

IPPS Rate Update Factors

Proposed Rule (5/29/2020)

(For hospitals with WIF > 1.000)

Update Factor Components (Operating)	Full	IQR Only	EHR Only	Neither	Labor %
FFY2020 CN Final Labor-Related Rate	3,959.10	3,872.28	3,930.16	3,843.34	68.3%
FFY2020 CN Final NonLabor-Related Rate	1,837.53	1,797.23	1,824.10	1,783.80	31.7%
Remove: Reclass Wage Index Reclass BNF	0.985447				
Remove: Rural Hosp Demo BNF	0.999771				
Remove: Lowest Quartile BNF	0.997894				
Remove: Transition BNF	0.998835				
Remove: Operating Outlier Factor	0.949000				
Adjusted FFY2020 Labor-Related Rate	4,247.95	4,247.95	4,247.95	4,247.95	
Adjusted FFY2020 NonLabor-Related Rate	1,971.59	1,971.59	1,971.59	1,971.59	
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%	
FFY2021 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 FFY2021 Update	2.600%	0.350%	1.850%	-0.400%	
MS-DRG Recalibration BNF	0.998761	0.998761	0.998761	0.998761	
Wage Index BNF	0.999362	0.999362	0.999362	0.999362	
Reclassified Wage Index Reclass BNF	0.988003	0.988003	0.988003	0.988003	
WI Lowest Quartile BNF	0.998241	0.998241	0.998241	0.998241	
Rural Hosp Demo BNF	0.999642	0.999642	0.999642	0.999642	
Transition BNF	0.998580	0.998580	0.998580	0.998580	
Stem Cell Acquisition BNF	0.999861	0.999861	0.999861	0.999861	
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	
FFY2021 Proposed Labor-Related Rate	4,084.16	3,994.60	4,054.31	3,964.74	68.3%
FFY2021 Proposed NonLabor-Related Rate	1,895.58	1,854.01	1,881.72	1,840.15	31.7%
Net Oper IPPS Base Rate Change	3.2%				

(For hospitals with WIF <= 1.000)

Update Factor Components (Operating)	Full	IQR Only	EHR Only	Neither	Labor %
FFY2020 CN Final Labor-Related Rate	3,593.91	3,515.10	3,567.64	3,488.83	62.0%
FFY2020 CN Final NonLabor-Related Rate	2,202.72	2,154.41	2,186.62	2,138.31	38.0%
Remove: Wage Index Reclass BNF	0.985447				
Remove: Rural Hosp Demo BNF	0.999771				
Remove: Lowest Quartile BNF	0.997894				
Remove: Transition BNF	0.998835				
Remove: Operating Outlier Factor	0.949000				
Adjusted FFY2020 Labor-Related Rate	3,856.11	3,856.11	3,856.11	3,856.11	
Adjusted FFY2020 NonLabor-Related Rate	2,363.43	2,363.43	2,363.43	2,363.43	
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	0.998761	0.998761	0.998761	0.998761	
Wage Index BNF	0.999362	0.999362	0.999362	0.999362	
Reclassified Wage Index Reclass BNF	0.988003	0.988003	0.988003	0.988003	
WI Lowest Quartile BNF	0.998241	0.998241	0.998241	0.998241	
Rural Hosp Demo BNF	0.999642	0.999642	0.999642	0.999642	
Transition BNF	0.998580	0.998580	0.998580	0.998580	
Stem Cell Acquisition BNF	0.999861	0.999861	0.999861	0.999861	
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	
FFY2021 Final Labor-Related Rate	3,707.44	3,626.14	3,680.34	3,599.03	62.0%
FFY2021 Final NonLabor-Related Rate	2,272.30	2,222.47	2,255.69	2,205.86	38.0%
Net Oper IPPS Base Rate Change	3.2%				

Update Factor Components (Capital)	All
FFY2020 CN Final Capital Rate	462.33
FFY2021 Proposed Capital Rate	468.36
Net Cap IPPS Base Rate Change	1.30%

FY20 Fixed Loss Operating Outlier Threshold	26,552
FY21 Fixed Loss Operating Outlier Threshold	30,006