

Community hospitals

HCUP is based on data from community hospitals, defined as short-term, non-Federal, general and other hospitals, excluding hospital units of other institutions (e.g., prisons). Community hospitals (and HCUP data) include OB-GYN, ENT, orthopedic, cancer, pediatric, public, and academic medical hospitals. They exclude hospitals whose main focus is long-term care, psychiatric, and alcoholism and chemical dependency treatment, although discharges from these types of units that are part of community hospitals are included.

Costs

Costs are derived from total hospital charges using cost-to-charge ratios based on hospital accounting reports from the Centers for Medicare and Medicaid Services (CMS). Costs will tend to reflect the actual costs to produce hospital services, while charges represent what the hospital billed for the case. For each hospital, a hospital-wide cost-to-charge ratio is used to transform charges into costs. Cost-to-charge ratios for 2005 will not be available until later this year. These ratios were estimated by multiplying the 2004 ratio for each hospital by .96, which represents the average annual change exhibited in the charge-to-cost ratios over the past few years.