

CY 2010 OPPSIASC Final Rule Hospital Outpatient Department Prospective Payment System  
Payment Impact File Including Affordable Care Act Changes

This file contains data used to assess the impact of the final CY 2010 Medicare hospital outpatient prospective payment system (OPPS) on payments (including beneficiary co-payments) to hospitals and CMHCs. The data comes from various sources, including hospital cost report extracts predominately from fiscal year 2007, the outpatient provider specific file, and the IPPS Final Rule FY 2010 impact file for hospital inpatient operating and capital payments in addition to CY 2008 claims data. The data is abstracted from an internal file used to conduct the impact analysis of the final OPPS for CY 2010. This file does not include cancer or children's hospitals as these facilities are held harmless under 1833(t)(7)(D)(ii) of the Act and modeled payments for these providers under the OPPS may not reflect total outpatient payments.

The Affordable Care Act required retroactive payment revisions to the CY 2010 OPPS payment rates. Specifically, Section 3401 of the Affordable Care Act reduces the OPD fee schedule increase factor, which is the hospital operating market basket update, by .25 percentage points for CY 2010. Section 3137 of the Affordable Care Act extends wage reclassifications that were previously established under Section 508 of Public Law 108-173 from October 1, 2009 to September 30, 2010, and includes some revisions to the geographic reclassification of hospitals for wage index purposes. This impact file accompanies the release of a Notice implementing these retroactive provisions for CY 2010. We note that hospitals seeking to compare the change in estimated CY 2010 OPPS payments created by the Affordable Car Act can do so using the original impact file provided with the CY 2010 OPPS final rule published on November 20, 2009.

CY 2010 HOSPITAL OUTPATIENT

PPS PAYMENT IMPACT FILE: FINAL RULE INCLUDING AFFORDABLE CARE ACT CHANGES<sup>1</sup>

| Column. | Title                    | Description  |
|---------|--------------------------|--|
| A       | Provider Number          | Six character OSCAR Provider Number (CMS Certification Number). In general, the first two digits identify the State. <sup>2</sup>  |
| B       | CBSA Code                | Up to five character code designating the provider's CBSA location prior to wage index reclassification  |
| C       | Total Discounted Units   | Discounted units are the total number of units after we adjust for the multiple procedure reduction of 50 percent that applies to payment for services assigned to status indicator "T" under the final payment system when multiple "T" status procedures are performed in the same encounter as well as terminated procedures. This field also reflects any changes in units as a result of final policies. For example, the units for a composite payment typically are 1. This unit field also reflects the AMA's estimates of new code utilization created for the MPFS final rule. |
| D       | Rural Sole Community and | Identifies a Sole Community Hospital or Essential Access Hospital that has a rural geographic location and/or a rural reclassified wage  |

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|---|---|---|
|   | Essential Access Hospitals                | index location. <sup>3</sup>  |
| E | Post Reclassification Wage Index          | Final FY 2010 inpatient hospital wage index after reclassification by the Medicare Geographic Classification Review Board (MGCRB). The wage index includes any outmigration adjustment, transition to the IPPS rural floor budget neutrality adjustment applied on a national basis, an occupational mix adjustment, and continues to use CBSAs to define labor market areas. The wage index also includes a 3/4 and 1/4 CY 2010 blended wage of 508 reclassification and home area wage indexes or MGCRB reclassifications, if applicable, for hospitals reclassified under section 508 of Pub. L. 108-173, including the extension of the 508 reclassifications and special exceptions under section 3137, as amended by section 10317, of the Affordable Care Act of 2010, Pub. L. 111-148 through September 2010. |
| F | All Rural                                 | Identifies hospitals that are considered rural, either because of their CBSA geographic location or their reclassified wage index location.<br>LURBAN/OURBAN= 0<br>RURAL=1  |
| G | Urban/Rural Geographic Location           | Identifies urban or rural status based solely on CBSA geographic location.<br>LURBAN= Large urban area<br>OURBAN=Other urban area<br>RURAL= Rural area  |
| H | Region                                    | Based on pre-reclassification CBSA assignment<br>NE = New England<br>MA = Middle Atlantic<br>SA = South Atlantic<br>WNC = West North Central<br>ENC = East North Central<br>ESC = East South Central<br>WSC = West South Central<br>MNT = Mountain<br>PAC = Pacific<br>PR = Puerto Rico   |
| I | Disproportionate Share Patient Percentage | From FY 2010 FR IPPS impact file:<br><a href="http://www.cms.hhs.gov/AcutelInpatientPPS/10FR/list.asp">http://www.cms.hhs.gov/AcutelInpatientPPS/10FR/list.asp</a> . The DSH variable is based on cost report and Social Security Administration (SSA) data. <sup>4</sup>   |

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|---|---------------------------------|---|
| J | Outpatient Cost-to-Charge Ratio | Cost-to-charge ratios are obtained from the July 2009 outpatient provider specific file. An internally calculated CCR is used to replace zero or missing values. For CCRs greater than the upper limit of 1.5, the statewide default CCR is used. <sup>5</sup>  |
| K | Estimated 2009 PPS Payment      | Estimated total CY 2009 Medicare program and beneficiary OPPS payments for the services for which CMS is able to simulate payments. These dollars include outlier payments and a wage index that includes the extension of the 508 reclassifications and special exceptions under section 124 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) Pub. L. 110-275 through September 30, 2009. That wage index also includes the extension of the 508 reclassifications and special exceptions under section 3137, as amended by section 10317, of the Affordable Care Act of 2010, Pub. L. 111-148 through September 2010. <sup>6</sup> |
| L | Estimated 2010 PPS Payment      | Estimated total CY 2010 Medicare program and beneficiary OPPS payments for the services for which CMS is able to simulate payments. These dollars include estimated CY 2010 outlier payments, a wage index that includes the extension of the 508 reclassifications and special exceptions under section 3137, as amended by section 10317, of the Affordable Care Act of 2010, Pub. L. 111-148 through September 2010, and the 0.25 percentage point market basket reduction in CY 2010 implemented by sections 3401 and 10319 of the Affordable Care Act of 2010, as amended by section 1105 of the Health Care and Education Reconciliation Act of 2010.     |
| M | Estimated 2010 Outlier Payment  | Estimated OPPS outlier payments for CY 2010 under final outlier policy. <sup>7</sup>  |
| N | Number of Beds                  | Derived from the most recent cost report of the provider.   |
| O | Teaching Hospitals              | Identifies major and minor teaching hospitals.  |
| P | Ownership                       | Identifies type of ownership: voluntary, proprietary, or government.<br>1=Voluntary<br>2=Proprietary<br>3=Government  |
| Q | CMHC                            | Identifies the provider as a CMHC<br>Y=Yes<br>N=No  |

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|---|----------------|--|
| R | Provider lines | This is the total number of times a payable service (HCPCS code) appears on the 2008 claims applying the final CY 2010 OPPS policy. This variable is used to create hospital "volume" groupings in the impact table. |
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<sup>1</sup> Additional provider variables for short-term Hospitals paid under IPPS can be obtained from the FY 2010 FR hospital inpatient PPS Payment Impact File: <http://www.cms.gov/AcuteInpatientPPS/10FR/list.asp>.

<sup>2</sup> A list of SSA state codes is available in Transmittal 29, Change Request 5490, "New Number Series and State Codes for CMS Certification Numbers (formerly OSCAR Provider Numbers)" issued October 12, 2007. This is the OSCAR Provider Number and not the NPI.

<sup>3</sup> The impact table presents impacts for rural sole community and essential access hospitals with a geographic rural location.

<sup>4</sup> This variable is missing for hospitals not included on the FR FY 2010 inpatient impact file, which generally are hospitals not paid under IPPS, including long-term care, rehabilitation, or psychiatric hospitals, although some short-term acute hospitals bill OPPS and not IPPS.

<sup>5</sup> The application of the statewide CCR is described in Section II.F. of the CY 2010 OPPS Final Rule. Statewide CCRs are provided in Section II.D. of the CY 2010 OPPS Final Rule.

<sup>6</sup> These payments are simulated, and actual payments will differ. Estimated amounts are based on the distribution of services present in the 2008 claims that we could model. The 2008 claims are refined to those with valid, covered HCPCS and valid CCRs on the provider's most recent cost report. CMS does not predict behavioral changes in volume or case mix.

<sup>7</sup> As discussed in section II.F. of the CY 2010 OPPS IASC FR preamble, we used the CCR from the July (third quarter) 2009 outpatient provider specific file ([http://www.cms.gov/PCPricer/08\\_OPPS.asp#TopOfPage](http://www.cms.gov/PCPricer/08_OPPS.asp#TopOfPage)) to model the final outlier threshold and estimated outlier payments for 2010 included in this impact file.