Sunshine Act Meetings

Federal Register
Vol. 56, No. 4
Monday, January 7, 1991

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409) 5 U.S.C. 552b(e)(3).

COMMODITY FUTURES TRADING COMMISSION

TIME AND DATE: 11:00 a.m., Friday, January 4, 1991.

PLACE: 2033 K St., NW., Washington, DC, 8th Floor Hearing Room.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

Surveillance Matters

CONTACT PERSON FOR MORE INFORMATION: Jean A. Webb, 254–6314.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 91–287 Filed 1–3–91; 1:38 pm]

BILLING CODE 6351–01–M

COMMODITY FUTURES TRADING COMMISSION

TIME AND DATE: 11:00 a.m., Friday, January 11, 1991.

PLACE: 2033 K St., NW., Washington, DC, 8th Floor Hearing Room.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

Surveillance Matters

CONTACT PERSON FOR MORE INFORMATION:

Jean A. Webb, 254–6314.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 91–288 Filed 1–3–91; 1:38 pm]

BILLING CODE 6351–01–M

COMMODITY FUTURES TRADING COMMISSION

TIME AND DATE: 10:00 a.m., Tuesday, January 15, 1991.

PLACE: 2033 K St., NW., Washington, DC, 8th Floor Hearing Room.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

Enforcement Matters

CONTACT PERSON FOR MORE INFORMATION:

Jean A. Webb, 254–6314.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 91–289 Filed 1–3–91; 1:38 pm]

BILLING CODE 6351–01–M

COMMODITY FUTURES TRADING COMMISSION

TIME AND DATE: 11:00 a.m., Friday, January 18, 1991.

PLACE: 2033 K St., NW., Washington, DC, 8th Floor Hearing Room.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

Surveillance Matters

CONTACT PERSON FOR MORE INFORMATION: Jean A. Webb, 254–6314.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 91–291 Filed 1–3–91; 8:45 am]

BILLING CODE 6351–01–M

COMMODITY FUTURES TRADING COMMISSION

TIME AND DATE: 11:00 A.M., FRIDAY, JANUARY 25, 1991.

PLACE: .2033 K St., NW., Washington, DC, 8th Floor Hearing Room.

STATUS: CLOSED

MATTERS TO BE CONSIDERED: .

Surveillance Matters

CONTACT PERSON FOR MORE INFORMATION: Jean A. Webb, 254–6314.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 90–292 Filed 1–3–91; 2:09 pm]

BILLING CODE 6351–01–M

COMMODITY FUTURES TRADING COMMISSION

TIME AND DATE: 10:00 a.m., Tuesday, January 29, 1991.

PLACE: 2033 K St., NW., Washington, DC, 5th Floor Hearing Room.

STATUS: Open.

MATTERS TO BE CONSIDERED:

—Applications of the Chicago Board of Trade for contract designation in Cash Settled Three Year and Five Year Interest Rate Swap futures

—Application of the MidAmerica Commodity Exchange for contract designation in Options on Corn futures

—Application of the Chicago Mercantile Exchange for contract designation in Options on Broiler Chicken futures

CONTACT PERSON FOR MORE INFORMATION: Jean A. Webb, 254–6314.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 91–293 Filed 1–3–91; 2:09 pm]

BILLING CODE 6351–01–M

COMMODITY FUTURES TRADING COMMISSION

TIME AND DATE: 11:00 a.m., Tuesday, January 29, 1991.

PLACE: 2033 K St., NW., Washington, DC, 8th Floor Hearing Room.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

Enforcement Matters

CONTACT PERSON FOR MORE INFORMATION: Jean A. Webb, 254–6314.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 91–294 Filed 1–3–91; 2:09 pm]

BILLING CODE 6351–01–M

FEDERAL MARITIME COMMISSION

TIME AND DATE: 10:00 a.m., January 9, 1991.

PLACE: Hearing Room One, 1100 L Street, NW., Washington, DC 20573–0001.

STATUS: Open.

MATTERS TO BE CONSIDERED:

1. Implementation of the Non-Vessel-Operating Common Carrier Amendments of 1990

CONTACT PERSON FOR MORE INFORMATION: Joseph C. Polking, Secretary, (202) 523–5725.

Joseph C. Polking,

Secretary.

[FR Doc. 91–295 Filed 1–3–91; 1:39 pm]

BILLING CODE 6730–01–M

Corrections

Federal Register
Vol. 56, No. 4
Monday, January 7, 1991

This section of the FEDERAL REGISTER contains editorial corrections of previously published Presidential, Rule, Proposed Rule, and Notice documents. These corrections are prepared by the Office of the Federal Register. Agency prepared corrections are issued as signed documents and appear in the appropriate document categories elsewhere in the issue.

ACTION

Student Community Service Projects; Availability of Funds

Correction

In notice document 90-29742 beginning on page 52198 in the issue of Thursday, December 20, 1990, make the following corrections:

1. On page 52201, in the first column, in paragraph (3)(c), in the second and third lines, delete "'Non-partisan election'".

2. On the same page, in the second column, in the second entry under "*Region I*", in the third line, "203/240-327" should read "203/240-3237"

3. On page 52202, in the second column, under "*Region IX*", in the heading after the fourth entry, "Guam" was misspelled.

4. On the same page, in the third column, under "(Alaska)", "908174" should read "98174".

BILLING CODE 1505-01-D

DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

7 CFR Part 1717

Investments, Loans, and Guarantees by Electric Borrowers

Correction

In rule document 90-30535 beginning on page 53488 in the issue of Monday, December 31, 1990, make the following correction:

On page 53488, in the second column under **Subpart N-Investments, Loans and Guarantees by Electric Borrowers**, insert five asterisks in a line immediately below and before the next heading.

BILLING CODE 1505-01-D

DEPARTMENT OF AGRICULTURE

Forest Service

36 CFR Part 228

RIN 0596-AA44

Disposal of Mineral Materials

Correction

In rule document 90-29112 beginning on page 51700 in the issue of Monday, December 17, 1990, make the following corrections:

1. On page 51702, in the 2nd column, in the 4th full paragraph, in the 13th line "no" should read "not".

2. On the same page, in the same column, in the same paragraph, in the 22nd line "Systems" should read "System".

3. On page 51703, in the first column, in the first full paragraph, in the second line "is" should read "in".

4. On the same page, in the third column, in the first paragraph, in the eighth line "Service" should read "System".

5. On page 51704, in the first column, in the second full paragraph, in the second line the word "in" should be inserted between "upon" and "the".

6. On page 51705, in the first column, in the first paragraph, in the second line "1995" should read "1955".

7. On the same page, in the second column, in the first paragraph, in the fifth line "Service" should read "System".

8. On the same page, in the same column, in the third paragraph, in the sixth line "Service" should read "System".

BILLING CODE 1505-01-D

CONSUMER PRODUCT SAFETY COMMISSION

16 CFR Part 1500

Test Methods for Simulating Use and Abuse of Toys, Games, and Other Articles Intended for Use by Children

Correction

In rule document 90-29571 beginning on page 52039 in the issue of Wednesday, December 19, 1990, make the following correction:

§ 1500.51 [Corrected]

On page 52040, in the first column, in § 1500.51(e)(2)(i), in the fifth line, "± inch-pound" should read "± 0.2 inch-pound".

BILLING CODE 1505-01-D

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 641

[Docket No. 901218-0318]

Reef Fish Fishery of the Gulf of Mexico

Correction

In rule document 90-29373 beginning on page 51722 in the issue of Monday, December 17, 1990, make the following correction:

§ 641.25 [Corrected]

On page 51723, in amendatory instruction 2, in the fourth line, and in the first line below the first set of asterisks, "(l)" should read "(e)"

BILLING CODE 1505-01-D

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MM Docket No. 89-556; RM-6794]

Radio Broadcasting Services; Copeland, KS

Correction

In rule document 90-30411 appearing on page 53306, in the issue of Friday, December 28, 1990, in the second column, after the fourth line, insert "**EFFECTIVE DATE**: February 11, 1991."

BILLING CODE 1505-01-D

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 14

Advisory Committees; Establishment and Termination

Correction

In rule document 90-29165 beginning on page 51281 in the issue of Thursday, December 13, 1990, make the following corrections:

1. On page 51281, in the third column, in **SUPPLEMENTARY INFORMATION**, in the eighth line, after "16" insert "subgroups or".

2. On page 51282, in the first column, in the first complete paragraph, in the fifth line, "receive" should read "review".

BILLING CODE 1505-01-D

NATIONAL SCIENCE FOUNDATION

Permits Issued Under the Antarctic Conservation Act of 1978

Correction

In notice document 90-29018 appearing on page 51172 in the issue of Wednesday, December 12, 1990, make the following correction:

In the second column, in the last line before the signature, replace the period after "1990" with a colon and add "Jonathan Berg"and "David Parmelee".

BILLING CODE 1505-01-D

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[T.D. 8323]

RIN 1545-AL06

Information Reporting on Real Estate Transactions

Correction

In rule document 90-29239 beginning on page 51282, in the issue of Thursday, December 13, 1990, make the following corrections:

§ 1.6045-4 [Corrected]

1. On page 51286, in the first column, in § 1.6045-4(d)(3)(iii), in the fifth line, "transferor's" was misspelled.

2. On the same page, in the same column, in § 1.6045-4(e)(1) introductory text, in the eighth line, "paragraphs" should read "paragraph".

3. On page 51287, in the second column, in § 1.6045-4(f)(2), in the third line from the bottom of the paragraph, "and (l)(g)(1)" should read "and (l)(1)".

4. On page 51290, in the third column, the first signature was omitted, and should read "Michael J. Murphy, *Acting Commissioner of Internal Revenue.*

BILLING CODE 1505-01-D

federal register

Monday
January 7, 1991

Part II

Department of Health and Human Services

Health Care Financing Administration

42 CFR Part 412

Medicare Program; Legislative Changes Concerning Payment to Hospitals for FY 1991; and Mid-Year FY 1991 Changes to Inpatient Hospital Prospective Payment System; Notice and Final Rule

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

[BPD-721-N]

Medicare Program; Legislative Changes Concerning Payment to Hospitals for Federal Fiscal Year 1991

AGENCY: Health Care Financing Administration (HCFA), HHS.

ACTION: Notice of legislative changes.

SUMMARY: This notice describes changes to the Medicare prospective payment system for inpatient hospital services concerning the hospital wage index and the regional payment floor resulting from the provisions of the Continuing Resolution of October 1, 1990 (Pub. L. 101–403). Also described in this notice are those self-implementing portions of sections 4001 (a) and (c), 4002 (e) and (f), 4007, 4151, and 4158 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101–508) that affect Federal fiscal year 1991 payments to prospective payment hospitals and hospitals and units excluded from the prospective payment system. The changes required by these sections affect the following: 15 percent capital payment reduction, use of the regional payment floor, offset for physician assistant services, market basket percentage increase, standardized amounts, hospital-specific rates for sole community hospitals and Medicare-dependent small rural hospitals, target rate of increases for excluded hospitals and units, hospital wage index, payments for graduate medical education, and Part B payment reduction.

EFFECTIVE DATE: January 7, 1991.

FOR FURTHER INFORMATION CONTACT: Barbara Wynn, (301) 966–4529.

SUPPLEMENTARY INFORMATION:

I. Background

On September 4, 1990, we published a final rule (55 FR 35990) to implement the Medicare inpatient hospital prospective payment system for Federal fiscal year (FY) 1991. In that rule, we set forth the methods, amounts, and factors for determining the FY 1991 prospective payment rates. We also established, for cost reporting periods beginning during FY 1991, new target rate percentages for determing the rate-of-increase limits for hospitals excluded from the prospective payment system.

Under that final rule, in accordance with sections 1886(b)(3)(B)(i) and 1886(d)(3)(A) of the Social Security Act (the Act), the applicable percentage increase in the average standardized amounts for prospective payment hospitals effective with discharges occurring on or after October 1, 1990 and in the hospital-specific rate for sole community hospitals and Medicare-dependent, small rural hospitals effective for cost reporting periods beginning on or after October 1, 1990 was the percentage increase in the hospital market basket (that is, 5.2 percent). In accordance with section 1886(b)(3)(B)(ii), hospitals and hospital units excluded from the prospective payment system had their target amounts increased by the percentage increase in the hospital market basket for excluded hospitals and units (that is, 5.3 percent) effective with their cost reporting period beginning on or after October 1, 1990.

In the September 4, 1990 final rule, we also made the following changes that are affected by provisions in Public Law 101–508:

- We based the FY 1991 wage index solely on 1988 wage survey data and implemented a 1-year phase-in of the updated wage index to lessen the impact of the most significant changes. We limited the percentage change in the wage index value to 8 percent plus 50 percent of the difference between the 8 percent threshold and the new wage index value. Home office costs and fringe benefits associated with hospital and home office salaries were included in the updated wage index. Nonhospital costs were excluded from the index.
- We made adjustments to the wage data to reflect the provisions of section 1886(d)(8)(C) of the Act that were added by the section 8403(a) of the Technical and Miscellaneous Revenue Act of 1988 (Pub. L. 100–647) concerning wage index values for rural counties that are deemed urban.
- Based on the expiration of the statutory authority, we discontinued the use of the regional floor for prospective payment rates for discharges occurring on or after October 1, 1990.
- We added a new 42 CFR 412.120(c) that provides for a reduction in payment for inpatient hospital services to account for 100 percent of the reasonable charges for physician assistant services furnished to beneficiaries in a part of the hospital that is subject to the prospective payment system.

II. New Legislation

Since publication of the September 4, 1990 final rule, Congress has enacted two pieces of legislation that affect payment for hospitals. These are the Continuing Resolution of October 1, 1990 (Pub. L. 101–403) and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), enacted October 1, 1990 and November 5, 1990, respectively. This notice announces the provisions of section 115 of Public Law 101–403 and sections 4001(a) and (c), 4002(e) and (f), 4007, 4151, and 4158 of Public Law 101–508 that are self-implementing and are effective before January 1, 1991.

A. Capital-Related Costs

Section 1886(g)(3)(A)(v) of the Act provides that payments to hospitals subject to the prospective payment system for capital-related costs of inpatient hospital services are to be reduced by 15 percent for payments attributable to portions of cost reporting periods or discharges occurring during the period beginning January 1, 1990 through September 30, 1990. Section 4001(a) of Public Law 101–508 extends the 15 percent capital payment reduction through portions of cost reporting periods or discharges occurring through September 30, 1991. Sole community hospitals are exempt from this provision under section 1886(g)(3)(B) of the Act. Section 4001(c) of Public Law 101–508 amends section 1886(g)(3)(B) of the Act to provide that rural primary care hospitals (as defined in section 1861(mm)(1) of the Act) are also exempt from the 15 percent capital payment reduction, effective October 1, 1990.

Section 4151 of Public Law 101–508 amended 1861(v)(1)(S)(ii)(I) of the Act to provide that payments for capital-related costs of outpatient hospital services are to be reduced by 15 percent for payments attributable to portions of cost reporting periods occurring during FY 1991. The reduction of payments for capital-related costs of outpatient hospital services does not apply to a sole community hospital as defined in section 1886(d)(5)(D)(iii) of the Act. For ambulatory surgical services, radiology services, and other diagnostic procedures performed in an outpatient hospital setting, the reduction in payments for capital-related costs is made before determining the blended amount under sections 1833(i)(3)(B)(i)(I) and 1833(n)(1)(B)(i)(I) of the Act.

B. Regional Floor

Section 4002(d) of Public Law 100–203 amended section 1886(d)(1)(A)(iii) of the Act to establish a "regional floor" for the prospective payment rate applicable to a hospital effective for discharges occurring on or after April 1, 1988 and before October 1, 1990. In accordance with this section, hospital payments have been based on the greater of the national average standardized amount or the sum of 85 percent of the national average standardized amount and 15

percent of the average standardized amount for the Census region in which they are located. Since the statutory authority for use of the regional floor expired on October 1, 1990, we discontinued its use in the September 4, 1990 final rule (55 FR 36050) effective for discharges occurring on or after October 1, 1990.

Section 115(b)(1) of Public Law 101–403 amended section 1886(d)(1)(A)(iii) of the Act to extend the regional floor provision through October 20, 1990. As required by section 115(b)(2) of Public Law 101–403, for this 20-day period, aggregate payments to hospitals are to be budget neutral, that is, estimated aggregate payments with the regional floor are to equal what estimated aggregate payment would have been without the continuation of the regional floor. Therefore, a budget neutrality adjustment factor of .99819 was applied to the payment rates that were effective October 1, 1990 through October 20, 1990. These rates are shown in section III of this notice in Tables 1a–i, 1b–ii, in 1c–i.

Section 4002(e) of Public Law 101–508 further amended section 1886(d)(1)(A)(iii) of the Act to extend the regional floor provision through discharges occurring before October 1, 1993. In addition, this provision is not subject to budget neutrality. Therefore, the rates shown in Tables 1a–ii, 1b–ii, and 1c–ii in section III of this notice that are effective October 21, 1990 through December 31, 1990 are not adjusted by a budget neutrality factor for this provision.

C. Offset for Physician Assistant Services

Section 4002(f) of Public Law 101–508 amended section 9338 of the Omnibus Budget Reconciliation Act of 1986 (Public Law 99–509) (which was enacted on October 21, 1986) by eliminating the provision that would allow the Secretary to offset DRG payments for services performed by physician assistants in the part of the hospital that is subject to the prospective payment system. As a result of this, the provisions of § 412.120(c), which were published in the September 4, 1990 final rule (55 FR 36071), are voided. Under that section, duplicate payments for physician assistant services provided to hospital inpatients would have been eliminated since these services are paid under Part B of the Medicare program.

D. Freeze on Medicare Part A Payments

In general, section 4007 of Public Law 101–508 provides for a freeze in Medicare Part A payments for the period October 21, 1990 through December 31, 1990. Specifically, section 4007(a)(1) of Public Law 101–508 states that the market basket percentage increase (described in section 1886(b)(3)(B)(iii) of the Act) that is applicable to prospective payment hospitals and hospitals excluded from the prospective payment system is deemed to be 0 percent for discharges occurring on or after October 21, 1990 and before January 1, 1991. The revised standardized amounts effective for discharges occurring on or after October 21, 1990 and before January 1, 1991 are shown in section III of this notice in Tables 1a–ii, 1b–ii, and 1c–ii.

Under section 1886(b)(3)(C)(ii) of the Act, the hospital-specific rate applicable to sole community hospitals and Medicare-dependent, small rural hospitals for a given cost reporting period is the hospital-specific rate for the preceding 12-month cost reporting period updated by the applicable percentage increase for discharges occurring in the fiscal year in which the cost reporting period begins. For cost reporting periods beginning in FY 1990 and FY 1991, the applicable hospital market basket percentage increases reflected in the hospital-specific rate are 5.5 percent and 5.2 percent, respectively. However, in accordance with section 4007(a)(1) of Public Law 101–508, for discharges occurring on or after October 21, 1990 through December 31, 1990, the market basket percentage increase is deemed to be 0 percent. Accordingly, the hospital-specific rate applicable to sole community hospitals and Medicare-dependent, small rural hospitals is reduced to remove the market basket percentage increase reflected in the hospital-specific rate applicable to discharges occurring during that period as follows:

- For hospitals with cost reporting periods beginning on or after October 1, 1990 and before October 21, 1990, the hospital-specific rate is reduced by 5.2 percent effective for discharges occurring on or after October 21, 1990 and before January 1, 1991.
- For hospitals with cost reporting periods beginning on or after October 21, 1990 and before January 1, 1991, the hospital-specific rate is reduced by 5.5 percent for discharges occurring on or after October 21, 1990 and before the start of the FY 1991 cost reporting period. For discharges occurring after the start of the hospital's FY 1991 cost reporting period, the 5.5 percent reduction is eliminated and the hospital-specific rate is restored to its October 20, 1990 level. No market basket increase is applied to the hospital's FY 1991 hospital-specific rate until discharges occurring on or after January 1, 1991.
- For hospitals with cost reporting periods beginning on or after January 1, 1991, the hospital-specific rate is reduced by 5.5 percent effective for discharges occurring on or after October 21, 1990 and before January 1, 1991.

We note that since the hospital-specific rate is updated by cost reporting period, the market basket percentage increase that is reflected in the hospital-specific rate applicable to discharges occurring on or after October 21, 1990 and before January 1, 1991 is dependent on the hospital's cost reporting period. Since the market basket rate of increase was 5.5 percent in FY 1990 and 5.2 percent in FY 1991, the percentage reduction for hospitals with cost reporting periods beginning in FY 1990 is 5.5 percent compared to 5.2 percent for those with cost reporting periods beginning in FY 1991. Although the hospitals with cost reporting periods beginning in FY 1990 will experience a slightly higher reduction in payment for discharges occurring on or after October 21, 1990 and before January 1, 1991 than hospitals with cost reporting periods beginning in FY 1991, these hospitals received the benefit of the higher FY 1990 update that was applicable to hospitals located in rural areas during a greater proportion of their cost reporting period. This update (market basket plus 4.22 percentage points, or 9.72 percent) was effective for discharges occurring on or after January 1, 1990. Thus, a hospital with a FY 1990 cost reporting period beginning on or after January 1, 1990 received the higher update for its entire cost reporting period (other than for the October 21, 1990 through December 31, 1990 freeze period), whereas a hospital with a FY 1990 cost reporting period beginning before January 1, 1990 received the benefit of the higher update only for the portion of its cost reporting period occurring on or after January 1, 1990. The disproportionate impact of the FY 1990 update as well as the freeze results from the statutory effective dates for these provisions being established for discharges occurring on specific dates rather than for discharges occurring on a specific number of days in the cost reporting period beginning in the same fiscal year.

For hospitals and hospital units excluded from the prospective payment system, the applicable percentage increase in the target amount is equal to the market basket percentage increase (that is, 5.5 percent for FY 1990 and 5.3 percent for cost reporting periods beginning in FY 1991). However, in

accordance with section 4007(a)(1) of Public Law 101–508, the market basket percentage increase is deemed to be 0 percent for the period beginning on October 21, 1990 and ending on December 31, 1990.

Since the freeze has a varying effect by cost reporting period, we have computed factors that are to be applied to the target amount after being appropriately updated. The factors are the result of dividing the adjusted updated target amount, which includes the effect of the freeze, by the unadjusted updated target amount (5.5 percent or 5.3 percent, as appropriate). For example, for a hospital that has a cost reporting period from November 1, 1989 through October 31, 1990, the target amount will be increased by 5.5 percent and a factor of .9984 percent will be applied to the adjusted target amount for determining Medicare payment of inpatient operating costs. We have listed below the factors to be applied to the target amounts for the specified cost reporting periods affected by the freeze. The actual market basket update factors will continue into subsequent cost reporting periods.

ADJUSTMENT FACTORS TO BE APPLIED TO UPDATED TARGET AMOUNTS FOR COST REPORTING PERIODS BEGINNING ON OR AFTER NOVEMBER 1, 1989 AND BEFORE JANUARY 1, 1991

Cost reporting period	Adjustment factor
Nov. 1, 1989 to Sept. 31, 1990	.9984
Dec. 1, 1989 to Nov. 30, 1990	.9941
Jan. 1, 1990 to Dec. 31, 1990	.9897
Feb. 1, 1990 to Jan. 31, 1991	.9897
Mar. 1, 1990 to Feb. 28, 1991	.9897
Apr. 1, 1990 to Mar. 31, 1991	.9897
May 1, 1990 to Apr. 30, 1991	.9897
Jun. 1, 1990 to May 31, 1991	.9897
Jul. 1, 1990 to Jun. 30, 1991	.9897
Aug. 1, 1990 to Jul. 31, 1991	.9897
Sept. 1, 1990 to Aug. 31, 1991	.9897
Oct. 1, 1990 to Sept. 30, 1991	.9901
Nov. 1, 1990 to Oct. 31, 1991	.9916
Dec. 1, 1990 to Nov. 30, 1991	.9957

E. Hospital Wage Index

As required by section 1886(d)(3)(E) of the Act, we updated the hospital wage index for FY 1991. Section 115(a) of Public Law 101–403 extended the use of the area wage index applicable to prospective payment system hospitals that was in effect on September 30, 1990 (that is, the wage index in use in FY 1990) to discharges occurring on or after October 1, 1990 through October 20, 1990. Section 4007(a)(3) of Public Law 101–508 further extends the use of this wage index for prospective payment hospitals for discharges occurring on or after October 21, 1990 and before January 1, 1991.

F. Graduate Medical Education

Section 4007(a)(4) of Public Law 101–508 specifies that the percentage change in the Consumer Price Index for All Urban Consumers (United States City Average) that is applicable to graduate medical education (GME) per resident payment amounts under section 1886(h)(2)(D) of the Act is deemed to be 0 percent for the payment of Medicare inpatient GME costs for the period October 21, 1990 through December 31, 1990. The freeze in the update of the per resident amounts will be applied for portions of cost reporting periods occurring during this period.

Since the per resident amounts represent payment for total Medicare GME costs and the apportionment between Medicare part A and part B is done on a ratio of part A and part B costs to total Medicare costs excluding GME costs, an adjustment to the GME update factor as applied to the per resident amount would result in a reduction to part A and part B costs. Therefore, in order to implement the freeze for that period for the payment of Medicare inpatient GME costs, we developed a percentage factor that is to be applied to Medicare part A GME costs in determining Medicare part A GME payments. This percentage is the result of dividing the adjusted updated per resident amount, as effected by the freeze in the Consumer Price Index for All Urban Consumers update, by the unadjusted updated per resident amount. We have listed below, by cost reporting period, the factors that are to be applied to Medicare part A GME costs in determining Medicare part A payments. The update factors listed in the September 4, 1990 final rule will be used to update the average GME per resident amounts (55 FR 36065). The effect of the freeze will be calculated at the end of the specified cost reporting period when Medicare Part A GME costs are determined.

The payment under part B for GME costs will be reduced with respect to the payment reduction as provided in section 4158 of Public Law 101–508.

PART A PAYMENT ADJUSTMENT FACTORS FOR COST REPORTING PERIODS BEGINNING ON OR AFTER NOVEMBER 1, 1989, AND BEFORE JANUARY 1, 1991

Cost Reporting Period	Adjustment Factor
Nov. 1, 1989 to Oct. 31, 1990	.9990
Dec. 1, 1989 to Nov. 30, 1990	.9950
Jan. 1, 1990 to Dec. 31, 1990	.9920
Feb. 1, 1990 to Jan. 31, 1991	.9920
Mar. 1, 1990 to Feb. 28, 1991	.9920
Apr. 1, 1990 to Mar. 31, 1991	.9920
May 1, 1990 to Apr. 30, 1991	.9920
Jun. 1, 1990 to May 31, 1991	9920
Jul. 1, 1990 to Jun. 30, 1991	.9920
Aug. 1, 1990 to Jul. 31, 1991	.9920
Sept. 1, 1990 to Aug. 31, 1991	.9920
Oct. 1, 1990 to Sept. 30, 1991	.9920
Nov. 1, 1990 to Oct. 31, 1991	.9930
Dec. 1, 1990 to Nov. 30, 1991	.9970

G. Part B Payment Reduction

Section 4158 of Public Law 101–508 provides for a 2 percent payment reduction for payments made on a reasonable cost basis under part B which applies for portions of cost reporting periods occurring during the period from November 1, 1990 through December 31, 1990.

The reduction in part B payments will not apply to payments under risk-sharing contracts under section 1876 of the Act or under similar contracts under section 402 of the Social Security Amendments of 1967 (Pub. L. 90–248) or section 222 of the Social Security Amendments of 1972 (Pub. L. 92–603).

If a reduction in the part B payment amount is made for items or services furnished on an assignment-related basis, as defined in section 1842(i)(1) of the Act, the provider furnishing the items or services will be considered to have accepted payment on the reasonable charge for the items or services, less any reduction in payment as required under section 4158 of Public Law 101–508, as payment in full.

H. Public Law 101–508 Provisions Effective January 1, 1991

The following provisions of section 4002 of Public Law 101–508 concern payment for inpatient hospital services and are effective on Jaunary 1, 1991. These provisions will be implemented through a separate final rule with comment period that will be published at a later date.

- Section 4002(a) updates the standardized amounts by the market basket percentage increase (5.2 percent) minus 2.0 percentage points for urban hospitals (3.2 percent), and section 4002(c) increases the rural standardized amounts by the market basket

percentage increase minus 0.7 percentage points (4.5 percent).

- Section 4002(b) increases the payment formula applicable to urban disproportionate share hospitals with 100 or more beds.
- Section 4002(d) implements the FY 1991 hospital wage index based solely on FY 1988 survey data with no provision for the limitation on percentage changes that was included in the September 4, 1990 final rule (55 FR 36036).
- Section 4002(h) makes revisions to the determination of hospital wage index values applicable to hospitals that have been redesignated under sections 1886(d)(8) and (10) of the Act.

III. Tables

This section contains the tables referred to in section II of this notice. For purposes of this notice, and to avoid confusion, we have retained the designations of Tables 1a, 1b, 1c, that were first used in the April 5, 1988 prospective payment notice (53 FR 11134). Tables 1a–i, 1b–1, and 1c–i are effective for October 1, 1990 through October 20, 1990. Tables 1a–ii, 1b–ii, and 1c–ii are effective for October 21, 1990 through December 31, 1990. The tables are as follows:

Table 1a–i.—National Adjusted Standardized Amounts, Labor/Nonlabor, Effective October 1, 1990 through October 20, 1990.

Table 1b–i.—Regional Adjusted Standardized Amounts, Labor/Nonlabor, Effective October 1, 1990 through October 20, 1990.

Table 1c–i.—Adjusted Standardized Amounts for Puerto Rico, Labor/Nonlabor, Effective October 1, 1990 through October 20, 1990.

Table 1a–ii.—National Adjusted Standardized Amounts, Labor/Nonlabor, Effective October 21, 1990 through December 31, 1990.

Table 1b–ii.—Regional Adjusted Standardized Amounts, Labor/Nonlabor, Effective October 21, 1990 through December 31, 1990.

Table 1c–ii.—Adjusted Standardized Amounts for Puerto Rico, Labor/Nonlabor, Effective October 21, 1990 through December 31, 1990.

TABLE 1A–I.—NATIONAL ADJUSTED STANDARDIZED AMOUNTS, LABOR/NONLABOR; EFFECTIVE OCTOBER 1, 1990 THROUGH OCTOBER 20, 1990

[Adjusted standardized amounts as published in the September 4, 1990 final rule (55 FR 35990) multiplied by 0.99819]

Large urban		Other urban		Rural	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
2526.96	1,041.08	2,486.95	1,024.60	2,446.35	788.18

TABLE 1B–I.—REGIONAL ADJUSTED STANDARDIZED AMOUNTS, LABOR/NONLABOR; EFFECTIVE OCTOBER 1, 1990 THROUGH OCTOBER 20, 1990

[Adjusted standardized amounts as published in the September 4, 1990 final rule (55 FR 35990) multiplied by 0.99819]

	Large urban		Other urban		Rural	
	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
1. New England (CT, ME, MA, NH, RI, VT)	2,653.71	1,087.11	2,611.70	1,069.89	2,712.25	935.39
2. Middle Atlantic (PA, NJ, NY)	2,384.12	1,029.90	2,346.38	1,013.60	2,597.52	884.28
3. South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	2,544.97	950.49	2,504.68	935.44	2,483.12	766.78
4. East North Central (IL, IN, MI, OH, WI)	2,684.32	1,124.59	2,641.83	1,106.78	2,514.48	852.22
5. East South Central (AL, KY, MS, TN)	2,442.47	860.65	2,403.80	847.03	2,461.02	715.04
6. West North Central (IA, KS, MN, MO, NB, ND, SD)	2,545.69	1,024.69	2,505.39	1,008.46	2,391.94	763.91
7. West South Central (AR, LA, OK, TX)	2,531.05	944.06	2,490.97	929.11	2,293.96	702.53
8. Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	2,441.55	1,011.22	2,402.90	995.20	2,319.80	808.00
9. Pacific (AK, CA, HI, OR, WA)	2,374.96	1,155.10	2,337.36	1,136.81	2,256.21	910.26

TABLE 1C–I.—ADJUSTED STANDARDIZED AMOUNTS FOR PUERTO RICO, LABOR/NONLABOR; EFFECTIVE OCTOBER 1, 1990 THROUGH OCTOBER 20, 1990

[Adjusted standardized amounts as published in the September 4, 1990 final rule (55 FR 35990) multiplied by 0.99819]

	Large urban		Other urban		Rural	
	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
Puerto Rico	2272.74	472.67	2236.75	465.19	1667.50	359.48
National	2492.01	971.11				

TABLE 1A–II.—NATIONAL ADJUSTED STANDARDIZED AMOUNTS, LABOR/NONLABOR; EFFECTIVE OCTOBER 21, 1990 THROUGH DECEMBER 31, 1990

[Adjusted standardized amounts as published in the September 4, 1990 final rule (55 FR 95990) market basket increase removed]

Large urban		Other urban		Rural	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
2,406.41	991.42	2,368.31	975.72	2,329.65	750.58

TABLE 1B–II.—REGIONAL ADJUSTED STANDARDIZED AMOUNTS, LABOR/NONLABOR; EFFECTIVE OCTOBER 21, 1990 THROUGH DECEMBER 31, 1990

[Adjusted standardized amounts as published in the September 4, 1990 final rule (55 FR 35990) market basket increase removed]

	Large urban		Other urban		Rural	
	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
1. New England (CT, ME, MA, NH, RI, VT)	2527.11	1035.25	2487.11	1018.85	2582.86	890.77
2. Middle Atlantic (PA, NJ, NY)	2270.38	980.77	2234.44	965.25	2473.60	842.09
3. South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	2423.56	905.14	2385.19	890.82	2364.66	730.20
4. East North Central (IL, IN, MI, OH, WI)	2556.26	1070.94	2515.80	1053.98	2394.52	811.57
5. East South Central (AL, KY, MS, TN)	2325.95	819.59	2289.13	806.63	2343.61	680.93
6. West North Central (IA, KS, MN, MO, NB, ND, SD)	2424.25	975.81	2385.87	960.35	2277.83	727.47
7. West South Central (AR, LA, OK, TX)	2410.30	899.02	2372.14	884.78	2184.52	669.01
8. Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	2325.08	962.89	2288.27	947.72	2209.13	769.46
9. Pacific (AK, CA, HI, OR, WA)	2261.66	1099.99	2225.86	1082.58	2148.57	866.83

TABLE 1C–II.—ADJUSTED STANDARDIZED AMOUNTS FOR PUERTO RICO, LABOR/NONLABOR; EFFECTIVE OCTOBER 21, 1990 THROUGH DECEMBER 31, 1990

[Adjusted standardized amounts as published in the September 4, 1990 final rule (55 FR 35990) market basket increase removed]

	Large urban		Other urban		Rural	
	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
Puerto Rico	2,164.32	450.12	2,130.05	442.99	1,587.95	342.33
National	2,373.13	924.78				

IV. Regulatory Impact Statement

Executive Order 12291 (E.O. 12291) requires us to prepare and publish a regulatory impact statement for any notice that would be likely to result in one of the following—

- An annual effect on the economy of $100 million or more;
- A major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; or
- Significant adverse effects on competition, employment, investment, productivity, innovation or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

In addition, we generally prepare a regulatory flexibility analysis that is consistent with the Regulatory Flexibility Act (RCA) (5 U.S.C. 601 through 612) unless the Secretary certifies that a notice such as this will not have a significant economic impact on a substantial number of small entities. For purposes of the RCA, States and individuals are not entities, but we consider all hospitals to be small entities. Also, section 1102(b) of the Act requires us to prepare a regulatory impact analysis that conforms to section 604 of the RFA unless the Secretary certifies that this notice will not have a significant impact on the operations of a substantial number of small rurual hospitals.

We have determined that this notice, in itself, will not produce any effects that would meet any of the criteria of E.O. 12291 or of the RFA since the amendments to which this notice pertains are already in effect or will go into effect without the publication of this notice. Implementation of these amendments is not dependent on the publication of this document. Therefore, we have determined that a regulatory impact analysis under E.O. 12291 and a regulatory flexibility analysis under the RFA are not required. For the same reason, we have determined and the Secretary certifies that this notice will not have a significant impact on a substantial number of small rural hospitals or on any other small entities.

V. Other Required Information

A. Waiver of 30-Day Delay in Effective Date

We normally provide a delay of 30 days in the effective date. However, because the provisions of this notice merely summarize statutory amendments that are self-implementing or that require only the ministerial application of established formulas and data bases, and because the effective dates of the provisions are October 1, 1990 through December 31, 1990, we believe a delayed effective date is unnecessary. Therefore, we find good cause to waive the usual 30-day delay.

B. Paperwork Reduction Act

This notice does not impose paperwork or information collection requirements. Consequently, it need not be reviewed by the Executive Office of Management and Budget under the

authority of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501–3511).

Authority: Sections 1815, 1833, 1861(v), and 1886 of the Social Security Act (42 U.S.C. 1395g, 1395(1), 1395(v), and 1395ww); section 115 of Pub. L. 101–403; and sections 4001, 4002, 4007, 4151 and 4158 of Pub. L. 101–508.

Dated: December 20, 1990.

Gail R. Wilensky,

Administrator, Health Care Financing Administration.

Approved: December 24, 1990.

Louis W. Sullivan,

Secretary.

[FR Doc. 90–30618 Filed 12–31–90; 11:45 am]

BILLING CODE 4120–01–M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

42 CFR Part 412

[BPD-723-FC]

Medicare Program; Mid-Year FY 1991 Changes to the Inpatient Hospital Prospective Payment System

AGENCY: Health Care Financing Administration (HCFA), HHS.

ACTION: Final rule with comment period.

SUMMARY: This final rule with comment period implements several provisions of section 4002 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508) that affect Medicare payment for inpatient hospital services and that take effect with discharges occurring on or after January 1, 1991. The provisions of section 4002 of Public Law 101-508 affect the following: The standardized amounts, the hospital wage index, rural counties whose hospitals are deemed urban, and hospitals that serve a disproportionate share of low income patients.

DATES: *Effective date.* This final rule is effective January 1, 1991.

Comment date. Comments will be considered if we receive them at the appropriate address, as provided in **ADDRESSES**, no later than 5 p.m. on March 8, 1991.

ADDRESSES: Mail comments to the following address:

Health Care Financing Administration, Department of Health and Human Services, Attention: BPD-723-FC, P.O. Box 26676, Baltimore, Maryland 21207.

If you prefer, you may deliver your comments to one of the following addresses:

Room 309-G, Hubert H. Humphrey Building, 200 Independence Ave., SW., Washington, DC.

Room 132, East High Rise Building, 6325 Security Boulevard, Baltimore, Maryland.

Due to staffing and resource limitations, we cannot accept facsimile (FAX) copies of comments.

In commenting, please refer to file code BPD-723FC. Comments received timely will be available for public inspection as they are received, beginning approximately three weeks after publication of this document, in room 309-G of the Department's offices at 200 Independence Ave., SW., Washington, DC, on Monday through Friday of each week from 8:30 a.m. to 5 p.m. (phone: 202-245-7890).

FOR FURTHER INFORMATION CONTACT: Barbara Wynn, (301) 966-4529.

SUPPLEMENTARY INFORMATION:

I. Background

A. The September 4, 1990 Final Rule

On September 4, 1990, we published a final rule (55 FR 35990) to implement the Medicare inpatient hospital prospective payment system for Federal fiscal year (FY) 1991. In that rule, we set forth the methods, amounts, and factors for determining the FY 1991 prospective payment rates.

Under that final rule, in accordance with sections 1886(b)(3)(B)(i) and 1886(d)(3)(A) of the Social Security Act (the Act), the applicable percentage increase in the average standardized amounts for prospective payment hospitals effective with discharges occurring on or after October 1, 1990 and in the hospital-specific rate for sole community hospitals and Medicare-dependent, small rural hospitals effective for cost reporting periods beginning on or after October 1, 1990 was the percentage increase in the hospital market basket (that is, 5.2 percent).

In the September 4, 1990 final rule, we also made the following changes that are affected by provisions in Public Law 101-508:

- We based the FY 1991 wage index solely on 1988 wage survey data and implemented a 1-year phase-in of the updated wage index to lessen the impact of the most significant changes. We limited the percentage change in the wage index value to 8 percent plus 50 percent of the difference between the 8 percent threshold and the new wage index value. Home office costs and fringe benefits associated with hospital and home office salaries were included in the updated wage index. Nonhospital costs were excluded from the index.
- We made adjustments to the wage data to reflect the provisions of section 1866(d)(8)(C) of the Act that were added by the section 8403(a) of the Technical and Miscellaneous Revenue Act of 1988 (Pub. L. 100-647) concerning wage index values for rural counties that are deemed urban.
- Based on the expiration of the statutory authority, we discontinued the use of the regional floor for prospective payment rates for discharges occurring on or after October 1, 1990.
- We provided for a reduction in payment for inpatient hospital services to account for 100 percent of the reasonable charges for physician assistant services furnished to beneficiaries in a part of the hospital that is subject to the prospective payment system.

C. The January 1991 Notice

Elsewhere in this issue of the Federal **Register**, we published a notice that announced self-implementing changes resulting from the Continuing Resolution of October 1, 1990 (Pub. L. 101-403) and the enactment of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508) that affected payment to prospective payment system hospitals and hospitals excluded from the prospective payment system. That notice announced the following changes in payments under the prospective payment system:

- Section 115(b)(1) Public Law 101-403 extended the regional floor provision through October 20, 1990. (The original statutory authority for use of the regional floor expired on October 1, 1990.) As required by section 115(b)(2) of Public Law 101-403, for this 20-day period, aggregate payments to hospitals were to be budget neutral, that is, estimated aggregate payments with the regional floor were to equal what estimated aggregate payments would have been without the continuation of the regional floor. Therefore, a budget neutrality adjustment factor of .99819 was applied to the payment rates that were effective October 1, 1990 through October 20, 1990. Section 4002(e) of Public Law 101-508 further extended the regional floor provision through discharges occurring before October 1, 1993. This provision was not subject to budget neutrality.
- Section 4002(f) of Public Law 101-508 amended section 9338 of the Omnibus Budget Reconciliation Act of 1986 (Pub. L. 99-509) to eliminate the provision that would allow the Secretary to offset DRG payments for services performed by physician assistants in the part of the hospital that is subject to the prospective payment system
- In general, section 4007 of Public Law 101-508 provided for a freeze in the level of Medicare part A payments for the period October 21, 1990 through December 31, 1990. Specifically, section 4007(a)(1) of Public Law 101-508 stated that the market basket percentage increase that is applicable to prospective payment hospitals was deemed to be 0 percent for discharges occurring on or after October 21, 1990 and before January 1, 1991. The hospital-specific rate applicable to sole community hospitals and Medicare-dependent, small rural hospitals was reduced to remove the market basket percentage increase reflected in the

hospital-specific rate applicable to discharges occurring during that period.

• Section 115(a) of Public Law 101–403 extended the use of the area wage index applicable to prospective payment system hospitals that was in effect on September 30, 1990 (that is, the wage index in use in FY 1990) to discharges occurring on or after October 1, 1990 through October 20, 1990. Section 4007(a)(3) of Public Law 101–508 further extended the use of this wage index for prospective payment hospitals for discharges occurring on or after October 21, 1990 and before January 1, 1991.

II. Summary of the Omnibus Budget Reconciliation Act of 1990

On November 5, 1990, the Omnibus Budget Reconciliation Act of 1990 was enacted (Pub. L. 101–508). The provisions of sections 4002 (a), (b), (c), (d), and (h) of Public Law 101–508 made the following changes that affect Medicare payments for inpatient hospital services under the prospective payment system effective with discharges occurring on or after January 1, 1991.

• The percentage increase in the standardized amounts applicable to rural hospitals for discharges occurring before October 1, 1991 is the market basket percentage increase minus 0.7 percentage points (that is, 4.5 percent). The percentage increase in the average standardized amounts applicable to large urban hospitals and other urban hospitals is equal to the market basket percentage increase minus 2.0 percentage points (that is, 3.2 percent).

• For discharges occurring on or after January 1, 1991 and before October 1, 1993, the hospital wage index, which is used to adjust payments to hospitals, will be based solely on the 1988 hospital wage survey data with no phase-in period.

• The methodology for determining the wage index applicable to rural counties whose hospitals are deemed urban has been revised.

• The disproportionate share adjustment applicable to certain hospitals that serve a disproportionate share of low income patients has been increased. In addition, the sunset provision that would have ended all disproportionate share adjustments effective October 1, 1995 has been repealed.

Our implementation of these provisions is described below in section III. of this preamble.

III. Provisions of the Final Rule With Comment Period

A. Hospital Wage Index

Section 1886(d)(2)(C)(ii) of the Social Security Act (the Act) required, as part of the process of developing separate urban and rural standardized amounts for FY 1984, that we standardize the average cost per case of each hospital for differences in area wage levels. Sections 1886(d)(2)(H) and 1886(d)(3)(E) of the Act have required that the standardized urban and rural amounts be adjusted for area variations in hospital wage levels as part of the methodology for determining prospective payments to hospitals. To fulfill both of these requirements, we constructed an index that reflects average hospital wages in each urban and rural area as a percentage of the national average hospital wage.

For purposes of determining the prospective payments to hospitals in FY 1984 and 1985, we constructed the wage index using calendar year 1981 hospital wage and employment data obtained from the Bureau of Labor Statistics' (BLS) ES 202 Employment, Wages, and Contributions file for hospital workers. Beginning with discharges occurring on or after May 1, 1986, we have been using a hospital wage index based on HCFA surveys of hospital wage and salary data as well as data on paid hours in prospective payment system hospitals.

In determining prospective payments to hospitals in FY 1990, the wage index was based on wage data from calendar year 1984. Section 6003(h)(6) of the Omnibus Budget Reconciliation Act of 1989 (Pub. L. 101–239) amended section 1886(d)(3)(E) of the Act to require that wage indexes that are applied to the labor-related portion of the national average standardized amounts of the prospective payment system be updated not later than October 1, 1990, and updated annually beginning October 1, 1993. The September 4, 1990 final rule (55 FR 35990) set forth a revised hospital wage index that was based on a HCFA survey of hospital wage and salary data for all hospitals subject to the prospective payment system with cost reporting periods ending in calendar year 1988. Home office costs and fringe benefits associated with hospital and home office salaries were included in the updated wage index. Nonhospital costs were excluded from the wage index.

In the September 4, 1990 final rule (55 FR 36041), we implemented a one year phase-in of the updated wage index for FY 1991 to lessen the impact of the most significant changes in wage index values. We limited the percentage change in the wage index value to 8 percent plus 50 percent of the difference between the 8 percent threshold and the new wage index value.

Section 115(a) of the Continuing Resolution of October 1, 1990 (Pub. L. 101–403) extended the use of the area wage index applicable to prospective payment system hospitals that was in effect on September 30, 1990 (that is, the wage index in use in FY 1990, which was based on 1984 hospital wage data) to discharges occurring on or after October 1, 1990 and before October 21, 1990. Section 4007(a)(3) of Public Law 101–508 further extended use of the FY 1990 wage index for prospective payment hospitals for discharges occurring on or after October 21, 1990 and before January 1, 1991. These changes were announced in a notice published elsewhere in this issue of the **Federal Register.**

Section 4402(d)(1)(A) of Public Law 101–508 specifies that a wage index based on 1988 hospital wage data will be effective for discharges occurring on or after January 1, 1991 and before October 1, 1993. Also, section 4402(d)(1)(B) of Public Law 101–508 specifies that the Secretary shall apply the wage index without regard to a previous survey of wages and wage-related costs. Therefore, we are revising the wage index to eliminate the one year phase-in period set forth in the September 4, 1990 final rule (55 FR 36041).

In addition, in determining the wage index for discharges occurring on or after January 1, 1991, we have incorporated all corrections of errors that have been identified in the survey wage data since the publication of the September 4, 1990 final rule. We believe it is appropriate to incorporate these changes so that the wage index will be based on the best available data. In this regard, we note that Public Law 101–508 requires only that the wage index effective January 1, 1991 be based on the 1988 wage data. There is no requirement that the same wage data used to construct the wage index in the September 4, 1990 final rule be used to construct the January 1, 1991 wage index. Moreover, since the wage index values that were published in the September 4, 1990 final rule have never gone into effect, we do not consider the corrections we are making to be mid-year corrections.

If we were to treat these corrections as mid-year corrections, we would be required under section 1886(d)(3)(E) of the Act and § 412.63(l)(4) to make a retroactive budget neutrality adjustment to the standardized amounts at the

beginning of FY 1992. This is because, as discussed in the September 4, 1990 final rule (55 FR 36042), when mid-year corrections are made pursuant to § 412.63(l), the correction in the wage index value for the affected area is effective prospectively from the date the revision is made; however, both the corresponding prospective adjustment to the wage index values for all other wage areas (to reflect the effect of the corrected data on the national average hourly wage) and the budget neutrality adjustment to the standardized amounts required by section 1886(d)(3)(E) (to account for the effect on payments of the mid-year corrections), are not made until the beginning of the next fiscal year. In this particular circumstance, we believe it would not make sense to wait until the beginning of FY 1992 before making the adjustment to the wage index values for unaffected areas and the retroactive budget neutrality adjustment. Since we are required by Public Law 101–508 to make a mid-year shift from use of 1984 wage survey data to use of 1988 wage survey data, we believe it is appropriate to make all the wage index corrections and adjustments at the same time. We therefore have done so, and the new national average hourly wage is $13.9602.

We note that Congressional action which extended the use of the wage index based on 1984 data for the first quarter of FY 1991 has a similar effect as a phase-in of the wage index based on 1988 data. That is, to mitigate the swings in wage index values that would otherwise have occurred, Public Law 101–508 has, in effect, provided hospitals a 25 percent/75 percent blend of the 1984 and 1988 wage data over the course of FY 1991.

The wage indexes are shown in Tables 4a through 4e in the Addendum of this final rule with comment period. The September 4, 1990 final rule (55 FR 36109) included Table 4f, which was comprised of wage index values for areas subject to the wage index phase-in. This table is no longer applicable since the phase-in period to lessen the impact of the most significant changes in wage index values has been eliminated by section 4002(d)(1)(B) of Public Law 101–508.

B. Revisions to the Wage Index for Rural Counties Whose Hospitals are Deemed Urban

Under section 1886(d)(8)(B) of the Act, for discharges occurring on or after October 1, 1988, hospitals in certain rural counties adjacent to one or more Metropolitan Statistical Areas (MSAs) are considered to be located in one of the adjacent MSAs if certain standards are met. Under this provision, as a part of the September 30, 1988 prospective payment system final rule, we classified the wage data for those rural areas as if the hospitals in those areas were located in the adjacent MSAs and recomputed the wage index values for the affected MSAs and rural areas.

Because inclusion of the wage data from rural hospitals that are considered to be located in an adjacent MSA under section 1886(d)(8)(B) of the Act resulted in the reduction of the wage index values of several MSAs and rural areas, Congress enacted section 8403(a) of the Technical and Miscellaneous Revenue Act of 1988 (Pub. L. 100–647). Under that provision, which added a new section 1886(d)(8)(C) to the Act, if the inclusion of wage data from rural hospitals now considered to be located in an urban area resulted in a reduction of the wage index value for the affected MSA, or resulted in a reduction of the wage index value for the rural area from which these data were now excluded, then the wage index values for those affected areas were determined as if section 1886(d)(8)(B) of the Act had not been enacted. In addition, the wage index value for hospitals located in rural counties that were deemed urban was determined on a county-specific basis as if the county were a separate urban area. This provision was implemented as part of the September 1, 1989 prospective payment system final rule (54 FR 36476).

For some hospitals in counties redesignated as urban under the provisions of section 1886(d)(8)(B) of the Act, the application of county-specific wage index values for FY 1990 resulted in lower total prospective payments than what those hospitals had received in FY 1989 because those hospitals were now subject to a lower wage index value. For some redesignated hospitals, such as those that had a county-specific wage index value lower than the Statewide rural wage index, the decrease in payment was significant. In fact, some county-specific wage index values were so low that some rural hospitals redesignated as urban hospitals received lower payments than they would have received if they had been designated as rural hospitals.

In order to address the adverse impact on certain redesignated hospitals that resulted from the implementation of section 8403(a) of Public Law 100–647, Congress, in section 6003(h) of Public Law 101–239, revised the methodology for applying the wage index to hospitals affected by section 1886(d)(8)(B) of the Act. Under section 6003(h)(3) of Public Law 101–239, section 1886(d)(8)(C) of the Act was revised with respect to discharges occurring on or after April 1, 1990. That provision revised the application of the wage index to redesignated hospitals based on the hypothetical impact that the wage data from these hospitals would have on the wage index value of the MSA to which they have been redesignated. Therefore, the wage index values were determined by considering the following:

- If including the wage data for the redesignated hospitals reduces the MSA wage index value by one percentage point or less, the MSA wage index value applies to the redesignated hospitals deemed to be a part of that MSA. The MSA wage index value is determined exclusive of the wage data for the redesignated hospitals.
- If including the wage data for the redesignated hospitals reduces the MSA wage index value by more than one percentage point, the wage index is applied separately to the MSA and to the hospitals deemed to be part of that MSA. In this case, the redesignated hospitals continue to have their wage index determined on a county-specific basis, as if their county were a separate urban area. However, the wage index for such county will not be less than the Statewide rural wage index.
- Rural areas whose wage index values would be reduced by excluding the data for redesignated hospitals continue to have their wage index calculated as if no redesignation had occurred. Those rural areas whose wage index values increased as a result of excluding the wage data for the excluded hospitals continue to have their wage index calculated exclusive of the redesignated hospitals.

Section 4002(h) of Public Law 101–508 amended section 1886(d)(8)(C) of the Act effective for discharges occurring on or after January 1, 1991 by specifying that if including the wage data for the redesignated hospitals reduces the wage index value for an urban area by more than one percentage point, the wage index value for that urban area is to be calculated and applied separately to hospitals located in that urban area (excluding the redesignated hospitals). In lieu of a county-specific wage index, the hospitals that are redesignated are to use the wage index value of the MSA that results from including the wage data of the redesignated hospitals in the determination. However, the wage index value for the redesignated hospitals cannot be less than the Statewide rural wage index value.

The revised wage index values effective for discharges occurring on or after January 1, 1991 are shown in

Tables 4a and 4b of the Addendum. The revised wage index values for the redesignated hospitals are contained in Tables 4c through 4e.

C. Payments for Hospital that Serve a Disproportionate Share of Low-Income Patients (§ 412.106)

Section 1886(d)(5)(F) of the Act provides for additional payments to prospective payment hospitals that serve a disproportionate share of low-income patients. Under section 1886(d)(5)(F)(v) of the Act, and under § 412.106(c) of the regulations for discharges occurring on or after April 1, 1990, a hospital qualifies for a disproportionate share adjustment if during the hospital's cost reporting period, the hospital has a disproportionate patient percentage that is at least equal to—

- 15 percent for an urban hospital with 100 or more beds or a rural hospital with 500 or more beds.
- 40 percent for an urban hospital with fewer than 100 beds.
- 45 percent for a rural hospital with 100 or fewer beds that is not a sole community hospital.
- 30 percent for a rural hospital that either has more than 100 beds but fewer than 500 beds or is classified as a sole community hospital.

In addition, a hospital can qualify for a disproportionate share adjustment, if as provided for in § 412.106(c)(2), the hospital has 100 or more beds, is located in an urban area, and receives more than 30 percent of net inpatient revenues from State and local government sources for the care of indigent patients not eligible for Medicare or Medicaid.

Sections 1886(d)(5)(F) (iii) and (iv) of the Act define the allowable disproportionate share adjustments that are added to the Federal portion of Medicare prospective payments for those hospitals described in sections 1886(d)(5)(F) (i) and (v) of the Act that meet the disproportionate share qualifications. For discharges occurring on or after April 1, 1990, those adjustments are as follows:

- A hospital located in an urban area and having 100 or more beds, or a hospital located in a rural area and having 500 or more beds, with a disproportionate patient percentage of greater than 20.2 percent receives a disproportionate share adjustment that will increase the DRG revenue by 5.62 percent plus 65 percent of the difference between its disproportionate patient percentage and 20.2 percent. If the hospital's disproportionate patient percentage is less than 20.2 percent, the hospital's DRG revenue is increased by 2.5 percent plus 60 percent of the difference between its disproportionate patient percentage and 15 percent.
- The disproportionate share adjustment for urban hospitals with fewer than 100 beds is 5 percent.
- A hospital located in a rural area that is classified as both a rural referral center and an SCH receives a disproportionate share adjustment that increases the Federal portion of the hospital's DRG revenue by the greater of 10 percent, or 4 percent plus 60 percent of the difference between the hospital's disproportionate patient percentage and 30 percent.
- A hospital located in a rural area and classified as a rural referral center receives a disproportionate share adjustment that increases the hospital's DRG revenue by 4 percent plus 60 percent of the difference between its disproportionate patient percentage and 30 percent.
- A hospital located in a rural area and classified as an SCH receives a disproportionate share adjustment that increases the Federal portion of the hospital's DRG revenue by 10 percent.
- For a hospital with fewer than 500 beds located in a rural area, which is not classified as a rural referral center or an SCH, the disproportionate share adjustment is 4 percent.
- The disproportionate share payment adjustment factor is 30 percent for a hospital that qualifies for a disproportionate share adjustment under § 412.106(c)(2), that is, the hospital has 100 or more beds, is located in an urban area, and receives more than 30 percent of net inpatient revenues from State and local government sources for the care of indigent patients not eligible for Medicare or Medicaid.

Section 4002(b)(1)(A) of Public Law 101–508 amended section 1886(d)(5)(F)(vii) of the Act to provide for an increase in disproportionate share payments for urban hospitals with 100 or more beds and rural hospitals with 500 or more beds that have a disproportionate patient percentage greater than 20.2 percent. For discharges occurring on or after January 1, 1991 and before October 1, 1993, these hospitals will receive 5.62 percent plus 70 percent of the difference between the hospital's disproportionate patient percentage and 20.2 percent. For discharges occurring on or after October 1, 1993 and before October 1, 1994, these hospitals will receive 5.88 percent plus 80 percent of the difference between the hospital's disproportionate share percentage and 20.2 percent. Effective with discharges occurring on or after October 1, 1994, these hospitals will receive 5.88 percent plus 82.5 percent of the difference between the hospital's disproportionate share percentage and 20.2 percent.

For urban hospitals with 100 or more beds or rural hospitals with 500 or more beds and a disproportionate share percentage of 20.2 percent or less, section 4002(b)(1) increases the hospitals disproportionate share adjustment to 2.5 percent plus 65 percent of its disproportionate share patient percentage and 15 percent effective with discharges occurring on or after October 1, 1993.

Section 4002(b)(2) of Public Law 101–508 amended section 1886(d)(5)(F)(iii) of the Act to specify that the applicable disproportionate share adjustment for urban hospitals with 100 or more beds receiving more than 30 percent of net inpatient revenues from State and local government sources for the care of indigent patients will be increased from 30 to 35 percent for discharges occurring on or after October 1, 1990. Public Law 101–508 made no change in the disproportionate share adjustment for other hospitals effective January 1, 1991.

Section 4002(b)(3) amended section 1886(d) to eliminate the sunset provision for the disproportionate share adjustment. Prior to the enactment of Public Law 101–508 the disproportionate share adjustment provision was to expire effective with discharges occurring on or after October 1, 1995.

Section 4002(b)(4)(B) of Public Law 101–508 amended section 1886(d)(2)(C)(iv) to provide that the standardized amounts shall not be restandardized to take into account the effect of additional payments made to qualifying disproportionate share hospitals under section 4002(b)(1) of Public Law 101–508.

IV. Changes in the Regulations

We have made the following changes to the regulations based on provisions concerning payment to prospective payment hospitals contained in sections 4002 and 4007 of Public Law 101–508 that were set forth and published elsewhere in this issue of the **Federal Register** or in the preamble of this final rule with comment period.

- Section 412.63 has been amended to provide for the applicable percentage change in the Federal rates for fiscal year 1991 through fiscal year 1995.
- Section 412.73(c) has been amended to provide for the applicable percentage change in the hospital-specific rate for fiscal year 1991 and the following years for hospitals for which a hospital-specific rate based on a fiscal year 1982 base period or fiscal year 1987 base period applies.

• Section 412.106 has been revised to reflect that the disproportionate share adjustment applicable to certain hospitals serving a disproportionate share of low income patients has been increased.

• Section 412.120(c) has been removed since the offset for the services of physician assistants furnished to hospital inpatients was eliminated.

V. Other Required Information

A. Waiver of Notice of Proposed Rulemaking and 30-Day Delay in the Effective Date

We ordinarily publish a notice of proposed rulemaking for a regulation to provide a period for public comment. However we may waive that procedure if we find good cause that prior notice and comment are impractical, unnecessary, or contrary to public interest. In addition, section 1871(b)(2)(B) of the Act provides that the notice of proposed rulemaking is not required if a statute establishes a specific deadline for implementation that is less than 150 days from enactment. Also, section 1871(b)(2)(A) of the Act provides that a notice of proposed rulemaking is not required where a statute specifically permits a regulation to be issued in interim final form or otherwise with a shorter period for public comment. Section 4207(k) of Public Law 101–508 provides that we may issue regulations on an interim or other basis as may be necessary to implement certain provisions of that law. Because the provisions of Public Law 101–508 implemented by this final rule take effect only 57 days after the statute's enactment on November 5, 1990, and because we believe section 4207(k) of Public Law 101–508 allows for a waiver of the notice of proposed rulemaking to implement these provisions, we find good cause to waive the notice of proposed rulemaking. However, we are providing a 60-day comment period for public comment, as indicated at the beginning of this final rule.

In addition, we normally provide a delay of 30 days in the effective date for documents such as this. However, if adherence to this procedure would be impractical, unnecessary, or contrary to public interest, we may waive the delay in the effective date. Under the clear direction contained in Public Law 101–508, the effective date for the provisions included in this final rule is January 1, 1991. In addition, in general, the wage index and disproportionate share provisions implemented in this final rule are beneficial to some hospitals. If we were to provide for a 30-day delay in the effective date for these changes, these hospitals would be deprived of the full benefits of these provisions. Thus, a 30-day delay in the effective date would be contrary to the public interest. Therefore, we find good cause to waive the usual 30-day delay.

B. Paperwork Reduction Act

This final rule does not impose information collection requirements. Consequently, it need not be reviewed by the Executive Office of Management and Budget under the authority of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 through 3511).

C. Public Comments

Because of the large number of items of correspondence we normally receive concerning regulations, we cannot acknowledge or respond to the comments individually. However, if we decide that changes are necessary as a result of our consideration of all comments received by the date and time specified in the **"DATES"** section of this preamble, we will respond to the comments and issue any appropriate changes in the final rule that implements changes to the inpatient hospital prospective payment system and sets forth the FY 1992 rates, which will be published on approximately September 1, 1991.

List of Subjects in 42 CFR Part 412

Health facilities, Medicare, Reporting and recordkeeping requirements.

42 CFR chapter IV is amended as set forth below:

CHAPTER IV—HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES

SUBCHAPTER B—MEDICARE PROGRAM

Part 412 is amended as follows:

PART 412—PROSPECTIVE PAYMENT SYSTEM FOR INPATIENT HOSPITAL SERVICES

A. The authority citation for part 412 continues to read as follows:

Authority: Secs. 1102, 1815(e), 1871, and 1886 of the Social Security Act (42 U.S.C. 1302, 1395g(e), 1395hh, and 1395ww).

B. In subpart D, § 412.63, paragraph (i) is revised; paragraphs (j), (k), and (l) are redesignated as paragraphs (n), (o), and (p), respectively; and new paragraphs (j), (k), (l), and (m) are added, to read as follows:

Subpart D—Basic Methodology for Determining Federal Prospective Payment Rates

§ 412.63 Federal rates for fiscal years after Federal fiscal year 1984.

* * * * *

(i) *Applicabler percentage change for fiscal year 1991.* (1) The applicable percentage change for fiscal year 1991 is—

(i) For discharges occurring on or after October 1, 1990 and before October 21, 1990, 5.2 percent;

(ii) For discharges occurring on or after October 21, 1990 and before January 1, 1991, 0.0 percent; and

(iii) For discharges occurring on or after January 1, 1991 and before October 1, 1991—

(A) 4.5 percent for hospitals located in rural areas; and

(B) 3.2 percent for hospitals located in large urban areas and other urban areas.

(2) For purposes of determining the standardized amounts for discharges occurring on or after October 1, 1991, the applicable percentage change for fiscal year 1991 is deemed to have been the percentage change provided for in paragraph (i)(1)(iii) of this section.

(j) *Applicable percentage change for fiscal year 1992.* The applicable percentage change for fiscal year 1992 is the percentage increase in the market basket index for prospective payment hospitals (generally described in § 413.40(c)(3)(ii) of this subchapter)—

(1) Minus 0.6 percentage point for hospitals located in rural areas.

(2) Minus 1.6 percentage points for hospitals located in large urban areas and other urban areas.

(k) *Applicable percentage change for fiscal year 1993.* The applicable percentage change for fiscal year 1993 is the percentage increase in the market basket index for prospective payment hospitals (generally described in § 413.40(c)(3)(ii) of this subchapter)—

(1) Minus 0.55 percentage point for hospitals located in rural areas.

(2) Minus 1.55 percentage points for hospitals located in large urban areas and other urban areas.

(l) *Applicable percentage change for fiscal year 1994.* The applicable percentage change for fiscal year 1994 is the percentage increase in the market basket index for prospective payment hospitals (generally described in § 413.40(c)(3)(ii) of this subchapter)—

(1) Plus 1.5 percentage points for hospitals located in rural areas.

(2) For hospitals located in large urban areas and other urban areas.

(m) *Applicable percentage change for fiscal year 1995.* The applicable

percentage change for fiscal year 1995 is the percentage increase in the market basket index for prospective payment hospitals (generally described in § 413.40(c)(3)(ii) of this subchapter)—

(1) Plus, for hospitals located in rural areas, the percentage increase necessary so that the average standardized amounts computed under paragraphs (c) through (i) of § 412.63 are equal to the average standardized amounts for hospitals located in an urban area other than a large urban area.

(2) For hospitals located in large urban areas and other urban areas.

* * * * *

C. Subpart E is amended as follows:

Subpart E—Determination of Transition Period Payment Rates

1. In § 412.73, the introductory text of paragraph (c)(7)(i) is revised; paragraph (c)(7)(ii) is redesignated as paragraph (c)(7)(iii); new paragraph (c)(7)(ii) is added; paragraph (c)(8) is revised; and paragraph (c)(9) is added to read as follows:

§ 412.73 Determination of the hospital-specific rate based on a Federal fiscal year 1982 base period.

* * * * *

(c) *Updating base-year costs.* * * *

* * * * *

(7) *For Federal fiscal year 1990.* (i) Except as described in paragraph (c)(7)(ii) of this section, for cost reporting periods beginning in Federal fiscal year 1990, the base-period cost per discharge is updated as follows:

* * * * *

(ii) For discharges occurring on or after October 21, 1990 and before January 1, 1991, the base-period cost per discharge, updated as set forth in paragraph (c)(7)(i) of this section, is reduced by 5.5 percent.

* * * * *

(8) *For Federal fiscal year 1991.* (i) Except as described in paragraph (c)(8)(ii) of this section, for cost reporting periods beginning in Federal fiscal year 1991, the base-period cost per discharge is updated by 5.2 percent.

(ii) For discharges occurring on or after October 21, 1990 and before January 1, 1991, the base-period cost per discharge is updated by 0.0 percent.

(iii) For purposes of determining the updated base period costs for cost reporting periods beginning in Federal fiscal year 1992, the update factor for the cost reporting period beginning during Federal fiscal year 1991 is deemed to have been the percentage change provided for in paragraph (c)(8)(i) of this section.

(9) *For Federal fiscal years 1992 and following.* For Federal fiscal years 1992 and following, the update factor is determined using the methodology set forth in paragraphs (j) through (m) of § 412.63.

* * * * *

2. In § 412.75, paragraph (d) is revised to read as follows:

§ 412.75 Determination of the hospital-specific rate based on a Federal fiscal year 1987 base period.

* * * * *

(d) *Updating base-period costs.* For purposes of determining the updated base-period costs for cost reporting periods beginning in Federal fiscal year 1988, the update factor is determined using the methodology set forth in § 412.73 (c)(5) through (c)(9).

* * * * *

D. In subpart G, § 412.106, the introductory text of paragraph (d)(2)(i) is republished; and paragraphs (d)(2)(i)(A), (d)(2)(i)(B), and (d)(2)(v) are revised to read as follows:

Subpart G—Special Treatment of Certain Facilities

§ 412.106 Special treatment: Hospitals that serve a disproportionate share of low-income patients.

* * * * *

(d) *Payment adjustment.*

* * * * *

(2) *Payment adjustment factors.* (i) If the hospital meets the criteria of paragraph (c)(1)(i) of this section, the payment adjustment factor is equal to one of the following:

(A) If the hospital's disproportionate patient percentage is greater than 20.2 percent, the applicable payment adjustment factor is as follows:

(*1*) For discharges occurring on or after April 1, 1990 and before January 1, 1991, 5.62 percent plus 65 percent of the difference between 20.2 percent and the hospital's disproportionate patient percentage.

(*2*) For discharges occurring on or after January 1, 1991 and before October 1, 1993, 5.62 percent plus 70 percent of the difference between 20.2 percent and the hospital's disproportionate patient percentage.

(*3*) For discharges occurring on or after October 1, 1993 and before October 1, 1994, 5.88 percent plus 80 percent of the difference between 20.2 percent and the hospital's disproportionate patient percentage.

(*4*) For discharges occurring on or after October 1, 1994, 5.88 percent plus 82.5 percent of the difference between 20.2 percent and the hospital's disproportionate patient percentage.

(B) If the hospital's disproportionate patient percentage is less than 20.2 percent, the applicable payment adjustment factor is as follows:

(*1*) For discharges occurring on or after April 1, 1990 and before January 1, 1993, 2.5 percent plus 60 percent of the difference between 15 percent and the hospital's disproportionate patient percentage.

(*2*) For discharges occurring on or after January 1, 1993, 2.5 percent plus 65 percent of the difference between 15 percent and the hospital's disproportionate patient percentage.

* * * * *

(v) If the hospital meets the criteria of paragraph (c)(2) of this section, the payment adjustment factor is as follows:

(A) 30 percent for discharges occurring on or after April 1, 1990 and before October 1, 1990.

(B) 35 percent for discharges occurring on or after October 1, 1990.

E. In subpart H, § 412.120, paragraph (c) is removed.

Subpart H—Payments to Hospitals Under the Prospective Payment System

§ 412.120 Reductions to total payments.

* * * * *

(Catalog of Federal Domestic Assistance Programs No. 93.733, Medicare—Hospital Insurance; No. 93.744, Medicare—Supplementary Medicare Insurance)

Dated: December 20, 1990.

Gail R. Wilensky,

Administrator, Health Care Financing Administration.

Approved: December 24, 1990.

Louis W. Sullivan,

Secretary.

Note: The following addendum and appendix will not appear in the Code of Federal Regulations.

Addendum—Schedule of Standardized Amounts Effective With Discharges Occurring On or After January 1, 1991

I. Changes to FY 1991 Prospective Payment Rates

On September 4, 1990, we published a final rule (55 FR 35990) that set forth the methods, amounts, and factors for determining the FY 1991 prospective payment rates. We also established, for cost reporting periods beginning during FY 1991, new target rate percentages for determining the rate-of-increase limits for hospitals excluded from the prospective payment system.

Under that final rule, in accordance with sections 1886(b)(3)(B)(i) and 1886(d)(3)(A) of the Act, the applicable percentage increase in the average

standardized amounts for prospective payment hospitals effective with discharges occurring on or after October 1, 1990 and the hospital-specific rate for sole community hospitals and Medicare-dependent, small rural hospitals effective for cost reporting periods beginning on or after October 1, 1990 was the percentage increase in the hospital market basket (that is, 5.2 percent).

Based on the expiration of the statutory authority, we also discontinued use of the regional floor for prospective payment rates for discharges occurring on or after October 1, 1990.

Elsewhere in this issue of the Federal Register, we published a notice that announced self-implementing changes that affected payment to hospitals resulting from Public Law 101–403 and Public Law 101–508. In that notice, we published revised standardized amounts that were effective for discharges occurring on or after October 1, 1990 and before October 21, 1990. These revised standardized amounts were the result of two provisions set forth in section 115(b) of Public Law 101–403. Section 115(b)(1) of Public Law 101–403 amended section 1886(d)(1)(A)(iii) of the Act to extend the regional floor provision through October 20, 1990. Section 115(b)(2) of Public Law 101–403 requires that, for that 20-day period, estimated aggregate payments to hospitals were to be budget neutral, that is, estimated aggregate payments with the regional floor were to equal what estimated aggregate payments would have been without the continuation of the regional floor. The resulting rates were shown in Tables 1a–i, 1b–i, and 1c–i of that notice. Section 4002(e) of Public Law 101–508 further amended section 1886(d)(1)(A)(iii) of the Act to extend the regional floor provision through discharges occurring before October 1, 1993. This provision is not subject to a budget neutrality requirement.

Also addressed in the notice published elsewhere in this issue of the Federal Register were the changes made in section 4007 of Public Law 101–508 that provided for a freeze in the level of Medicare Part A payments for the period October 21, 1990 through December 31, 1990. Section 4007(a)(1) of Public Law 101–508 stated that the market basket percentage increase (described in section 1886(b)(3)(B)(iii) of the Act) that is applicable to prospective payment hospitals and hospitals excluded from the prospective payment system was deemed to be 0 percent for discharges occurring on or after October 21, 1990 and before January 1, 1991. The revised standardized amounts effective for discharges occurring on or after October 21, 1990 and before January 1, 1991 were contained in Tables 1a–ii, 1b–ii, and 1c–ii of the notice published elsewhere in this issue of the Federal Register.

Under section 1886(b)(3)(C)(ii) of the Act, the hospital-specific rate applicable to sole community hospitals and Medicare-dependent, small rural hospitals for a given cost reporting period is the hospital-specific rate for the preceding 12-month cost reporting period updated by the applicable percentage increase for discharges occurring in the fiscal year in which the cost reporting period begins. For cost reporting periods beginning in FY 1990 and FY 1991, the applicable hospital market basket percentage increases reflected in the hospital-specific rate were 5.5 percent and 5.2 percent, respectively. However, in accordance with section 4007(a)(1) of Public Law 101–508, for discharges occurring on or after October 21, 1990 through December 31, 1990, the market basket percentage increase was deemed to be 0 percent. Accordingly, the hospital-specific rate applicable to sole community hospitals and Medicare-dependent, small rural hospitals was reduced to remove the market basket percentage increase reflected in the hospital-specific rate applicable to discharges occurring during that period as follows:

- For hospitals with cost reporting periods beginning on or after October 1, 1990 and before October 21, 1990, the hospital-specific rate was reduced by 5.2 percent effective for discharges occurring on or after October 21, 1990 and before January 1, 1991.
- For hospitals with cost reporting periods beginning on or after October 21, 1990 and before January 1, 1991, the hospital-specific rate was reduced by 5.5 percent for discharges occurring on or after October 21, 1990 and before the start of the FY 1991 cost reporting period. For discharges occurring after the start of the hospital's FY 1991 cost reporting period, the 5.5 percent reduction was eliminated and the hospital-specific rate was restored to its October 20, 1990 level. No market basket increase was applied to the hospital's FY 1991 hospital-specific rate for discharges occurring before January 1, 1991.
- For hospitals with cost reporting periods beginning on or after January 1, 1991, the hospital-specific rate was reduced by 5.5 percent effective for discharges occurring on or after October 21, 1990 and before January 1, 1991.

Before enactment of Public Law 101–508 the update factor applicable to the hospital specific rate for sole community hospitals and Medicare dependent small rural hospitals was linked to the update factor applied to the standardized amounts under section 1886(b)(3)(B)(i) of the Act. Section 4002(c)(2)(A)(ii) revises section 1886(b)(3)(C)(ii) and (D)(ii) with respect to the update factor applicable to the hospital specific rate for sole community hospitals and Medicare-dependent small rural hospitals and provides for the update under section 1886(b)(3)(B)(ii) of the Act, which is the market basket rate of increase for cost reporting periods beginning in FY 1991. Therefore, except for discharges occurring during the period October 21, 1990 through December 31, 1990 covered by the freeze in Part A payments under section 4007 of Public Law 101–508, the update factor applied to the hospital-specific rate for sole community hospitals and Medicare-dependent small rural hospitals for cost reporting periods beginning in FY 1991 is 5.2 percent.

Section 4002(a) and (c) of Public Law 101–508 amended section 1886(b)(3)(B)(i) of the Act to specify that the applicable update factors to the standardized amounts for discharges occurring on or after January 1, 1991 and before October 1, 1991 are as follows:

- The market basket percentage increase minus 2.0 percentage points (that is, 3.2 percent) for hospitals located in urban areas.
- The market basket percentage increase minus 0.7 percentage points (that is, 4.5 percent) for hospitals located in rural areas.

For purposes of computing payment rates for discharges occurring on or after October 1, 1991, these update factors are deemed to have been in effect for discharges occurring on or after October 1, 1990.

Under the provisions of 4002(a) and (c) of Public Law 101–508, we have recomputed the standardized amounts effective for discharges occurring on or after January 1, 1991. The updated standardized amounts are contained in Tables 1a, 1b, and 1c of section III of this addendum.

II. Other Adjustments to the Average Standardized Amounts

A. Rural Hospitals Deemed to be Urban—Budget Neutrality

Section 1886(d)(8)(B) of the Act provides that certain rural hospitals are deemed urban effective with discharges occurring on or after October 1, 1988. Section 1886(d)(8)(C) of the Act specifies that the wage index for those hospitals deemed urban will be determined based on the hypothetical effect their wage

data would have on the wage index of the MSA to which they are redesignated.

Section 1886(d)(8)(D) of the Act specifies two payment conditions that must be met. First, the FY 1991 urban standardized amounts are to be adjusted so as to ensure that total aggregate payments under the prospective payment system after implementation of the provisions of sections 1886(d)(8) (B) and (C) of the Act are equal to the aggregate prospective payments that would have been made absent these provisions. Second, the rural standardized amounts are to be adjusted to ensure that aggregate payments to rural hospitals not affected by these provisions neither increase nor decrease as a result of implementation of these provisions.

The following adjustment factors were applied to the final standardized amounts in the September 4, 1990 final rule and are effective for discharges occurring on or after October 1, 1990 and before January 1, 1991:
Urban: .999339
Rural: .999455

As a result of the updates to the standardized amounts provided for in section 4002 of Public Law 101–508, specifically the update for rural hospitals, which is larger than the update for urban hospitals, and the changes to the application of the wage index to redesignated rural hospitals under section 1886(d)(8)(C) of the Act, it was necessary to recalculate the budget neutrality factors that are required by section 1886(d)(8)(D) of the Act in applying the special provisions for certain rural hospitals that are deemed urban under section 1886(d)(8)(B) of the Act. The budget neutrality factors for the standardized amounts effective for discharges occurring on or after January 1, 1991 are as follows:
Urban: .999022
Rural: .999594

B. Recalibration of DRG Weights and Updated Wage Index—Budget Neutrality Adjustment

Section 1886(d)(4)(C)(iii) of the Act, as amended by section 6003(b) of Public Law 101–239, specifies that beginning in FY 1991, the annual DRG reclassifications and recalibration of the relative weights must be made in a manner that ensures that aggregate payments to hospitals are not affected. In the September 4, 1990 final rule, we normalized the recalibrated DRG weights by an adjustment factor so that the average case weight after recalibration is equal to the average case weight prior to recalibration. While this adjustment was intended to ensure that recalibration does not affect total payments to hospitals, our analysis indicated that the normalization adjustment did not necessarily achieve budget neutrality with respect to aggregate payments to hospitals.

Section 1886(d)(3)(E) of the Act, as amended by section 6003(h)(6) of Public Law 101–239, specifies that the hospital wage index must be updated based on new survey data no later than October 1, 1990 and on an annual basis beginning October 1, 1993. This provision also requires that any updates or adjustments to the wage index must be made in a manner that ensures that aggregate payments to hospitals are not affected by the change in the wage index.

To comply with the requirement of section 1886(d)(4)(C)(iii) of the Act that the DRG reclassification changes and recalibration of the relative weights be budget neutral and the requirement in section 1886(d)(3)(E) of the Act that the updated wage index be implemented in a budget neutral manner, we compared aggregate FY 1991 payments to what aggregate payments would have been if we continued to use the FY 1990 relative weights and wage index. Other than the DRG weights and the wage index, FY 1991 payment rules were used to estimate aggregate payments. Due to the interactive effect of the wage index and DRG weights on aggregate payments, we simultaneously compared the effects of changing the DRG weights and the wage index. Based on this comparison of aggregate payments using the FY 1990 relative weights and wage index to aggregate payments using the proposed FY 1991 relative weights and wage index, we computed a budget neutrality adjustment factor equal to .998637 and applied it to the final standardized amounts effective for discharges occurring on or after October 1, 1990 (55 FR 36079). The budget neutrality factor that has been applied to the standardized payment amounts effective for discharges occurring on or after January 1, 1991 is .998526.

In addition, as discussed in the September 4, 1990 final rule (55 FR 36074), we are applying the same adjustment factor to the hospital-specific rates that are effective for cost reporting periods beginning on or after January 1, 1991. Unless we apply the same adjustment factor to the hospital-specific rates, we cannot meet the statutory requirement that aggregate payments neither increase nor decrease as a result of the implementation of the DRG weights and updated wage index. This is because payments to sole community hospitals and Medicare-dependent, small rural hospitals are affected by changes in the DRG weights and in the wage index.

C. Outliers

Section 1886(d)(5)(A) of the Act requires that, in addition to the basic prospective payment rates, payments must be made for discharges involving day outliers and may be made for cost outliers. Section 1886(d)(3)(B) of the Act requires that the urban and rural standardized amounts be separately reduced by the proportion of estimated total DRG payments attributable to estimated outlier payments for hospitals located in urban areas and those located in rural areas.

Because of the payment changes set forth in this document, the outlier adjustment factors must be revised. The outlier adjustment factor applied to the standardized amounts for discharges on or after October 1, 1990 were as follows:
Urban: .944744
Rural: .977373

The revised outlier adjustments that have been applied to the standardized amounts to establish the payment rates effective for discharges occurring on or after January 1, 1991 are as follows:
Urban: .944078
Rural: .977448

There is no change in the outlier thresholds. The revised standardized amounts effective for discharges occurring on or after January 1, 1991 are shown in Tables 1a, 1b, and 1c of section III of this addendum.

III. Tables

This section contains the tables referred to throughout the preamble to this final rule with comment period and this addendum. For purposes of this final rule with comment period, and to avoid confusion, we have retained the designations of Tables 1a, 1b, 1c that were first used in the April 5, 1988 prospective payment notice (53 FR 11134). The tables are as follows:

Table 1a—National Adjusted Standardized Amounts, Labor/Nonlabor, Effective January 1, 1991
Table 1b—Regional Adjusted Standardized Amounts, Labor/Nonlabor, Effective January 1, 1991
Table 1c—Adjusted Standardized Amounts for Puerto Rico, Labor/Nonlabor, Effective January 1, 1991
Table 4a—Wage Index for Urban Areas
Table 4b—Wage Index for Rural Areas
Table 4c—Wage Index for Rural Counties Whose Hospitals are Deemed Urban—Using Urban Area Wage Index
Table 4d—Wage Index for Rural Counties Whose Hospitals are Deemed Urban—Computed as Being Combined with the Urban Area

Table 4e—Wage Index for Rural Counties Whose Hospitals are Deemed Urban—Using Statewide Rural Wage Index

TABLE 1A.—NATIONAL ADJUSTED STANDARIZED AMOUNTS, LABOR/NONLABOR

[Effective January 1, 1991]

Large Urban		Other Urban		Rural	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
2480.60	1021.98	2441.33	1005.80	2434.74	784.43

TABLE 1B.—REGIONAL ADJUSTED STANDARDIZED AMOUNTS, LABOR/NONLABOR

[Effective January 1, 1991]

	Large Urban		Other Urban		Rural	
	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
1. New England (CT, ME, MA, NH, RI, VT)	2605.03	1067.16	2563.78	1050.26	2699.37	930.96
2. Middle Atlantic (PA, NJ, NY)	2340.38	1011.01	2303.33	995.00	2585.18	880.07
3. South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	2498.28	933.05	2458.72	918.26	2471.32	763.14
4. East North Central (IL, IN, MI, OH, WI)	2635.08	1103.96	2593.36	1086.48	2502.54	848.17
5. East South Central (AL, KY, MS, TN)	2397.66	844.86	2359.69	831.49	2449.34	711.64
6. West North Central (IA, KS, MN, MO, NB, ND, SD)	2498.99	1005.89	2459.43	989.96	2380.58	760.28
7. West South Central (AR, LA, OK, TX)	2484.61	926.73	2445.27	912.07	2283.07	699.19
8. Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	2396.76	992.66	2358.82	976.94	2308.79	804.17
9. Pacific (AK, CA, HI, OR, WA)	2331.39	1133.90	2294.48	1115.95	2245.50	905.93

TABLE 1C.—ADJUSTED STANDARDIZED AMOUNTS FOR PUERTO RICO, LABOR/NONLABOR

[Effective January 1, 1991]

	Large urban		Other Urban		Rural	
	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
Puerto Rico	2231.04	464.00	2195.71	456.65	1659.58	357.77
National	2454.71	956.00				

TABLE 4A.—WAGE INDEX FOR URBAN AREAS

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Abilene, TX	0.9238
Taylor, TX	
Aguadilla, PR	0.4577
Aguada, PR	
Aguadilla, PR	
Isabella, PR	
Moca, PR	
Akron, OH	0.9459
Portage, OH	
Summit, OH	
Albany, GA	0.8066
Dougherty, GA	
Lee, GA	
Albany-Schenectady-Troy, NY	0.8940
Albany, NY	
Greene, NY	
Montgomery, NY	
Rensselaer, NY	
Saratoga, NY	
Schenectady, NY	
Albuquerque, NM	1.0144
Bernalillo, NM	
Alexandria, LA	0.8292
Rapides, LA	
Allentown-Bethlehem-Easton, PA-NJ	0.9865
Warren, NJ	
Carbon, PA	
Lehigh, PA	
Northampton, PA	
Altoona, PA	0.9257
Blair, PA	
Amarillo, TX	0.8756
Potter, TX	
Randall, TX	
*Anaheim-Santa Ana, CA	1.2009
Orange, CA	
Anchorage, AK	1.4204
Anchorage, AK	
Anderson, IN	0.9602
Madison, IN	
Anderson, SC	0.7272
Anderson, SC	
Ann Arbor, MI	1.1406
Washtenaw, MI	
Anniston, AL	0.7947
Calhoun, AL	
Appleton-Oshkosh-Neenah, WI	0.9197
Calumet, WI	
Outagamie, WI	
Winnebago, WI	
Arecibo, PR	0.3961
Arecibo, PR	
Camuy, PR	
Hatillo, PR	
Quebradillas, PR	
Asheville, NC	0.8756
Buncombe, NC	
Athens, GA	0.8225
Clarke, GA	
Jackson, GA	
Madison, GA	
Oconee, GA	
*Atlanta, GA	0.9615

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Barrow, GA	
Butts, GA	
Cherokee, GA	
Clayton, GA	
Cobb, GA	
Coweta, GA	
De Kalb, GA	
Douglas, GA	
Fayette, GA	
Forsyth, GA	
Fulton, GA	
Gwinnett, GA	
Henry, GA	
Newton, GA	
Paulding, GA	
Rockdale, GA	
Spalding, GA	
Walton, GA	
Atlantic City, NJ	1.0528
Atlantic, NJ	
Cape May, NJ	
Augusta, GA-SC	0.9419
Columbia, GA	
McDuffie, GA	
Richmond, GA	
Aiken, SC	
Aurora-Elgin, IL	0.9684
Kane, IL	
Kendall, IL	
Austin, TX	0.9618
Hays, TX	
Travis, TX	
Williamson, TX	
Bakersfield, CA	1.0889
Kern, CA	
*Baltimore, MD	1.0176
Anne Arundel, MD	
Baltimore, MD	
Baltimore City, MD	
Carroll, MD	
Harford, MD	
Howard, MD	
Queen Annes, MD	
Bangor, ME	0.9082
Penobscot, ME	
Baton Rouge, LA	0.9107
Ascension, LA	
East Baton Rouge, LA	
Livingston, LA	
West Baton Rouge, LA	
Battle Creek, MI	0.9484
Calhoun, MI	
Beaumont-Port Arthur, TX	0.9623
Hardin, TX	
Jefferson, TX	
Orange, TX	
Beaver County, PA	1.0185
Beaver, PA	
Bellingham, WA	1.0517
Whatcom, WA	
Benton Harbor, MI	0.8157
Berrien, MI	
*Bergen-Passaic, NJ	1.0316
Bergen, NJ	
Passaic, NJ	
Billings, MT	0.9343
Yellowstone, MT	
Biloxi-Gulfport, MS	0.8078
Hancock, MS	
Harrison, MS	
Binghamton, NY	0.9278
Broome, NY	
Tioga, NY	

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Birmingham, AL	0.8787
Blount, AL	
Jefferson, AL	
Saint Clair, AL	
Shelby, AL	
Walker, AL	
Bismarck, ND	0.8830
Burleigh, ND	
Morton, ND	
Bloomington, IN	0.8656
Monroe, IN	
Bloomington-Normal, IL	0.8676
McLean, IL	
Boise City, ID	0.9776
Ada, ID	
*Boston-Lawrence-Salem-Lowell-Brockton, MA.	1.1833
Essex, MA	
Middlesex, MA	
Norfolk, MA	
Plymouth, MA	
Suffolk, MA	
Boulder-Longmont, CO	1.0169
Boulder, CO	
Bradenton, FL	0.9281
Manatee, FL	
Brazoria, TX	0.9174
Brazoria, TX	
Bremerton, WA	0.9554
Kitsap, WA	
Bridgeport-Stamford-Norwalk-Danbury, CT.	1.2056
Fairfield, CT	
Brownsville-Harlingen, TX	0.8618
Cameron, TX	
Bryan-College Station, TX	0.9508
Brazos, TX	
Buffalo, NY	0.8926
Erie, NY	
Burlington, NC	0.8002
Alamance, NC	
Burlington, VT	0.9377
Chittenden, VT	
Grand Isle, VT	
Caguas, PR	0.4488
Caguas, PR	
Gurabo, PR	
San Lorenz, PR	
Aguas Buenas, PR	
Cayey, PR	
Cidra, PR	
Canton, OH	0.8721
Carroll, OH	
Stark, OH	
Casper, WY	0.8908
Natrona, WY	
Cedar Rapids, IA	0.8925
Linn, IA	
Champaign-Urbana-Rantoul, IL	0.8762
Champaign, IL	
Charleston, SC	0.8348
Berkeley, SC	
Charleston, SC	
Dorchester, SC	
Charleston, WV	0.9712
Kanawha, WV	
Putnam, WV	
*Charlotte-Gastonia-Rock Hill, NC-SC	0.9505

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Cabarrus, NC	
Gaston, NC	
Lincoln, NC	
Mecklenburg, NC	
Rowan, NC	
Union, NC	
York, SC	
Charlottesville, VA	0.9634
Albemarle, VA	
Charlottesville City, VA	
Fluvanna, VA	
Greene, VA	
Chattanooga, TN-GA	0.9216
Catoosa, GA	
Dade, GA	
Walker, GA	
Hamilton, TN	
Marion, TN	
Sequatchie, TN	
Cheyenne, WY	0.7924
Laramie, WY	
*Chicago, IL	1.0539
Cook, IL	
Du Page, IL	
McHenry, IL	
Chico, CA	1.0556
Butte, CA	
*Cincinnati, OH-KY-IN	0.9840
Dearborn, IN	
Boone, KY	
Campbell, KY	
Kenton, KY	
Clermont, OH	
Hamilton, OH	
Warren, OH	
Clarksville-Hopkinsville, TN-KY	0.7334
Christian, KY	
Montgomery, TN	
*Cleveland, OH	1.0760
Cuyahoga, OH	
Geauga, OH	
Lake, OH	
Medina, OH	
Colorado Springs, CO	0.9836
El Paso, CO	
Columbia, MO	0.9525
Boone, MO	
Columbia, SC	0.8958
Lexington, SC	
Richland, SC	
Columbus, GA-AL	0.7497
Russell, AL	
Chattanoochee, GA	
Muscogee, GA	
*Columbus, OH	0.9692
Delaware, OH	
Fairfield, OH	
Franklin, OH	
Licking, OH	
Madison, OH	
Pickaway, OH	
Union, OH	
Corpus Christi, TX	0.8611
Nueces, TX	
San Patricio, TX	
Cumberland, MD-WV	0.8204
Allegeny, MD	
Mineral, WV	
*Dallas, TX	0.9438

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Collin, TX	
Dallas, TX	
Denton, TX	
Ellis, TX	
Kaufman, TX	
Rockwall, TX	
Danville, VA	0.7521
Danville City, VA	
Pittsylvania, VA	
Davenport-Rock Island-Moline, IA-IL	0.8487
Scott, IA	
Henry, IL	
Rock Island, IL	
Dayton-Springfield, OH	0.9684
Clark, OH	
Greene, OH	
Miami, OH	
Montgomery, OH	
Daytona Beach, FL	0.8961
Volusia, FL	
Decatur, AL	0.7502
Lawrence, AL	
Morgen, AL	
Decatur, IL	0.8302
Macon, IL	
*Denver, CO	1.0779
Adams, CO	
Arapahoe, CO	
Denver, CO	
Douglas, CO	
Jefferson, CO	
Des Moines, IA	0.9189
Dallas, IA	
Polk, IA	
Warren, IA	
*Detroit, MI	1.0841
Lapeer, MI	
Livingston, MI	
Macomb, MI	
Monroe, MI	
Oakland, MI	
Saint Clair, MI	
Wayne, MI	
Dothan, AL	0.7570
Dale, AL	
Houston, AL	
Dubuque, IA	0.8391
Dubuque, IA	
Duluth, MN-WI	0.9536
St. Loiuis, MN	
Douglas, WI	
Eau Claire, WI	0.8494
Chippewa, WI	
Eau Claire, Wi	
El Paso, TX	0.8731
El Paso, TX	
Elkhart-Goshen, IN	0.8966
Elkhart, IN	
Elmira, NY	0.8828
Chemung, NY	
Enid, OK	0.8930
Garfield, OK	
Erie, PA	0.9173
Erie, PA	
Eugene-Springfield, OR	0.9963
Lane, OR	
Evansville, IN-KY	0.9294
Posey, IN	
Vanderburgh, IN	
Warrick, IN	
Henderson, KY	
Fargo-Moorhead, ND-MN	0.9726
Clay, MN	
Cass, ND	
Fayetteville, NC	0.8372
Cumberland, NC	
Fayetteville-Springdale, AR	0.8006
Washington, AR	
Flint, MI	1.1566
Genesee, MI	
Florence, AL	0.7694
Colbert, AL	
Lauderdale, AL	
Florence, SC	0.8445
Florence, SC	
Fort Collins-Loveland, CO	1.0258
Larimor, CO	
*Fort Lauderdale-Hollywood-Pompano Beach, FL.	1.0377
Broward, FL	
Fort Myers-Cape Coral, FL	0.9818
Lee, FL	
Fort Pierce, FL	1.1063
Martin, FL	
St. Lucie, FL	
Fort Smith, AR-OK	0.7947
Crawford, AR	
Sebastian, AR	
Sequoyah, OK	
Fort Walton Beach, FL	0.8934
Okaloosa, FL	
Fort Wayne, IN	0.8919
Allen, IN	
De Kalb, IN	
Whitley, IN	
*Fort Worth-Arlington, TX	0.9506
Johnson, TX	
Parker, TX	
Tarrant, TX	
Fresno, CA	1.0758
Fresno, CA	
Gadsden, AL	0.8215
Etowah, AL	
Gainesville, FL	0.8816
Alachua, FL	
Bradford, FL	
Galveston-Texas City, TX	0.9439
Galveston, TX	
Gary-Hammond, IN	0.9872
Lake, IN	
Porter, IN	
Glens Falls, NY	0.9249
Warren, NY	
Washington, NY	
Grand Forks, ND	0.9596
Grand Forks, ND	
Grand Rapids, MI	0.9903
Kent, MI	
Ottawa, MI	
Great Falls, MT	1.0011
Cascade, MT	
Greeley, CO	0.9377
Weld, CO	
Green Bay, WI	0.9604
Brown, WI	
Greensboro-Winston-Salem-High Point, NC.	0.8769
Davidson, NC	
Davie, NC	
Forsyth, NC	
Guilford, NC	
Randolph, NC	
Stokes, NC	
Yadkin, NC	
Greenville-Spartanburg, SC	0.8921
Greenville, SC	
Pickens, SC	
Spartanburg, SC	
Hagerstown, MD	0.9176
Washington, MD	
Hamilton-Middletown, OH	0.9403
Butler, OH	
Harrisburg-Lebanon-Carlisle, PA	0.9938
Cumberland, PA	
Dauphin, PA	
Lebanon, PA	
*Hartford-Middletown-New Britain-Bristol, CT.	1.1940
Hartford, CT	
Litchfield, CT	
Middlesex, CT	
Tolland, CT	
Hickory, NC	0.8759
Alexander, NC	
Burke, NC	
Catawba, NC	
Honolulu, HI	1.1603
Honolulu, HI	
Houma-Thibodaux, LA	0.7191
Lafourche, LA	
Terrebonne, LA	
*Houston, TX	0.9797
Fort Bend, TX	
Harris, TX	
Liberty, TX	
Montgomery, TX	
Waller, TX	
Huntington-Ashland, WV-KY-OH	0.9456
Boyd, KY	
Carter, KY	
Greenup, KY	
Lawrence, OH	
Cabell, WV	
Wayne, WV	
Huntsville, AL	0.8852
Madison, AL	
*Indianapolis, IN	0.9586
Boone, IN	
Hamilton, IN	
Hancock, IN	
Hendricks, IN	
Johnson, IN	
Marion, IN	
Morgan, IN	
Shelby, IN	
Iowa City, IA	0.9547
Johnson, IA	
Jackson, MI	0.9683
Jackson, MI	
Jackson, MS	0.7748
Hinds, MS	
Madison, MS	
Rankin, MS	
Jackson, TN	0.7926
Madison, TN	
Jacksonville, FL	0.9069
Clay, FL	
Duval, FL	
Nassau, FL	
St. Johns, FL	
Jacksonville, NC	0.7168
Onslow, NC	
Jamestown-Dunkirk, NY	0.7750
Chatauqua, NY	
Janesville-Beloit, WI	0.8482
Rock, WI	
Jersey City, NJ	1.0547
Hudson, NJ	
Johnson City-Kingsport-Bristol, TN-VA	0.8685

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Carter, TN	
Hawkins, TN	
Sullivan, TN	
Unicoi, TN	
Washington, TN	
Bristol City, VA	
Scott, VA	
Washington, VA	
Johnstown, PA	0.9085
Cambria, PA	
Somerset, PA	
Joliet, IL	1.0299
Grundy, IL	
Will, IL	
Joplin, MO	0.7896
Jasper, MO	
Newton, MO	
Kalamazoo, MI	1.1733
Kalamazoo, MI	
Kankakee, IL	0.8505
Kankakee, IL	
*Kansas City, KS–MO	0.9607
Johnson, KS	
Leavenworth, KS	
Miami, KS	
Wyandotte, KS	
Cass, MO	
Clay, MO	
Jackson, MO	
Lafayette, MO	
Platte, MO	
Ray, MO	
Kenosha, WI	0.8872
Kenosha, WI	
Killeen-Temple, TX	1.1317
Bell, TX	
Coryell, TX	
Knoxville, TN	0.8667
Anderson, TN	
Blount, TN	
Grainger, TN	
Jefferson, TN	
Knox, TN	
Sevier, TN	
Union, TN	
Kokomo, IN	0.9976
Howard, IN	
Tipton, IN	
LaCrosse, WI	0.8974
LaCrosse, WI	
Lafayette, LA	0.8243
Lafayette, LA	
St. Martin, LA	
Lafayette, IN	0.8449
Tippecanoe, IN	
Lake Charles, LA	0.8391
Calcasieu, LA	
Lake County, IL	1.0013
Lake, IL	
Lakeland-Winter Haven, FL	0.8187
Polk, FL	
Lancaster, PA	0.9276
Lancaster, PA	
Lansing-East Lansing, MI	1.0243
Clinton, MI	
Eaton, MI	
Ingham, MI	
Laredo, TX	0.7292
Webb, TX	
Las Cruces, NM	0.7925
Dona Ana, NM	
Las Vegas, NV	1.0652
Clark, NV	
Lawrence, KS	0.8954

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Douglas, KS	
Lawton, OK	0.8405
Comanche, OK	
Lewiston-Auburn, ME	0.9075
Androscoggin, ME	
Lexington-Fayette, KY	0.8463
Bourbon, KY	
Clark, KY	
Fayette, KY	
Jessamine, KY	
Scott, KY	
Woodford, KY	
Lima, OH	0.8108
Allen, OH	
Auglaize, OH	
Lincoln, NE	0.8973
Lancaster, NE	
Little Rock-North Little Rock, AR	0.8437
Faulkner, AR	
Lonoke, AR	
Pulaski, AR	
Saline, AR	
Longview-Marshall, TX	0.8709
Gregg, TX	
Harrison, TX	
Loraine-Elyria, OH	0.8968
Lorain, OH	
*Los Angeles-Long Beach, CA	1.2379
Los Angeles, CA	
Louisville, KY–IN	0.9110
Clark, IN	
Floyd, IN	
Harrison, IN	
Bullitt, KY	
Jefferson, KY	
Oldham, KY	
Shelby, KY	
Lubbock, TX	0.8807
Lubbock, TX	
Lynchburg, VA	0.8561
Amherst, VA	
Campbell, VA	
Lynchburg City, VA	
Macon-Warner Robins, GA	0.8821
Bibb, GA	
Houston, GA	
Jones, GA	
Peach, GA	
Madison, WI	1.0331
Dane, WI	
Manchester-Nashua, NH	1.0281
Hillsborough, NH	
Merrimack, NH	
Mansfield, OH	0.8409
Richland, OH	
Mayaguez, PR	0.4781
Anasco, PR	
Cabo Rojo, PR	
Hormigueros, PR	
Mayaguez, PR	
San German, PR	
McAllen-Edinburg-Mission, TX	0.7152
Hidalgo, TX	
Medord, OR	1.0065
Jackson, OR	
Melbourne-Titusville, FL	0.9218
Brevard, FL	
Memphis, TN–AR–MS	0.9078
Crittenden, AR	
De Soto, MS	
Shelby, TN	
Tipton, TN	
Merced, CA	1.0332
Merced, CA	
*Miami-Hialeah, FL	1.0209

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Dade, FL	
Middlesex-Somerset-Hunterdon, NJ	1.0421
Hunterdon, NJ	
Middlesex, NJ	
Somerset, NJ	
Midland, TX	1.0397
Midland, TX	
*Milwaukee, WI	0.9738
Milwaukee, WI	
Ozaukee, WI	
Washington, WI	
Waukesha, WI	
*Minneapolis-St. Paul, MN–WI	1.0839
Anoka, MN	
Carver, MN	
Chisago, MN	
Dakota, MN	
Hennepin, MN	
Isanti, MN	
Ramsey, MN	
Scott, MN	
Washington, MN	
Wright, MN	
St. Croix, WI	
Mobile, AL	0.8336
Baldwin, AL	
Mobile, AL	
Modesto, CA	1.1600
Stanislaus, CA	
Monmouth-Ocean, NJ	0.9919
Monmouth, NJ	
Ocean, NJ	
Monroe, LA	0.7879
Ouachita, LA	
Montgomery, AL	0.7754
Autauga, AL	
Elmore, AL	
Montgomery, AL	
Muncie, IN	0.8084
Delaware, IN	
Muskegon, MI	0.9587
Muskegon, MI	
Naples, FL	1.0344
Collier, FL	
Nashville, TN	0.9416
Cheatham, TN	
Davidson, TN	
Dickson, TN	
Robertson, TN	
Rutherford, TN	
Sumner, TN	
Williamson, TN	
Wilson, TN	
*Nassau-Suffolk, NY	1.2984
Nassau, NY	
Suffolk, NY	
New Bedford-Fall River-Attleboro, MA	0.9951
Bristol, MA	
New Haven-Waterbury-Meriden, CT	1.2119
New Haven, CT	
New London-Norwich, CT	1.1594
New London, CT	
*New Orleans, LA	0.8918
Jefferson, LA	
Orleans, LA	
St. Bernard, LA	
St. Charles, LA	
St. John The Baptist, LA	
St. Tammany, LA	
*New York, NY	1.3487

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Bronx, NY	
Kings, NY	
New York City, NY	
Putnam, NY	
Queens, NY	
Richmond, NY	
Rockland, NY	
Westchester, NY	
*Newark NJ	1.1254
Essex, NJ	
Morris, NJ	
Sussex, NJ	
Union, NJ	
Niagara Falls, NY	0.8398
Niagara, NY	
*Norfolk-Virginia Beach-Newport News, VA.	0.8532
Chesapeake City, VA	
Gloucester, VA	
Hampton City, VA	
James City Co., VA	
Newport News City, VA	
Norfolk City, VA	
Poquoson, VA	
Portsmouth City, VA	
Suffolk City, VA	
Virginia Beach City, VA	
Williamsburg City, VA	
York, VA	
*Oakland, CA	1.4311
Alameda, CA	
Contra Costa, CA	
Ocala, FL	0.8631
Marion, FL	
Odessa, TX	1.0838
Ector, TX	
Oklahoma City, OK	0.9163
Canadian, OK	
Cleveland, OK	
Logan, OK	
McClain, OK	
Oklahoma, OK	
Pottawatomie, OK	
Olympia, WA	1.1023
Thurston, WA	
Omaha, NE–IA	0.9007
Pottawattamie, IA	
Douglas, NE	
Sarpy, NE	
Washington, NE	
Orange County, NY	0.9672
Orange, NY	
Orlando, FL	0.9625
Orange, FL	
Osceola, FL	
Seminole, FL	
Owensboro, KY	0.8131
Daviess, KY	
Oxnard-Ventura, CA	1.2333
Ventura, CA	
Panama City, FL	0.8650
Bay, FL	
Parkersburg-Marietta, WV–OH	0.8557
Washington, OH	
Wood, WV	
Pascagoula, MS	0.8773
Jackson, MS	
Pensacola, FL	0.8641
Escambia, FL	
Santa Rosa, FL	
Peoria, IL	0.8727
Peoria, IL	
Tazewell, IL	
Woodford, IL	
*Philadelphia, PA–NJ	1.0973

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Burlington, NJ	
Camden, NJ	
Gloucester, NJ	
Bucks, PA	
Chester, PA	
Delaware, PA	
Montgomery, PA	
Philadelphia, PA	
*Phoenix, AZ	1.0449
Maricopa, AZ	
Pine Bluff, AR	0.7888
Jefferson, AR	
*Pittsburgh, PA	1.0148
Allegheny, PA	
Fayette, PA	
Washington, PA	
Westmoreland, PA	
Pittsfield, MA	1.0804
Berkshire, MA	
Ponce, PR	0.4611
Juana Diaz, PR	
Ponce, PR	
Portland, ME	0.9310
Cumberland, ME	
Sagadahoc, ME	
York, ME	
*Portland, OR	1.1587
Clackamas, OR	
Multnomah, OR	
Washington, OR	
Yamhill, OR	
Portsmouth-Dover-Rochester, NH	1.0100
Rockingham, NH	
Strafford, NH	
Poughkeepsie, NY	1.0468
Dutchess, NY	
*Providence-Pawtucket-Woonsocket, RI	1.0639
Bristol, RI	
Kent, RI	
Newport, RI	
Providence, RI	
Washington, RI	
Provo-Orem, UT	1.0250
Utah, UT	
Pueblo, CO	0.8739
Pueblo, CO	
Racine, WI	0.8867
Racine, WI	
Raleigh-Durham, NC	0.9484
Durham, NC	
Franklin, NC	
Orange, NC	
Wake, NC	
Rapid City, SD	0.8417
Pennington, SD	
Reading, PA	0.8805
Berks, PA	
Redding, CA	1.0570
Shasta, CA	
Reno, NV	1.1641
Washoe, NV	
Richland-Kennewick, WA	0.9421
Benton, WA	
Franklin, WA	
Richmond-Petersburg, VA	0.9436

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
Charles City Co., VA	
Chesterfield, VA	
Colonial Heights City, VA	
Dinwiddie, VA	
Goochland, VA	
Hanover, VA	
Henrico, VA	
Hopewell City, VA	
New Kent, VA	
Petersburg City, VA	
Powhatan, VA	
Prince George, VA	
Richmond City, VA	
*Riverside-San Bernardino, CA	1.1174
Riverside, CA	
San Bernardino, CA	
Roanoke, VA	0.8301
Botetourt, VA	
Roanoke, VA	
Roanoke City, VA	
Salem City, VA	
Rochester, MN	1.1051
Olmsted, MN	
Rochester, NY	0.9729
Livingston, NY	
Monroe, NY	
Ontario, NY	
Orleans, NY	
Wayne, NY	
Rockford, IL	0.9301
Boone, Il	
Winnebago, IL	
*Sacramento, CA	1.2257
Eldorado, CA	
Placer, CA	
Sacramento, CA	
Yolo, CA	
Saginaw-Bay City-Midland, MI	1.0138
Bay, MI	
Midland, MI	
Saginaw, MI	
St. Cloud, MN	0.9439
Benton, MN	
Sherburne, MN	
Stearns, MN	
St. Joseph, MO	0.9432
Buchanan, MO	
*St. Louis, MO–IL	0.9407
Clinton, IL	
Jersey, IL	
Madison, IL	
Monroe, IL	
St. Clair, IL	
Franklin, MO	
Jefferson, MO	
St. Charles, MO	
St. Louis, MO	
St. Louis City, MO	
Salem, OR	1.0466
Marion, OR	
Polk, OR	
Salinas-Seaside-Monterey, CA	1.3067
Monterey, CA	
*Salt Lake City-Ogden, UT	0.9952
Davis, UT	
Salt Lake, UT	
Weber, UT	
San Angelo, TX	0.8156
Tom Green, TX	
*San Antonio, TX	0.8459
Bexar, TX	
Comal, TX	
Guadalupe, TX	
*San Diego, CA	1.1862

TABLE 4A.—WAGE INDEX FOR URBAN AREAS—Continued

[Areas That Qualify as Large Urban Areas are Designated With an Asterisk]

Urban area (constituent counties or county equivalents)	Wage index
San Diego, CA	
*San Francisco, CA	1.4568
Marin, CA	
San Francisco, CA	
San Mateo, CA	
*San Jose, CA	1.4677
Santa Clara, CA	
*San Juan, PR	0.4997
Barcelona, PR	
Bayoman, PR	
Canovanas, PR	
Carolina, PR	
Catano, PR	
Corozal, PR	
Dorado, PR	
Fajardo, PR	
Florida, PR	
Guaynabo, PR	
Humacao, PR	
Juncos, PR	
Los Piedras, PR	
Loiza, PR	
Luguillo, PR	
Manati, PR	
Naranjito, PR	
Rio Grande, PR	
San Juan, PR	
Toa Alta, PR	
Toa Baja, PR	
Trojillo Alto, PR	
Vega Alta, PR	
Vega Baja, PR	
Santa Barbara-Santa Maria-Lompoc, CA	1.1792
Santa Barbara, CA	
Santa Cruz, CA	1.2810
Santa Cruz, CA	
Santa Fe, NM	0.9157
Los Alamos, NM	
Santa Fe, NM	
Santa Rosa-Petaluma, CA	1.2968
Sonoma, CA	
Sarasota, FL	0.9800
Sarasota, FL	
Savannah, GA	0.8344
Chatham, GA	
Effingham, GA	
Scranton-Wilkes Barre, PA	0.8970
Columbia, PA	
Lackawanna, PA	
Luzerne, PA	
Monroe, PA	
Wyoming, PA	
*Seattle, WA	1.0893
King, WA	
Snohomish, WA	
Sharon, PA	0.9079
Mercer, PA	
Sheboygan, WI	0.8889
Sheboygan, WI	
Sherman-Denison, TX	0.9107
Grayson, TX	
Shreveport, LA	0.9318
Bossier, LA	
Caddo, LA	
Sioux City, IA-NE	0.8521
Woodbury, IA	
Dakota, NE	
Sioux Falls, SD	0.8850
Minnehaha, SD	
South Bend-Mishawaka, IN	1.0087
St. Joseph, IN	
Spokane, WA	1.0713
Spokane, WA	
Springfield, IL	0.9314
Menard, IL	
Sangamon, IL	
Springfield, MA	1.0336
Hampden, MA	
Hampshire, MA	
Springfield, MO	0.8098
Christian, MO	
Greene, MO	
State College, PA	0.9921
Centre, PA	
Steubenville-Weirton, OH-WV	0.8729
Jefferson, OH	
Brooke, WV	
Hancock, WV	
Stockton, CA	1.1636
San Joaquin, CA	
Syracuse, NY	0.9580
Madison, NY	
Onondaga, NY	
Oswego, NY	
Tacoma, WA	1.0338
Pierce, WA	
Tallahassee, FL	0.9238
Gadsden, FL	
Leon, FL	
*Tampa-St. Petersburg-Clearwater, FL	0.9206
Hernando, FL	
Hillsborough, FL	
Pasco, FL	
Pinellas, FL	
Terre Haute, IN	0.8775
Clay, IN	
Vigo, IN	
Texarkana, TX-Texarkana, AR	0.7907
Miller, AR	
Bowie, TX	
Toledo, OH	1.0107
Fulton, OH	
Lucas, OH	
Wood, OH	
Topeka, KS	0.9285
Shawnee, KS	
Trenton, NJ	1.0058
Mercer, NJ	
Tucson, AZ	0.9610
Pima, AZ	
Tulsa, OK	0.8412
Creeks, OK	
Osage, OK	
Rogers, OK	
Tulsa, OK	
Wagoner, OK	
Tuscaloosa, AL	0.8538
Tuscaloosa, AL	
Tyler, TX	0.9650
Smith, TX	
Utica-Rome, NY	0.8340
Herkimer, NY	
Oneida, NY	
Vallejo-Fairfield-Napa, CA	1.3229
Napa, CA	
Solano, CA	
Vancouver, WA	1.0820
Clark, WA	
Victoria, TX	0.9012
Victoria, TX	
Vineland-Millville-Bridgeton, NJ	0.9779
Cumberland, NJ	
Visalia-Tulare-Porterville, CA	1.0413
Tulare, CA	
Waco, TX	0.7830
McLennan, TX	
*Washington, DC-MD-VA	1.0962
District of Columbia, DC	
Calvert, MD	
Charles, MD	
Frederick, MD	
Montgomery, MD	
Prince Georges, MD	
Alexandria City, VA	
Arlington, VA	
Fairfax, VA	
Fairfax City, VA	
Falls Church City, VA	
Loudoun, VA	
Manassas City, VA	
Manassas Park City, VA	
Prince William, VA	
Stafford, VA	
Waterloo-Cedar Falls, IA	0.8659
Black Hawk, IA	
Bremer, IA	
Wausau, WI	0.9767
Marathon, WI	
West Palm Beach-Boca Raton-Delray Beach, FL.	1.0155
Palm Beach, FL	
Wheeling, WV-OH	0.7849
Belmont, OH	
Marshall, WV	
Ohio, WV	
Wichita, KS	0.9829
Butler, KS	
Harvey, KS	
Sedgwick, KS	
Wichita Falls, TX	0.8188
Wichita, TX	
Williamsport, PA	0.8874
Lycoming, PA	
Wilmington, DE-NJ-MD	1.0890
New Castle, DE	
Cecil, MD	
Salem, NJ	
Wilmington, NC	0.8729
New Hanover, NC	
Worcester-Fitchburg-Leominster, MA	1.0836
Worcester, MA	
Yakima, WA	1.0131
Yakima, WA	
York, PA	0.9039
Adams, PA	
York, PA	
Youngstown-Warren, OH	0.9885
Mahoning, OH	
Trumbull, OH	
Yuba City, CA	1.0187
Sutter, CA	
Yuba, CA	
Yuma, AZ	0.8903
Yuma, AZ	

TABLE 4B.—WAGE INDEX FOR RURAL AREAS

Nonurban area	Wage index
Alabama	0.7096
Alaska	1.3453
Arizona	0.8613
Arkansas	0.6980
California	1.0140
Colorado	0.8425
Connecticut	1.1929
Delaware	0.8589
Florida	0.8748

TABLE 4B.—WAGE INDEX FOR RURAL AREAS—Continued

Nonurban area	Wage index
Georgia	0.7743
Hawaii	0.9637
Idaho	0.8970
Illinois	0.7726
Indiana	0.7763
Iowa	0.7522
Kansas	0.7466
Kentucky	0.7809
Louisiana	0.7399
Maine	0.8344
Maryland	0.8077
Massachusetts	1.1677
Michigan	0.8834
Minnesota	0.8325
Mississippi	0.6824
Missouri	0.7227
Montana	0.8271
Nebraska	0.7010
Nevada	0.9721
New Hampshire	0.9566
New Jersey[1]	
New Mexico	0.8313
New York	0.8448
North Carolina	0.7885
North Dakota	0.7734
Ohio	0.8431
Oklahoma	0.7415
Oregon	0.9574
Pennsylvania	0.8656
Puerto Rico	0.4342
Rhode Island[1]	
South Carolina	0.7626
South Dakota	0.7182
Tennessee	0.7353
Texas	0.7575
Utah	0.9000
Vermont	0.9053
Virginia	0.7820
Washington	0.9654
West Virginia	0.8523
Wisconsin	0.8440
Wyoming	0.8474

[1] All counties within the State are classified urban.

TABLE 4C.—WAGE INDEX FOR RURAL COUNTIES WHOSE HOSPITALS ARE DEEMED URBAN—USING URBAN AREA WAGE INDEX

County	Urban area	Wage index
Macoupin Co., IL	St. Louis, MO–IL	0.9407
Mason Co., IL	Peoria, IL	0.8727
Clinton, IN	Lafayette, IN	0.8449
Jefferson Co., KS	Topeka, KS	0.9295
Allegan Co., MI	Grand Rapids, MI	0.9903
Barry Co., MI	Battle Creek, MI	0.9484
Shiawassee Co., MI.	Flint, MI	1.1566
Clinton Co., MO	Kansas City, MO–KS.	0.9607
Cherokee Co., SC	Greenville–Spartanburg, SC.	0.8921
Bedford Co., VA	Roanoke, VA	0.8301
Fredericksburg City, VA.	Washington, DC–MD–VA.	1.0962
Jefferson Co., WI	Milwaukee, WI	0.9738
Jefferson Co., WV	Washington, DC–MD–VA.	1.0962
Walworth Co., WI	Milwaukee, WI	0.9738

TABLE 4D.—WAGE INDEX FOR RURAL COUNTIES WHOSE HOSPITALS ARE DEEMED URBAN—COMPUTED AS BEING COMBINED WITH THE URBAN AREA

County	Urban area	Wage index
Limestone Co., AL	Huntsville, AL	0.8439
Marshall Co., AL	Huntsville, AL	0.8439
Charlotte Co., FL	Sarasota, FL	0.9496
Indian River Co., FL	Fort Pierce, FL	1.0333
Christian Co., IL	Springfield, IL	0.9211
Henry Co., IN	Anderson, IN	0.9439
Ionia Co., MI	Lansing-East Lansing, MI.	1.1031
Lenawee Co., MI	Ann Arbor, MI	1.1241
Tuscola Co., MI	Saginaw-Bay City-Midland, MI.	1.0037
Van Buren Co., MI	Kalamazoo, MI	1.1478
Harnett Co., NC	Fayetteville, NC	0.0867
Genesee Co., NY	Rochester, NY	0.9605
Columbiana Co., OH	Beaver County, PA.	0.9087
Lawrence Co., PA	Beaver County, PA.	0.9087

TABLE 4E.—WAGE INDEX FOR RURAL COUNTIES WHOSE HOSPITALS ARE DEEMED URBAN—USING STATEWIDE RURAL WAGE INDEX

County	Urban area	Wage index
Cass Co., MI	Benton Harbor, MI	0.8834
Morrow Co., OH	Mansfield, OH	0.8431
Van Wert Co., OH	Lima, OH	0.8431

Appendix—Regulatory Impact Analysis

I. Introduction

Executive Order (E.O.) 12291 requires us to prepare and publish a regulatory impact analysis for any final rule that meets one of the E.O. 12291 criteria for a "major rule;" that is, a rule that will be likely to result in—

- An annual effect on the economy of $100 million or more;
- A major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or
- A significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

In addition, we generally prepare a regulatory flexibility analysis that is consistent with the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 through 612), unless the Secretary certifies that a final rule will not have a significant economic impact on a substantial number of small entities. For purposes of the RFA, we consider all hospitals to be small entities.

Also, section 1102(b) of the Act requires the Secretary to prepare a regulatory impact analysis for any final rule that will have a significant impact on the operations of a substantial number of small rural hospitals. Such an analysis must conform to the provisions of section 604 of the RFA. With the exception of hospitals located in certain rural counties adjacent to urban areas and hospitals located in certain New England counties, for purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital with fewer than 50 beds located outside of a Metropolitan Statistical Area or New England County Metropolitan Area. (Section 1886(d)(8)(B) of the Act specifies that hospitals located in certain rural counties adjacent to one or more urban areas are deemed to be located in an adjacent urban area. We have identified 54 rural hospitals, some of which may be considered small, that we have reclassified as urban hospitals. Also, section 601(g) of the Social Security Amendments of 1983 (Pub. L. 98–21) designated hospitals in certain New England counties as belonging to the adjacent New England Metropolitan County. Thus, for purposes of the prospective payment system, we also reclassified these hospitals as urban hospitals.)

It is clear that the changes being implemented in this document will affect both a substantial number of small rural hospitals as well as other classes of hospitals, and the effects on some may be significant. Therefore, the discussion below, in combination with the rest of this final rule, constitutes a combined regulatory impact analysis, regulatory flexibility analysis, and rural hospital impact statement in accordance with E.O. 12291, the RFA, and section 1102(b) of the Act.

II. Quantitative Impact Analysis of the Mid-Year Policy Changes on Prospective Payment Hospitals

A. Basis and Methodology of Estimates

The data used in developing the following quantitative analysis of changes in payments, presented in Table I below, are taken from FY 1989 billing data and hospital-specific data for FY 1987 and FY 1988. We propose to compare the effects of changes including those changes that were effective October 1, 1991, that were unaffected by Public Law 101–508, such as recalibration, as well as those changes required by Public Law 101–508 that were self-implementing or are being implemented in this document to our estimate of the payment amounts in

effect in FY 1990 for discharges occurring on or after April 1, 1990. Thus, the impact analysis is comparable to that contained in the September 4, 1990 rule except that the FY 1991 payments are those effective for discharges occurring on or after January 1, 1991.

In addition, we have treated all hospitals in our data base as if they have cost reporting periods that coincide with the Federal fiscal year. By establishing the same cost reporting period for all hospitals, we can show the effect of policy changes on payments for comparable 12-month periods. Moreover, our analysis does not take into account any behavioral changes hospitals may adopt in response to the final policy changes being set forth in this document.

The tables and the discussion that follow reflect our best effort to identify and quantify the effects of the mid-year changes being set forth in this document. It should be noted, however, that we could not utilize all the hospitals in the DRG recalibration or outlier data sets for modeling the impact analysis because in some cases the hospital-specific data necessary for constructing our impact model were missing. Data on hospital bed size and type of control were the data elements most frequently missing. The absent data prevented us from properly classifying and displaying these hospitals in the impact analysis. The missing data, however, did not prevent us from using the discharges from these hospitals in calculating the final outlier payments that are included in the final column of Table II showing the combined effects of all implemented changes.

Our ability to quantify the impacts of the implemented changes has been made more problematic this year by the need to account for the expanded inpatient hospital benefits available under the Medicare Catastrophic Coverage Act that are reflected in the FY 1989 billing data for discharges occurring on or after January 1, 1989. Since the expanded benefits were repealed effective for discharges occurring on or after January 1, 1990, we have removed an estimate of the additional outlier payments attributable to the catastrophic benefits from our baseline data before analyzing the impact of the changes being implemented.

The following analysis examines separately the rebasing and revising of the hospital market basket, wage index changes, DRG reclassification and recalibration changes and the effect of additional payments to prospective payment hospitals that serve a disproportionate share of low-income patients. That is, all variables except those associated with the particular provision under examination were held constant so as to display the effects of each provision compared to the baseline (FY 1989) provisions. In the last column (column V), we present the combined effect of all changes being implemented in this rule. That is, column V displays the combined effects of the previous four columns as well as the FY 1991 update factor and the updating of the outlier payment thresholds. As such, this last column is the only one in which the effects of all the quantifiable payment policy changes on simulated FY 1991 payments are reflected.

The following discussion is divided into two parts. The first part describes the individual effects of two major changes being implemented in this document: Wage index changes and the effect of additional payments to prospective payment hospitals that serve a disproportionate share of low-income patients. The individual effects of two other changes that were implemented in the September 4, 1990 rule and were unaffected by Public Law 101–508, namely, rebasing and revising the hospital market basket and DRG reclassification and recalibration changes, were discussed in the earlier document and therefore are not discussed in this document. Columns I–IV of Table I reflect the quantitative impact of each change by various categories of hospitals. The second section discusses the combined effect of all provisions being implemented for FY 1991 and references column V of Table I.

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TABLE I--IMPACT OF MID-YEAR PPS CHANGES BEING IMPLEMENTED
EFFECTIVE JANUARY 1, 1991

	Number of Hospitals 1/	Col I Labor Share Change	Col II Wage Index Changes 2/	Col III Reclassification and Recalibration 3/	Col IV Disproportionate Share Change	Col V All Changes 4/
All Hospitals	5,546	0.0	0.0	0.0	0.2	3.7
Urban by Region	3,033	0.0	0.1	0.1	0.2	3.8
New England	178	-0.3	6.0	-0.2	0.1	9.0
Middle Atlantic	475	-0.7	1.2	0.8	0.2	4.9
South Atlantic	438	0.5	2.0	-0.2	0.2	5.8
East North Central	524	0.1	-1.7	0.2	0.1	2.1
East South Central	173	0.6	-0.8	0.1	0.2	3.4
West North Central	193	0.1	-3.6	0.1	0.1	0.0
West South Central	361	0.5	-2.2	0.1	0.3	1.9
Mountain	117	0.2	-0.4	-0.2	0.1	3.1
Pacific	505	-0.3	-0.1	-0.2	0.4	3.1
Puerto Rico	51	1.1	-4.7	0.0	0.1	-0.4
Rural by Region	2,513	0.2	-0.4	-0.8	0.0	3.1
New England	60	0.1	4.5	-0.8	0.0	7.3
Middle Atlantic	90	-0.1	0.9	-0.4	0.0	4.4
South Atlantic	334	0.3	2.0	-0.7	0.0	5.7
East North Central	324	0.1	-1.6	-0.9	0.0	1.7
East South Central	301	0.4	-0.6	-0.8	0.0	3.2
West North Central	574	0.1	-3.4	-1.0	0.0	0.0
West South Central	408	0.3	-1.3	-0.9	0.0	2.3
Mountain	246	0.0	0.5	-0.9	0.0	4.0
Pacific	159	-0.3	-1.0	-0.9	0.0	2.2
Puerto Rico	6	1.5	-12.7	-1.2	0.0	-8.5
Large Urban Areas (population over 1 million)	1,507	-0.3	0.5	0.3	0.2	4.1
Other Urban Areas (population of 1 million or fewer)	1,526	0.3	-0.4	0.0	0.2	3.4
Urban Hospitals	3,033	0.0	0.1	0.1	0.2	3.8
0-99 Beds	723	0.1	-0.4	-0.7	0.0	2.3
100-199 Beds	879	0.0	0.3	-0.5	0.3	3.6
200-299 Beds	637	0.0	0.0	-0.0	0.2	3.5
300-399 Beds	541	0.0	0.2	0.2	0.2	3.6
400 + Beds	212	-0.1	0.4	0.7	0.2	4.6

TABLE I - continued

	Number of Hospitals 1/	Col I Labor Share Change	Col II Wage Index Changes 2/	Col III Reclassification and Recalibration 3/	Col IV Disproportionate Share Change	Col V All Changes 4/
Rural Hospitals	2,513	0.2	-0.4	-0.8	0.0	3.1
0-49 Beds	1,250	-0.1	-1.0	-1.2	0.0	2.4
50-99 Beds	753	0.1	-0.6	-1.0	0.0	2.9
100-149 Beds	261	0.1	-0.1	-0.9	0.0	3.3
150-199 Beds	114	0.3	-0.2	-0.7	0.0	3.1
200 + Beds	120	0.6	-0.2	-0.3	0.0	3.7
Teaching Status						
Nonteaching	4,356	0.1	0.0	-0.5	-0.1	3.3
Resident/Bed Ratio Less than 0.25	963	0.0	-0.3	0.2	-0.1	3.3
Resident/Bed Ratio 0.25 or Greater	227	-0.4	1.0	1.2	-0.4	5.6
Disproportionate Share Hospitals (DSH)						
Non-DSH	3,975	0.1	-0.1	-0.3	0.0	3.2
Urban DSH						
100 Beds or More	1,117	-0.2	0.2	0.5	0.4	4.3
Fewer Than 100 Beds	124	0.1	-0.4	-0.1	0.0	3.0
Rural DSH						
100 Beds or More-not Rural Referral Centers or Sole Community Hospitals	56	0.1	0.2	-0.7	0.0	4.0
Fewer Than 100 Beds not Rural Referral Centers or Sole Community Hospitals	188	0.1	0.1	-1.1	0.0	3.6
Sole Community Hospitals	49	0.0	0.2	-0.8	0.0	4.0
Rural Referral Centers and Sole Community Hospitals or Rural Referral Centers	37	0.8	0.0	-0.2	0.0	3.9
Urban Teaching and DSH						
Both Teaching and DSH	610	-0.2	0.1	0.8	-0.4	4.4
Teaching only	497	0.0	0.0	0.1	0.0	3.4
DSH only	631	0.0	0.4	-0.3	0.5	4.0
Nonteaching and Non-DSH	1,295	0.2	0.0	-0.4	0.0	3.1

BILLING CODE 4120-01-C

TABLE I - continued

	Number of Hospitals 1/	Col I Labor Share Change	Col II Wage Index Changes 2/	Col III Reclassification and Recalibration 3/	Col IV Disproportionate Share Change	Col V All Changes 4/
Other Special Status (rural)						
Sole Community Hospitals (SCHs)	1,330	-0.1	-0.4	-1.0	0.0	2.9
Rural Referral Centers (RRCs)	217	0.7	-0.4	-0.4	0.0	3.2
Sole Community & Rural Referral	27	0.4	1.0	-0.6	0.0	4.4
Medicare-Dependent	557	0.0	-0.9	-1.2	0.0	2.7
Type of Ownership						
Voluntary	3,050	0.0	0.0	0.0	0.1	3.6
Proprietary	873	0.3	0.2	-0.4	0.2	3.7
Government	1,532	0.0	0.0	0.1	0.3	4.1
Medicare Utilization as Percent of Inpatient Days						
0 - 25	373	-0.4	-0.6	1.3	-0.8	4.5
25 - 50	2,932	0.0	0.0	0.1	0.2	3.6
50 - 65	1,695	0.0	0.1	-0.4	0.1	3.4
Over 65	396	0.2	1.1	-0.7	0.0	4.2

1/ Because data necessary to classify some hospitals by category were missing, some hospitals were omitted from the analysis. Therefore, the total number of hospitals in each category may not equal the national total.

2/ The final wage index constructed entirely from 1988 hourly wage data was compared to the current wage index which is based entirely on 1984 hourly wage data. The final wage index also reflects changes required by section 1884(d)(8)(C) of the Act concerning the redesignation of certain rural hospitals as urban.

3/ Recalibration of the DRG weights and classification changes are based on FY 1989 MEDPAR data and are performed annually in accordance with section 1886(d)(4)(C) of the Act.

4/ This column shows the combined effects of all the previous columns as well as the effects of updating the FY 1990 standardized payment amounts as mandated by section 1886(b)(3)(B)(i) of the Act as amended by Section 4002 of Pub. L. 101-508. The urban standardized amounts were increased by 4.5 percent and the rural standardized by 3.2 percent. The hospital-specific rate for sole community hospitals and Medicare-dependent hospitals was updated by 5.2 percent as required by section 1886(b)(3)(B)(ii). Also, FY 1990 baseline payments reflect an estimate of outlier payments at 5.0 percent in contrast to the 5.1 percent set for the outlier pool. These estimates of outlier payments contain an adjustment to remove the effects of the elimination of the day limitation on inpatient hospital services under Pub. L. 100-360. Because our total FY 1991 estimated payments do not perpetuate this 0.1 percentage point decrease in outlier payments relative to the outlier pool, this column reflects the 0.1 percent increase in total prospective payments necessary to ensure equality between projected outlier payments and the outlier offsets. In addition, this column captures interactive effects that we are not able to quantify.

B. Individual Effects

1. *Wage index.* Column II of Table I displays the estimated effects of changes to the wage index being implemented in this final rule with comment period. Discussion of the hospital wage index is set forth in section III.B of the preamble.

Nationally, as a result of budget neutrality, the wage index change has no measurable effect on aggregate program payments. Overall, payments to large urban hospitals will increase by 0.5 percent. Payments to other urban hospitals and payments to rural hospitals will each decrease by 0.4 percent.

The effect on hospitals in different geographic areas varies from an average 6.0 percent increase in payments for hospitals in the urban areas of the New England census division to a 4.7 percent reduction in payments for hospitals in the urban areas of Puerto Rico. The 6.0 percent increase in payments to New England urban hospitals represents the largest increase across all hospital categories. Seven of the ten urban census regions will experience reductions in payments.

The range for rural hospitals is from a 4.5 percent increase for hospitals located in the New England census division to a 12.7 percent reduction in payments for hospitals located in the Puerto Rico census division. The 12.7 percent reduction in payments to Puerto Rico rural hospitals represents the largest percentage reduction across all hospital categories. Six of the ten rural census divisions will experience reductions in payments.

All rural hospitals as categorized by bed size will experience reductions in payments. These reductions range from 1.0 percent (0–49 beds) to 0.1 percent (100–149 beds and over 200 beds).

The range for the effect of the wage index change on hospitals categorized by Medicare utilization as a percent of inpatient days is from a 0.6 percent reduction in payments for hospitals with Medicare utilization of 0–25 percent to a 1.1 percent increase in payments for hospitals with Medicare utilization of over 65 percent.

Rural hospitals subject to special payment provisions will experience reductions in payment ranging from 0.2 percent (sole community hospitals) to 0.9 percent (Medicare-dependent hospitals). The only exception to these reductions is those rural hospitals classified as both a sole community hospital and rural referral center. These hospitals will experience a 1.0 percent increase in payments.

2. *Disproportionate share changes.* Column IV of Table I shows the effect of additional payments to urban hospitals with more than 100 beds that serve a disproportionate share of low-income patients and hospitals with disproportionate indigent care revenues. These changes are described in section III.C of the preamble.

Nationally, disproportionate share changes will result in a 0.2 percent increase in payments. It will result in a 0.2 percent increase in payments to large urban and other urban hospitals with more than 100 beds. For urban disproportionate share hospitals with more than 100 beds, the change will result in a 0.4 percent increase in payments. The change will have no effect on rural hospitals.

Urban hospitals in all ten census divisions will experience increases in payment. These payment increases range from a 0.1 percent increase in the New England, East North Central, West North Central, Mountain and Puerto Rico census divisions to a 0.4 percent increase in the Pacific census division.

The largest decrease in payment is found in those hospitals categorized as having less than 25 percent Medicare utilization as a percent of inpatient days. These hospitals will experience an average 0.8 percent decrease.

C. Combined Effects

Column V of Table I shows the combined effects of all the FY 1991 changes we are able to quantify. In addition to the changes described in columns I, II, III, and IV, column V shows the effects of updating the FY 1990 standardized payment amounts as mandated by section 1886(b)(3)(B)(i) of the Act as amended by section 4002 of Public Law 101–508. The rate of increase in the hospital market basket is estimated at 5.2 percent. The urban standardized amounts were increased by the rate of increase in the market basket less 2 percentage points, or 3.2 percent. The rural standardized amount was increased by the market basket rate of increase less .7 percentage points, or 4.5 percent. In accordance with section 1886(b)(3)(B)(ii), the hospital-specific rate for sole community hospitals and small rural Medicare-dependent hospitals was increased by the market basket rate of increase, or 5.2 percent.

Because Column V combines the final FY 1991 payment rates and all other final changes, the effects displayed also include the payment offset for outlier payments required under section 1886(d)(5)(A) of the Act. Section 1886(d)(3)(B) of the Act requires that the urban and rural standardized amounts be separately reduced by the proportion of estimated total DRG payments attributable to estimated outlier payments for hospitals located in urban areas and those located in rural areas. Section 1886(d)(9)(B)(iv) of the Act requires that the urban and rural standardized amounts be reduced by the proportion of estimated total payments made to hospitals in Puerto Rico attributable to estimated outlier payments.

We set the outlier thresholds in the September 4, 1990 rule so as to result in estimated outlier payments equal to 5.1 percent of total prospective payments. The model that we use to determine the outlier thresholds necessary to target our desired aggregate outlier payments for FY 1991 employs FY 1989 charges. We adjusted that model to take into account the effect of changes in Medicare coverage for inpatient hospital services during FY 1989 that resulted from the enactment of the Catastrophic Coverage Act of 1988 (Pub. L. 100–360). These catastrophic coverage provisions were effective with discharges occurring on or after January 1, 1989 (the second quarter of FY 1989) and were repealed by the Medicare Catastrophic Coverage Act of 1989 (Pub. L. 101–234) effective for discharges occurring on or after January 1, 1990. We have re-estimated outlier payments based on the changes in the payment rates required by Public Law 101–508. Maintaining the thresholds published in the September 4, 1990 final rule will result in outlier payments equal to 5.2 percent of total prospective payments.

Nationally, the effects of all changes we are implementing are expected to result in a 3.7 percent payment increase. These changes will increase payments to large urban hospitals by 4.1 percent, to other urban hospitals by 3.4 percent, and to rural hospitals by 3.1 percent. All categories of hospitals, with the exception of urban and rural hospitals in the Puerto Rico census division will experience increases in payments. The percentage increases range between 1.7 and 9.0 percent.

The effect on hospitals in different urban areas varies from an average 9.0 percent increase in payments for hospitals in the urban areas of the New England census division to a 0.4 percent decrease in payments for hospitals in the urban areas of the Puerto Rico census division. The 9.0 percent increase represents the largest increase across all hospital categories and is attributable to the wage index change.

The effect of all changes on rural hospitals varies from an average 7.3 percent increase for hospitals in the New England census division to rural

hospitals in Puerto Rico who will experience an average 8.5 percent reduction in payments. This 8.5 percent reduction represents the largest reduction across all hospital categories and is largely explained by the wage index change.

Urban hospitals as categorized by bed size will receive increases in payments ranging from 2.3 to 3.6 percent. The increase in payments to rural hospitals as categorized by bed size will range from 2.4 to 3.7 percent. For both urban and rural hospitals as the number of beds increase, the percentage increase in payments becomes larger.

The increase in payments that will be experienced by hospitals categorized by type of ownership is near the national average, ranging from a 3.6 percent increase in payments for voluntary hospitals to a 4.1 percent increase in payments for proprietary and government hospitals. Rural hospitals subject to special payment provisions will receive increases in payments below the national average of 3.7 percent.

We must point out that there are interactions that result from the combining of the various separate provisions analyzed in the previous columns that we are unable to isolate. Thus, the values appearing in volumn V do not represent merely the additive effects of the previous columns plus the update factors.

Table II presents the projected FY 1991 average payments per case for urban and rural hospitals effective with discharges occurring on or after January 1, 1991 and for the different categories of hospitals shown in Table II, and compares them to the average estimated FY 1990 per case payments for discharges occurring on or after April 1, 1990. As such, this table presents the combined effects of the implemented changes presented in Table I in terms of the average dollar amounts paid per discharge. That is, the percentage change in average payments from FY 1990 to FY 1991 equals the percentage changes shown in the last column of Table I.

TABLE II.—IMPACT OF MID-YEAR PPS CHANGES IN THE PROSPECTIVE PAYMENT SYSTEM FOR FY 1991

		Col. I	Col. II	Col. III
	Number of hospitals	Payment per case, 1990	Payment per case, 1991	All changes [1]
All Hospitals	5,546	4,984	5,167	3.7
Urban by Region	3,033	5,445	5,650	3.8
New England	178	5,601	6,104	9.0
Middle Atlantic	475	5,942	6,234	4.9
South Atlantic	438	5,001	5,292	5.8
East North Central	524	5,328	5,438	2.1
East South Central	173	4,663	4,823	3.4
West North Central	193	5,454	5,453	0.0
West South Central	361	5,030	5,124	1.9
Mountain	117	5,368	5,533	3.1
Pacific	505	6,297	6,491	3.1
Puerto Rico	51	2,190	2,182	- 0.4
Rural by Region	2,513	3,267	3,369	3.1
New England	60	4,007	4,298	7.3
Middle Atlantic	90	3,679	3,841	4.4
South Atlantic	334	3,301	3,488	5.7
East North Central	324	3,315	3,372	1.7
East South Central	301	2,913	3,005	3.2
West North Central	574	3,122	3,123	0.0
West South Central	408	3,011	3,080	2.3
Mountain	246	3,500	3,641	4.0
Pacific	159	4,034	4,120	2.2
Puerto Rico	6	1,537	1,407	8.5
Large Urban Areas	5,546	4,984	5,167	3.7
(Population over 1 million)	1,507	5,937	6,179	4.1
Other Urban Areas:				
(Population of 1 million or fewer)	1,526	4,937	5,103	3.4
Urban Hospitals	3,033	5,445	5,650	3.8
0–99 Beds	723	4,081	4,176	2.3
100–199 Beds	879	4,691	4,858	3.6
200–299 Beds	637	5,151	5,332	3.5
300–399 Beds	541	5,622	5,826	3.6
400 + Beds	212	6,781	7,094	4.6
Rural Hospitals	2,513	3,267	3,369	3.1
0–49 Beds	1,250	2,842	2,909	2.4
50–99 Beds	753	3,052	3,140	2.9
100–149 Beds	261	3,302	3,411	3.3
150–199 Beds	114	3,424	3,531	3.1
200 + Beds	120	3,884	4,027	3.7
Teaching Status:				
Nonteaching	4,356	4,149	4,267	3.3
Resident/Bed Ratio Less than 0.25	963	5,470	5,652	3.3
Resident/Bed Ratio 0.25 or Greater	227	8,348	8,818	5.6
Disproportionate Share Hospitals (DSH):				
Non-DSH	3,975	4,499	4,644	3.2
Urban DSH:				
100 Beds or More	1,117	6,088	6,350	4.3
Fewer Than 100 Beds	124	4,342	4,472	3.0
Rural DSH:				
100 Beds or More-not Rural Referral Centers or Sole Community Hospitals	56	2,965	3,085	4.0
Fewer Than 100 Beds not Rural Referral Centers or Sole Community Hospitals	188	2,640	2,736	3.6

TABLE II.—IMPACT OF MID-YEAR PPS CHANGES IN THE PROSPECTIVE PAYMENT SYSTEM FOR FY 1991—Continued

		Col. I	Col. II	Col. III
	Number of hospitals	Payment per case, 1990	Payment per case, 1991	All changes [1]
Sole Community Hospitals	49	3,241	3,370	4.0
Rural Referral Centers and Sole Community Hospitals or Rural Referral Centers	37	4,027	4,183	3.9
Urban Teaching and DSH:				
Both Teaching and DSH	610	6,727	7,023	4.4
Teaching only	497	5,560	5,752	3.4
DSH only	631	4,887	5,082	4.0
Nonteaching and Non-DSH	1,295	4,523	4,664	3.1
Other Special Status (rural):				
Sole Community (SCHs)	382	3,379	3,498	3.5
Rural Referral Centers (RRCs)	217	3,823	3,944	3.2
Sole Community & Rural Referral Center	27	4,125	4,305	4.4
Medicare-Dependent	557	2,924	3,002	2.7
Type of Ownership:				
Voluntary	3,050	5,151	5,335	3.6
Proprietary	873	4,483	4,647	3.7
Government	1,532	4,588	4,776	4.1
Medicare Utilization as Percent of Inpatient Days:				
0–25	373	6,823	7,130	4.5
25–50	2,932	5,202	5,391	3.6
50–65	1,695	4,373	4,521	3.4
Over 65	396	4,202	4,380	4.2

[1] Percentage changes shown in this column are taken from Table I, column V. Because the dollar amounts shown in this table are rounded to the nearest dollar, percentage changes computed on the basis of these amounts will differ slightly from those displayed in this column.

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