

Overview

Purpose

The AHEAD Medicare Hospital Global Budget (HGB) Acute Care Hospital (ACH) Calculator Tool (HGB ACH Calculator) is a teaching tool to support eligible hospitals and other interested parties in understanding the key elements of the AHEAD Medicare Fee-for-Service (FFS) HGB methodology. The calculator allows users to enter hospital-specific data and try different scenarios to better understand the mechanics of the HGB calculations. **While the tool presents a HGB estimate based on the hospital-specific data, it is not meant to be a precise calculation. The Centers for Medicare and Medicaid Services (CMS) strongly recommend that hospitals use the calculator to understand the HGB calculations, but not to estimate their expected HGB. In early 2026, CMS will release estimated HGBs for a historical year. Moving forward, CMS will release estimated HGBs in advance of Performance Year (PY) 1 to support hospital decision making.**

The links below provide access to AHEAD Model resources and the calculator tools:

- [AHEAD Model Website](#): Information regarding the AHEAD Model, including the CMS Designed Medicare FFS HGB Methodology Financial Specifications, the HGB Methodology At-A-Glance document, and other resources, is available here.
- [AHEAD Medicare Acute Care Hospital Calculator Tool](#): Excel-based tool that allows hospitals to enter values for baseline and other adjustments to understand how the methodology works.

HGB ACH Calculator Organization

The HGB ACH Calculator contains five main tabs, each representing a key component of the HGB construction under AHEAD (see steps outlined below). Within each tab, the tool walks users through the calculation of each adjustment. To the right of each calculation step, notes provide further detail on each adjustment, clarify the hospital data to input, and share additional details on the methodology. In addition to the main tabs, there are several appendix tabs providing additional details on select calculations.



Important Details About the HGB ACH Calculator

The HGB ACH Calculator is designed to be a teaching aid. Each tab is a visualization of the core components of the calculation. The calculator simplifies aspects of the HGB calculations to enable hospitals and other interested parties to use the data they have accessible. As a result of these simplifications, any attempt to use the calculator to model or simulate an HGB will result in imprecise estimates. Users will also want to note that while the calculator includes all adjustments, not all adjustments apply to all model Performance Years. For example, the Total Cost of Care adjustment is not applicable until PY4. In these cases, the tool focuses on the first year the adjustment is applicable.

How to Use the Tool

Data Entry

To begin using the tool, users will go to the 'Step 1. Hospital Baseline' tab and enter a hospital CMS Certification Number (CCN). This pulls in publicly available hospital-specific data that the tool uses to inform calculations throughout. From there, users should walk through each tab sequentially, entering hospital-specific values into *blue cells*, which indicate where users must enter data (**Exhibit 1**). Users will need to enter values for a range of data points including historical FFS revenue, FFS payment proportion for market area, potentially avoidable utilization percent, and more. *Yellow cells* will automatically populate (requiring no data entry) using data entered elsewhere in the tool (e.g., CCN). **Note:** While the HGB methodology allows hospitals to participate at the Organizational National Provider Identifier (ONPI) level, the calculator tool is designed to calculate a budget at the CCN level. Users may enter data in the blue cells at the ONPI level if they wish to visualize the impact of the methodology at that level. Not all adjustments are applicable at the ONPI level (e.g., APA) and are calculated only at the CCN level.

Exhibit 1

(B) Enter the Estimated FFS Revenue for the Time Periods Below

Enter the hospital's FFS revenue for Base Year 1 (July 1 - June 30)

Enter the estimated FFS revenue for Base Year 2 (July 1 - June 30)

Data Entry
Required

\$	24,000,000	\$	15,000,000

(C) Add Sequestration Back to Baseline Amounts - (No Data Entry Required)

BY1 Adjusted Revenue = BY1 Revenue / 0.98

BY2 Adjusted Revenue = BY2 Revenue / 0.98

No Data Entry
Required

\$	24,489,796	\$	15,306,122
\$	-	\$	-

As many data points are difficult to estimate, users are not expected to enter exact values for all fields. In fact, CMS encourages users to explore how different scenarios impact the resulting HGB. For some data points, the tool offers dropdown options to guide users' estimates (**Exhibit 2**). The values in the dropdowns are intended to be ballpark estimates, not exact thresholds. If users prefer, they have the option to enter specific values in dropdowns instead.

Exhibit 2

Low (6%)
Low (6%)
Somewhat Low (8%)
Average (10%)
Somewhat High (12%)
High (14%)

Accessing the Impact of Each Adjustment on the 'Final HGB'

When all blue cells are filled with the required data, the resulting total HGB will display on the 'Step 5. Final HGB' tab. It shows a step-by-step accounting of the impact of each adjustment (**Exhibit 3**).

Exhibit 3

Step 1: Total Baseline Amount	\$ 26,256,714	\$ 16,972,001
Step 2: Volume Based Adjustments		
Market Shift Adjustment	\$ 1,564,160	\$ 1,684,800
Outlier Adjustment	\$ 78,770	\$ 16,972
Step 3: Reflect FFS Revenue		
Annual Payment Adjustment	2.62%	-0.46%
Demographic Adjustment	1.00%	1.00%
Step 4: AHEAD Specific Adjustments		
Social Risk Adjustment	0.20%	0.20%
Effectiveness Adjustment	0.00%	0.00%
Community Improvement Bonus	0.10%	0.10%
Total Cost of Care Adjustment	0.50%	0.50%
Transformation Incentive Adjustment	1.00%	1.00%
	\$ (588,764) -2.00%	\$ (382,247) -2.00%
Step 4: Final Inpatient and Outpatient Amounts	\$ 28,849,450	\$ 18,730,122



Remember: The calculator tool is designed to support a general understanding of how the methodology functions. It should not be used to calculate a precise estimate. In early 2026, CMS plans to release estimated HGBs for a historical year and, subsequently, estimated HGBs prior to PY1 to support hospital decision making.