

Overview

Purpose

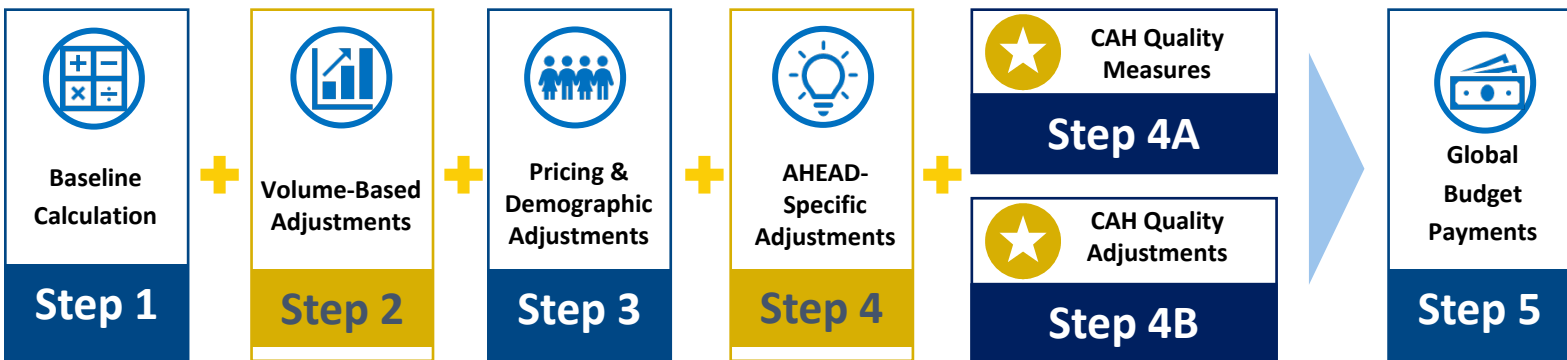
The AHEAD Medicare Hospital Global Budget (HGB) **Critical Access Hospital (CAH) Calculator Tool** (HGB CAH Calculator) is a teaching tool to support eligible CAHs in understanding the key elements of the AHEAD Medicare Fee-for-Service (FFS) HGB methodology. The calculator allows users to enter hospital-specific data and try different scenarios to better understand the mechanics of the HGB calculations. **While the tool presents an 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 Critical Access Hospital Calculator Tool](#): Excel-based tool that allows hospitals to enter values for baseline and other adjustments to understand how the methodology works.

HGB CAH Calculator Organization

The HGB CAH 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. **Note:** The CAH HGB Calculator includes Steps 4A and 4B, pertaining to the CAH Quality Adjustment, which is only applicable to CAHs.



Important Details About the HGB CAH Calculator

The HGB CAH 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 (TCOC) adjustment is not applicable until PY4.

How to Use the HGB CAH Calculator

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., Annual Payment Adjustment) 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 user 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%)

CAH-Specific Components of HGB Methodology

- **Service Line Adjustment (Step 1):** CAHs may request retention of the entire revenue associated with a reduced or eliminated service.
- **Outlier Adjustment (Step 2):** CAHs do not receive outlier payments in Medicare FFS and are therefore ineligible for the Outlier Adjustment.
- **Annual Payment Adjustment (Step 3):** The Hospital Market Basket serves as the basis to price-adjust baseline payments to PY1 dollars.
- **Effectiveness Adjustment (Step 4):** For CAHs, the EA begins in PY3, one year later than for ACHs.
- **TCOC Adjustment (Step 4):** For CAHs, the TCOC Adjustment is upside only in PY4 and PY5, then becomes bi-directional in PY6, one year later than for Acute Care Hospitals.
- **CAH Quality Incentive Program (Step 4 A/B):** Begins in PY3. This adjustment is only applicable to CAHs, is upside-only, and begins as pay-for-reporting and advances to pay-for-performance on a select set of measures.
- **Final HGB (Step 5):** The AHEAD Model includes a payment floor to ensure HGB payments for CAHs are no lower than current Medicare FFS reimbursement at 101 percent of costs (before sequestration).

Data Entry for CAH Quality Adjustment

In AHEAD, CAHs participate in the CAH Quality Incentive Program, an upside-only quality program that begins as pay-for-reporting and advances to pay-for-performance for a select set of measures, including rural-specific measures.

The HGB CAH Calculator splits the CAH Quality Adjustment into two unique steps, 4A and 4B. In step 4A, users are asked to first enter data on CAH Quality Program Measures in the *blue cells* for the Base Period. To support data entry, users have the option to select 'Actual', which will then populate the actual measure score in 2022 (based on the CCN) in the *yellow cell*. *Note: all data shared is publicly available in the CMS Provider Data Catalog.* Users can also select 'Not Reported' if they wish to see how the calculation would shift should they have not reported that measure. In addition, users can enter a specific score directly in the *blue cell* (**Exhibit 3**).

Exhibit 3

Domain	Measure	Base Period
Healthcare Quality and Utilization	Hospital-Wide Readmissions (proxy for Hybrid eHWR)*	Actual 13.80
Healthcare Quality and Utilization	Emergency Transfer Communication Measure^	Not Reported
Healthcare Quality and Utilization	ED Arrival Time to Departure Time for Discharged Patients*	85.00

For the Performance Period, users can again select 'Actual' (for 2023), 'Not Reported', or enter a specific score. In addition, users can adjust their Performance Period results to show improvement or decline.

In step 4B, users select the Performance Year of the calculation (**Exhibit 4a**). In PY3 and PY4, only Pay-for-Reporting is included in the reward amount. From PY5 through PY7, both reporting and performance impact the reward amount with progressively more emphasis on performance. In PY8, the award is entirely based on performance (**Exhibit 4b**).

Exhibit 4a

(A) Enter the Performance Year

Exhibit 4b

	PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8
Pay-for-Reporting			2% Based on PY1	2% Based on PY2	1.5% Based on PY3	1% Based on PY4	0.5% Based on PY5	0%
Pay-for-Performance					0.5% Based on PY3/PY2	1% Based on PY4/PY3	1.5% Based on PY5/PY4	2% Based on PY6/PY5

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 5**).



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.

Exhibit 5

Step 1: Total Baseline Amount	\$ 24,735,673	\$ 15,459,796
Step 2: Volume Based Adjustments		
Market Shift Adjustment	\$ 1,564,160	\$ 1,684,800
Step 3: Pricing and Demographic Adjustments		
Annual Payment Adjustment	2.00%	2.00%
Demographic Adjustment	1.00%	1.00%
Step 4: AHEAD Specific Adjustments		
Social Risk Adjustment	0.20%	0.20%
Effectiveness Adjustment	0.00%	0.00%
CAH Quality Adjustment	2.00%	2.00%
Community Improvement Bonus	0.10%	0.10%
Total Cost of Care Adjustment	0.50%	0.50%
Transformation Incentive Adjustment	1.00%	1.00%
Step 4: Final Inpatient and Outpatient Amounts	\$ (562,512) -2.00%	\$ (366,696) -2.00%
Total After Step 4 x 2% Sequestration Reduction	\$ 27,563,102	\$ 17,968,108
Total Hospital Global Budget	\$ 45,531,210	