



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Parts 405, 412, 413, 415, 419, 495, and 512

Office of the Secretary

45 CFR Part 170

[CMS-1849-CN3 and CMS-0062-CN]

RIN 0938-AV79 and 0938-AV44

Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals (IPPS) and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year (FY) 2027 Rates; Requirements for Quality Programs; Other Policy Changes; and Adoption of Updated Versions of Certain Health Information Technology Standards; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

ACTION: Final rule; correction.

SUMMARY: This document corrects technical and typographical errors in the final rule that appeared in the **Federal Register** on August 4, 2026 titled “Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals (IPPS) and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year (FY) 2027 Rates; Requirements for Quality Programs; Other Policy Changes; and Adoption of Updated Versions of Certain Health Information Technology Standards.”

DATES: This correction is effective October 1, 2026.

FOR FURTHER INFORMATION CONTACT:

Donald Thompson, and Michele Hudson, (410) 786-4487 or DAC@cms.hhs.gov,
Operating Prospective Payment, MS-DRG Relative Weights, Wage Index, Hospital Geographic

Reclassifications, Graduate Medical Education, Capital Prospective Payment, Excluded Hospitals, Medicare Disproportionate Share Hospital (DSH) Payment Adjustment, Sole Community Hospitals (SCHs), Medicare-Dependent Small Rural Hospital (MDH) Program, and Low-Volume Hospital Payment Adjustment.

Mady Hue, *marilu.hue@cms.hhs.gov*, and Andrea Hazeley, *andrea.hazeley@cms.hhs.gov*, MS–DRG Classifications Issues.

Lily Yuan, *NewTech@cms.hhs.gov*, New Technology Add-On Payments Issues.

Jessica Warren, *jessica.warren@cms.hhs.gov*, and Lisa Marie Gomez, *LisaMarie.Gomez1@cms.hhs.gov*, Medicare Promoting Interoperability Program Issues.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2026–15833 of August 4, 2026 (91 FR 49570), there were a number of technical and typographical errors that are identified and corrected in this correcting document. The corrections in this correcting document are applicable to discharges occurring on or after October 1, 2026, as if they had been included in the document that appeared in the August 4, 2026 **Federal Register**.

II. Summary of Errors

A. Summary of Errors in the Preamble

On page 49572, we are correcting a typographical error in the year for the reduction required by section 1886(m)(6)(B)(iv) of the Act.

On page 49669, we are correcting the number of new ICD-10-PCS procedure codes and the total number of ICD-10-PCS procedure codes for FY 2027 as referenced in the 2027 Errata available on the CMS web site at: <https://www.cms.gov/medicare/coding-billing/icd-10-codes>.

Under our methodologies as finalized in the FY 2027 IPPS/LTCH PPS final rule (91 FR 49570), we exclude rural emergency hospitals (REHs), including hospitals that subsequently became REHs after the period from which the data were taken, from certain data

and calculations used in the IPPS ratesetting, including the development of the MS-DRG relative weights for FY 2027 (91 FR 49672) and the calculation of the standardized amount (91 FR 50370). In addition, we stated that any hospital that is designated as an REH by 7 days prior to the publication of the preliminary wage index public use file (PUF) is excluded from the calculation of the wage index (91 FR 49791). We inadvertently treated a current IPPS hospital (CMS Certification Number (CCN) 250078) as a hospital that had converted to REH status, thereby erroneously excluding its data from the MS-DRG relative weight calculation and the wage index. Therefore, we restored the applicable data for this hospital for these and other ratesetting calculations, as discussed further in section II.C. of this correcting document. Therefore, we are making the following corrections:

- On page 49672, we are correcting the number of Medicare discharges from IPPS providers in the FY 2025 MedPAR file used in calculating the relative weights for FY 2027 due to the correction of the number of hospitals with REH status.

- On page 49677, we are correcting the normalization adjustment factor used in calculating the relative weights for FY 2027 due to the correction of the number of hospitals with REH status and the conforming changes to the relative weights.

- On page 49791, we are correcting the total number of hospitals that were removed from the FY 2027 IPPS wage index due to conversion to REH status and making a corresponding correction to the number of hospitals' wage data used to calculate the FY 2027 wage index.

- On page 49798, we are correcting the unadjusted national average hourly wage due to the inadvertent omission of one hospital's wage data (CCN 250078).

- On page 49799, due to the inadvertent omission of one hospital's wage data (CCN 250078), we are correcting the occupational mix adjusted national average hourly wage, the total number of Worksheet S-3, Parts II and III hospitals from which we used wage data and occupational mix surveys used for FY 2027, and we are also correcting certain values in the table

listing the FY 2027 national average hourly wages for occupational mix nursing subcategories.

On page 49713 and 49717, we are correcting a typographical error in the ICD-10-CM code for Adult-onset Still's disease.

On page 49750, we are correcting the unique ICD-10-PCS procedure codes for the Infuse™ Bone Graft beginning in FY 2027, as referenced in the 2027 Errata available on the CMS web site at: <https://www.cms.gov/medicare/coding-billing/icd-10-codes>, for purposes of new technology add-on payment.

On pages 50036, 50332, and 50453 in the discussions of the Medicare Promoting Interoperability Program, we are correcting several typographical and technical errors.

B. Summary of Errors in the Regulations Text

On page 50340, we are correcting technical errors in the amendatory instructions for § 412.87.

On page 50344, we made errors in the amendatory instructions for § 413.85(d).

On page 50347, in the regulations text for § 495.40, we are correcting a technical error.

C. Summary of Errors in the Addendum

As discussed in section II.A. of this correcting document, we inadvertently treated a current IPPS hospital (CCN 250078) as a hospital that had converted to REH status, thereby erroneously excluding its data from the IPPS ratesetting calculations for FY 2027, including the standardized amount calculations. In addition, we inadvertently treated one urban hospital (CCN 360068) as rural under § 412.103 after it timely canceled its request to reclassify as rural under § 412.103, thereby erroneously including its data in the Ohio rural wage index and rural floor. After restoring the data of the excluded hospital (CCN 250078), including the hospital's Medicare Geographic Classification Review Board (MGCRB) reclassification to Core-Based Statistical Area (CBSA) 25060 for FY 2027, and making a correction to reflect the cancelation of the rural classification for the other hospital (CCN 360068) for FY 2027, we recalculated the MS-DRG relative weights, all wage indexes (and geographic adjustment factors (GAFs)), all

budget neutrality factors, the fixed-loss cost threshold, and the national operating standardized amounts and capital Federal rate.

Due to inadvertently treating a current IPPS hospital as a hospital that had converted to REH status as described previously, we updated the calculation of Factor 3 of the uncompensated care payment methodology for FY 2027 to reflect the updated information for that IPPS hospital (CCN 250078). This hospital is now projected to be eligible for Medicare DSH payments for FY 2027, including uncompensated care payments. We recalculated the total uncompensated care amount for all DSH-eligible hospitals for FY 2027 to reflect this change. In addition, because Factor 3 for each hospital reflects that hospital's uncompensated care amount relative to the uncompensated care amount for all subsection (d) hospitals that receive a DSH payment for the fiscal year, we also recalculated Factor 3 for all DSH-eligible hospitals. The hospital-specific Factor 3 determines the total amount of the uncompensated care payment a hospital is eligible to receive for a fiscal year. This hospital-specific payment amount is then used to calculate the amount of the interim uncompensated care payments a hospital receives per discharge. Given the very narrowly targeted update to the information used in the calculation of Factor 3, the change to the previously calculated Factor 3 for the majority of hospitals is of limited magnitude. We incorporated the revised uncompensated care payment amounts for all DSH-eligible hospitals into our recalculation of the FY 2027 fixed-loss threshold and related budget neutrality figures.

On page 50383, we made conforming changes to the operating national average case-weighted cost-to-charge ratios (CCRs) for March 2025 and March 2026, the 1-year national operating CCR adjustment factor, the capital national average case-weighted CCRs for March 2025 and March 2026, and the 1-year national capital CCR adjustment factor to reflect the inclusion of applicable data for the IPPS hospital that had inadvertently been treated as a hospital that converted to an REH.

Due to the correction of the errors involving CCN 250078 and CCN 360068 discussed

previously, we made changes to the following:

- On page 50374, the table titled “Summary of FY 2027 Budget Neutrality Factors”.
- On page 50384, the outlier fixed-loss cost threshold for FY 2027, total operating Federal payments, total operating outlier payments, and the outlier adjustment to the capital Federal rate.
- On page 50386, the table titled “Changes from FY 2026 Standardized Amounts to the FY 2027 Standardized Amounts”.

On page 50390, in the discussion of the applicable percentage increases to the hospital-specific rates applicable to SCHs and MDHs, in the untitled table we are correcting a typographical error in the applicable percentage increase applied to the standardized amount for a hospital that did not submit quality data and is not a meaningful electronic health records (EHR) user.

On pages 50391 and 50394 through 50396, in the discussion of the determination of the Federal hospital inpatient capital related prospective payment rate update, due to the correction of the errors involving CCN 250078 and CCN 360068 discussed previously, we made conforming corrections to the GAF/DRG budget neutrality factor, the capital Federal rate, and related figures. As a result of these changes, we also made conforming corrections in the table showing the comparison of factors and adjustments for the FY 2026 capital Federal rate and FY 2027 capital Federal rate.

As discussed previously, we inadvertently treated a current IPPS hospital as a hospital that had converted to REH status, thereby erroneously excluding its data from the IPPS wage data used for FY 2027. After restoring the hospital’s data (CCN 250078), we recalculated the FY 2027 LTCH PPS area wage index values since they are calculated from the same data we used to compute the FY 2027 acute care hospital inpatient wage index (91 FR 50397). On pages 50396 and 50399, we made conforming corrections to the FY 2027 LTCH PPS standard Federal payment rate area wage level adjustment budget neutrality factor and the FY 2027 LTCH PPS

standard Federal payment rate.

On page 50406, we made conforming changes to the applicable HCO threshold for site neutral payment rate cases under the LTCH PPS for FY 2027 since it is calculated as the sum of the site neutral payment rate for the case and the IPPS fixed-loss amount.

On page 50407, in the discussion of computing adjusted LTCH PPS Federal prospective payments for FY 2027, we made conforming changes to the FY 2027 LTCH PPS standard Federal payment rate due to the recalculation of the FY 2027 LTCH PPS standard Federal payment rate area wage level adjustment budget neutrality factor (discussed previously) and other conforming changes to the figures in that discussion.

On page 50409, we are making conforming corrections to the national adjusted operating standardized amounts and capital standard Federal payment rate (which also include the rates payable to hospitals located in Puerto Rico) in Tables 1A, 1B, 1C, and 1D as a result of the conforming corrections to certain budget neutrality factors, as previously described. We are also making conforming corrections to the LTCH PPS standard Federal rate in Table 1E as a result of the conforming corrections to the wage index budget neutrality factor, as previously described.

D. Summary of Errors in the Appendices

On pages 50413, 50415 through 50416, 50419 through 50420, 50424 through 50426, 50446 through 50449, 50451 and 50457 through 50458 in the regulatory impact analyses, we have made conforming corrections to the factors, values, and tables, and the accompanying discussion of the changes to payments for operating costs and uncompensated care payments, capital IPPS, and LTCH PPS payments for FY 2027 as a result of the technical errors that lead to changes in our calculation of certain IPPS budget neutrality factors, MS-DRG relative weights, wage indexes, and other figures as described in sections II.A. and C. of this correcting document, and for the corrections related to uncompensated care payments as described in section II.C. of this correcting document. These conforming corrections include changes to the following:

- On pages 50415 through 50416, the table titled “Table I—Impact Analysis of Changes

on Payments for IPPS Operating Costs and Uncompensated Care Payments for FY 2027”.

- On pages 50419 and 50420, the table titled “Table II—Impact Analysis of Changes on Average Payments per Discharge for Operating Costs and Uncompensated Care Payments”.

- On pages 50448 through 50449, the table titled “Table III—Comparison of Total Payments per Case”.

- On pages 50424 through 50426, the discussion of the “Medicare DSH Uncompensated Care Payments and Supplemental Payment for Indian Health Service Hospitals and Tribal Hospitals and Hospitals Located in Puerto Rico”, including the table titled “Modeled Uncompensated Care Payments* and Supplemental Payments for Estimated FY 2027 DSHs by Hospital Type.”

- On page 50451, the table titled “Table IV: Impact Of Payment Rate And Policy Changes To LTCH PPS Payments For LTCH PPS Standard Federal Payment Rate Cases For FY 2027 (Estimated FY 2026 Payments Compared To Estimated FY 2027 Payments)”.

- On pages 50457 and 50458, the table titled “Table X. Estimated Impact On Small Businesses” and the accompanying discussion.

E. Summary of Errors in and Corrections to Files and Tables Posted on the CMS Website

We are correcting the errors and making conforming corrections in the following IPPS tables that are listed on page 50408 of the FY 2027 IPPS/LTCH PPS final rule and are available on the internet on the CMS website at <https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-ppsFee-for-Service-Payment>. The tables that are available on the internet have been updated to reflect the revisions discussed in this correcting document.

Table 2.— Case-Mix Index and Wage Index Table by CCN—FY 2027 Final Rule. As discussed in the previous section, we inadvertently treated a current IPPS hospital (CCN 250078) as a hospital that had converted to REH status, thereby erroneously excluding its data from the wage index. Therefore, we restored this provider to Table 2, which includes all relevant values for this provider for each column in the table. (We note CCN 250078 has an MGCRB

reclassification to CBSA 25060.) In addition, as discussed in the previous section, we inadvertently treated one urban hospital (CCN 360068) as rural under § 412.103 after it timely requested to cancel its request to reclassify as rural under § 412.103, thereby erroneously including its data in the Ohio rural wage index and rural floor. Effective for FY 2027, CCN 360068 is no longer reclassified as rural under § 412.103.

Due to the inadvertent omission of the wage data of one hospital (CCN 250078) and the inadvertent error in the rural reclassification status of a hospital (CCN 360068) for FY 2027, we are correcting the occupational mix adjusted national average hourly wage (as discussed in section II.A. of this correcting document), and we recalculated all of the budget neutrality adjustments (as discussed in section II.C. of this correcting document), including the recalculation of the rural floor budget neutrality factor, which is the only budget neutrality factor applied to the FY 2027 wage indexes. Because these changes affect the calculation of various area wage indexes used to determine certain budget neutrality factors and hospitals' final wage index value for FY 2027, we are also making conforming changes to other impacted wage indexes, including to the imputed floor and outmigration adjustment (as discussed later in this section) for those wage indexes. Therefore, we are revising the values, as applicable, in Table 2 based on all these changes described previously.

Table 3.— Wage Index Table by CBSA—FY 2027 Final Rule. As discussed previously, we inadvertently treated a current IPPS hospital (CCN 250078) as a hospital that had converted to REH status, thereby erroneously excluding its data from the wage index. As also discussed previously, we made an inadvertent error in the rural reclassification status of a hospital (CCN 360068) for FY 2027. Therefore, we restored CCN 250078 to the wage data, revised the treatment of CCN 360068 to rural, and recalculated the FY 2027 wage indexes (see discussion earlier in this section regarding the MGCRB reclassification for CCN 250078).

Due to the inadvertent omission of the wage data of one hospital (CCN 250078) and the inadvertent error in the rural reclassification status of a hospital (CCN 360068), we are

correcting the occupational mix adjusted national average hourly wage (as discussed in section II.A. of this correcting document), and we recalculated all of the budget neutrality adjustments (as discussed in section II.C. of this correcting document), including the recalculation of the rural floor budget neutrality factor, which is the only budget neutrality factor applied to the FY 2027 wage indexes. Because these changes affect the area pre- and post- reclassified wage indexes, we are also making conforming changes to other impacted wage indexes, including to the imputed floor for those wage indexes. We also are making corresponding changes to the GAFs for any CBSAs with a wage index that changed. Therefore, we are revising the values in Table 3 in the applicable columns based on all these changes described previously.

Table 4A.— List of Counties Eligible for the Out-Migration Adjustment under Section 1886(d)(13) of the Act—FY 2027 Final Rule. Due to the inadvertent omission of the wage data of one hospital (CCN 250078) and inadvertent error in the rural reclassification status of a hospital (CCN 360068) for FY 2027 discussed previously, we are correcting the occupational mix adjusted national average hourly wage (as discussed in section II.A. of this correcting document), and we recalculated all of the budget neutrality adjustments (as discussed in section II.C. of this correcting document) including the recalculation of the rural floor budget neutrality factor, which is the only budget neutrality factor applied to the FY 2027 wage indexes. Because all these changes affect various area wage indexes (including the post reclassified wage indexes), we are also making conforming changes to the other impacted wage indexes, including the imputed floor. As discussed in the FY 2012 IPPS final rule (76 FR 51601 through 51602) we calculate the out-migration adjustment using the post-reclassified wage indexes. Because the wage indexes are one of the inputs used to determine the out-migration adjustment, the out-migration adjustments for some counties/hospitals changed. Therefore, we are making corresponding changes to certain out-migration adjustments listed in Table 4A.

Table 5.—Final List of Medicare Severity Diagnosis-Related Groups (MS DRGs), Relative Weighting Factors, and Geometric and Arithmetic Mean Length of Stay—FY 2027

Final Rule. We are correcting this table to reflect the recalculation of the relative weights, geometric average length-of-stay (LOS), and arithmetic mean LOS as a result of the correction of the number of hospitals with REH status (as discussed in section II.A. of this correcting document).

Table 8A.— FY 2027 Statewide Average Operating Cost-to-Charge Ratios (CCRs) for Acute Care Hospitals (Urban and Rural) —FY 2027 Final Rule. As discussed in section II.A of this correcting document, we inadvertently treated a current IPPS hospital (CCN 250078) as a hospital that had converted to REH status, thereby erroneously excluding its data from the ratesetting. Therefore, we restored this provider's data and made a conforming change to the FY 2027 Statewide Average Operating cost-to-charge ratios (CCRs) for Urban Mississippi.

Table 8B. — FY 2027 Statewide Average Capital Cost-to-Charge Ratios (CCRs) for Acute Care Hospitals —FY 2027 Final Rule. As discussed in section II.A of this correcting document, we inadvertently treated a current IPPS hospital (CCN 250078) as a hospital that had converted to REH status, thereby erroneously excluding its data from the ratesetting. Therefore, we restored this provider's data and made a conforming change to the FY 2027 Statewide Average Capital cost-to-charge ratios (CCRs) for Mississippi.

Table 18.— FY 2027 Medicare DSH Uncompensated Care Payment Factor 3 Amounts. We made corrections to the calculation of Factor 3 of the uncompensated care payment methodology for FY 2027 to reflect the corrected information for the IPPS hospital (CCN 250078) that had inadvertently been treated as a hospital that had converted to an REH. This hospital is now projected to be eligible for Medicare DSH payments for FY 2027, including uncompensated care payments.

In addition, we made corrections to the calculation of Factor 3 to reflect correct merger information for four hospitals. For two hospitals that merged, CMS inadvertently did not combine the hospitals' data to determine the new, merged hospital's Factor 3 amount. For two other hospitals that merged, the merged hospital was not captured in the final rule's list of

merged hospitals due to a CMS data processing time issue. This notice corrects these issues and makes very minor updates to Factor 3 accordingly, for the merged hospitals and other hospitals receiving uncompensated care payments for FY 2027.

We recalculated the total uncompensated care amount for all DSH-eligible hospitals to reflect these updates. In addition, because the Factor 3 calculated for each hospital reflects that hospital's uncompensated care amount relative to the uncompensated care amount for all subsection (d) hospitals that receive a DSH payment for the fiscal year, we also recalculated Factor 3 for all DSH-eligible hospitals. The hospital-specific Factor 3 determines the total amount of the uncompensated care payment a hospital is eligible to receive for the fiscal year. This hospital-specific payment amount is then used to calculate the amount of the interim uncompensated care payments a hospital receives per discharge. Given the very narrowly targeted updates to the information used in the calculation of Factor 3, the change to the previously calculated Factor 3 is of limited magnitude for the majority of hospitals.

In the FY 2027 IPPS/LTCH PPS final rule's Table 18, we published a list of hospitals that we identified to be subsection (d) hospitals and subsection (d) Puerto Rico hospitals projected to be eligible to receive interim uncompensated care payments for FY 2027. We are correcting this list and the calculation of Factor 3 of the uncompensated care payment methodology to reflect the corrected information for the IPPS hospital that was inadvertently treated as a hospital that had converted to an REH and the hospital mergers. We are revising Factor 3 for all hospitals to reflect these corrections. We are also revising the amount of the total uncompensated care payment calculated for each DSH-eligible hospital. The total uncompensated care payment that a hospital receives is used to calculate the amount of the interim uncompensated care payments the hospital receives per discharge.

Due to the inadvertent omission of the wage data of one hospital (CCN 250078), we are also making conforming corrections in the following LTCH PPS tables that are listed on page 50408 of the FY 2027 IPPS/LTCH PPS final rule and are available on the internet on the CMS

website at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/LongTermCareHospitalPPS/index.html> under the list item for Regulation Number CMS-1849-F. The tables that are available on the internet have been updated to reflect the revisions discussed in this final rule correction.

Table 8C. — FY 2027 Statewide Average Total Cost-to-Charge Ratios (CCRs) for LTCHs (Urban and Rural) —FY 2027 Final Rule. As discussed in the previous section, we inadvertently treated a current IPPS hospital as a hospital that had converted to REH status, thereby erroneously excluding its data from the ratesetting (CCN 250078). Therefore, we restored this provider's data and made a conforming change to the FY 2027 Statewide Average Total cost-to-charge ratios (CCR) for LTCHs for Urban Mississippi.

Table 12A. — LTCH PPS Wage Index for Urban Areas for Discharges Occurring from October 1, 2026, through September 30, 2027. As discussed previously, we inadvertently excluded a hospital (CCN 250078) from the IPPS wage data used to calculate the FY 2027 LTCH PPS wage index and we are correcting the unadjusted national average hourly wage (as discussed in section II.A. of this correcting document). This resulted in a correction to the urban wage index values in Table 12A.

Table 12B.— LTCH PPS Wage Index for Rural Areas for Discharges Occurring from October 1, 2026, through September 30, 2027. As discussed previously, we inadvertently excluded a hospital (CCN 250078) from the IPPS wage data used to calculate the FY 2027 LTCH PPS wage index and we are correcting the unadjusted national average hourly wage (as discussed in section II.A. of this correcting document). This resulted in a correction to the rural wage index values in Table 12B.

III. Waiver of Proposed Rulemaking and Delay in Effective Date

Section 1871(b)(1) of the Social Security Act (the Act) requires the Secretary to provide for notice of a proposed rule in the **Federal Register** and provide a period of not less than 60 days for public comment. In addition, section 1871(e)(1)(B)(i) of the Act mandates a 30-day

delay in effective date after issuance or publication of a rule. Section 1871(b)(2)(C) of the Act provides an exception from the notice and 60-day comment period and delay in effective date requirements of the Act, under the good cause standard set forth in 5 U.S.C. 553(b)(B). Section 1871(e)(1)(B)(ii) of the Act provides an exception from the delay in effective date requirements of the Act as well. Section 553(b)(B) authorizes an agency to dispense with normal notice and comment rulemaking procedures for good cause if the agency makes a finding that the notice and comment process is impracticable, unnecessary, or contrary to the public interest, and includes a statement of the finding and the reasons for it in the rule. In addition, section 1871(e)(1)(B)(ii) of the Act allows the agency to avoid the 30-day delay in effective date where the waiver is necessary to comply with statutory requirements or such delay is contrary to the public interest and the agency includes in the rule a statement of the finding and the reasons for it. We believe that this final rule correction does not constitute a rule that would be subject to the notice and comment or delayed effective date requirements. This document corrects technical and typographical errors in the preamble, regulations text, addendum, tables, and appendices included or referenced in the FY 2027 IPPS/LTCH PPS final rule but does not make substantive changes to the policies or payment methodologies that were adopted in the final rule. As a result, this final rule correction is intended to ensure that the information in the FY 2027 IPPS/LTCH PPS final rule accurately reflects the policies adopted in that document.

In addition, even if this were a rule to which the notice and comment procedures and delayed effective date requirements applied, we find that there is good cause to waive such requirements. Undertaking further notice and comment procedures to incorporate the corrections in this document into the final rule or delaying the effective date would be contrary to the public interest because it is in the public's interest for providers to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2027 IPPS/LTCH PPS final rule accurately reflects our policies. Furthermore, such procedures would be unnecessary, as we are not altering our payment methodologies or policies, but rather, we are simply implementing

correctly the methodologies and policies that we previously proposed, requested comment on, and subsequently finalized. This final rule correction is intended solely to ensure that the FY 2027 IPPS/LTCH PPS final rule accurately reflects these payment methodologies and policies. Therefore, we believe we have good cause to waive the notice and comment and effective date requirements.

IV. Correction of Errors

In FR Doc. 2026–15833 of August 4, 2026 (91 FR 49570), we are making the following corrections:

A. Corrections of Errors in the Preamble

1. On page 49572, first column, last bullet, last line, the figure “2027” is corrected to read “2026”.

2. On page 49669,

a. Third column, first full paragraph, line 10, the figure “79,256” is corrected to read “79,258”.

b. Middle of the page, in the untitled table, second column,

(1) Second row, the figure “101” is corrected to read “103”.

(2) Last row, the figure “79,256” is corrected to read “79,258”.

3. On page 49672, first column, second full paragraph, line 3, the figure “6,961,093” is corrected to read “6,967,557”.

4. On page 49677, first column, first partial paragraph, line 6, the figure “1.945743” is corrected to read “1.945875”.

5. On page 49713,

a. In the table, the first column, second row, “M06.10” is corrected to read “M06.1”.

b. Following the table, the table is corrected by adding a table note to read as follows:

“We note that the table in the proposed rule listed the ICD-10-CM code for Adult-onset Still’s disease as M06.10 (Adult-onset Still’s disease). The correct code is M06.1 (Adult-onset

Still's disease).”

6. On page 49717, in the table, first column, second row, “M06.10” is corrected to read “M06.1”.

7. On page 49750, lower two-thirds of the page, third column, second paragraph,

a. Lines 14 and 15, the phrase “a unique ICD–10–PCS procedure code” is corrected to read “unique ICD–10–PCS procedure codes”.

b. Lines 21 through 27, the phrase “code XW0U0CC (Introduction of recombinant human bone morphogenetic protein-2 with collagen scaffold into joints, open approach, new technology group 12), in combination with any of the following ICD–10–PCS procedure codes:” is corrected to read “codes XW0U0CC (Introduction of recombinant human bone morphogenetic protein-2 with collagen scaffold into joints, open approach, new technology group 12), XW0U3CC (Introduction of recombinant human bone morphogenetic protein-2 with collagen scaffold into joints, percutaneous approach, new technology group 12), or XW0U4CC (Introduction of recombinant human bone morphogenetic protein-2 with collagen scaffold into joints, percutaneous endoscopic approach, new technology group 12) in combination with any of the following ICD-10-PCS procedure codes:”.

8. On page 49791, upper third of the page,

a. Second column, second paragraph, line 18, the figure “7” is corrected to read as “6”.

b. Third column, first partial paragraph, last line, the figure “3,006” is corrected to read as “3,007”.

9. On page 49798, top half of the page, in the untitled table, the figure “\$58.89” is corrected to read “\$58.88”.

10. On page 49799,

a. Top quarter of the page,

(1) Second column, second partial paragraph:

(a) Line 3, the figure “3006” is corrected to read as “3007”.

(b) Line 4, the figure “2921” is corrected to read as “2922”.

(2) Third column, first partial paragraph, line 1, the figures “(2921/3006)” is corrected to read as “(2922/3007)”.

(3) In the untitled table, the figure “\$58.83” is corrected to read “\$58.82”.

b. Middle of the page, the untitled table regarding “Occupational Mix Nursing Subcategory” is corrected to read:

OCCUPATIONAL MIX NURSING SUBCATEGORY	AVERAGE HOURLY WAGE
National RN	\$60.41
National LPN and Surgical Technician	\$35.01
National Nurse Aide, Orderly, and Attendant	\$23.53
National Medical Assistant	\$23.13
National Nurse Category	\$50.05

11. On page 50036, second column, second full paragraph, lines 8 and 9, “so not to underscore” is corrected to read “to underscore.”.

12. On page 50332, third column, last partial paragraph, lines 8 and 9, “the criteria at 45 CFR 170.315(g)(31), (32), and (33)” is corrected to read “one or more of the criteria at 45 CFR 170.315(g)(31) through (33)”.

13. On page 50453, third column, last full paragraph, line 10, the reference “section XIII.B.7.” is corrected to read “section XII.B.7.”.

B. Corrections of Errors in the Regulations Text

14. On page 50340, third column, second full paragraph (amendatory instruction 12 (§ 412.87)), lines 1 through 3, the sentence “Section 412.87 is amended by revising paragraphs (c) introductory text, (d), and (f) to read as follows:” is corrected to read as follows:

“Section 412.87 is amended by—

a. Revising paragraphs (c) introductory text, (c)(1), (d) introductory text, (d)(1), (f) paragraph heading, and (f)(2); and

b. Removing paragraph (f)(3).

The revisions read as follows.”

15. On page 50344, second column, second full paragraph, line 5 (amendatory instruction 28.b), the phrase “b. Revising paragraphs (d)(2) and (e)” is corrected to read “b. Revising paragraphs (d)(2)(i), (d)(2)(ii), and (e)”.

16. On page 50347, first column, § 495.40, line 5, the phrase “Through CY 2026, to engage” is corrected to read “Through the EHR reporting period in CY 2025, to engage.”

C. Corrections of Errors in the Addendum

17. On page 50374, the table titled “Summary of FY 2027 Budget Neutrality Factors” is corrected to read as follows:

Summary of FY 2027 Budget Neutrality Factors	
MS-DRG Reclassification and Recalibration Budget Neutrality Factor	0.998746
Cap Policy MS-DRG Weights Budget Neutrality Factor	0.999730
Wage Index Budget Neutrality Factor	1.000196
Reclassification Budget Neutrality Factor	0.949333
*Rural Floor Budget Neutrality Factor	0.973452
Cap Policy Wage Index Budget Neutrality Factor	0.999384
Continued Transition for the Discontinuation of the Low-Wage Index Hospital Policy Budget Neutrality Factor	0.999778

*The rural floor budget neutrality factor is applied to the national wage indexes while the rest of the budget neutrality adjustments are applied to the standardized amounts.

18. On page 50383,

a. Second column, last partial paragraph, line 4, the figure “0.240425” is corrected to “0.240448”.

b. Third column:

1. Partial paragraph:

(a) Line 1, the figure “0.233434” is corrected to “0.233484”.

(b) Last line, the figure “0.970922” is corrected to “0.971037”.

2. First full paragraph:

(a) Line 5, the figure “0.016402” is corrected to “0.016396”.

(b) Line 6, the figure “0.01528” is corrected to “0.015278”.

(c) Last line, the figure “0.931594” is corrected to “0.931813”.

19. On page 50384,

a. Top half of the page,

(1) First column, partial paragraph:

(a) Line 24, the figure “\$49,346” is corrected to “\$49,331”.

(b) Lines 25 and 26, the figure “\$4,660,920,375” is corrected to “\$4,665,006,980”, and

(c) Line 27, the figure “\$86,015,121,737” is corrected to “\$86,090,968,717”.

(2) Second column, first partial paragraph:

(a) Line 13, the figure “\$49,728” is corrected to “\$49,713”.

(b) Line 22, the figure “\$49,346” is corrected to “\$49,331”.

b. Middle of the page, in the untitled table, first row, third column (Capital Federal Rate*), the figure “0.967684” is corrected to read “0.967699”.

20. On page 50386, the table titled “Changes From FY 2026 Standardized Amounts To The FY 2027 Standardized Amounts” is corrected to read as follows:

**CHANGES FROM FY 2026 STANDARDIZED AMOUNTS TO THE FY 2027
STANDARDIZED AMOUNTS**

	Hospital Submitted Quality Data and is a Meaningful EHR User	Hospital Submitted Quality Data and is NOT a Meaningful EHR User	Hospital Did NOT Submit Quality Data and is a Meaningful EHR User	Hospital Did NOT Submit Quality Data and is NOT a Meaningful EHR User
FY 2026 Base Rate after removing: 1. FY 2026 Geographic Reclassification Budget Neutrality (0.956835) 2. FY 2026 Operating Outlier Offset (0.949) 3. FY 2026 Cap Policy Wage Index Budget Neutrality Factor (0.999397) 4. Transition for the Discontinuation of the Low Wage Index Hospital Policy Budget Neutrality Factor (0.999726) 5. FY 2026 Rural Demonstration Budget Neutrality Factor (0.999552)	If Wage Index is Greater Than 1.0000: Labor (66.0%): \$4,914.60 Nonlabor (34.0%): \$2,531.76 If Wage Index is less Than or Equal to 1.0000: Labor (62%): \$4,616.74 Nonlabor (38%): \$2,829.62	If Wage Index is Greater Than 1.0000: Labor (66.0%): \$4,914.60 Nonlabor (34.0%): \$2,531.76 If Wage Index is less Than or Equal to 1.0000: Labor (62%): \$4,616.74 Nonlabor (38%): \$2,829.62	If Wage Index is Greater Than 1.0000: Labor (66.0%): \$4,914.60 Nonlabor (34.0%): \$2,531.76 If Wage Index is less Than or Equal to 1.0000: Labor (62%): \$4,616.74 Nonlabor (38%): \$2,829.62	If Wage Index is Greater Than 1.0000: Labor (66.0%): \$4,914.60 Nonlabor (34.0%): \$2,531.76 If Wage Index is less Than or Equal to 1.0000: Labor (62%): \$4,616.74 Nonlabor (38%): \$2,829.62
FY 2027 Update Factor	1.023	0.999	1.015	0.991
FY 2027 MS-DRG Reclassification and Recalibration Budget Neutrality Factor Before Cap	0.998746	0.998746	0.998746	0.998746
FY 2027 Cap Policy MS-DRG Weight Budget Neutrality Factor	0.999730	0.999730	0.999730	0.999730
FY 2027 Wage Index Budget Neutrality Factor	1.000196	1.000196	1.000196	1.000196
FY 2027 Reclassification Budget Neutrality Factor	0.949333	0.949333	0.949333	0.949333
FY 2027 Cap Policy Wage Index Budget Neutrality Factor	0.999384	0.999384	0.999384	0.999384
FY 2027 Transition for the Discontinuation of the Low Wage Index Hospital Policy Budget Neutrality Factor	0.999778	0.999778	0.999778	0.999778
FY 2027 Operating Outlier Factor	0.949	0.949	0.949	0.949
National Standardized Amount for FY 2027 if Wage Index is Greater Than 1.0000; Labor/Non- Labor Share Percentage (66.0/34.0)	Labor: \$4,519.68 Nonlabor: \$2,328.32	Labor: \$4,413.65 Nonlabor: \$2,273.70	Labor: \$4,484.34 Nonlabor: \$2,310.11	Labor: \$4,378.30 Nonlabor: \$2,255.49
National Standardized Amount for FY 2027 if Wage Index is Less Than or Equal to 1.0000; Labor/Non-Labor Share Percentage (62/38)	Labor: \$4,245.76 Nonlabor: \$2,602.24	Labor: \$4,146.16 Nonlabor: \$2,541.19	Labor: \$4,212.56 Nonlabor: \$2,581.89	Labor: \$4,112.95 Nonlabor: \$2,520.84

21. On page 50390, bottom half of page, the untitled table is corrected to read as follows:

FY 2027	Hospital Submitted Quality Data and is a Meaningful EHR User	Hospital Submitted Quality Data and is NOT a Meaningful EHR User	Hospital Did NOT Submit Quality Data and is a Meaningful EHR User	Hospital Did NOT Submit Quality Data and is NOT a Meaningful EHR User
Market Basket Rate-of-Increase	3.2	3.2	3.2	3.2
Adjustment for Failure to Submit Quality Data under Section 1886(b)(3)(B)(viii) of the Act	0	0	-0.8	-0.8
Adjustment for Failure to be a Meaningful EHR User under Section 1886(b)(3)(B)(ix) of the Act	0	-2.4	0	-2.4
Productivity Adjustment under Section 1886(b)(3)(B)(xi) of the Act	-0.9	-0.9	-0.9	-0.9
Applicable Percentage Increase Applied to Standardized Amount	2.3	-0.1	1.5	-0.9

22. On page 50391:

a. First column, third full paragraph:

(1) Line 6, the figure “3.03 percent” is corrected to read “3.01 percent”.

(2) Line 10, the figure “3.0” is corrected to read “2.9”.

23. On page 50394,

a. First column, first full paragraph, lines 7 and 8, the mathematical phrase, “(0.9916) is 0.9901 (0.9984 x 0.9916)” is corrected to read “(0.9915) is 0.9899 (0.9984 x 0.9915)”.

b. Second column:

(1) First full paragraph, line 2, the figure “0.9901” is corrected to read “0.9899”.

(2) Second paragraph, line 8, the figure “\$540.03” is corrected to read “\$539.95”.

c. Third column:

(1) Last bulleted paragraph, line 10, the figure “0.9901” is corrected to read “0.9899”.

(2) Last paragraph:

(a) Line 12, the figure “0.99” is corrected to read “1.0”.

(b) Line 22, the figure “3.03” is corrected to read “3.01”.

d. Bottom of the page, the table titled “Comparison Of Factors And Adjustments:

FY 2026 Capital Federal Rate And The FY 2027 Capital Federal Rate” is corrected to read as follows:

**COMPARISON OF FACTORS AND ADJUSTMENTS: FY 2026 CAPITAL
FEDERAL RATE AND THE FY 2027 CAPITAL FEDERAL RATE**

	FY 2026	FY 2027	Change	Percent Change
Update Factor ¹	1.0280	1.034	1.034	3.4
GAF/DRG Adjustment Factor ¹	0.9918	0.9899	0.9899	-1.0
GAF Cap/Transition Adjustment Factor ²	0.9989	0.9990	1.0001	0.01
Outlier Adjustment Factor ³	0.9616	0.9677	1.0063	0.63
Capital Federal Rate	\$524.15	539.95	1.0301	3.01

¹ The update factor and the GAF/DRG budget neutrality adjustment factors are built permanently into the capital Federal rate. Thus, for example, the incremental change from FY 2026 to FY 2027 resulting from the application of the 0.9899 GAF/DRG budget neutrality adjustment factor for FY 2027 is a net change of 0.9899 (or -1.0 percent).

² The GAF Cap/Transition budget neutrality adjustment factor is not built permanently into the capital Federal rate; that is, the factor is not applied cumulatively in determining the capital Federal rate. Thus, for example, the net change resulting from the application of the FY 2027 GAF Cap/Transition budget neutrality adjustment factor is 0.9990/0.9989 or 1.0001 (or 0.01 percent).

³ The outlier reduction factor is not built permanently into the capital Federal rate; that is, the factor is not applied cumulatively in determining the capital Federal rate. Thus, for example, the net change resulting from the application of the FY 2027 outlier adjustment factor is 0.9677/0.9616 or 1.0063 (or 0.63 percent).

⁴ Percent change may not sum due to rounding.

24. On page 50395, first column, first paragraph, last line, the figure “\$49,346” is corrected to read “\$49,331”.

25. On page 50396, first column, second paragraph:

- a. Line 35, the figure “1.002679” is corrected to read “1.0025669”.
- b. Line 47, the figure “\$52,132.76” is corrected to read “\$52,126.94”.
- c. Line 48, the figure “1.002679” is corrected to read “1.0025669”.
- d. Line 54, the figure “\$51,113.55” is corrected to read “\$51,107.84”.
- e. Last line, the figure “1.002679” is corrected to read “1.0025669”.

26. On page 50399, second column, first full paragraph, lines 6 and 9, the figure “1.002679” is corrected to read “1.0025669”.

27. On page 50406, second column, first full paragraph,

- a. Line 8, the figure “\$49,346” is corrected to read “\$49,331”.
- b. Last line, the figure “\$49,346” is corrected to read “\$49,331”.

28. On page 50407, third column,

a. First partial paragraph, line 11, the figure “\$52,132.76” is corrected to read “\$52,126.94”.

b. Second paragraph, line 7, the figure “1.0102” is corrected to read “1.0104”.

c. Third paragraph:

(1) Line 7, the figure “\$52,132.76” is corrected to read “\$52,126.94”.

(2) Line 9, the figure “1.0102” is corrected to read “1.0104”.

(3) Line 19, the figure “\$50,829.77” is corrected to read “\$50,831.46”.

d. Bottom of page, the table titled “Example: LTCH’s Total Adjusted Federal Prospective Payment” is corrected to read as follows:

EXAMPLE: LTCH'S TOTAL ADJUSTED FEDERAL PROSPECTIVE PAYMENT

Unadjusted LTCH PPS Standard Federal Prospective Payment Rate	\$52,126.94
Labor-Related Share	x 0.730
Labor-Related Portion of the LTCH PPS Standard Federal Payment Rate	= \$38,052.67
Wage Index (CBSA 16984)	x 1.0104
Wage-Adjusted Labor Share of the LTCH PPS Standard Federal Payment Rate	= \$38,448.42
Nonlabor-Related Portion of the LTCH PPS Standard Federal Payment Rate (\$52,126.94 x 0.270)	+ \$14,074.27
Adjusted LTCH PPS Standard Federal Payment Amount	= \$52,522.69
MS-LTC-DRG 189 Relative Weight	x 0.9678
Total Adjusted LTCH PPS Standard Federal Prospective Payment	= \$50,831.46

29. On page 50409,

a. The table titled “Table 1A.— National Adjusted Operating Standardized Amounts, Labor/Nonlabor (66.0 Percent Labor Share/34.0 Percent Nonlabor Share If Wage Index Is Greater Than 1)--FY 2027 Final Rule” is corrected to read as follows:

TABLE 1A.— NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS, LABOR/NONLABOR (66.0 PERCENT LABOR SHARE/34.0 PERCENT NONLABOR SHARE IF WAGE INDEX IS GREATER THAN 1)--FY 2027 FINAL RULE

Hospital Submitted Quality Data and is a Meaningful EHR User (Update = 2.3 Percent)		Hospital Submitted Quality Data and is NOT a Meaningful EHR User (Update = -0.1 Percent)		Hospital Did NOT Submit Quality Data and is a Meaningful EHR User (Update = 1.5 Percent)		Hospital Did NOT Submit Quality Data and is NOT a Meaningful EHR User (Update = -0.9 Percent)	
Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor
\$4,519.68	\$2,328.32	\$4,413.65	\$2,273.70	\$4,484.34	\$2,310.11	\$4,378.30	\$2,255.49

b. The table titled “Table 1B.— National Adjusted Operating Standardized Amounts, Labor/Nonlabor (62 Percent Labor Share/38 Percent Nonlabor Share If Wage Index Is Less Than Or Equal To 1)—FY 2027 Final Rule” is corrected to read as follows:

TABLE 1B.— NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS, LABOR/NONLABOR (62 PERCENT LABOR SHARE/38 PERCENT NONLABOR SHARE IF WAGE INDEX IS LESS THAN OR EQUAL TO 1)—FY 2027 FINAL RULE

Hospital Submitted Quality Data and is a Meaningful EHR User (Update = 2.3 Percent)		Hospital Submitted Quality Data and is NOT a Meaningful EHR User (Update = -0.1 Percent)		Hospital Did NOT Submit Quality Data and is a Meaningful EHR User (Update = 1.5 Percent)		Hospital Did NOT Submit Quality Data and is NOT a Meaningful EHR User (Update = -0.9 Percent)	
Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor
\$4,245.76	\$2,602.24	\$4,146.16	\$2,541.19	\$4,212.56	\$2,581.89	\$4,112.95	\$2,520.84

c. The table titled “Table 1C.— Adjusted Operating Standardized Amounts For Hospitals In Puerto Rico, Labor/Nonlabor (National: 62 Percent Labor Share/38 Percent

Nonlabor Share Because Wage Index Is Less Than Or Equal To 1);—FY 2027 Final Rule” is corrected to read as follows:

TABLE 1C.— ADJUSTED OPERATING STANDARDIZED AMOUNTS FOR HOSPITALS IN PUERTO RICO, LABOR/NONLABOR (NATIONAL: 62 PERCENT LABOR SHARE/38 PERCENT NONLABOR SHARE BECAUSE WAGE INDEX IS LESS THAN OR EQUAL TO 1);—FY 2027 FINAL RULE

	Rates if Wage Index Greater Than 1		Hospital is a Meaningful EHR User and Wage Index Less Than or Equal to 1 (Update = 2.3 Percent)		Hospital is NOT a Meaningful EHR User and Wage Index Less Than or Equal to 1 (Update = -0.1 Percent)	
	Labor	Nonlabor	Labor	Nonlabor	Labor	Nonlabor
National¹	Not Applicable	Not Applicable	\$4,245.76	\$2,602.24	\$4,146.16	\$2,541.19

¹ For FY 2027, there are no CBSAs in Puerto Rico with a national wage index greater than 1.

d. The table titled “Table 1D.— Capital Standard Federal Payment Rate—FY 2027 Final Rule” is corrected to read as follows:

TABLE 1D.— CAPITAL STANDARD FEDERAL PAYMENT RATE—FY 2027 FINAL RULE

	Rate
National	\$539.95

e. The table titled “Table 1E.— LTCH PPS Standard Federal Payment Rate--FY 2027 Final Rule” is corrected to read as follows:

TABLE 1E.— LTCH PPS STANDARD FEDERAL PAYMENT RATE--FY 2027 FINAL RULE

	Full Update (2.3 Percent)	Reduced Update* (0.3 Percent)
Standard Federal Rate	\$52,126.94	\$51,107.84

* For LTCHs that fail to submit quality reporting data for FY 2027 in accordance with the LTCH Quality Reporting Program (LTCH QRP), the annual update is reduced by 2.0 percentage points as required by section 1886(m)(5) of the Act.

D. Correction of Errors in the Appendices

30. On page 50413, second column, last paragraph, line 1, the figure “3,005” is corrected to read “3,006”.

31. On pages 50415 through 50416, the table titled “Table I.—Impact Analysis Of Changes On Payments For IPPS Operating Costs And Uncompensated Care Payments For FY 2027” is corrected to read as follows:

**TABLE I.—IMPACT ANALYSIS OF CHANGES ON PAYMENTS FOR IPPS
OPERATING COSTS AND UNCOMPENSATED CARE PAYMENTS FOR FY 2027**

	Number of Hospitals ¹	FY 2027 Outlier Payments (1) ²	FY 2027 Hospital Rate Update (2) ³	MDH Expiration (3) ⁴	FY 2027 Uncompensated Care Payments (4) ⁵	FY 2027 Weights and DRG Changes with Application of Recalibration Budget Neutrality (5) ⁶	FY 2027 Wage Index (6) ⁷	All FY 2027 Changes (7) ⁸
All Hospitals	3,006	-0.6	2.2	-0.1	0.2	0.0	0.0	1.7
By Geographic Location:								
Urban hospitals	2,358	-0.7	2.2	-0.1	0.2	0.0	0.0	1.8
Rural hospitals	648	-0.2	2.2	-0.5	-0.1	-0.4	0.0	1.1
Bed Size (Urban):								
0-99 beds	640	-0.5	2.2	-1.4	0.1	0.0	-0.2	0.1
100-199 beds	673	-0.6	2.2	-0.1	0.1	-0.2	0.0	1.5
200-299 beds	400	-0.5	2.2	0.0	0.2	-0.1	-0.1	1.6
300-499 beds	394	-0.6	2.2	0.0	0.2	0.0	-0.1	1.6
500 or more beds	249	-0.7	2.1	0.0	0.4	0.2	0.2	2.1
Bed Size (Rural):								
0-49 beds	309	-0.2	2.1	-0.9	0.0	-0.5	-0.1	0.3
50-99 beds	174	-0.2	2.2	-1.2	0.0	-0.5	0.1	0.5
100-149 beds	95	-0.2	2.2	0.0	-0.1	-0.4	-0.1	1.4
150-199 beds	41	-0.2	2.2	0.0	-0.3	-0.3	0.1	1.4
200 or more beds	29	-0.4	2.2	0.0	0.0	-0.2	0.2	1.9
Urban by Region:								
New England	102	-0.6	2.2	-0.1	0.1	0.0	0.3	1.9
Middle Atlantic	272	-0.7	2.2	-0.1	0.3	-0.1	1.0	2.7
East North Central	364	-0.5	2.2	-0.2	0.0	0.0	0.7	2.2
West North Central	155	-0.5	2.2	0.0	-0.1	0.1	-0.9	0.7
South Atlantic	393	-0.6	2.1	-0.1	0.3	0.0	0.5	2.3
East South Central	140	-0.6	2.1	0.0	0.3	0.1	-1.0	0.9
West South Central	356	-0.5	2.0	0.0	0.8	0.1	-0.3	2.0
Mountain	177	-0.6	2.2	0.0	0.4	0.1	-0.8	1.4
Pacific	347	-1.0	2.2	0.0	0.1	0.0	-1.0	0.4
Rural by Region:								
New England	19	-0.5	2.3	-1.1	0.1	-0.3	1.0	1.6
Middle Atlantic	46	-0.3	2.2	-0.1	0.1	-0.4	-0.1	1.4
East North Central	104	-0.3	2.2	-1.2	-0.1	-0.3	0.9	1.2
West North Central	71	-0.2	2.2	-0.3	-0.2	-0.3	-0.5	0.7
South Atlantic	110	-0.2	2.1	-0.5	-0.3	-0.4	0.5	1.1
East South Central	119	-0.2	2.1	-0.3	0.1	-0.3	-0.9	0.5
West South Central	114	-0.2	2.1	-0.1	-0.2	-0.3	-0.4	0.9
Mountain	41	-0.1	2.3	0.0	0.2	-0.1	0.1	2.3
Pacific	24	-0.2	2.3	0.0	0.0	-0.6	-0.4	1.2
Puerto Rico								
Puerto Rico Hospitals	52	-0.3	1.4	0.0	0.2	-0.1	-1.8	-0.5
By Payment Classification:								
Urban hospitals	1,526	-0.6	2.2	0.0	0.3	-0.1	-0.3	1.5
Rural areas	1,480	-0.6	2.2	-0.1	0.2	0.0	0.2	1.9
Teaching Status:								
Nonteaching	1,696	-0.6	2.2	-0.3	0.1	-0.1	-0.1	1.2
Fewer than 100 residents	1,004	-0.6	2.2	-0.1	0.1	-0.1	-0.1	1.6
100 or more residents	306	-0.7	2.1	0.0	0.4	0.2	0.2	2.2

	Number of Hospitals ¹	FY 2027 Outlier Payments (1) ²	FY 2027 Hospital Rate Update (2) ³	MDH Expiration (3) ⁴	FY 2027 Uncompensated Care Payments (4) ⁵	FY 2027 Weights and DRG Changes with Application of Recalibration Budget Neutrality (5) ⁶	FY 2027 Wage Index (6) ⁷	All FY 2027 Changes (7) ⁸
Urban DSH:								
Non-DSH	370	-0.6	2.3	-0.1	0.0	0.0	0.2	1.9
100 or more beds	829	-0.7	2.1	0.0	0.4	-0.1	-0.4	1.4
Less than 100 beds	327	-0.5	2.1	0.0	0.1	-0.3	-0.2	1.1
Rural DSH:								
Non-DSH	130	-0.5	2.3	-1.3	0.0	0.0	0.2	0.7
SCH	212	-0.1	2.2	0.0	0.0	-0.4	0.2	2.0
RRC	922	-0.6	2.1	0.0	0.2	0.1	0.2	1.9
100 or more beds	31	-0.6	2.1	-0.1	0.3	0.1	0.9	2.7
Less than 100 beds	185	-0.2	2.1	-2.4	0.0	-0.5	0.1	-1.1
Urban teaching and DSH:								
Both teaching and DSH	482	-0.6	2.1	0.0	0.4	-0.1	-0.2	1.7
Teaching and no DSH	68	-0.6	2.3	-0.3	0.0	-0.1	0.3	1.7
No teaching and DSH	674	-0.7	2.2	0.0	0.2	-0.2	-0.6	0.9
No teaching and no DSH	302	-0.6	2.3	0.0	0.0	0.2	0.2	2.1
Special Hospital Types:								
SCH	419	-0.2	2.3	0.0	0.0	-0.3	0.1	1.9
MDH	166	-0.2	2.2	-8.3	0.0	-0.4	0.1	-6.7
Type of Ownership:								
Voluntary	1,905	-0.6	2.2	-0.1	0.2	0.0	0.1	1.7
Proprietary	693	-0.4	2.2	0.0	0.1	0.0	-0.4	1.4
Government	406	-0.7	2.0	0.0	0.7	0.1	-0.1	2.0
Medicare Utilization as a Percent of Inpatient Days:								
0-25	1,664	-0.6	2.1	0.0	0.4	0.0	0.0	1.9
25-50	1,266	-0.6	2.2	-0.2	0.0	-0.1	0.1	1.5
50-65	41	-0.4	2.3	-0.1	0.0	0.0	0.6	2.3
Over 65	9	-0.2	2.3	-4.6	0.0	0.7	-0.2	-2.1
Medicaid Utilization as a Percent of Inpatient Days:								
0-25	2,038	-0.6	2.2	-0.1	0.1	0.0	0.1	1.7
25-50	860	-0.7	2.1	0.0	0.3	0.1	-0.1	1.8
50-65	84	-0.7	1.8	0.0	1.4	-0.2	-0.7	1.7
Over 65	24	-0.9	2.1	0.0	0.2	-0.2	-1.6	-0.4
FY 2027 Reclassifications:								
All Reclassified Hospitals	1,104	-0.6	2.2	-0.1	0.2	0.0	0.2	1.9
Non-Reclassified Hospitals	1,902	-0.6	2.1	-0.1	0.2	-0.1	-0.2	1.5
Urban Hospitals Reclassified	977	-0.6	2.2	-0.1	0.2	0.1	0.2	1.9
Urban Non-reclassified Hospitals	1,399	-0.7	2.2	0.0	0.3	-0.1	-0.3	1.4
Rural Hospitals Reclassified Full Year	272	-0.2	2.2	-0.2	-0.1	-0.4	-0.1	1.2
Rural Non-reclassified Hospitals Full Year	358	-0.3	2.2	-0.6	0.0	-0.4	0.3	1.2
All hospitals that reclassified from urban to rural in accordance with section 1886(d)(8)(E) as implemented at 42 CFR 412.103	884	-0.6	2.2	-0.1	0.2	0.1	0.2	1.9
Other Reclassified Hospitals (Section 1886(d)(8)(B), also known as Lugar hospitals)	52	-0.3	2.2	-1.6	0.1	-0.5	0.0	-0.1

¹ Because data necessary to classify some hospitals by category were missing, the total number of hospitals in each category may not equal the national total. Discharge data are from FY 2025, and hospital cost report data are from the latest available reporting periods.

² This column displays the effects of estimated outlier payments returning to their targeted levels in FY 2027 as compared to the estimated outlier payments for FY 2026.

³ This column displays the payment impact of the hospital rate update, including the 2.3 percent update to the national standardized amount and the hospital-specific rate (the 3.2 percent IPPS market basket rate-of-increase reduced by the 0.9 percentage point for the productivity adjustment).

⁴ This column displays the impact of the expiration of the MDH status on January 1, 2027, a non-budget neutral payment provision.

⁵ This column displays the effects of the changes to estimated uncompensated care payments in FY 2027 as compared to FY 2026 as a percent change in estimated total payments. See also the table in section I.G.2 of this Appendix.

⁶ This column displays the payment impact of Version 44 GROUPE, the changes to the relative weights and the recalibration of the MS-DRG weights based on FY 2025 MedPAR data, and the 10-percent cap where the relative weight for a MS-DRG will decrease by more than ten percent in a given fiscal year. This column displays the application of the recalibration budget neutrality factor and the 10-percent cap budget neutrality factor (which can be found in section II.A.4 of the Addendum of this final rule).

⁷This column displays the effects of the changes to the FY 2027 wage index. This includes: (1) the update to wage index data using FY 2023 cost report data, the application of the wage index budget neutrality factor and the update to the labor and nonlabor shares; (2) the effects of geographic reclassifications by the Medicare Geographic Classification Review Board (MGCRB), showing the payment impact of going from FY 2026 reclassifications to the reclassifications scheduled to be in effect for FY 2027; (3) the effects of the application of the rural floor; (4) the effects of urban to rural reclassifications under section 1886(d)(8) of the Act on the wage index; (5) the effects of the application of “LUGAR” status under section 1886(d)(10) of the Act on the wage index; and (6) the adjustments to the wage index driven by non-budget neutral policies. These non-budget neutral policies include: (a) the imputed floor for all-urban states; (b) the policy that requires hospitals located in frontier States have a wage index no less than 1.0; and (c) the policy which provides for an increase in a hospital’s wage index if a threshold percentage of residents of the county where the hospital is located commute to work at hospitals in counties with higher wage indexes. The budget neutrality factors for the effects that are budget neutral can be found in section II.A.4 of the Addendum of this final rule. This column also displays the redistributive effects of the budget neutral transition for the discontinuation of the low wage index hospital policy from hospitals that do not benefit from the transition to hospitals that do benefit (primarily all the hospitals located in Puerto Rico) due to the associated budget neutrality factor. The budget neutrality factor for the transition can be found in section II.A.4 of the Addendum of this final rule.

⁸ This column shows the estimated change in payments from FY 2026 to FY 2027.

32. On pages 50419 through 50420, the table titled “Table II.--Impact Analysis Of Changes On Average Payments Per Discharge For Operating Costs And Uncompensated Care” is corrected to read as follows:

TABLE II.--IMPACT ANALYSIS OF CHANGES ON AVERAGE PAYMENTS PER DISCHARGE FOR OPERATING COSTS AND UNCOMPENSATED CARE

	Number of Hospitals (1)	Estimated Average FY 2026 Payment Per Discharge (2)	Estimated Average FY 2027 Payment Per Discharge (3)	FY 2027 Changes (4)
All Hospitals	3,006	18,992	19,318	1.7
By Geographic Location:				
Urban hospitals	2,358	19,469	19,811	1.8
Rural hospitals	648	13,490	13,637	1.1
Bed Size (Urban):				
0-99 beds	640	13,825	13,846	0.1
100-199 beds	673	15,182	15,410	1.5
200-299 beds	400	17,002	17,278	1.6
300-499 beds	394	18,931	19,238	1.6
500 or more beds	249	24,833	25,361	2.1
Bed Size (Rural):				
0-49 beds	309	11,569	11,607	0.3
50-99 beds	174	12,829	12,888	0.5
100-149 beds	95	12,787	12,960	1.4
150-199 beds	41	14,516	14,726	1.4
200 or more beds	29	16,529	16,840	1.9
Urban by Region:				
New England	102	20,665	21,048	1.9
Middle Atlantic	272	22,780	23,400	2.7
East North Central	364	18,363	18,767	2.2
West North Central	155	17,986	18,116	0.7
South Atlantic	393	17,334	17,731	2.3
East South Central	140	15,875	16,014	0.9
West South Central	356	18,616	18,997	2.0
Mountain	177	18,567	18,822	1.4
Pacific	347	23,120	23,205	0.4
Rural by Region:				
New England	19	18,019	18,300	1.6
Middle Atlantic	46	15,327	15,547	1.4
East North Central	104	12,966	13,124	1.2
West North Central	71	13,543	13,638	0.7
South Atlantic	110	12,712	12,851	1.1
East South Central	119	11,920	11,984	0.5
West South Central	114	11,759	11,860	0.9
Mountain	41	15,069	15,409	2.3
Pacific	24	17,509	17,710	1.2
Puerto Rico				
Puerto Rico Hospitals	52	15,440	15,358	-0.5
By Payment Classification:				
Urban hospitals	1,526	16,848	17,094	1.5
Rural areas	1,480	20,375	20,753	1.9
Teaching Status:				
Nonteaching	1,696	13,967	14,135	1.2
Fewer than 100 residents	1,004	16,799	17,061	1.6
100 or more residents	306	28,424	29,039	2.2
Urban DSH:				
Non-DSH	370	13,641	13,901	1.9
100 or more beds	829	17,833	18,084	1.4
Less than 100 beds	327	13,244	13,389	1.1
Rural DSH:				
Non-DSH	130	16,157	16,273	0.7
SCH	212	14,356	14,639	2.0
RRC	922	21,174	21,582	1.9
100 or more beds	31	19,357	19,881	2.7
Less than 100 beds	185	11,102	10,979	-1.1
Urban teaching and DSH:				

	Number of Hospitals (1)	Estimated Average FY 2026 Payment Per Discharge (2)	Estimated Average FY 2027 Payment Per Discharge (3)	FY 2027 Changes (4)
Both teaching and DSH	482	19,443	19,765	1.7
Teaching and no DSH	68	15,058	15,309	1.7
No teaching and DSH	674	14,726	14,859	0.9
No teaching and no DSH	302	12,628	12,895	2.1
Special Hospital Types:				
SCH	419	15,951	16,260	1.9
MDH	166	12,812	11,949	-6.7
Type of Ownership:				
Voluntary	1,905	18,663	18,983	1.7
Proprietary	693	16,911	17,149	1.4
Government	406	23,572	24,039	2.0
Medicare Utilization as a Percent of Inpatient Days:				
0-25	1,664	20,940	21,330	1.9
25-50	1,266	16,762	17,013	1.5
50-65	41	15,903	16,269	2.3
Over 65	9	12,061	11,802	-2.1
Medicaid Utilization as a Percent of Inpatient Days:				
0-25	2,038	16,833	17,115	1.7
25-50	860	22,874	23,282	1.8
50-65	84	29,386	29,893	1.7
Over 65	24	20,125	20,035	-0.4
FY 2027 Reclassifications:				
All Reclassified Hospitals	1,104	19,972	20,346	1.9
Non-Reclassified Hospitals	1,902	17,729	17,993	1.5
Urban Hospitals Reclassified	977	21,043	21,449	1.9
Urban Non-reclassified Hospitals	1,399	16,832	17,064	1.4
Rural Hospitals Reclassified Full Year	272	13,626	13,784	1.2
Rural Non-reclassified Hospitals Full Year	358	13,296	13,460	1.2
All hospitals that reclassified from urban to rural in accordance with section 1886(d)(8)(E) as implemented at 42 CFR 412.103	884	21,317	21,725	1.9
Other Reclassified Hospitals (Section 1886(d)(8)(B), also known as Lugar hospitals)	52	12,668	12,653	-0.1

33. On pages 50424 through 50425, the table titled “Modeled Uncompensated Care Payments* And Supplemental Payments For Estimated FY 2027 DSHs By Hospital Type” is corrected to read as follows:

MODELED UNCOMPENSATED CARE PAYMENTS* AND SUPPLEMENTAL PAYMENTS FOR ESTIMATED FY 2027 DSHS BY HOSPITAL TYPE					
	Number of Estimated DSHs (1)	FY 2026 Estimated Uncompensated Care Payments and Supplemental Payments (\$ in millions) (2)	FY 2027 Estimated Uncompensated Care Payments and Supplemental Payments** (\$ in millions) (3)	Dollar Difference: FY 2026 - FY 2027 (\$ in millions) (4)	Percent Change*** (5)
Total	2,274	7,821	8,049	228	2.9%
By Geographic Location					
Urban Hospitals	1,840	7,384	7,633	249	3.4
Other Urban Areas	950	3,240	3,289	50	1.5
Large Urban Areas	890	4,144	4,344	199	4.8
Rural Hospitals	434	437	416	-21	-4.8
Bed Size (Urban)					
0 to 99 Beds	345	316	307	-9	-2.9
100 to 249 Beds	744	1,578	1,605	26	1.7
250+ Beds	751	5,490	5,722	232	4.2

**MODELED UNCOMPENSATED CARE PAYMENTS* AND SUPPLEMENTAL PAYMENTS FOR
ESTIMATED FY 2027 DSHS BY HOSPITAL TYPE**

	Number of Estimated DSHs (1)	FY 2026 Estimated Uncompensated Care Payments and Supplemental Payments (\$ in millions) (2)	FY 2027 Estimated Uncompensated Care Payments and Supplemental Payments** (\$ in millions) (3)	Dollar Difference: FY 2026 - FY 2027 (\$ in millions) (4)	Percent Change*** (5)
Bed Size (Rural)					
0 to 99 Beds	322	232	223	-9	-3.9
100 to 249 Beds	102	165	153	-12	-7.4
250+ Beds	10	40	40	0	0.8
Urban by Region					
New England	82	203	210	7	3.4
Middle Atlantic	213	867	935	68	7.9
South Atlantic	290	738	723	-15	-2.0
East North Central	99	363	349	-15	-4.1
East South Central	301	1,896	1,931	35	1.8
West North Central	120	471	483	12	2.6
West South Central	244	1,729	1,838	109	6.3
Mountain	142	348	376	28	8.2
Pacific	305	670	689	19	2.8
Puerto Rico	44	98	98	0	0.5
Rural by Region					
New England	7	11	9	-2	-21.0
Middle Atlantic	34	25	26	2	6.1
South Atlantic	65	55	52	-3	-5.8
East North Central	26	27	23	-4	-15.3
East South Central	82	124	120	-4	-3.0
West North Central	94	82	76	-6	-7.7
West South Central	99	92	89	-3	-2.9
Mountain	19	13	13	-1	-4.5
Pacific	8	7	8	1	7.3
By Payment Classification					
Urban Hospitals	1,130	3,180	3,299	119	3.7
Large Urban Areas	605	1,926	2,018	93	4.8
Other Urban Areas	525	1,255	1,281	26	2.1
Rural Hospitals	1,144	4,641	4,749	109	2.3
Teaching Status					
Nonteaching	1,150	1,766	1,771	5	0.3
Fewer than 100 residents	825	2,811	2,862	51	1.8
100 or more residents	299	3,244	3,416	172	5.3
Type of Ownership					
Voluntary	1,469	4,474	4,596	122	2.7
Proprietary	453	1,070	1,053	-17	-1.6
Government	352	2,276	2,400	123	5.4
Medicare Utilization Percent****					
0 to 25	1,466	6,339	6,605	266	4.2
25 to 50	794	1,477	1,440	-38	-2.5
50 to 65	13	5	4	-1	-13.4
Greater than 65	1	-	-	0	0.0
Medicaid Utilization Percent****					
0 to 25	1,358	3,646	3,674	29	0.8

**MODELED UNCOMPENSATED CARE PAYMENTS* AND SUPPLEMENTAL PAYMENTS FOR
ESTIMATED FY 2027 DSHS BY HOSPITAL TYPE**

	Number of Estimated DSHs (1)	FY 2026 Estimated Uncompensated Care Payments and Supplemental Payments (\$ in millions) (2)	FY 2027 Estimated Uncompensated Care Payments and Supplemental Payments** (\$ in millions) (3)	Dollar Difference: FY 2026 - FY 2027 (\$ in millions) (4)	Percent Change*** (5)
25 to 50	805	3,464	3,619	155	4.5
50 to 65	86	686	730	44	6.4
Greater than 65	25	25	25	0	1.7

Source: Dobson | DaVanzo analysis of 2021, 2022 and 2023 Hospital Cost Reports.

*Dollar UCP calculated by [0.75 * estimated section 1886(d)(5)(F) payments * Factor 2 * Factor 3]. When summed across all hospitals projected to receive DSH payments, UCP and supplemental payments are estimated to be \$7.821 million in FY 2026, and UCP and supplemental payments are estimated to be \$8.049 million in FY 2027.

** For IHS/Tribal hospitals and Puerto Rico hospitals, this impact table reflects the supplemental payments.

*** Percentage change is determined as the difference between Medicare UCP and supplemental payments modeled for this FY 2027 IPPS/LTCH PPS final rule (column 3) and Medicare UCP and supplemental payments modeled for the FY 2026 IPPS/LTCH PPS final rule (column 2) divided by Medicare UCP and supplemental payments modeled for the FY 2026 IPPS/LTCH PPS final rule (column 2) times 100 percent.

****Hospitals with missing or unknown Medicare utilization or Medicaid utilization are not shown in the table.

34. On page 50425,

a. Second column, first full paragraph, line 5, the figure “4.6” is corrected to read “4.8”.

b. Third column, first full paragraph:

(1) Line 4, the figure “-3.7” is corrected to read “-3.9”.

(2) Line 5,

(a) The figure “-7.2” is corrected to read “-7.4”.

(b) The figure “1.0” is corrected to read “0.8”.

(3) Line 7, the phrase “hospitals, those with 250+ beds and 100–249 beds, are projected to receive an above average increase in payments of 4.1.” is corrected to read “hospitals (those with 250+ beds) are projected to receive an above average increase in payments of 4.2.”.

(4) Line 13, the figure “1.9” is corrected to read “1.7”.

(5) Line 14, the figure “-2.2” is corrected to read “-3.0”.

35. On page 50426, first column,

a. First full paragraph:

(1) Line 7, the figure “4.9” is corrected to read “4.8”.

(2) Line 10, the figure “1.8” is corrected to read “2.1”.

b. Second full paragraph:

(1) Line 4:

(a) The figure “0.5” is corrected to read “0.3”.

(b) The figure “1.8” is corrected to read “1.8”.

((2) Line 10, the figure "2.9" is corrected to read "2.7"

(3) Line 11, the figure “-1.3” is corrected to read “-1.6”.

(4) Line 14, the figure “5.0” is corrected to read “5.4”.

c. Third full paragraph:

(1) Line 4, the figure “4.3” is corrected to read “4.2”.

(2) Line 7:

(a) The figure “2.9” is corrected to read “2.5”.

(b) The figure “13.2” is corrected to read “13.4”.

(3) Line 20, the figure “6.0” is corrected to read “6.4”.

(4) Line 25, the figure “0.8” is corrected to read “0.8”.

(5) Line 26, the figure “1.9” is corrected to read “1.7”.

36. On page 50446, third column,

a. Second bulleted paragraph, line 4, the figure “0.9901” is corrected to read “0.9899”.

b. Third paragraph, line 6, the figure “3,005” is corrected to read “3,006”.

c. Fourth paragraph, line 3, the figure “3.0 percent” is corrected to read “2.9 percent”.

d. Last paragraph, line 2, the figure "3.0 percent" is corrected to read “2.9 percent”.

37. On page 50447:

a. First column, line 4, the figure “3.0 percent” is corrected to read “2.9 percent”.

b. Third column, line 9, the figure “3.2 percent” is corrected to read “3.1 percent”.

c. Third column, last line in the paragraph, the figure “3.0 percent” is corrected to read “3.2 percent”.

38. On pages 50448 through 50449, the table titled “Table III—Comparison of Total Payments per Case” is corrected to read as follows:

TABLE III.-- COMPARISON OF TOTAL PAYMENTS PER CASE

FY 2026 PAYMENTS COMPARED TO FY 2027 PAYMENTS	Number of Hospitals	Average FY 2026 Payments/Case	Average FY 2027 Payments/Case	Change
All Hospitals	3,006	1,241	1,277	2.9
By Geographic Location:				
Urban hospitals	2,358	1,275	1,312	2.9
Rural hospitals	648	848	874	3.1
Bed Size (Urban):				
0-99 beds	640	965	977	1.2
100-199 beds	673	1,062	1,094	3.0
200-299 beds	400	1,155	1,189	2.9
300-499 beds	394	1,264	1,302	3.0
500 or more beds	249	1,529	1,575	3.0
Bed Size (Rural):				
0-49 beds	309	705	722	2.4
50-99 beds	174	812	835	2.8
100-149 beds	95	824	849	3.0
150-199 beds	41	909	936	3.0
200 or more beds	29	1,033	1,069	3.5
Urban by Region:				
New England	102	1,364	1,410	3.4
Middle Atlantic	272	1,445	1,496	3.5
East North Central	364	1,179	1,228	4.2
West North Central	155	1,210	1,236	2.1
South Atlantic	393	1,133	1,175	3.7
East South Central	140	1,036	1,056	1.9
West South Central	356	1,175	1,199	2.0
Mountain	177	1,267	1,294	2.1
Pacific	347	1,591	1,618	1.7
Rural by Region:				
New England	19	1,097	1,150	4.8
Middle Atlantic	46	991	1,022	3.1
East North Central	104	837	871	4.1
West North Central	71	863	876	1.5
South Atlantic	110	763	797	4.5
East South Central	119	757	769	1.6
West South Central	114	754	774	2.7
Mountain	41	922	933	1.2
Pacific	24	1,067	1,097	2.8
Puerto Rico:				
Puerto Rico Hospitals	52	611	603	-1.3
By Payment Classification:				
Urban hospitals	1,526	1,158	1,187	2.5
Rural areas	1,480	1,295	1,336	3.2
Teaching Status:				
Nonteaching	1,696	1,004	1,029	2.5
Fewer than 100 residents	1,004	1,150	1,186	3.1
100 or more residents	306	1,665	1,715	3.0
Urban DSH:				
Non-DSH	370	1,058	1,081	2.2
100 or more beds	829	1,203	1,234	2.6
Less than 100 beds	327	870	890	2.3
Rural DSH:				
Non-DSH	130	1,135	1,172	3.3
SCH	212	874	900	3.0
RRC	922	1,340	1,382	3.1
100 or more beds	31	1,195	1,244	4.1
Less than 100 beds	185	697	718	3.0
Urban teaching and DSH:				
Both teaching and DSH	482	1,259	1,293	2.7
Teaching and no DSH	68	1,106	1,143	3.3
No teaching and DSH	674	1,063	1,088	2.4
No teaching and no DSH	302	1,023	1,037	1.4
Special Hospital Types:				
SCH	419	993	1,025	3.2
MDH	166	786	812	3.3
Type of Ownership:				

FY 2026 PAYMENTS COMPARED TO FY 2027 PAYMENTS	Number of Hospitals	Average FY 2026 Payments/Case	Average FY 2027 Payments/Case	Change
Voluntary	1,905	1,238	1,277	3.2
Proprietary	693	1,159	1,185	2.2
Government	406	1,355	1,391	2.7
Medicare Utilization as a Percent of Inpatient Days:				
0-25	1,664	1,290	1,327	2.9
25-50	1,266	1,186	1,221	3.0
50-65	41	1,146	1,191	3.9
Over 65	9	844	880	4.3
Medicaid Utilization as a Percent of Inpatient Days:				
0-25	2,038	1,146	1,180	3.0
25-50	860	1,419	1,459	2.8
50-65	84	1,567	1,587	1.3
Over 65	24	1,345	1,360	1.1
FY 2027 Reclassifications:				
All Reclassified Hospitals	1,104	1,287	1,328	3.2
Non-Reclassified Hospitals	1,902	1,182	1,212	2.5
Urban Hospitals Reclassified	977	1,345	1,387	3.1
Urban Non-Reclassified Hospitals	1,399	1,157	1,185	2.4
Rural Hospitals Reclassified Full Year	272	863	889	3.0
Rural Non-Reclassified Hospitals Full Year	358	822	848	3.2
All Section 401 Rural Reclassified Hospitals	884	1,357	1,400	3.2
Other Reclassified Hospitals (Section 1886(d)(8)(B))	52	869	896	3.1

39. On page 50449, bottom half of page,

a. Second column, last bulleted partial paragraph, line 4, the figure “\$52,132.76” is corrected to read “\$52,126.94”.

b. Third column, first partial paragraph,

(1) Line 2, the figure “1.002679” is corrected to read “1.0025669”,

(2) Line 6, the figure “\$51,113.55” is corrected to read “\$51,107.84”.

40. On page 50451, the table titled “Table IV: Impact of Payment Rate and Policy

Changes to LTCH PPS Payments for LTCH PPS Standard Federal Payment Rate Cases for FY 2027 (Estimated FY 2026 Payments Compared to Estimated FY 2027 Payments)” is corrected to read as follows:

**TABLE IV: IMPACT OF PAYMENT RATE AND POLICY CHANGES TO LTCH PPS PAYMENTS FOR
LTCH PPS STANDARD FEDERAL PAYMENT RATE CASES FOR FY 2027
(ESTIMATED FY 2026 PAYMENTS COMPARED TO ESTIMATED FY 2027 PAYMENTS)**

LTCH Classification (1)	No. of LTCHS (2)	Number of LTCH PPS Standard Payment Rate Cases (3)	Average FY 2026 LTCH PPS Payment Per Standard Payment Rate (4)	Average FY 2027 LTCH PPS Payment Per Standard Payment Rate¹ (5)	Percent Change Due to the Annual Update to the Standard Federal Rate² (6)	Percent Change Due to Changes to Area Wage Adjustment with Wage Budget Neutrality³ (7)	Percent Change Due to All Standard Payment Rate Changes⁴ (8)
ALL PROVIDERS	319	41,580	58,586	59,881	2.2	0.0	2.2
BY LOCATION:							
RURAL	16	1,032	47,271	48,059	2.2	-0.3	1.7
URBAN	303	40,548	58,874	60,182	2.2	0.0	2.2
BY OWNERSHIP TYPE:							
VOLUNTARY	53	4,933	59,132	60,203	2.2	-0.3	1.8
PROPRIETARY	257	36,119	58,266	59,569	2.2	0.0	2.2
GOVERNMENT	9	528	75,399	78,223	2.2	1.1	3.7
BY REGION:							
NEW ENGLAND	9	1,299	49,082	50,212	2.2	0.7	2.3
MIDDLE ATLANTIC	20	3,003	69,794	72,151	2.2	1.1	3.4
SOUTH ATLANTIC	60	9,293	57,085	58,207	2.2	-0.3	2.0
EAST NORTH CENTRAL	46	5,059	61,409	62,481	2.2	-0.4	1.7
EAST SOUTH CENTRAL	32	3,107	51,875	52,569	2.2	-0.8	1.3
WEST NORTH CENTRAL	22	2,124	53,603	54,802	2.2	0.2	2.2
WEST SOUTH CENTRAL	82	9,524	51,091	51,974	2.2	-0.2	1.7
MOUNTAIN	25	2,227	57,878	59,442	2.2	0.0	2.7
PACIFIC	23	5,944	72,508	74,668	2.2	0.6	3.0
BY BED SIZE:							
BEDS: 0-24	34	2,019	60,063	61,556	2.2	0.2	2.5
BEDS: 25-49	151	15,578	52,674	53,655	2.2	-0.2	1.9
BEDS: 50-74	75	10,580	60,072	61,439	2.2	0.0	2.3
BEDS: 75-124	41	8,349	66,152	67,802	2.2	0.1	2.5
BEDS: 125+	18	5,054	60,611	62,055	2.2	0.3	2.4

¹ Estimated FY 2027 LTCH PPS payments for LTCH PPS standard Federal payment rate criteria based on the payment rate and factor changes applicable to such cases presented in the preamble of and the Addendum to this final rule.

² Percent change in estimated payments per discharge for LTCH PPS standard Federal payment rate cases from FY 2026 to FY 2027 due to the annual update to the LTCH PPS standard Federal payment rate.

³ Percent change in estimated payments per discharge for LTCH PPS standard Federal payment rate cases from FY 2026 to FY 2027 due to the changes to the area wage level adjustment under § 412.525(c) (that is, the updated hospital wage data and the labor-related share) with budget neutrality.

⁴ Percent change in estimated payments per discharge for LTCH PPS standard Federal payment rate cases from FY 2026 (shown in Column 4) to FY 2027 (shown in Column 5), due to all of the changes to the rates and factors applicable to such cases presented in the preamble and the Addendum to this final rule.

41. On page 50457,

a. The table titled “Table X: Estimated Impact On Small Businesses*” is corrected to read as follows:

TABLE X: ESTIMATED IMPACT ON SMALL BUSINESSES*

	Total Facilities	Estimated Small Businesses	Total Impact (\$1 million)	Estimated Impact to Small Businesses	Estimated Average Impact per Small Business
IPPS Hospitals	3,006	1,386	\$2,900	\$52,200,000	\$37,662
LTCHs	319	147	\$54	\$1,000,000	\$6,803

*Based on the assumptions that small firms represent 46.1 percent of affected entities and account for approximately 1.8 percent of total industry revenues using the SBA size standards.

b. Bottom half of page, second column, first full paragraph:

(1) Line 2, the figure “3,005” is corrected to read “3,006”,

(2) Line 15, the figure “6.8” is corrected to read “6.7”.

42. On page 50458, first column, first full paragraph, line 14, the figure “3,005” is corrected to read “3,006”.

Liesl I. Fowler,

Executive Secretary to the Department,

Department of Health and Human Services.

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