

Issue Brief

FEDERAL ISSUE BRIEF



Analysis provided for MHA by Larry Goldberg, Goldberg Consulting

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CMS Issues Correction Notice to Fiscal Year 2027 Inpatient Psychiatric Facilities PPS

The Centers for Medicare & Medicaid Services (CMS) have issued a correction rule to the Fiscal Year (FY) 2027 Inpatient Psychiatric Facilities PPS update issued in the July 31 **Federal Register**. The corrections in this 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 July 31, 2026 **Federal Register**.

The correction rule is scheduled for publication in the October 1 **Federal Register**. A copy of the 10-page display copy is available at:

<https://public-inspection.federalregister.gov/2026-20134.pdf>.

CMS says 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 CMS has recalculated the impact analysis provided in Table 16 of the FY 2027 IPF PPS final rule.

CMS also recalculated the wage index budget neutrality factor; it changes from 0.9989 to 0.9986.

Correction of Errors

CMS says it is making the following changes to the July 31, 2026 **Federal Register** as follows.

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:

16: FY 2027 IPF PPS PAYMENT IMPACTS

[Percent Change in columns 3 through 5]

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".