

Outpatient Prospective Payment System (OPPS) Calendar Year (CY) 2022 Final Rule Analysis

Estimated Change in Medicare Payments

CY 2021 Final Rule Correction Notice Compared to CY 2022 Final Rule

Oregon

Impact Analysis	Dollar Impact	Percent Change
<i>Estimated CY 2021 OPPS Payments</i>	<i>\$781,288,700</i>	
Marketbasket Update	\$16,876,800	2.16%
ACA-Mandated Marketbasket Reduction	(\$4,375,200)	-0.56%
Other BN Adjustments	(\$2,083,200)	-0.27%
Wage Index (Wage Data and Reclassification)	(\$3,346,600)	-0.43%
Application of the Imputed Floor	\$0	0.00%
Increasing Bottom Quartile Wage Index Values	\$0	0.00%
5% Stop Loss Transition Wage Index	\$0	0.00%
Change in Rural Adjustment	\$0	0.00%
APC Factor/Updates	\$2,577,400	0.33%
<i>Estimated CY 2022 OPPS Payments</i>	<i>\$790,937,900</i>	

Total Estimated Change CY 2021 to CY 2022	\$9,649,200	1.24%
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The impact shown above does not include the impact of the sequestration reduction to all lines of Medicare payment authorized by Congress through FFY 2031. The Protecting Medicare and American Farmers from Sequester Cuts Act extended the 2.0% sequestration moratorium through March 31, 2022 and reduced the sequestration cuts to 1.0% for the following three months, resuming at 2.0% for the second half of the year. It is estimated that the impact of sequestration on CY 2022 OPPS PPS payments would be: -\$9,886,700

Notes:

- This analysis is intended to show providers how Medicare outpatient fee-for-service (FFS) payments may change from CY 2021 to CY 2022 based on the policies set forth in the CY 2022 OPPS final rule.
- This analysis does not include payment estimates for services provided to Medicare Advantage patients or modifications in FFS payments as a result of hospital participation in new payment models being tested under Medicare demonstration/pilot programs.
- Estimated CYs 2021 and 2022 OPPS payments are from CMS' CY 2022 OPPS final rule Impact File (based on CY 2019 outpatient claims data). OPPS conversion factors are from the CY 2021 final rule February 2021 correction notice and CY 2022 final rule. Wage indexes are from the FFY 2021 Inpatient Prospective Payment System (IPPS) final rule December 2020 correction notice and the FFY 2022 IPPS final rule October 2021 correction notice.
- Dollar impacts in this analysis may differ from those provided by other organizations/associations due to differences in source data and analytic methods. Individual percentages and dollars shown in this analysis may not add to total due to compounding and rounding. Dollar amounts less than \$50 and percentages less than 0.05% will appear as zeroes due to rounding. This analysis does not reflect changes due to volume or patient mix.

CY 2022 OPPS Final Rule Changes Modeled in this Analysis:

- Marketbasket Update: 2.7% marketbasket increase to the outpatient rate.
- ACA-Mandated Marketbasket Reduction: 0.7% productivity reduction to the marketbasket authorized by the Affordable Care Act (ACA) of 2010.
- Other BN Adjustments: Reflects the impact of adjustments to the rate based on changes to the wage index (+0.01%), 5% stop loss transition wage index (-0.01%), cancer hospital payments (0.00%), as well as pass-through spending, outlier payments (-0.32%), and other budget neutrality in order to maintain program budget neutrality. CMS did not provide individual budget neutrality factors for wage index budget neutrality due to wage data changes and the budget neutrality factor to offset the bottom quartile increase of wage indexes. Therefore the budget neutrality to offset the increase to the bottom quartile of wage indexes is included in this line.
- Wage Index (Wage Data and Reclassifications): Updated wage index values based on the final FFY 2022 IPPS hospital wage indexes, including the impact of new wage data, reclassifications, rural and legislated floors, and other adjustments to the wage indexes. This value does not include CMS' increase to the wage index of hospitals in the bottom quartile of wage index values nationally.
- Application of the Imputed Floor: The impact of the finalized imputed floor adjustment is also included for all-urban states and is not budget neutral.

- Increasing Bottom Quartile Wage Index Values: Reflects the estimated impact of CMS' increase to the wage index for hospitals with a wage index value in the bottom quartile of the nation. This increase is half of the difference between the hospital's pre-adjustment wage index, and the 25th percentile wage index value across all hospitals. This increase is offset by a budget neutrality adjustment to OPPS conversion factor. The impacts of these individual components are broken out separately and are calculated using CMS' FFY 2021 IPPS final rule correction notice and CMS' FFY 2022 IPPS final rule correction notice wage index tables. CMS did not provide individual budget neutrality factors for wage index budget neutrality due to wage data changes and the budget neutrality factor to offset the bottom quartile increase of wage indexes. Therefore in this analysis the budget neutrality to offset the increase to the bottom quartile of wage indexes is included in the "other budget neutrality" line rather than this line.

- 5% Stop Loss Transition Wage Index: CY 2022 5% stop loss transition for eligible hospitals whose CY 2022 wage index that was less than 95% of what it was for CY 2021 (eligibility is based on if the hospital received the 5% stop loss transition in CY 2021).

- Change in Rural Adjustment: Payment change due to the change in the rural status of provider.

- APC Factor/Updates: This impact represents the changes to the APC assignments and weights adopted for CY 2022. It is inclusive of CMS' policies regarding the creation of comprehensive APCs; the expansion of the categories of items/services that are packaged into APCs for payment as opposed to separately paid; and the anticipated change in outlier payments. This impact is derived by attributing all remaining payment changes to this category (after impact for wage index, marketbasket, etc.).

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U.S.

Impact Analysis	Dollar Impact	Percent Change
<i>Estimated CY 2021 OPPS Payments</i>	<i>\$66,942,955,300</i>	
Marketbasket Update	\$1,488,145,500	2.22%
ACA-Mandated Marketbasket Reduction	(\$375,298,700)	-0.56%
Other BN Adjustments	(\$178,677,200)	-0.27%
Wage Index (Wage Data and Reclassification)	(\$194,260,800)	-0.29%
Application of the Imputed Floor	\$68,989,900	0.10%
Increasing Bottom Quartile Wage Index Values	\$115,294,500	0.17%
5% Stop Loss Transition Wage Index	\$7,813,100	0.01%
Change in Rural Adjustment	\$160,189,000	0.24%
APC Factor/Updates	\$8,904,300	0.01%
<i>Estimated CY 2022 OPPS Payments</i>	<i>\$68,044,054,900</i>	
Total Estimated Change CY 2021 to CY 2022	\$1,101,099,600	1.64%

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