



Inpatient Rehabilitation Facility (IRF) Annual Update: Prospective Payment System (PPS) Pricer Changes for FY 2023

MLN Matters Number: MM12807

Related Change Request (CR) Number: 12807

Related CR Release Date: August 5, 2022

Effective Date: October 1, 2022

Related CR Transmittal Number: R11540CP

Implementation Date: October 3, 2022

Provider Types Affected

This MLN Matters Article is for Inpatient Rehabilitation Facilities (IRFs) billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

Provider Action Needed

Make sure your billing staff knows about these changes:

- Fiscal year (FY) 2023 payment rates
- Wage index cap

Background

Section 1886(j)(3)(C) of the [Social Security Act](#) (the Act) requires annual updates to the IRF PPS rates. By August 1 each year, CMS publishes the [IRF payment rates](#) for the upcoming FY. The FY 2023 payment rates will be effective October 1, 2022 – September 30, 2023.

For FY 2023, a permanent 5% cap applies to you on any decrease to your final wage index from your prior FY final wage index.

For subsequent years, your wage index will be at least 95% percent of your prior FY calculated wage index.

A new IRF will be paid:

- The wage index for the area in which it's geographically located
- For its first full or partial FY without a cap

More Information

We issued [CR 12807](#) to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

Document History

Date of Change	Description
August 5, 2022	Initial article released.

Disclaimer: Paid for by the Department of Health & Human Services. This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2021 American Medical Association. All rights reserved.

Copyright © 2013-2022, the American Hospital Association, Chicago, Illinois. Reproduced by CMS with permission. No portion of the AHA copyrighted materials contained within this publication may be copied without the express written consent of the AHA. AHA copyrighted materials including the UB-04 codes and descriptions may not be removed, copied, or utilized within any software, product, service, solution or derivative work without the written consent of the AHA. If an entity wishes to utilize any AHA materials, please contact the AHA at 312-893-6816. Making copies or utilizing the content of the UB-04 Manual, including the codes and/or descriptions, for internal purposes, resale and/or to be used in any product or publication; creating any modified or derivative work of the UB-04 Manual and/or codes and descriptions; and/or making any commercial use of UB-04 Manual or any portion thereof, including the codes and/or descriptions, is only authorized with an express license from the American Hospital Association. To license the electronic data file of UB-04 Data Specifications, contact Tim Carlson at (312) 893-6816. You may also contact us at ub04@healthforum.com

The American Hospital Association (the "AHA") has not reviewed, and is not responsible for, the completeness or accuracy of any information contained in this material, nor was the AHA or any of its affiliates, involved in the preparation of this material, or the analysis of information provided in the material. The views and/or positions presented in the material do not necessarily represent the views of the AHA. CMS and its products and services are not endorsed by the AHA or any of its affiliates.