

IPPS Rate Update Factors

Final Rule (8/2/2019)

	<i>(For hospitals with WIF > 1.000)</i>				
<u>Update Factor Components (Operating)</u>	<u>Full</u>	<u>IQR Only</u>	<u>EHR Only</u>	<u>Neither</u>	<u>Labor %</u>
FFY2019 CN Final Labor-Related Rate	3,856.27	3,773.51	3,828.68	3,745.92	68.3%
FFY2019 CN Final NonLabor-Related Rate	1,789.81	1,751.40	1,777.01	1,738.60	31.7%
Remove: Reclass Wage Index Reclass BNF	0.985335				
Remove: Rural Hosp Demo Adj	0.999467				
Remove: Operating Outlier Factor	-5.100%				
Adjusted FFY2019 Labor-Related Rate	4,126.19	4,126.19	4,126.19	4,126.19	
Adjusted FFY2019 NonLabor-Related Rate	1,915.09	1,915.09	1,915.09	1,915.09	
Market Basket Increase	3.000%	3.000%	3.000%	3.000%	
Less: Statutory Adjustment (ACA)	0.000%	0.000%	0.000%	0.000%	
Less: Productivity Adj	-0.400%	-0.400%	-0.400%	-0.400%	
FFY2020 Update	2.600%	2.600%	2.600%	2.600%	
Less: No Quality Submission			-0.750%	-0.750%	
Less: No MU/EHR		-2.250%		-2.250%	
Adjusted FFY2020 Update	2.600%	0.350%	1.850%	-0.400%	
MS-DRG Recalibration BNF	0.997649	0.997649	0.997649	0.997649	
Wage Index BNF	1.001573	1.001573	1.001573	1.001573	
Reclassified Wage Index Reclass BNF	0.985425	0.985425	0.985425	0.985425	
WI Quartile BNF	0.997987	0.997987	0.997987	0.997987	
Rural Hosp Demo Adj	0.999771	0.999771	0.999771	0.999771	
Transition BNF	0.998838	0.998838	0.998838	0.998838	
Less: Operating Outlier Factor (-5.1%)	0.949000	0.949000	0.949000	0.949000	
Plus: MACRA Doc & Coding Adj (0.5%)	1.005000	1.005000	1.005000	1.005000	
FFY2020 Final Labor-Related Rate	3,962.17	3,875.28	3,933.21	3,846.32	68.3%
FFY2020 Final NonLabor-Related Rate	1,838.96	1,798.63	1,825.52	1,785.19	31.7%
Net Oper IPPS Base Rate Change	2.7%				

	<i>(For hospitals with WIF <= 1.000)</i>				
<u>Update Factor Components (Operating)</u>	<u>Full</u>	<u>IQR Only</u>	<u>EHR Only</u>	<u>Neither</u>	<u>Labor %</u>
FFY2019 CN Final Labor-Related Rate	3,500.57	3,425.44	3,475.53	3,400.41	62.0%
FFY2019 CN Final NonLabor-Related Rate	2,145.51	2,099.47	2,130.16	2,084.12	38.0%
Remove: Wage Index Reclass BNF	0.985335				
Remove: Rural Hosp Demo Adj	0.999467				
Remove: Operating Outlier Factor	-5.100%				
Adjusted FFY2019 Labor-Related Rate	3,745.59	3,745.59	3,745.59	3,745.59	
Adjusted FFY2019 NonLabor-Related Rate	2,295.69	2,295.69	2,295.69	2,295.69	
Market Basket Increase	3.000%	3.000%	3.000%	3.000%	
Less: Statutory Adjustment (ACA)	0.000%	0.000%	0.000%	0.000%	
Less: Productivity Adj	-0.400%	-0.400%	-0.400%	-0.400%	
FFY2020 Update	2.600%	2.600%	2.600%	2.600%	
Less: No Quality Submission			-0.750%	-0.750%	
Less: No MU/EHR		-2.250%		-2.250%	
Adjusted FFY2020 Update	2.600%	0.350%	1.850%	-0.400%	
MS-DRG Recalibration BNF	0.997649	0.997649	0.997649	0.997649	
Wage Index BNF	1.001573	1.001573	1.001573	1.001573	
Reclassified Wage Index Reclass BNF	0.985425	0.985425	0.985425	0.985425	
WI Quartile BNF	0.997987	0.997987	0.997987	0.997987	
Rural Hosp Demo Adj	0.999771	0.999771	0.999771	0.999771	
Transition BNF	0.998838	0.998838	0.998838	0.998838	
Less: Operating Outlier Factor (-5.1%)	0.949000	0.949000	0.949000	0.949000	
Plus: MACRA Doc & Coding Adj (0.5%)	1.005000	1.005000	1.005000	1.005000	
FFY2020 Final Labor-Related Rate	3,596.70	3,517.82	3,570.41	3,491.54	62.0%
FFY2020 Final NonLabor-Related Rate	2,204.43	2,156.09	2,188.32	2,139.97	38.0%
Net Oper IPPS Base Rate Change	2.7%				

<u>Update Factor Components (Capital)</u>	<u>All</u>
FFY2019 CN Final Capital Rate	459.41
FFY2020 Final Capital Rate	462.61
Net Cap IPPS Base Rate Change	0.70%
FY19 Fixed Loss Operating Outlier Threshold	25,743
FY20 Fixed Loss Operating Outlier Threshold	26,473