



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

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[CMS-1847-CN]

RIN 0938-AV77

Medicare Program; FY 2027 Inpatient Psychiatric Facilities Prospective Payment System—Rate Update; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Final rule; correction.

SUMMARY: This document corrects technical errors in the final action that appeared in the July 31, 2026 **Federal Register** titled “Medicare Program; FY 2027 Inpatient Psychiatric Facilities Prospective Payment System—Rate Update”.

DATES: This correction is effective October 1, 2026.

FOR FURTHER INFORMATION CONTACT:

The IPF Payment Policy mailbox at IPFPaymentPolicy@cms.hhs.gov for information regarding the IPF wage index.

Nick Brock (410) 786-5148, for general information regarding the inpatient psychiatric facilities prospective payment system (IPF PPS).

Kaleigh Emerson, kaleigh.emerson1@cms.hhs.gov, for information regarding the IPF Quality Reporting Program.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2026-15588 of July 31, 2026, the fiscal year (FY) 2027 Inpatient Psychiatric Facilities Prospective Payment System—Rate Update final rule (FY 2027 IPF PPS final rule)

(91 FR 48514), there were a number of technical errors that are identified and corrected in this correcting document.

II. Summary of Errors

A. Summary of Errors in the Preamble

There was a technical error in the calculation of the final FY 2027 IPF PPS wage indexes, which impacted several calculations. There is an impact to the wage index for one provider in Core-Based Statistical Area (CBSA) 25620 for Hattiesburg, Mississippi due to the recalculated wage indexes, and thus we recalculated the impact analysis provided in Table 16 of the FY 2027 IPF PPS final rule (91 FR 48579 through 48580). Therefore, changes are needed to the published values in Table 16. We also recalculated the wage index budget neutrality factor; it changed from 0.9989 to 0.9986. This recalculated wage index budget neutrality factor affected the FY 2027 IPF PPS rates.

On pages 48514 and 48521, The IPF PPS Federal per diem base rate changed from \$912.40 to \$912.13. The IPF PPS Federal per diem base rate for providers who failed to report quality data changed from \$894.56 to \$894.29. The electroconvulsive therapy (ECT) payment per treatment changed from \$688.59 to \$688.38. The ECT payment per treatment for providers who failed to report quality data changed from \$675.13 to \$674.93.

On pages 48514, 48521, and 48527, the wage index budget neutrality factor changed from 0.9989 to 0.9986.

On page 48523, we inadvertently made a typographical error regarding the number of ICD–10–CM diagnosis codes added to the Poisoning comorbidity code list.

On page 48529, we inadvertently made a typographical error regarding the adjustment factor for IPFs that do not have a qualifying emergency department (ED).

On page 48570, we inadvertently omitted a footnote.

On pages 48579 and 48580, Table 16 reflects the impact to providers based on the inaccurate calculation of the FY 2027 IPF PPS wage index; therefore, Table 16 is updated to reflect the correct calculations.

On page 48580, the largest payment percent decrease for IPF hospitals reflects the impact to providers based on the inaccurate calculation of the FY 2027 IPF PPS wage index; therefore, an update is needed to reflect the correct impact.

B. Summary of Errors and Corrections in the Tables Posted on the CMS Website for the IPF PPS Wage Index

As discussed in the FY 2027 IPF PPS final rule (91 FR 48525), we used the concurrent pre-floor, pre-reclassified Inpatient Prospective Payment System (IPPS) hospital wage index as the basis for the IPF wage index. For FY 2027, the concurrent pre-floor, pre-reclassified IPPS hospital wage data are from cost reporting periods beginning on or after October 1, 2022 and before October 1, 2023 (FY 2023 cost report data), as discussed in the final rule 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” (hereinafter referred to as the FY 2027 IPPS/LTCH PPS final rule) (91 FR 49790).

In calculating the wage index under the FY 2027 IPPS/LTCH PPS final rule, we made an inadvertent error related to the calculation of the wage index. This error is identified, discussed, and corrected in the correction notice 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; Correction”, published elsewhere in this issue of the **Federal Register**.

Under our methodologies as finalized in the FY 2027 IPPS/LTCH PPS final rule, we exclude hospitals that have subsequently converted to rural emergency hospitals (REHs) from certain data and calculations used in the IPPS ratesetting. Specifically, we stated that we exclude REHs, including hospitals that subsequently became REHs after the period from which the data were taken for purposes of developing the Medicare Severity Diagnosis-Related Group (MS-DRG) relative weights for FY 2027 (91 FR 49672) and from the calculation of the average standardized amount (91 FR 50370). In addition, we stated that any hospital that is designated as a 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. This error affects the unadjusted, pre-reclassified, pre-rural floor IPPS wage data and thereby affects the IPF PPS wage data for CBSA 25620 for Hattiesburg, Mississippi.

We are correcting the wage index for CBSA 25620 for Hattiesburg, Mississippi in Table B setting forth the wage indexes for rural areas based on CBSA labor market areas and Table C setting forth the wage indexes for urban and rural areas without counties, which are available exclusively on the CMS website at <https://www.cms.gov/medicare/medicare-fee-for-servicepayment/inpatientpsychfacilpps/wageindex>.

The omitted wage data for the one hospital in CBSA 25620 required the recalculation of the final FY 2027 IPF PPS wage indexes. Additionally, as discussed in the FY 2027 IPF PPS final rule (91 FR 48526 and 48527), changes to the wage index are made in a budget neutral manner so that updates do not increase expenditures. As discussed above, it was necessary to recalculate the FY 2027 IPF PPS wage index budget neutrality factor. The recalculated wage index budget neutrality factor changed from 0.9989 to 0.9986. This means that the IPF federal

per diem base rate changed from \$912.40 to \$912.13 and the ECT payment per treatment changed from \$688.59 to \$688.38.

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.

In our view, this correcting document does not constitute a rulemaking that would be subject to these requirements. This document merely corrects technical errors in the FY 2027 IPF PPS final rule and provides an updated IPF wage index resulting in revisions to the payment updates, payment impact, and related tables in the FY 2027 IPF PPS final rule. The corrections contained in this document are consistent with, and do not make substantive changes to, the policies and payment methodologies that were proposed, subject to notice and comment procedures, and adopted in the FY 2027 IPF PPS final rule. As a result, the corrections made through this document are intended to resolve inadvertent errors so that the FY 2027 IPF PPS final rule accurately reflects the policies adopted therein.

In addition, even if this were a rulemaking to which the notice and comment 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 IPF 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 comments on, and subsequently finalized. This final rule correction is intended solely to ensure that the FY 2027 IPF 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. 2026-15588 of July 31, 2026, (91 FR 48514), make the following corrections:

1. On page 48514, third column,
 - a. First second-level (++) bulleted paragraph, line 2, the figure "\$912.40" is corrected to read "\$912.13".
 - b. Second second-level (++) bulleted paragraph, line 3, the figure "\$894.56" is corrected to read "\$894.29".
 - c. Third second-level (++) bulleted paragraph, line 3, the figure "\$688.59" is corrected to read "\$688.38".
 - d. Fourth second-level (++) bulleted paragraph, line 3, the figure "\$675.13" is corrected to read "\$674.93".
 - e. Sixth second-level (++) bulleted paragraph, line 2, the figure "0.9989" is corrected to read "0.9986".
2. On page 48521,

- a. Second column, third full paragraph,
 - (1) Line 12, the figure “0.9989” is corrected to read “0.9986”.
 - (2) Line 16, the figure “\$912.40” is corrected to read “\$912.13”.
- b. Third column,
 - (1) First partial paragraph,
 - (a) Line 1, the figure “0.9989” is corrected to read “0.9986”.
 - (b) Line 4, the figure “\$688.59” is corrected to read “\$688.38”.
 - (2) First bulleted paragraph,
 - (a) Line 13, the figure “0.9989” is corrected to read “0.9986”.
 - (b) Line 16, the figure “\$894.56” is corrected to read “\$894.29”.
 - (3) Second bulleted paragraph,
 - (a) Line 4, the figure “0.9989” is corrected to read “0.9986”.
 - (b) Line 8, the figure “675.13” is corrected to read “674.93”.
3. On page 48523, second column, third full paragraph, line 2, the figure “10” is corrected to read “20”.
4. On page 48527, first column, third full paragraph (“Step 3”), line 5, the figure “0.9989” is corrected to read “0.9986”.
5. On page 48529, middle of the page, second column, first full paragraph, line 12, the figure “1.27” is corrected to read “1.28”.
6. On page 48570, second column, first partial paragraph, lines 17 and 18, the phrase “to calculate an hourly pre-tax wage rate of \$30.10/hr.” is corrected to include footnote 41a to read as follows: “^{41a} <https://www.bls.gov/news.release/pdf/wkyeng.pdf>. Accessed February 18, 2026.”
7. On pages 48579 and 48580, TABLE 16: FY 2027 IPF PPS PAYMENT IMPACTS is corrected to read as follows:

TABLE 16: FY 2027 IPF PPS PAYMENT IMPACTS
[Percent Change in columns 3 through 5]

Facility by Type	Number of Facilities	Outlier	Final FY27 Wage Index, Labor-Related Share, and COLA	Total Percent Change ¹
(1)	(2)	(3)	(4)	(5)
All Facilities	1,336	0.0	0.0	2.3
Total Urban	1,105	0.0	0.0	2.2
Urban unit	585	0.0	0.3	2.6
Urban hospital	520	0.0	-0.4	1.8
Total Rural	231	0.0	0.4	2.7
Rural unit	167	0.0	0.4	2.7
Rural hospital	64	0.0	0.4	2.7
By Type of Ownership:				
Freestanding IPFs				
Urban Psychiatric Hospitals				
Government	106	0.0	0.2	2.5
Non-Profit	65	0.0	0.1	2.4
For-Profit	349	0.0	-0.7	1.6
Rural Psychiatric Hospitals				
Government	32	0.0	0.9	3.3
Non-Profit	10	0.0	1.6	4.0
For-Profit	22	0.0	-0.2	2.1
IPF Units				
Urban				
Government	96	0.0	0.4	2.7
Non-Profit	370	0.0	0.2	2.5
For-Profit	119	0.0	0.4	2.7
Rural				
Government	46	0.0	0.8	3.2
Non-Profit	91	0.0	0.4	2.7
For-Profit	30	0.0	0.0	2.3
By Teaching Status:				
Non-teaching	1,127	0.0	-0.2	2.1
Less than 10% interns and residents to beds	109	0.0	0.7	3.0
10% to 30% interns and residents to beds	75	0.0	0.3	2.7
More than 30% interns and residents to beds	25	0.0	-0.2	2.1
By Region:				
New England	93	0.0	0.6	2.9
Mid-Atlantic	189	0.0	1.1	3.4
South Atlantic	213	0.0	-0.1	2.2
East North Central	203	0.0	-0.7	1.6
East South Central	132	0.0	-1.0	1.3
West North Central	85	0.0	-0.1	2.2
West South Central	206	0.0	-0.8	1.5

Facility by Type	Number of Facilities	Outlier	Final FY27 Wage Index, Labor-Related Share, and COLA	Total Percent Change¹
Mountain	90	0.0	-0.2	2.1
Pacific	125	0.0	0.2	2.5
By Bed Size:				
Psychiatric Hospitals				
Beds: 0-24	87	0.0	-0.2	2.1
Beds: 25-49	69	0.0	-0.9	1.4
Beds: 50-75	95	0.0	-0.6	1.7
Beds: 76 +	333	0.0	-0.2	2.1
Psychiatric Units				
Beds: 0-24	383	0.0	0.0	2.3
Beds: 25-49	211	0.0	0.4	2.7
Beds: 50-75	87	0.0	0.4	2.7
Beds: 76 +	71	0.0	0.7	3.1
¹ This column includes the impact of the updates in columns (3) and (4) above, and of the final IPF market basket update factor for FY 2027 (3.2 percent), reduced by 0.9 percentage point for the productivity adjustment as required by section 1886(s)(2)(A)(i) of the Act.				

8. On page 48580, bottom half of the page, third column, first partial paragraph,

(1) Line 22, the figure “1.1” is corrected to read “1.3”.

(2) Line 23, the phrase “with 25-49 beds” is corrected to read “located in the East South Central region”.

Liesl I. Fowler,

Executive Secretary to the Department,

Department of Health and Human Services.

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