

**Addendum A**  
**FY 2018 Final IPF PPS Rates and Adjustment Factors**

**Per Diem Rate:**

Federal Per Diem Base Rate	\$771.35
Labor Share (0.750)	\$578.51
Non-Labor Share (0.25)	\$192.84

**Per Diem Rate Applying the 2 Percentage Point Reduction**

Federal Per Diem Base Rate	\$756.11
Labor Share (0.75)	\$567.08
Non-Labor Share (0.25)	\$189.03

**Fixed Dollar Loss Threshold Amount:**

\$11,425

**Wage Index Budget-Neutrality Factor:**

1.0006

**Facility Adjustments:**

Rural Adjustment Factor	1.17
Teaching Adjustment Factor	0.5150
Wage Index	Pre-reclass Hospital Wage Index (FY 2017)

**Cost of Living Adjustments (COLAs):**

Area	Cost of Living Adjustment Factor
<b>Alaska:</b>	
City of Anchorage and 80-kilometer (50-mile) radius by road	1.25
City of Fairbanks and 80-kilometer (50-mile) radius by road	1.25
City of Juneau and 80-kilometer (50-mile) radius by road	1.25
Rest of Alaska	1.25
<b>Hawaii:</b>	
City and County of Honolulu	1.25
County of Hawaii	1.21
County of Kauai	1.25
County of Maui and County of Kalawao	1.25

**Patient Adjustments:**

ECT – Per Treatment	\$332.08
ECT – Per Treatment Applying the 2 Percentage Point Reduction	\$325.52

**Variable Per Diem Adjustments:**

	<b>Adjustment Factor</b>
Day 1 -- Facility Without a Qualifying Emergency Department	1.19
Day 1 -- Facility With a Qualifying Emergency Department	1.31
Day 2	1.12
Day 3	1.08
Day 4	1.05
Day 5	1.04
Day 6	1.02
Day 7	1.01
Day 8	1.01
Day 9	1.00
Day 10	1.00
Day 11	0.99
Day 12	0.99
Day 13	0.99
Day 14	0.99
Day 15	0.98
Day 16	0.97
Day 17	0.97
Day 18	0.96
Day 19	0.95
Day 20	0.95
Day 21	0.95
After Day 21	0.92

**Age Adjustments:**

<b><u>Age (in years)</u></b>	<b>Adjustment Factor</b>
Under 45	1.00
45 and under 50	1.01
50 and under 55	1.02
55 and under 60	1.04
60 and under 65	1.07
65 and under 70	1.10
70 and under 75	1.13
75 and under 80	1.15
80 and over	1.17

**DRG Adjustments:**

<b>MS-DRG</b>	<b>MS-DRG Descriptions</b>	<b>Adjustment Factor</b>
056	Degenerative nervous system disorders w MCC	1.05
057	Degenerative nervous system disorders w/o MCC	1.05
080	Nontraumatic stupor & coma w MCC	1.07
081	Nontraumatic stupor & coma w/o MCC	1.07
876	O.R. procedure w principal diagnoses of mental illness	1.22
880	Acute adjustment reaction & psychosocial dysfunction	1.05
881	Depressive neuroses	0.99
882	Neuroses except depressive	1.02
883	Disorders of personality & impulse control	1.02
884	Organic disturbances & mental retardation	1.03
885	Psychoses	1.00
886	Behavioral & developmental disorders	0.99
887	Other mental disorder diagnoses	0.92
894	Alcohol/drug abuse or dependence, left AMA	0.97
895	Alcohol/drug abuse or dependence w rehabilitation therapy	1.02
896	Alcohol/drug abuse or dependence w/o rehabilitation therapy w MCC	0.88
897	Alcohol/drug abuse or dependence w/o rehabilitation therapy w/o MCC	0.88

**Comorbidity Adjustments:**

<b>Comorbidity</b>	<b>Adjustment Factor</b>
Developmental Disabilities	1.04
Coagulation Factor Deficit	1.13
Tracheostomy	1.06
Eating and Conduct Disorders	1.12
Infectious Diseases	1.07
Renal Failure, Acute	1.11
Renal Failure, Chronic	1.11
Oncology Treatment	1.07
Uncontrolled Diabetes Mellitus	1.05
Severe Protein Malnutrition	1.13
Drug/Alcohol Induced Mental Disorders	1.03
Cardiac Conditions	1.11
Gangrene	1.10
Chronic Obstructive Pulmonary Disease	1.12
Artificial Openings – Digestive & Urinary	1.08
Severe Musculoskeletal & Connective Tissue Diseases	1.09
Poisoning	1.11

**National Median and Ceiling Cost-to-Charge Ratios (CCRs)**

<b>CCRs</b>	<b>Rural</b>	<b>Urban</b>
National Median	0.5930	0.4420
National Ceiling	1.9634	1.7071