



# Medicare Hospital Wage and Occupational Mix Index Data Analysis

“Final” Data for the Development of the FFY 2027 Wage Index |Version 1

## Analysis Description

The Medicare Hospital Wage Index Analysis – “Final” Data (April 30, 2026 update) is intended to provide hospitals with a comparative review of the wage data that will be used to develop the federal fiscal year (FFY) 2027 Medicare hospital wage index.

The dataset analyzed is “final” and is the third of three public use files (PUFs) that the Centers for Medicare and Medicaid Services (CMS) will issue to develop the hospital wage index for FFY 2027. Due to this dataset being subject to revision, this analysis is not intended to be used to calculate hospital wage indexes. This analysis should only be used as a way to review the most recent wage data published by CMS.

**It is extremely important that hospitals review these wage data. Under CMS’ hospital wage index development timetable, hospitals have until May 29, 2026 to submit requests for corrections to errors with supporting data to both CMS and their Medicare Administrative Contractor. Corrections can only be made if it can be shown that CMS or the MAC mishandling the “final” wage data posted in the April 30, 2026 PUFs. This is also the deadline to dispute data corrections made by CMS of which the hospital would be notified between March 21, 2026 and May 15, 2026.**

Appeals with all supporting documentation must be submitted user feedback on the Wage Index Appeals (WIA) module in the Medicare Electronic Application Request Information System (MEARIS) at <https://mearis.cms.gov> by submitting their appeals for the FFY 2027 wage index cycle. To ensure compatibility, supporting documentation should be a PDF or Word files and spreadsheets should be in Excel. These appeals for FFY 2027 will NOT be accepted via email.

Data corrections made by CMS of which the hospital has been notified on or after May 16, 2026 may be appealed to the Provider Reimbursement Review Board (PRRB). CMS and the MACs must receive requests with complete documentation by this date via email [wageindexreview@cms.hhs.gov](mailto:wageindexreview@cms.hhs.gov). Do NOT submit a request via MEARIS for this dispute.

Changes to the data are limited to situations involving errors by CMS or the MAC that the hospital could not have known about before review of the “final” April PUFs. Data that were incorrect in the preliminary or revised wage index data PUFs, but for which no correction requests were received by the February 17, 2026 deadline, will not be changed at this stage for inclusion in the wage index.

## Data Sources

This data comparison utilizes the wage and occupational mix PUFs provided by CMS. For the calculation of the FFY 2027 wage index revised FFY 2023 wage and calendar year (CY) 2022 occupational mix data are from the January

30, 2026; “final” FFY 2023 wage and CY 2022 occupational mix data are from the April 30, 2026 PUF; and “final” FFY 2022 wage and CY 2022 occupational mix data used to calculate the FFY 2026 wage index are from the April 30, 2025 PUF, which are included for comparison purposes. The percent change displayed in this analysis is calculated to compare revised FFY 2027 data to the “final” FFY 2027 data.

CMS’ wage index/occupational mix PUFs and hospital wage index development timetable for the 2027 wage index are available at <https://www.cms.gov/files/document/fy-2027-hospital-wage-index-development-time-table.pdf>

PUFs used for calculating the FFY 2027 wage index can be found at <https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-pps/wage-index-files/fy-2027-wage-index-home-page>

Core-based statistical area (CBSA) delineations used in these reports are from the FFY 2027 IPPS proposed rule.

The “final” wage data PUF contains Worksheet S-3 wage data from FFY 2023 Cost Reports (FFY begin dates from October 1, 2022 to September 30, 2023) submitted to the Healthcare Cost Report Information System through approximately May 20, 2025.

The hospitals analyzed include all hospitals that were included in the FFY 2027 revised and FFY 2027 “final” wage data and occupational mix. This analysis will only show available data. If a hospital is missing FFY 2027 revised, FFY 2027 “final” data, and/or previous year “final” data only the columns with available data will appear. If a hospital is missing all data for either wage or occupational mix, the associated table will be blank.

## Wage Data – Table 1

The Wage - Table 1 report includes all lines from Worksheet S-3 Part II of the cost report. This report is intended to provide a comparison of the revised 2023 and “final” 2023 wage data that each hospital submitted to CMS. This report can be used to review the “final” 2023 data release and highlight any errors in the reporting of the Worksheet S-3 data. The summary of wage-related costs at the bottom of the table is intended to show how total salaries compare to wage-related costs.

## Wage Data – Table 2

The Wage - Table 2 report includes only lines relevant to the wage index calculation from cost report Worksheet S-3 Part II. This report is intended to provide a comparison of the “final” 2023 wage data for the hospital, its CBSA, state, and the nation. This report will help in the review of the “final” 2023 data release, allowing focus on areas where the average hourly wage (AHW) or ratio of fringe benefits to salaries are significantly different from the CBSA, state, or nation.

The last lines of the report include a comparison of the revised 2023 and “final” 2023 AHWs for the hospital, its CBSA, state, and the nation. The AHW provided on these lines is calculated using CMS’ methodology of total salaries and hours adjusted to remove teaching, Certified Registered Nurse Anesthetists, Part B, and excluded areas. This AHW calculation does not take the final steps in CMS’ methodology to allocate overhead costs and overhead wage-related costs to areas excluded from the AHW calculation and does not incorporate the common period adjustment.

Please note that Wage - Table 1 shows the changes to all lines from Worksheet S-3 Part II of the cost report, while Wage - Table 2 looks specifically at Worksheet S-3 Part II lines used in CMS’ wage index calculation. Therefore, the

percentage change in AHW shown on Line 1 of Wage - Table 1 may not be comparable to the percentage change in the AHW calculated on Wage - Table 2 due to the addition or subtraction of individual cost report lines.

## Occupational Mix – Table 1

The Occ – Table 1 report is intended to provide a review of the occupational mix survey data that was submitted to CMS and to provide a comparison of the revised occupational mix data used for the FFY 2027 wage index and “final” occupational mix data to be used for the FFY 2027 wage index. This report can be used to review and highlight any errors in the reporting.

This table also provides CBSA and national benchmarks to give hospitals an indication of how their AHW by occupational mix category compares these two groups. Hospitals should focus their benchmark review on the “Total Nursing Reported” line. In general, if the hospital AHW reported on this line is greater than the CBSA amount, the hospital’s data may cause the CBSA to be disadvantaged when calculating the occupational mix adjustment.

## Table 2 – Occupational Mix

The Occ – Table 2 report is intended to provide estimates of how the occupational mix data, as currently reported, could affect a hospital when compared to the nation. While the occupational mix adjustment is made on a CBSA level, a hospital-specific factor is provided to show how the hospital’s occupational mix data compares to the nation. A hospital-specific occupational mix factor greater than 1.0 indicates that the hospital has a less expensive mix of employees than the U.S. If the occupational mix factor at the CBSA level (reflecting data from all hospitals in the CBSA) is greater than 1.0, the occupational mix adjustment will increase the CBSA wage index. A comparison to the current hospital-specific occupational mix factor is also provided.

Please note that the Registered Nurse (RN) occupational mix categories tend to drive the occupational mix calculation and hospitals should ensure that data reported in these categories are correct. In general, hospitals that report RN AHW at a level lower than the nation tend to receive a positive occupational mix adjustment. RN hours as a percentage of total nursing hours is provided to support review of the RN occupational mix category.

## Upcoming Occupational Mix Survey

Hospitals are required to complete the new occupational mix survey for the FFY 2028 wage index. Hospitals have until June 30, 2026 to submit to their MACs. The survey can be found at <https://www.cms.gov/files/zip/2025-occupational-mix-survey-hospital-reporting-form-cms-10079-wage-index-beginning-fy-2028.zip>