

**IPPS Rate Update Factors**

**Proposed Rule (5/10/2021)**

*(For hospitals with WIF > 1.000)*

<b>Update Factor Components (Operating)</b>	<b>Full</b>	<b>IQR Only</b>	<b>EHR Only</b>	<b>Neither</b>	<b>Labor %</b>
FFY2021 CN Final Labor-Related Rate	\$4,071.57	\$4,000.00	\$4,047.71	\$3,976.14	68.3%
FFY2021 CN Non Labor-Related Rate	\$1,889.74	\$1,856.52	\$1,878.67	\$1,845.45	31.7%
FFY2021 CN Final Labor-Related Rate (67.6%)	\$4,029.85				67.6%
FFY2021 CN Non Labor-Related Rate (32.4%)	\$1,931.46				32.4%
<b>Remove:</b> Reclass Wage Index Reclass BNF	0.986616				
<b>Remove:</b> Rural Hosp Demo Adj	0.999626				
<b>Remove:</b> Lowest Quartile BNF	0.997970				
<b>Remove:</b> Transition BNF	0.998851				
<b>Remove:</b> Operating Outlier Factor	0.949000				
Adjusted FFY2021 Labor-Related Rate	\$4,319.35	\$4,319.35	\$4,319.35	\$4,319.35	
Adjusted FFY2021 NonLabor-Related Rate	\$2,070.22	\$2,070.22	\$2,070.22	\$2,070.22	
Market Basket Increase	2.500%	2.500%	2.500%	2.500%	
<b>Less:</b> Statutory Adjustment (ACA)	0.000%	0.000%	0.000%	0.000%	
<b>Less:</b> Productivity Adj	-0.200%	-0.200%	-0.200%	-0.200%	
FFY2022 Update	2.300%	2.300%	2.300%	2.300%	
<b>Less:</b> No Quality Submission			-0.625%	-0.625%	
<b>Less:</b> No MU/EHR		-1.875%		-1.875%	
Adjusted FFY2022 Update	2.300%	0.425%	1.675%	-0.200%	
MS-DRG Recalibration BNF	1.000098	1.000098	1.000098	1.000098	
Wage Index BNF	1.000277	1.000277	1.000277	1.000277	
Reclassified Wage Index Reclass BNF	0.987018	0.987018	0.987018	0.987018	
WI Lowest Quartile BNF	0.998108	0.998108	0.998108	0.998108	
Rural Hosp Demo Adj	0.999412	0.999412	0.999412	0.999412	
<b>Less:</b> Operating Outlier Factor (-5.1%)	0.949000	0.949000	0.949000	0.949000	
<b>Plus:</b> MACRA Doc & Coding Adj (0.5%)	1.005000	1.005000	1.005000	1.005000	
					<b>Labor %</b>
FFY2022 Proposed Labor-Related Rate	\$4,150.84	\$4,074.76	\$4,125.48	\$4,049.40	67.6%
FFY2022 Proposed NonLabor-Related Rate	\$1,989.46	\$1,952.99	\$1,977.30	\$1,940.83	32.4%
Net Oper IPPS Base Rate Change	3.00%				

*(For hospitals with WIF <= 1.000)*

<b>Update Factor Components (Operating)</b>	<b>Full</b>	<b>IQR Only</b>	<b>EHR Only</b>	<b>Neither</b>	<b>Labor %</b>
FFY2021 CN Final Labor-Related Rate	\$3,696.01	\$3,631.04	\$3,674.36	\$3,609.39	62.0%
FFY2021 CN Non Labor-Related Rate	\$2,265.30	\$2,225.48	\$2,252.02	\$2,212.20	38.0%
FFY2021 Proposed Labor-Related Rate	\$3,696.01				62.0%
FFY2021 Proposed NonLabor-Related Rate	\$2,265.30				38.0%
<b>Remove:</b> Wage Index Reclass BNF	0.986616				
<b>Remove:</b> Rural Hosp Demo Adj	0.999626				
<b>Remove:</b> Lowest Quartile BNF	0.997970				
<b>Remove:</b> Transition BNF	0.998851				
<b>Remove:</b> Operating Outlier Factor	0.949000				
Adjusted FFY2022 Labor-Related Rate	\$3,961.53	\$3,961.53	\$3,961.53	\$3,961.53	
Adjusted FFY2022 NonLabor-Related Rate	\$2,428.04	\$2,428.04	\$2,428.04	\$2,428.04	
Market Basket Increase	2.500%	2.500%	2.500%	2.500%	
<b>Less:</b> Statutory Adjustment (ACA)	0.000%	0.000%	0.000%	0.000%	
<b>Less:</b> Productivity Adj	-0.200%	-0.200%	-0.200%	-0.200%	
FFY2022 Update	2.300%	2.300%	2.300%	2.300%	
<b>Less:</b> No Quality Submission			-0.625%	-0.625%	
<b>Less:</b> No MU/EHR		-1.875%		-1.875%	
Adjusted FFY2022 Update	2.300%	0.425%	1.675%	-0.200%	
MS-DRG Recalibration BNF	1.000098	1.000098	1.000098	1.000098	
Wage Index BNF	1.000277	1.000277	1.000277	1.000277	
Reclassified Wage Index Reclass BNF	0.987018	0.987018	0.987018	0.987018	
WI Lowest Quartile BNF	0.998108	0.998108	0.998108	0.998108	
Rural Hosp Demo Adj	0.999412	0.999412	0.999412	0.999412	
<b>Less:</b> Operating Outlier Factor (-5.1%)	0.949000	0.949000	0.949000	0.949000	
<b>Plus:</b> MACRA Doc & Coding Adj (0.5%)	1.005000	1.005000	1.005000	1.005000	
					<b>Labor %</b>
FFY2022 Final Labor-Related Rate	\$3,806.98	\$3,737.21	\$3,783.72	\$3,713.94	62.0%
FFY2022 Final NonLabor-Related Rate	\$2,333.31	\$2,290.54	\$2,319.06	\$2,276.29	38.0%
Net Oper IPPS Base Rate Change	3.0%				

**Update Factor Components (Capital)**

	<b>All</b>
FFY2021 CN Final Capital Rate	\$466.21
FFY2022 Proposed Capital Rate	\$471.89
Net Cap IPPS Base Rate Change	1.22%
FFY21 CN Final Fixed Loss Operating Outlier Threshold	\$29,064
FFY22 Fixed Loss Operating Outlier Threshold	\$32,680