

Addendum A
FY 2027 IPF PPS Proposed Rates and Adjustment Factors

Per Diem Rate:

Federal Per Diem Base Rate	\$912.58
Labor Share (79.1%)	\$721.85
Non-Labor Share (20.9%)	\$190.73

Per Diem Rate Applying the 2 Percentage Point Reduction:

Federal Per Diem Base Rate	\$894.74
Labor Share (79.1%)	\$707.74
Non-Labor Share (20.9%)	\$187.00

Fixed Dollar Loss Threshold Amount:

\$37,820

Wage Index Budget-Neutrality Factor:

0.9991

Facility Adjustments:

Rural Adjustment Factor	1.18
Teaching Adjustment Factor	0.7957
Wage Index	FY 2027 Pre-floor, Pre-reclassified IPFS Hospital Wage Index

Cost of Living Adjustments (COLAs):

Area	Cost of Living Adjustment Factor
Alaska:	
City of Anchorage and 80-kilometer (50-mile) radius by road	1.28
City of Fairbanks and 80-kilometer (50-mile) radius by road	1.32
City of Juneau and 80-kilometer (50-mile) radius by road	1.36
Rest of Alaska	1.44
Hawaii:	
City and County of Honolulu	1.20
County of Hawaii	1.32
County of Kauai	1.26
County of Maui and County of Kalawao	1.24

Patient Adjustments:

ECT – Per Treatment	\$688.73
ECT – Per Treatment Applying the 2 Percentage Point Reduction	\$675.26

Variable Per Diem Adjustments:

	Adjustment Factor
Day 1 -- Facility Without a Qualifying Emergency Department	1.28
Day 1 -- Facility With a Qualifying Emergency Department	1.54
Day 2	1.20
Day 3	1.15
Day 4	1.12
Day 5	1.08
Day 6	1.06
Day 7	1.03
Day 8	1.02
Day 9	1.01
Day 10 and After	1.00

Age Adjustments:

Age (in years)	Adjustment Factor
Under 45	1.00
45 and under 55	1.02
55 and under 60	1.05
60 and under 65	1.06
65 and under 70	1.09
70 and under 80	1.11
80 and over	1.13

DRG Adjustments:

MS-DRG	MS-DRG Descriptions	Adjustment Factor
056	Degenerative nervous system disorders w MCC	1.12
057	Degenerative nervous system disorders w/o MCC	1.11
876	OR procedure w principal diagnoses of mental illness	1.29
880	Acute adjustment reaction & psychosocial dysfunction	1.08
881	Depressive neuroses	1.06
882	Neuroses except depressive	1.02
883	Disorders of personality & impulse control	1.17
884	Organic disturbances & intellectual disabilities	1.08
885	Psychoses	1.00
886	Behavioral & developmental disorders	1.07
887	Other mental disorder diagnoses	1.00
894	Alcohol/drug abuse or dependence, left AMA	0.86
895	Alcohol/drug abuse or dependence w rehabilitation therapy	0.90
896	Alcohol/drug abuse or dependence w/o rehabilitation therapy w MCC	1.00
897	Alcohol/drug abuse or dependence w/o rehabilitation therapy w/o MCC	0.95
917	Poisoning and toxic effects of drugs w MCC	1.19
918	Poisoning and toxic effects of drugs w/out MCC	1.12
947	Signs and Symptoms w MCC	1.12
948	Signs and Symptoms w/out MCC	1.09

Comorbidity Adjustments:

Comorbidity	Adjustment Factor
Developmental Disabilities	1.04
Tracheostomy	1.09
Eating Disorders	1.09
Renal Failure, Acute	1.06
Renal Failure, Chronic	1.08
Oncology Treatment	1.44
Uncontrolled Diabetes Mellitus	1.05
Severe Protein Malnutrition	1.17
Cardiac Conditions	1.04
Gangrene	1.12
Chronic Obstructive Pulmonary Disease and Sleep Apnea	1.09
Artificial Openings – Digestive & Urinary	1.07
Severe Musculoskeletal & Connective Tissue Diseases	1.05
Poisoning	1.16
Intensive Management for High-Risk Behavior	1.07

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

CCRs	Rural	Urban
National Median	0.5720	0.4200
National Ceiling	2.4181	1.8850