

Consumer Price Index (CPI) for Medical Care – 2016

Excess Adjustment

Adjustment of excess amounts earned in a FY beginning between March 12, 2016, and March 11, 2017, must be applied to the following FY. An example is illustrated below.

Excess Example

Annual Compliance Level for FY 2018, Beginning July 1, 2017 = \$787,100

Excess Uncompensated Services Provided in FY 2017 = \$1,000

CPI adjustment between 2015 and 2016 = 3.8 percent

Excess + (Excess x Percent Change in CPI) = Adjusted Excess

\$1,000 + (\$1,000 x 3.8 percent) = \$1,038 (Adjusted Excess)

Annual Compliance Level - Adjusted Excess = Adjusted Annual Compliance Level

\$787,100 - \$1,038 = \$786,062 (Adjusted Annual Compliance Level)

Deficit Adjustment

Adjustment of deficits incurred in a FY beginning between March 12, 2016, and March 11, 2017, must be made up in the following FY, is illustrated below:

Deficit Example

Annual Compliance Level for FY 2017, Beginning July 1, 2017 = \$787,100

Deficit Amount from FY 2017 to be made up in FY 2018 = \$1,000

CPI adjustment between 2015 and 2016 = 3.8 percent

Deficit + (Deficit x Percent Change in CPI) = Adjusted Deficit

\$1,000 + (\$1,000 x 3.8 percent) = \$1,038 (Adjusted Deficit)

Annual Compliance Level + Adjusted Deficit = Adjusted Compliance Level

\$787,100 + \$1,038 = \$788,138 (Adjusted Annual Compliance Level)