



Medicare Fee-For Service  
Provider Utilization & Payment Data  
Inpatient  
Public Use File:  
A Methodological Overview

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## 1. Background

The Centers for Medicare & Medicaid Services (CMS) has prepared a public dataset, the Medicare Inpatient Hospitals (herein referred to as “Inpatient dataset”), with information on services and procedures provided to Medicare beneficiaries by hospital facilities. The Inpatient dataset contains hospital-specific charges for the more than 3,000 U.S. hospitals that receive Medicare Inpatient Prospective Payment System (IPPS) payments paid under Medicare based on a rate per discharge using the Medicare Severity Diagnosis Related Group (MS-DRG). The Inpatient dataset reflect 100% final-action (i.e., all claim adjustments have been resolved) IPPS discharges for the Medicare fee-for-service (FFS) population.

## 2. Key data sources

The primary data source for these data is CMS’s Medicare Provider Analysis and Review (MEDPAR) inpatient data based on fiscal year (October 1<sup>st</sup> through September 30<sup>th</sup>). The NCH MEDPAR data contain 100 percent of Medicare final action discharges for beneficiaries who are enrolled in the FFS program. The types of discharges in the MEDPAR inpatient data include: IPPS short term, long term care, critical access hospital, religious non-medical, rehabilitation and psychiatric. Discharges, covered charges, total payments and MS-DRG information presented in the Inpatient dataset are restricted to IPPS short term hospitalizations for the FFS population.

Inpatient provider demographics are also incorporated in the Inpatient dataset and include name, complete address and hospital referral region (HRR). The inpatient provider name and address are derived from CMS’s Provider of Service (POS) data, a resource that provides characteristics associated with institutional facilities. HRRs are geographic units of analysis based on facility location zip codes that were developed by the Dartmouth Atlas of Health Care to delineate regional health care markets in the United States. Please visit the [POS page](#) for additional information on the POS data. Please visit the [HRR page](#) for additional information on HRR..

## 3. Population

The Inpatient dataset includes data on FFS beneficiaries from inpatient providers that submitted Medicare Part A IPPS short term institutional claims during the fiscal year. To protect the privacy of Medicare beneficiaries, any aggregated records which are derived from 10 or fewer discharges are excluded from the Inpatient dataset.

## 4. Classification and Summarization

The spending and utilization data in the Inpatient dataset are aggregated to the following levels:

- a) the provider identifier, and

b) Medicare Severity Diagnosis Related Group (MS-DRG)

The provider identifier is the numeric CMS Certification Number (CCN) assigned to a Medicare certified facility. MS-DRGs are a classification system that groups similar clinical conditions (diagnoses) and the procedures furnished by the hospital during the stay. Each hospital discharge is assigned to an MS-DRG. There can be multiple records for a given provider identifier based on the number of distinct MS-DRG codes that were billed.

## 5. Data Contents

### Detailed Data File

The detailed data file (Provider Service) summary table contains information on utilization, payment (total payment and Medicare payment), and submitted charges organized by Referring Provider CCN and MS-DRG.

### Geographic Summary Table

The geographic summary table contains information on discharges, payments (total amount and Medicare payment), and submitted charges organized by MS-DRG in the national table and organized by MS-DRG and provider state in the state table. The aggregated report is not restricted to the redacted data reported in the Inpatient dataset but are aggregated based on all Medicare IPPS discharges.

Please see the data dictionary for more detailed information on the specific variables included in this table.

## 6. Data Limitations:

Although the Inpatient dataset has a wealth of payment and utilization information about many Medicare Part A services, the dataset also has some limitations that are worth noting.

The data in the Inpatient dataset may not be representative of a hospital's entire population served. The data in the file only has information for Medicare beneficiaries with Part A fee-for-service coverage, but hospitals typically treat many other patients who do not have that form of coverage.

The Inpatient dataset does not have any information on patients who are not covered by Medicare, such as those with coverage from other federal programs (like the Federal Employees Health Benefits Program or Tricare), those with private health insurance (such as an individual policy or employer-sponsored coverage), or those who are uninsured. Even within Medicare, the Inpatient dataset does not include information for patients who are enrolled in any form of Medicare Advantage plan.

The Inpatient dataset only contains cost and utilization information, and for the reasons described in the preceding paragraph, the volume of procedures presented may not be fully inclusive of all procedures performed by the hospital.

The state of Maryland has a unique waiver that exempts providers from Medicare's prospective payment systems for inpatient care. Maryland instead uses an all-payer rate setting commission to determine its payment rates. Medicare claims for hospitals in other states break out additional payments for indirect medical education (IME) costs and disproportionate share hospital (DSH) adjustments.

## 7. Updates:

### **November 2019 Updates:**

We have updated the Inpatient dataset referred to as "Provider Service" table, to reflect standard naming conventions and abbreviations. We have also combined the previous summary tables "National and State Summaries of Inpatient Charge Data" into one table "Geographic" and updated the variables to reflect standard naming conventions and abbreviations.