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

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1. Background

As part of the Obama Administration's efforts to make our healthcare system more transparent, affordable, and accountable, the Centers for Medicare & Medicaid Services (CMS) has prepared a public data set, the Provider Utilization and Payment Data Outpatient Public Use File (herein referred to as "Outpatient PUF"), with information on services and procedures provided to Medicare beneficiaries by hospital outpatient facilities. The Outpatient PUF contains estimated hospital-specific charges for the more than 3,000 U.S. hospitals paid under the Medicare Outpatient Prospective Payment System (OPPS) for 30 Ambulatory Payment Classification (APC) Groups. Services reported include outpatient hospital visits since these are among the most common services provided in this setting, as well as other services that are generally comparable to services provided outside of hospital outpatient departments in physician offices and independent diagnostic testing facilities, such as echocardiograms and magnetic resonance imaging services. The Outpatient PUF is available for calendar years 2011 through 2013.

2. Key data sources

The primary data source is Medicare claims for hospital outpatient services contained in the Medicare National Claims History files, which contain claims information for Medicare fee-for-service beneficiaries using hospital outpatient services.

Outpatient provider demographics are also incorporated in the Outpatient PUF and include name, complete address and hospital referral region (HRR). The outpatient 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. For additional information on the POS data, please visit http://www.cms.gov/Research-Statistics-Data-and-Systems/Files-for-Order/NonIdentifiableDataFiles/ProviderofServicesFile.html. For additional information on HRR, please visit http://www.dartmouthatlas.org/data/region/.

3. Population

The Outpatient PUF includes data on Medicare fee-for-service beneficiaries from Medicare Outpatient Prospective Payment System (OPPS) providers within 49 of the 50 United States and District of Columbia (excluding Maryland) with a known Hospital Referral Region (HRR) who are billing for the 30 selected APCs.

4. Classification and Summarization

The utilization and spending data in the Outpatient PUF is aggregated to the following levels:

a) the provider identifier, and
b) Ambulatory Payment Classification (APC) Group

The provider identifier is the numeric CMS Certification Number (CCN) assigned to a Medicare certified facility. There can be multiple records for a given provider identifier based on the number of distinct APC codes that were billed.

APCs are the main unit of payment under the OPPS. CMS assigns individual services (Healthcare Common Procedure Coding System [HCPCS] codes) to APCs based on similar clinical characteristics and similar costs. The payment rate and copayment calculated for an APC apply to each service within the APC.

For utilization, the number of outpatient services billed by the provider and used in the analysis for each APC is provided. In addition, the provider's average total estimated submitted charges and average total payments within APC are also provided. Total payments consist of Medicare payments and beneficiary cost-share payments.

For these APCs, the estimated average charges and the average Medicare payments are provided at the individual hospital level. The actual charges at an individual hospital for an individual service within these APC groups may differ. For a more complete discussion of the claims criteria used in setting the Medicare payment rates for hospital outpatient services, see the Medicare CY 2015 Outpatient Prospective Payment System (OPPS) Claims Accounting document available on the CMS website at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/CMS-1613-FC-claims-accounting-narrative.pdf

5. Data Contents

APC: Code and description identifying the APC. APCs are a classification system where individual services (Healthcare Common Procedure Coding System [HCPCS] codes) are assigned based on similar clinical characteristics and similar costs.

Provider Id: The CMS Certification Number (CCN) of the provider billing for outpatient hospital services.

Provider Name: The name of the provider.

Provider Street Address: The street address in which the provider is physically located.

Provider City: The city in which the provider is physically located.

Provider State: The state in which the provider is physically located.

Provider Zip Code: The zip code in which the provider is physically located.

Provider HRR: The Hospital Referral Region (HRR) in which the provider is physically located.

Outpatient Services[1]: The number of services billed by the provider for outpatient hospital services.

Average Estimated Submitted Charges[1]: The provider's average estimated submitted charge for services covered by Medicare for the APC. These will vary from hospital to hospital because of differences in hospital charge structures.

Average Total Payments[1]: The average of total payments to the provider for the APC including the Medicare APC amount. Also included in Total Payments are co-payment and deductible amounts that the patient is responsible for.

[1] For a more complete discussion of the claims criteria used in setting the Medicare payment rates for hospital outpatient services, see the Medicare CY 2015 Outpatient Prospective Payment System (OPPS) Claims Accounting document available on the CMS website at: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/CMS-1613-FC-claims-accounting-narrative.pdf

6. Data Limitations

Although the Outpatient PUF 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 Outpatient PUF 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 Outpatient PUF 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 PUF does not include information for patients who are enrolled in any form of Medicare Advantage plan. Importantly, the data is limited to only a selected 30 APCs and thus does not necessarily include all Medicare outpatient procedures from a given hospital.

The file 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 it from Medicare's prospective payment systems for outpatient care. Maryland instead uses an all-payer rate setting commission to determine its payment rates. Therefore, data from Maryland providers are not included in the Outpatient PUF.