

IPPS Rate Update Factors

Proposed Rule (4/24/2018)

(For hospitals with WIF > 1.000)

<u>Update Factor Components (Operating)</u>	<u>Full</u>	<u>IQR Only</u>	<u>EHR Only</u>	<u>Neither</u>	<u>Labor %</u>
FFY2018 Final Labor-Related Rate	3,806.04	3,729.99	3,780.69	3,704.65	68.3%
FFY2018 Final NonLabor-Related Rate	1,766.49	1,731.20	1,754.73	1,719.43	31.7%
Remove: Wage Index Reclass BNF	0.987985				
Remove: Operating Outlier Factor	-5.100%				
Adjusted FFY2018 Labor-Related Rate	4,059.35	4,059.35	4,059.35	4,059.35	
Adjusted FFY2018 NonLabor-Related Rate	1,884.06	1,884.06	1,884.06	1,884.06	
Market Basket Increase	2.800%	2.800%	2.800%	2.800%	
Less: Statutory Adjustment (ACA)	-0.750%	-0.750%	-0.750%	-0.750%	
Less: Productivity Adj	-0.800%	-0.800%	-0.800%	-0.800%	
FFY2019 Update	1.250%	1.250%	1.250%	1.250%	
Less: No Quality Submission			-0.700%	-0.700%	
Less: No MU/EHR		-2.100%		-2.100%	
Adjusted FFY2019 Update	1.250%	-0.850%	0.550%	-1.550%	
MS-DRG Recalibration BNF	0.997896	0.997896	0.997896	0.997896	
Wage Index BNF	1.001182	1.001182	1.001182	1.001182	
Wage Index Reclass BNF	0.987084	0.987084	0.987084	0.987084	
Rural Hosp Demo BNF	0.999325	0.999325	0.999325	0.999325	
Less: Operating Outlier Factor	-5.100%	-5.100%	-5.100%	-5.100%	
Plus: Doc & Coding Adj (MACRA)	0.500%	0.500%	0.500%	0.500%	
FFY2019 Proposed Labor-Related Rate	3,863.17	3,783.04	3,836.46	3,756.33	68.3%
FFY2019 Proposed NonLabor-Related Rate	1,793.00	1,755.82	1,780.61	1,743.42	31.7%
Net Oper IPPS Base Rate Change	1.5%				

(For hospitals with WIF <= 1.000)

<u>Update Factor Components (Operating)</u>	<u>Full</u>	<u>IQR Only</u>	<u>EHR Only</u>	<u>Neither</u>	<u>Labor %</u>
FFY2018 Final Labor-Related Rate	3,454.97	3,385.94	3,431.96	3,362.93	62.0%
FFY2018 Final NonLabor-Related Rate	2,117.56	2,075.25	2,103.46	2,061.15	38.0%
Remove: Wage Index Reclass BNF	0.987985				
Remove: Operating Outlier Factor	-5.100%				
Adjusted FFY2018 Labor-Related Rate	3,684.92	3,684.92	3,684.92	3,684.92	
Adjusted FFY2018 NonLabor-Related Rate	2,258.50	2,258.50	2,258.50	2,258.50	
Market Basket Increase	2.800%	2.800%	2.800%	2.800%	
Less: Statutory Adjustment (ACA)	-0.750%	-0.750%	-0.750%	-0.750%	
Less: Productivity Adj	-0.800%	-0.800%	-0.800%	-0.800%	
FFY2019 Update	1.250%	1.250%	1.250%	1.250%	
Less: No Quality Submission			-0.700%	-0.700%	
Less: No MU/EHR		-2.100%		-2.100%	
Adjusted FFY2019 Update	1.250%	-0.850%	0.550%	-1.550%	
MS-DRG Recalibration BNF	0.997896	0.997896	0.997896	0.997896	
Wage Index BNF	1.001182	1.001182	1.001182	1.001182	
Wage Index Reclass BNF	0.987084	0.987084	0.987084	0.987084	
Rural Hosp Demo BNF	0.999325	0.999325	0.999325	0.999325	
Less: Operating Outlier Factor	-5.100%	-5.100%	-5.100%	-5.100%	
Plus: Doc & Coding Adj (MACRA)	0.500%	0.500%	0.500%	0.500%	
FFY2019 Proposed Labor-Related Rate	3,506.83	3,434.09	3,482.58	3,409.85	62.0%
FFY2019 Proposed NonLabor-Related Rate	2,149.34	2,104.76	2,134.48	2,089.90	38.0%
Net Oper IPPS Base Rate Change	1.5%				

<u>Update Factor Components (Capital)</u>	<u>All</u>
FFY2018 Final Capital Rate	453.95
FFY2019 Proposed Capital Rate	459.78
Net Cap IPPS Base Rate Change	1.28%

FY18 Fixed Loss Operating Outlier Threshold	26,601
FY19 Fixed Loss Operating Outlier Threshold	27,545