CMS RELEASES FFY 2021 PRELIMINARY PUBLIC USE FILE AND WAGE INDEX DEVELOPMENT TIMETABLE

On May 17, 2019, CMS released the preliminary FY 2021 Worksheet S-3, Parts II and III wage index Public Use File ("PUF"). The PUF contains wage data based on FFY 2017 hospital cost reports - that is, cost reports with fiscal year begin dates of on or after October 1, 2016 and on or before September 30, 2017. The FFY 2017 wage data will be used in the development of the proposed FFY 2021 wage index to be published in the Federal Register in spring of 2020.

It is important to note that the PUF excludes hospitals designated as critical access hospitals as of May 2019. The PUF is available here.

The wage index is a major component of both inpatient and outpatient hospital payments (impacting at least 60 percent of the payment). So it is important that hospitals confirm the accuracy of their data in the PUF. Hospitals may request revisions to their preliminary wage index data if there are any issues.

The FFY 2021 Hospital Wage Index Development Timetable indicates that all requests from hospitals for changes to their FFY 2021 wage index and CY 2016 occupational mix data must be submitted to and received by their Medicare Administrative Contractors ("MACs") by September 3, 2019. A hospital that wishes to revise its data must submit its request along with complete, appropriate, detailed supporting documentation to its MAC. MACs must receive the revision requests and supporting documentation by this date.

PRACTICAL TAKEAWAYS

- The FFY 2021 PUF will be used to calculate the wage indices used for hospital inpatient services between October 1, 2020 and September 30, 2021 and outpatient services between January 1, 2021 and December 31, 2021.
- This data will also be used to set the wage indices for other providers – *e.g.*, hospice, skilled nursing facility, IPPS-excluded hospitals.
- Hospitals should carefully review the PUF to confirm the inclusion and accuracy of their wage index data. Hospitals should also review if there are any significant changes to specific categories of costs or hours from last year and investigate whether those changes are appropriate.
- CMS has very specific deadlines to request revisions. Hospitals should be sure to submit any revisions requests and supporting documentation by September 3, 2019.

If you have any questions, please contact one of the following professionals:

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