

Hospital Inpatient Cost Transparency: Beginning 2009

OVERVIEW

**New York State Department of Health
Office of Health Services Quality and Analytics
Center for Applied Research and Evaluation**

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Health Data NY

SPARCS Background

The New York Statewide Planning and Research Cooperative (SPARCS) is a comprehensive all payer data reporting system established in 1979 as a result of cooperation between the health care industry and government. Initially created to collect information on discharges from hospitals, SPARCS currently collects patient level detail on patient characteristics, diagnoses and treatments, services, and charges for every hospital discharge, ambulatory surgery and emergency department visit in New York State.

The enabling legislation and regulations for SPARCS are located under Section 28.16 of the Public Health Law (PHL), Section 400.18 of Title 10 (Health) of the Official Compilation of Codes, Rules, and Regulations of the State of New York (NYCRR).

More information on SPARCS may be found on the New York State Department of Health's website at the following direct link: <http://www.health.ny.gov/statistics/sparcs/>.

Converting Charges to Costs

Estimates of facility costs were calculated using hospital discharge data from SPARCS and Institutional Cost Report (ICR) data. ICR's include data on costs for each facility as well as ratios of Costs to Charges (RCCs). RCCs are calculated, certified, and reported by facilities and are subject to external audit. For example, if hospital charge is \$20,000 and the RCC is 50%, the estimated cost is \$10,000. As with charges, cost data are hospital-specific, by All Patient Refined Diagnosis Related Groups (APR-DRGs) and Severity of Illness (SOI) so the data can be compared across hospitals.

Cost data presented in this dataset was calculated using facility specific audited RCCs.

The file contains information on the volume of discharges, All Payer Refined Diagnosis Related Group (APR-DRG), the Severity of Illness Level (SOI), medical or surgical classification, the median charge, median cost, average charge and average cost per discharge.

Caveats to Interpreting the Data

Costs derived from billing data are based upon the ratios of cost to charges that are submitted by a facility to the state and may not reflect final costs of services delivered. Additionally, variations in cost do exist and may be attributed to many factors such as overall volume, teaching hospital status, facility specific attributes, geographic region and quality of care provided.

Data Sources

SPARCS: Any facility certified to provide Article 28 inpatient services, ambulatory surgery services, emergency department services or outpatient services is required to submit data to SPARCS. Submitting facilities include New York State Hospitals and Diagnostic and Treatment Centers (D&TC's, commonly known as clinics). This includes both hospital- owned and operated, as well as free-standing D&TC facilities. Regardless of their ownership, each facility must report data for each specific facility.

ICR: The Institutional Cost Report (ICR) is a uniform report completed by New York hospitals to report income, expenses, assets, liabilities, and statistics to the Department of Health (DOH). Under DOH regulations, (Part 86-1.2), Article 28 hospitals are required to file financial and statistical data with the DOH annually.

Limitations of Use

In cases where the RCC is over the Medicare ceiling and no reasonable or logical explanation is provided, values are overwritten by the hospital average RCC value.

The data set contains facilities that are Article 28 certified, but the majority of their discharges are related to rehabilitation or life-support. These facilities are listed below.

Facility Id	Facility Name
000340	United Memorial Medical Center Bank Street Campus
000775	Helen Hayes Hospital
000831	Sunnyview Hospital and Rehabilitation Center
000968	Garnet Health Medical Center - Catskills - G. Hermann Site
001046	Winifred Masterson Burke Rehabilitation Hospital
001138	Blythedale Children's Hospital
001460	New York Eye and Ear Infirmary of Mount Sinai
001486	Henry J. Carter Specialty Hospital
009431	St. Peter's Addiction Recovery Center
010223	Calvary Hospital

Data is Subject to Change

The most recent years of the data could be provisional data that could be updated in the future. For more information about compliance and applicable reporting requirements visit:

<http://www.health.ny.gov/statistics/sparcs/>.

Contact Information

New York State Department of Health
Office of Health Services Quality and Analytics
Empire State Plaza
Corning Tower, Room 1938
Albany, New York 12237

Phone: (518) 473-8144
Fax: (518) 486-3518
E-mail: SPARCS.submissions@health.ny.gov
SPARCS.requests@health.ny.gov