Public Law 96–511. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 3171 Treasury Annex, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

Office of Thrift Supervision

OMB Number: 1550–0066
Form Number: None
Type of Review: Extension
Title: Voluntary Dissolution
Description: 12 CFR § 546.4 provides for Federal associations to voluntarily dissolve through the submission of a statement of reasons and plan of dissolution. Approval is required by the Board of Directors, the OTS and the association's members. Plans for dissolution may be denied if the OTS believes the plan is inadvisable or not in the best interest of concerned parties.
Respondents: Business or other for-profit
Estimated Number of Respondents: 10
Estimated Burden Hours Per Respondents: 80 hours
Frequency of Response: Other (Upon Dissolution)
Estimated Total Reporting Burden: 800 hours
Clearance Officer: Colleen Devine, (202) 906–6025, Office of Thrift Supervision, 2nd Floor, 1700 G. Street, NW., Washington, DC 20552.
OMB Reviewer: Gary Waxman, (202) 395–7340, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, DC 20503.

Lois K. Holland,

Departmental Reports Management Officer.

[FR Doc. 93–12425 Filed 5–25–93; 8:45 am]

BILLING CODE 4810–25–M

Internal Revenue Service.

Debt Collection Act of 1982; Disclosure of Delinquent Federal Indebtedness to Credit Bureaus

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice of intent to disclose delinquent Federal indebtedness to credit bureaus to comply with the Debt Collection Act of 1982.

SUMMARY: Notice is hereby given that the Internal Revenue Service (IRS) will begin reporting information, on an as needed basis, concerning delinquent administrative debt owed to the United States by former IRS employees and/or vendors to credit reporting bureaus (credit bureaus).

EFFECTIVE DATE: This action is effective June 13, 1993.

ADDRESSES: Send comments to Margaret Patch, Acting Director, Human Resources Division HR:H, Internal Revenue Service, Room 1408, 1111 Constitution Avenue, NW., Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Gregory Wyman, Office of Personnel/Payroll Systems HR:H:S, (202) 874-5820 (not a toll- free number).

SUPPLEMENTARY INFORMATION: The Internal Revenue Service intends to implement Public Law 97-365, the Debt Collection Act of 1982, in accordance with Department of Treasury implementing regulations for salary offsets (31 CFR 5.5) and administrative offsets (31 CFR 5.30). Among the collection tools authorized by the Debt Collection Act of 1982, creditor agencies may disclose to credit bureaus information from a system of records that an individual or vendor is responsible for a claim. Creditor agencies are required to publish public notice of intent of such disclosure in accordance with 31 U.S.C. 3711(f) (1) and 5 U.S.C. 552a (b) (12). The disclosure(s) will be made to credit bureaus pursuant to OMB- Treasury Credit Policy Guidelines, Issuance Number G-1-86; OMB-Treasury memorandum dated May 30, 1986, *Guidelines and Formats for the Automated Reporting of Commercial Debts to Credit Reporting Bureaus;* and Commercial Agreements between the Department of Treasury and the credit bureaus.

Additional information, regarding the information to be disclosed, including a description of the process, is provided in the text below.

Margaret Patch,

Acting Director, Human Resources Division HR:H.

Notice of Intent—Disclosure of Delinquent Federal Indebtedness to Credit Bureaus

A. General

This action extends to indebtedness information maintained in the former IRS Payroll/Personnel System, Detroit Computing Center; the Automated Accounting and Budget Execution System (AABES); the Automated Financial System (AFS); and/or the Treasury Integrated Management Information System (TIMIS). Collection of the administrative debts owed by former IRS employees and/or vendors is pursuant to the Federal Claims Collections Standards, 4 CFR 101, et seq.; and Treasury Department administrative offset regulations, 31 CFR 5.3, et seq.; to include, but not be limited to, debts accruing due to salary overpayments; emergency salary payments; FEHB premiums; travel and/or relocation advances; lost, stolen, or damaged Government property; and vendor overpayments.

B. Initial Reporting to Credit Bureaus

The IRS will initially report to credit bureaus former IRS employee and/or vendor debtors whose accounts are 61 days or more past due. As prescribed by regulation, the IRS will notify debtors of the amount and nature of the indebtedness, when the debt accrued, their due process rights, repayment options, and actions that will occur when the account becomes delinquent, including the reporting of their account to a credit bureau and its referral to a debt collection agency after the account has been delinquent 61 days or more. The account becomes delinquent 30 days after the date of the notification letter if the debtor has not entered into a written agreement with the IRS to establish a schedule for repayment of the debt. Debtors who are to be reported as delinquent will have 60 days to bring their account current. If the account is not brought current during that time, the account will be reported to the credit bureau as delinquent, and the status of the account updated monthly to the credit bureau file for 7 years. Referral will include any or all of the following information:

(1) Debt Account Number, including Taxpayer Identification Number (e.g. SSN, EIN).
(2) Name.
(3) Street Address.
(4) City, State, ZIP Code.
(5) Account Type (e.g. salary overpayment).
(6) Status (e.g. in collection, foreclosure started).
(7) Transaction Type (e.g. new account, address change).
(8) Date the debt was established.
(9) Reference date for the debt.
(10) Date of last payment.
(11) Original debt amount.
(12) Unpaid balance of the debt.
(13) Amount past due.
(14) Special comments code (e.g. account in dispute).

C. Reviewing Account Status

If a debtor desires an explanation of the account or disagrees with the stated delinquency during the 90-day minimum period between notification

and referral, the debtor may request an internal review of the account by the IRS as prescribed by regulation for administrative offsets. If the debtor questions the account status, the account will not be referred until it is determined if the status is correct. The IRS will withhold the referral until the debtor's questions are resolved. After an account has been referred, debtors may question information reported by contacting the credit bureau or the IRS. The IRS will determine within 15 days what corrective action, if any, is necessary to resolve the request.

[FR Doc. 93-12386 Filed 5-25-93; 8:45 am]
BILLING CODE 4830-01-U

Public Electronic Communications Consortium

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice to determine feasibility of a Public Electronic Communications Consortium.

SUMMARY: The Internal Revenue Service is interested in determining whether companies in the private sector would establish a consortium to fund, design, build, and maintain an electronic communications facility for the purpose of such activities as: Receiving and transmitting electronic tax data, acknowledgement of electronic data, payment information, providing access for tax account information or responses to requests for information regardless of the system or software used by the public. The facility shall be designed to receive data from tax practitioners, businesses, non-profit tax assistance organizations, as well as directly from taxpayers' personal computers. Transmissions to and from the IRS will conform to IRS-designated formats including current electronic return requirements and, eventually, Electronic Data Interchange (EDI) requirements. The facility shall be designed to ensure the security of tax information and guard against Privacy Act violations.

DATES: Parties interested in participating in the consortium should contact the Internal Revenue Service by July 1, 1993, at the following address.

FOR FURTHER INFORMATION CONTACT: Robert Carver, Deputy Assistant Commissioner (Returns Processing) R, room 3407, 1111 Constitution Avenue, NW., Washington, DC 20224.

SUPPLEMENTARY INFORMATION: The Internal Revenue Service wants to broaden the availability of electronic filing as well as to increase other opportunities for replacing paper documents with electronic media. This objective can be accomplished most expeditiously through the expertise and efficiency of the private sector. The constraints on a tax information network will be the security of taxpayer information, current legal requirements for signatures affixed to tax documents, potential for fraud, ease of access and cost for the general public, and the capacity and data requirements of the current tax processing system. The IRS looks forward to creative acceptable solutions to the constraints.

Robert Carver,

Deputy Assistant Commissioner (Returns Processing).

[FR Doc. 93-12387 Filed 5-25-93; 8:45 am]
BILLING CODE 4830-01-U

Sunshine Act Meetings

Federal Register
Vol. 58, No. 100
Wednesday, May 26, 1993

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).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

TIME AND DATE: 11:00 a.m., Tuesday, June 1, 1993.

PLACE: Marriner S. Eccles Federal Reserve Board Building, C Street entrance between 20th and 21st Streets, N.W., Washington, D.C. 20551.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. Personnel actions (appointments, promotions, assignments, reassignments, and salary actions) involving individual Federal Reserve System employees.
2. Any items carried forward from a previously announced meeting.

CONTACT PERSON FOR MORE INFORMATION: Mr. Joseph R. Coyne, Assistant to the Board; (202) 452–3204. You may call (202) 452–3207, beginning at approximately 5 p.m. two business days before this meeting, for a recorded announcement of bank and bank holding company applications scheduled for the meeting.

Dated: May 24, 1993.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 93–12662 Filed 5–24–93; 3:53 pm]

BILLING CODE 6210–01–P–M

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: 58 FR 29025, May 18, 1993.

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: 11:00 a.m., Monday, May 24, 1993.

CHANGES IN THE MEETING: One of the items announced for inclusion at this meeting was consideration of any agenda items carried forward from a previous meeting; the following such closed item(s) was added:

International banking matter. (This matter was originally announced for a closed meeting on May 17, 1993.)

CONTACT PERSON FOR MORE INFORMATION: Mr. Joseph R. Coyne, Assistant to the Board; (202) 452–3204.

Dated: May 24, 1993.

Jennifer J. Johnson,

Associate Secretary of the Board.

[FR Doc. 93–12663 Filed 5–24–93; 3:53 pm]

BILLING CODE 6210–01–P–M

UNITED STATES POSTAL SERVICE

Board of Governors

The Board of Governors of the United States Postal Service, pursuant to its Bylaws (39 CFR 7.5) and the Government in the Sunshine Act (5 U.S.C. 552b), hereby gives notice that it intends to hold a meeting at 8:30 a.m. on Tuesday, June 8, 1993, in Washington, D.C. The meeting is open to the public and will be held in the Benjamin Franklin Room at U.S. Postal Service Headquarters, 475 L'Enfant Plaza, S.W. The Board expects to discuss the matters stated in the agenda which is set forth below. Requests for information about the meeting should be addressed to the Secretary of the Board, David F. Harris, at (202) 268–4800.

There will also be a session of the Board on Monday, June 7, 1993, but it will consist entirely of briefings and is not open to the public.

AGENDA.

Tuesday Session

June 8–8:30 a.m. (Open)

1. Minutes of the Previous Meeting, May 3–4, 1993.
2. Remarks of the Postmaster General and CEO. (Marvin Runyon.)
3. Chief Inspector's Semiannual Report. (Kenneth J. Hunter, Chief Postal Inspector.)
4. Status Report on the Strategic Plan. (Michael S. Coughlin, Deputy Postmaster General and Acting Chief Financial Officer.)
5. Tentative Agenda for the July 12–13, 1993, meeting in Washington, D.C.

David F. Harris,

Secretary.

[FR Doc. 93–12585 Filed 5–24–93; 11:22 am]

BILLING CODE 7710–12–M

SECURITIES AND EXCHANGE COMMISSION

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94–409, that the Securities and Exchange Commission will hold the following meeting during the week of May 31, 1993.

A closed meeting will be held on Tuesday, June 1, 1993, at 10:10 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at a closed meeting.

Commissioner Roberts, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Tuesday, June 1, 1993, at 10:10 a.m., will be:

Institution of injunctive actions.
Institution of administrative proceedings of an enforcement nature.
Settlement of administrative proceedings of an enforcement nature.
Opinions.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: Kaye Williams at (202) 272–2400.

Dated: May 21, 1993.

Jonathan G. Katz,

Secretary.

[FR Doc. 93–12571 Filed 5–24–93; 10:52 am]

BILLING CODE 8010–01–M

Corrections

Federal Register
Vol. 58, No. 100
Wednesday, May 26, 1993

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.

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[PP 8E3574/R1194; FRL-4580-8]

RIN 2070-AB78

Pesticide Tolerance for Terbufos

Correction

In rule document 93-11873 beginning on page 29118 in the issue of Wednesday, May 19, 1993, make the following correction:

§ 180.352 [Corrected]

On page 29119, in the second column, in § 180.352(b), in the second and third lines, "(*insert 24 months after date of publication in the* Federal Register)" should read "May 19, 1995".

BILLING CODE 1505-01-D

FEDERAL MARITIME COMMISSION

Cancellation of Tariffs of Common Carriers by Water in the Foreign Commerce of the United States and Suspension of Ocean Freight Forwarder Licenses for Failure To File Anti-Rebate Certifications

Correction

In notice document 93-11432 beginning on page 28571 in the issue of Friday, May 14, 1993, make the following correction:

On page 28572, in the second column, before the eighth line from the bottom, insert the following:

PART B: LICENSED OCEAN FREIGHT FORWARDERS THAT HAVE NOT FILED ANTI-REBATE CERTIFICATIONS

BILLING CODE 1505-01-D

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 184

[Docket No. 89G-0384]

Direct Food Substances Affirmed as Generally Recognized as Safe; Chymosin Enzyme Preparation Derived From Aspergillus Niger Van Tieghem Variety Awamori (Nakazawa) Al-Musaliam

Correction

In rule document 93-10760 beginning on page 27197 in the issue of Friday May 7, 1993 make the following corrections:

1. On page 27201, in the 2d column, in the second paragraph, in the eighth, 15th, and 20th lines, "Pub. L. 96-54" should read "Pub. L. 96-354" each time it appears.

2. On page 27202, in the first column, under entry 23., in the third line, "1H-NMR" should read "^{1}H-NMR".

3. On the same page, in the second column, in entry 39., in the second line, "Aspergilli" should read "*Aspergilli*".

BILLING CODE 1505-01-D

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[NV-930-4210-04; N-56458]

Realty Action: Exchange of Public Lands in Clark County, Nevada

Correction

In notice document 93-10342 beginning on page 26341 in the issue of Monday, May 3, 1993, make the following corrections:

1. On page 26341, in the first column, in the land description for **Mount Diablo Meridian, Nevada**, in T. 20, S., R. 60 E., in Sec. 7, in the last line at the bottom of the page, "E½SE¼NE¼NE¼," should read "E½SE¼SE¼NE¼,".

2. On the same page, in the second column, in the same land description and Sec. 7, in the fourth line from the top, "SE¼SE¼SW¼," should read "SE¼NE¼SW¼,".

BILLING CODE 1505-01-D

federal register

Wednesday
May 26, 1993

Part II

Department of Health and Human Services

Health Care Financing Administration

42 CFR Parts 412 and 413
Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 1994 Rates; Proposed Rule

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

42 CFR Parts 412 and 413

[BPD–771–P]

RIN 0938–AG23

Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 1994 Rates

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

ACTION: Proposed rule.

SUMMARY: We are proposing to revise the Medicare hospital inpatient prospective payment systems for operating costs and capital-related costs to implement necessary changes arising from our continuing experience with the system. In addition, in the addendum to this proposed rule, we are describing changes in the amounts and factors necessary to determine prospective payment rates for Medicare hospital inpatient services for operating costs and capital-related costs. These changes would be applicable to discharges occurring on or after October 1, 1993. We are also setting proposed rate-of-increase limits for hospitals and hospital units excluded from the prospective payment systems.

DATES: Comments will be considered received at the appropriate address, as provided below, no later than 5 p.m. on July 26, 1993.

ADDRESSES: Mail written comments (an original and 3 copies) to the following address: Health Care Financing Administration, Department of Health and Human Services, Attention: BPD–771–P, P.O. Box 7517, Baltimore, MD 21207–0517.

If you prefer, you may deliver your written comments (an original and 3 copies) to one of the following addresses:

Room 309–G, Hubert H. Humphrey Building, 200 Independence Avenue, SW., Washington, DC 20201

or

Room 132, East High Rise Building, 6325 Security Boulevard, Baltimore, MD 21207.

Because of staffing and resource limitations, we cannot accept comments by facsimile (FAX) transmission. In commenting, please refer to file code BPD–771–P. Comments received timely will be available for public inspection as they are received, generally beginning approximately 3 weeks after publication of a document, in room 309–G of the Department's offices at 200 Independence Avenue, SW., Washington, DC, on Monday through Friday of each week from 8:30 a.m. to 5 p.m. (phone: (202) 690–7890).

Copies: To order copies of the **Federal Register** containing this document, send your request to: New Orders, Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250–7954. Specify the date of the issue requested and enclose a check or money order payable to the Superintendent of Documents, or enclose your Visa or Master Card number and expiration date. Credit card orders can also be placed by calling the order desk at (202) 783–3238 or by faxing to (202) 275–6802. The cost for each copy is $4.50. As an alternative, you can view and photocopy the **Federal Register** document at most libraries designated as Federal Depository Libraries and at many other public and academic libraries throughout the country that receive the **Federal Register**.

To obtain data used in deriving the standardized amounts and DRG relative weights, see section VII of the preamble, Public Requests for Data.

FOR FURTHER INFORMATION CONTACT: Barbara Wynn, (410) 966–4529.

SUPPLEMENTARY INFORMATION:

I. Background

A. Summary

Under section 1886(d) of the Social Security Act (the Act), a system of payment for the operating costs of acute hospital inpatient stays under Medicare Part A (Hospital Insurance) based on prospectively-set rates was established effective with hospital cost reporting periods beginning on or after October 1, 1983. Under this system, Medicare payment for hospital inpatient operating costs is made at a predetermined, specific rate for each hospital discharge. All discharges are classified according to a list of diagnosis-related groups (DRGs). The regulations governing the hospital inpatient prospective payment system are located in 42 CFR part 412. On September 1, 1992, we published a final rule (57 FR 39746) to implement changes to the prospective payment system for hospital operating costs for Federal fiscal year (FY) 1993.

For cost reporting periods beginning before October 1, 1991, hospital inpatient operating costs were the only costs covered under the prospective payment system. Payment for capital-related costs had been made on a reasonable cost basis because, under sections 1886(a)(4) and (d)(1)(A) of the Act, those costs had been specifically excluded from the definition of inpatient operating costs. However, section 4006(b) of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203) revised section 1886(g)(1) of the Act to require that, for hospitals paid under the prospective payment system for operating costs, capital-related costs would also be paid under a prospective payment system effective with cost reporting periods beginning on or after October 1, 1991. As required by section 1886(g) of the Act, we replaced the reasonable cost-based payment methodology with a prospective payment methodology for hospital inpatient capital-related costs. Under the new methodology, effective for cost reporting periods beginning on or after October 1, 1991, a predetermined payment amount per discharge is made for Medicare inpatient capital-related costs. (See the August 30, 1991 final rule (56 FR 43358) for a complete discussion of the prospective payment system for hospital inpatient capital-related costs.)

B. Major Contents of this Proposed Rule

In this proposed rule, we are setting forth proposed changes to the Medicare hospital inpatient prospective payment systems for both operating costs and capital-related costs. This proposed rule would be effective for discharges occurring on or after October 1, 1993. Following is a summary of the major changes that we are proposing to make:

1. Changes to the DRG Classification and Relative Weights

As required by section 1886(d)(4)(C) of the Act, we must adjust the DRG classifications and relative weights at least annually. Our proposed changes for FY 1994 are set forth in section II of this preamble.

2. Changes to the Hospital Wage Index and Revised Labor Market Areas

In section III of this preamble, we discuss revisions to the wage index and, in particular, the implementation of new wage data and revised labor market areas based on the new Metropolitan Statistical Area (MSA) definitions established by the Office of Management and Budget on December 28, 1992. Specific issues addressed in this section include:

- Revised labor market areas.
- Updating the wage index data.
- Revisions to the wage index.
- Options for phasing-in the new wage index.
- Future refinements to labor market areas.

3. Other Changes to the Prospective Payment System for Operating Costs

In section IV of this preamble, we discuss several provisions of the regulations in 42 CFR parts 412 and 413 and set forth certain proposed changes concerning the following:

- Outlier payments for transfer cases.
- Elimination of the regional floor.
- Rural referral centers.
- Hospitals in areas redesignated as rural.
- Disproportionate share adjustment.
- Direct graduate medical education payment.

4. Changes to the Prospective Payment System for Capital-Related Costs

In section V of this preamble, we set forth a proposed change concerning the calculation of the disproportionate share adjustment for urban hospitals with more than 100 beds.

5. Changes for Hospitals Excluded from the Prospective Payment System

In section VI of this preamble, we discuss changes to the regulations at 42 CFR parts 412 and 413 for hospitals and units excluded from the prospective payment system. The proposed changes concern the following:

- Limitation of exclusions for distinct-part hospital units.
- Technical changes regarding the rate-of-increase ceiling on operating costs.
- Other technical changes.

6. Determining Prospective Payment Rates and Rate-of-Increase Limits

In the addendum to this proposed rule, we set forth proposed changes to the amounts and factors for determining the FY 1994 prospective payment rates for operating costs and capital-related costs. We are also proposing new update factors for determining the rate-of-increase limits for cost reporting periods beginning in FY 1994 for hospitals and hospital units excluded from the prospective payment system.

7. Impact Analysis

In Appendix A, we set forth an analysis of the impact that the proposed changes described in this rule would have on affected entities.

8. Capital Acquisition Model

Appendix B contains the technical appendix on the proposed FY 1994 capital acquisition model and budget neutrality adjustment.

9. Report to Congress on the Update Factor for Prospective Payment Hospitals and Hospitals excluded from the Prospective Payment System

Section 1886(e)(3)(B) of the Act requires that the Secretary report to Congress no later than March 1, 1993 on our initial estimate of an update factor for FY 1994 for both prospective payment hospitals and hospitals excluded from the prospective payment system. This report is included as Appendix C to this proposed rule.

10. Proposed Recommendation of Update Factor for Hospital Inpatient Operating Costs

As required by sections 1886(e)(4) and (e)(5) of the Act, Appendix D provides our recommendation of the appropriate percentage change for FY 1994 for the following:

- Large urban, other urban, and rural average standardized amounts (and hospital-specific rates applicable to sole community hospitals) for hospital inpatient services paid for under the prospective payment system for operating costs.
- Target rate-of-increase limits to the allowable operating costs of hospital inpatient services furnished by hospitals and hospital units excluded from the prospective payment system.

11. Framework for Capital Update

In Appendix E, we are setting forth a preliminary framework for developing the annual update factor for inpatient hospital capital-related costs.

12. Discussion of Prospective Payment Assessment Commission Recommendations

The Prospective Payment Assessment Commission (ProPAC) is directed by the provisions of sections 1886(e)(2)(A) of the Act to make recommendations on the appropriate percentage change factor to be used in updating the average standardized amounts beginning with FY 1986 and thereafter. In addition, section 1886(e)(2)(B) of the Act directs ProPAC to make recommendations regarding changes in each of the Medicare payment policies under which payments to an institution are prospectively determined. In particular, the recommendations relating to the hospital inpatient prospective payment systems are to include recommendations concerning the number of DRGs used to classify patients, adjustments to the DRGs to reflect severity of illness, and changes in the methods under which hospitals are paid for capital-related costs. As set forth in section 1886(e)(3)(A) of the Act, the recommendations required of ProPAC under sections 1886(e)(2) (A) and (B) of the Act are to be reported to Congress not later than March 1 of each year.

We are printing ProPAC's March 1, 1993 report, which includes its recommendations, as Appendix G of this document. The recommendations, and the actions we are proposing to take with regard to them (when an action is recommended), are discussed in detail in the appropriate sections of this preamble, the addendum, or the appendixes of this proposed rule. Those recommendations that are not specifically relevant to matters presented below are discussed in section VII of this preamble. For a brief summary of the ProPAC recommendations, we refer the reader to pages 4 through 12 of the ProPAC report as set forth in Appendix G of this proposed rule. ProPAC also produced technical appendixes in its March 1, 1993 report that provide background material and detailed analyses used in preparation of the ProPAC recommendations. For further information relating specifically to the ProPAC report or to obtain a copy of the technical appendixes, contact ProPAC at (202) 401–8986.

13. Potential Refinement to Labor Market Areas

ProPAC has recommended that the Secretary substantially revise the hospital wage index by developing hospital-specific labor market areas. One configuration would be to establish each hospital's labor market area based on its 10 nearest neighbors within a 50-mile radius. We believe that careful analysis of ProPAC's recommendation is necessary before we consider proposing such a significant change. Although we are not proposing to implement ProPAC's recommendation in FY 1994, we are seeking public comment on the proposal. To facilitate the review and comment process, we are publishing hospital-specific wage index values based on ProPAC's recommendation in Appendix F.

II. Proposed Changes to DRG Classifications and Relative Weights

A. Background

Under the prospective payment system, we pay for inpatient hospital services on the basis of a rate per discharge that varies by the DRG to which a beneficiary's stay is assigned. The formula used to calculate payment for a specific case takes an individual hospital's payment rate per case and multiplies it by the weight of the DRG to which the case is assigned. Each DRG

weight represents the average resources required to care for cases in that particular DRG relative to the average resources used to treat cases in other DRGs.

Congress recognized that it would be necessary to recalculate the DRG relative weights periodically to account for changes in resource consumption. Accordingly, section 1886(d)(4)(C) of the Act requires that the Secretary adjust the DRG classifications and relative weights annually. These adjustments are made to reflect changes in treatment patterns, technology, and any other factors that may change the relative use of hospital resources. The proposed changes to the DRG classification system and the proposed recalibration of the DRG weights for discharges occurring on or after October 1, 1993 are discussed below.

B. DRG Reclassification

1. General

Cases are classified into DRGs for payment under the prospective payment system based on the principal diagnosis, up to eight additional diagnoses, and up to six procedures performed during the stay, as well as age, sex, and discharge status of the patient. The diagnosis and procedure information is reported by the hospital using codes from the International Classification of Diseases, Ninth Edition, Clinical Modification (ICD–9–CM). The intermediary enters the information into its claims system and subjects it to a series of automated screens called the Medicare Code Editor (MCE). These screens are designed to identify cases that require further review before classification into a DRG can be accomplished.

After screening through the MCE and any further development of the claims, cases are classified by the GROUPER software program into the appropriate DRG. The GROUPER program was developed as a means of classifying each case into a DRG on the basis of the diagnosis and procedure codes and demographic information (that is, sex, age, and discharge status). It is used both to classify past cases in order to measure relative hospital resource consumption to establish the DRG weights and to classify current cases for purposes of determining payment.

Currently, cases are assigned to one of 489 DRGs in 25 major diagnostic categories (MDCs). Most MDCs are based on a particular organ system of the body (for example, MDC 6, Diseases and Disorders of the Digestive System); however, some MDCs are not constructed on this basis since they involve multiple organ systems (for example, MDC 22, Burns).

In general, principal diagnosis determines MDC assignment. However, there are four DRGs to which cases are assigned on the basis of procedure codes rather than first assigning them to an MDC based on the principal diagnosis. These are the DRGs for liver and bone marrow transplant (DRGs 480 and 481, respectively) and the two DRGs for tracheostomies (DRGs 482 and 483). Cases are assigned to these DRGs before classification to an MDC.

Within most MDCs, cases are then divided into surgical DRGs (based on a surgical hierarchy that orders individual procedures or groups of procedures by resource intensity) and medical DRGs. Medical DRGs generally are differentiated on the basis of diagnosis and age. Some surgical and medical DRGs are further differentiated based on the presence or absence of complications or comorbidities (hereafter CC).

Generally, GROUPER does not consider other procedures; that is, nonsurgical procedures or minor surgical procedures generally not performed in an operating room are not listed as operating room (OR) procedures in the GROUPER decision tables. However, there are a few non-OR procedures that do affect DRG assignment for certain principal diagnoses, such as extracorporeal shock wave lithotripsy for patients with a principal diagnosis of urinary stones.

The changes we are proposing to make to the DRG classification system for FY 1994 are set forth below.

2. Major Head And Neck Procedures (DRG 49)

Cochlear implants were first covered by Medicare in 1986 and, in the September 3, 1986 prospective payment final rule (51 FR 31488), were assigned to DRG 49 (Major Head and Neck Procedures), the highest-weighted surgical DRG in MDC 3 (Diseases and Disorders of Ear, Nose, Mouth and Throat). Although cochlear implant procedures were not clinically similar to the procedures already assigned to DRG 49, it was the most appropriate surgical DRG within MDC 3 in terms of resource use. This original assignment was made on an interim basis, and we stated that we would continue to analyze these cases to determine if the assignment to DRG 49 and the resulting payment were appropriate and equitable.

Since the publication of the September 3, 1986 final rule, we have received complaints that the weight of DRG 49 is too low and does not adequately reflect the resources necessary for cochlear implants. We have conducted additional analyses of the cochlear procedures in several subsequent years, most recently in the prospective payment final rule published on September 1, 1992 (57 FR 39755). At that time, we analyzed the FY 1991 Medicare Provider Analysis and Review File (MedPAR) data for DRG 49 to determine the current charges and length of stay for cochlear implants and the other procedures assigned to that DRG. The ICD–9–CM procedure codes we used to identify these cases are 20.96 (Implantation or replacement of cochlear prosthetic device, NOS), 20.97 (Implantation or replacement of cochlear prosthetic device, single channel), and 20.98 (Implantation or replacement of cochlear prosthetic device, multiple channel). We found no cases coded with 20.97 and, in fact, these devices have been replaced by the multiple channel devices and are no longer available.

We found that, although the cochlear implant cases incurred higher charges than the average DRG 49 case, the 100 cases included in the MedPAR data were distributed across 53 hospitals with no hospital performing more than eight procedures. Therefore, we concluded that the volume was not sufficient to justify a DRG modification. However, we acknowledged that payment for cochlear implant patients had been an issue for several years. We stated that we would continue to evaluate the resource consumption related to cochlear implant cases and their impact on hospitals, as well as investigate and consider other options.

One option that commenters suggested last year was that we reassign the less costly cases in DRG 49 to DRG 63 (Other Ear, Nose, Mouth and Throat OR Procedures). Although we stated that we did not believe this would be an appropriate assignment for any of the cases in DRG 49 (57 FR 39756), we believe that it is appropriate to review the procedures assigned to DRG 49 to determine if they are all appropriately placed in terms of resource consumption. It would be possible for one or two high-volume procedures with relatively low average charges to lower the weight for DRG 49. Therefore, using the FY 1992 MedPAR data, we reviewed the charge data for the procedures assigned to DRG 49.

Of the 14 procedures other than cochlear implants assigned to DRG 49, only one procedure with more than 10 cases has an average standardized charge that is significantly lower than the average standardized charge for the DRG: partial glossectomy (procedure code 25.2). The average charge for this

procedure is $7,213 and the average charge for DRG 49 overall is $13,393. In addition, partial glossectomies are the second highest volume of cases in DRG 49 (579 out of 2,839 cases). If procedure code 25.2 is removed from DRG 49, the average standardized charge for the remaining cases increases to $13,950.

Based on the FY 1992 MedPAR data, there were 87 cochlear implant discharges, with an average standardized charge of $20,289. We also note that, of the other procedures classified in DRG 49 with more than 10 cases, two incur higher average charges than the cochlear procedures. Total mandibulectomy with synchronous reconstruction (procedure code 76.41) has the highest average charge ($33,473), and the average charge for bilateral radical neck dissection (procedure code 40.42) is $27,439.

Based on this analysis, we propose to remove partial glossectomies from DRG 49. We would place this procedure in DRGs 168 and 169 (Mouth Procedures).[1] The procedures assigned to these DRGs are clinically similar to partial glossectomies as well as comparable in terms of resource use.

3. Laparoscopic Cholecystectomy Procedures (DRGs 195–198)

Currently, when a patient whose principal diagnosis is classified to MDC 7 (Diseases and Disorders of the Hepatobiliary System and Pancreas) undergoes a cholecystectomy, the case is assigned to DRGs 195 through 198. The specific assignment is based on whether common bile duct exploration (C.D.E.) is performed and whether CCs are present. The DRGs' titles are as follows:

- DRG 195—Cholecystectomy with C.D.E. with CC.
- DRG 196—Cholecystectomy with C.D.E. without CC.
- DRG 197—Cholecystectomy without C.D.E. with CC.
- DRG 198—Cholecystectomy without C.D.E. without CC.

During the past few years, we have received comments suggesting that when a cholecystectomy procedure is performed by laparoscope, the case should be assigned to a different DRG or DRGs than are the other cholecystectomies. These commenters believe that this is appropriate because, although the laparoscopic (closed) procedure is more expensive than a traditional (open) cholecystectomy, use of the closed procedure results in shorter lengths of stay and, thus, lower total resource use. Our original response to these commenters was that, in order to make this revision, the two types of cholecystectomies would have to be assigned separate ICD–9–CM procedure codes. Subsequently, effective with discharges occurring on or after October 1, 1991 (that is, beginning in FY 1992), separate procedure codes were established for the two types of procedures: 51.22 for open cholecystectomy and 51.23 for laparoscopic cholecystectomy.

We have now analyzed the FY 1992 MedPAR data in which the new codes were used to assign cases to the four DRGs in MDC 7 to determine the most appropriate assignment for laparoscopic cholecystectomy procedures. We found that virtually all the laparoscopic cholecystectomy cases (approximately 99 percent) were assigned to DRGs 197 and 198. We also reviewed cases assigned to DRGs 193 and 194 (Biliary Tract Procedure Except Only Cholecystectomy with or without C.D.E.) and found that no laparoscopic cholecystectomies were assigned there.

After determining the distribution of laparoscopic cholecystectomy cases, we calculated total average standardized charges and lengths of stay for those cases as well as the open cholecystectomy cases in each of the affected DRGs. In DRGs 195 and 196, although the average length of stay for cases in which a laparoscopic cholecystectomy was performed is lower than the cases in which an open procedure was performed, the total average standardized charges were almost equal. For those cases assigned to DRGs 197 and 198, the average length of stay for the laparoscopic procedures is also less than that for the open procedures; however, the average standardized charge for the laparoscopic cases is much less than the charge for the open cholecystectomies.

	DRG 197		DRG 198	
	Length of stay	Average charge	Length of stay	Average charge
Laparoscopic procedure	6.4	11,873	2.3	6,415
Open procedure	10.2	15,750	5.4	7,887

Based on these figures, we believe that it would be appropriate to leave the laparoscopic procedures with the open cholecystectomies in DRGs 195 and 196. However, the differences in length of stay and charges for the two types of procedures in DRGs 197 and 198 are large enough for us to propose reassignment of the laparoscopic cases. Since there is no other surgical DRG in MDC 7 that is similar clinically or in terms of resource use to the laparoscopic procedures, and because the cholecystectomy cases have traditionally been segregated from other procedures, we are proposing to create two new DRGs for the laparoscopic procedures, as follows:

- DRG 493—Laparoscopic Cholecystectomy without C.D.E. with CC.
- DRG 494—Laparoscopic Cholecystectomy without C.D.E. without CC.

In addition, the titles of DRGs 197 and 198 would be revised to read as follows:

- DRG 197—Cholecystectomy Except by Laparoscope without C.D.E. with CC.
- DRG 198—Cholecystectomy Except by Laparoscope without C.D.E. without CC.

We believe that reassignment of the laparoscopic cases to DRGs 493 and 494 would improve clinical coherence and provide for more appropriate payment. Further, this change would allow the payment for the traditional, open cholecystectomies to reflect the resource use necessary only for those procedures.

In the course of our analysis, we noted some claims that included procedure codes for both a laparoscopic cholecystectomy (51.23) and an open cholecystectomy (51.22).

If a procedure is begun through the laparoscope and must be completed with an open procedure, the only code

[1] A single title combined with two DRG numbers is used to signify pairs. Generally, the first DRG is for cases with CC and the second is for cases without CC. If a third number is included, it represents cases of patients who are age 0–17. Occasionally, a pair of DRGs are split on age > 17 and age 0–17.

that should be included on the claim is the code for the open procedure. We are assuming that these claims did include an open procedure and, therefore, we believe the case should be assigned to DRGs 197 and 198. We would assign a claim to proposed DRGs 493 and 494 if the only cholecystectomy code in the claim is 51.23. Thus, coding the incomplete (or unsuccessful) closed procedure in addition to the open procedure will make no difference in assignment. However, we note that such double coding is incorrect.

4. Tracheostomy Procedures (DRGS 482 and 483)

Effective with discharges occurring on or after October 1, 1990, all cases in which a tracheostomy is performed are assigned to either DRG 482 (Tracheostomy with Mouth, Larynx or Pharynx Disorder) or DRG 483 (Tracheostomy Except for Mouth, Larynx or Pharynx Disorder). The specific mouth, larynx, and pharynx diagnosis codes that occasion a case to be assigned to DRG 482 were listed in Table 6k of section IV of the addendum to the September 4, 1990 final rule (55 FR 36139). These cases were grouped separately because we found they incurred significantly lower charges than did the other tracheostomy cases. Cases with a principal diagnosis of a mouth, larynx, or pharynx disorder are more likely to require a tracheostomy as a therapeutic measure related to the principal diagnosis rather than in response to respiratory failure requiring long-term ventilation.

It has been brought to our attention that several mouth, jaw, face, and neck diagnoses were not included on our original list of mouth, larynx and pharynx disorders. Since these diagnoses are clinically similar to those already on the list of diagnoses that cause assignment to DRG 482, we are proposing to add them to that list effective with discharges occurring on or after October 1, 1993. The specific diagnosis codes are as follows:

054.2 Herpetic gingivostomatitis
099.51 Other venereal diseases due to Chlamydia trachomatis of pharynx
112.0 Candidiasis of mouth
170.1 Malignant neoplasm of mandible
173.0 Malignant neoplasm of skin of lip
176.2 Kaposi's sarcoma of palate
228.00 Hemangioma of unspecified site
228.01 Hemangioma of skin and subcutaneous tissue
228.09 Hemangioma of other sites
246.2 Cyst of thyroid
465.0 Acute laryngopharyngitis
465.8 Acute upper respiratory infections of other multiple sites
465.9 Acute upper respiratory infections of unspecified site
519.0 Tracheostomy complication
519.1 Other diseases of trachea and bronchus, not elsewhere classified
682.1 Cellulitis and abscess of neck
749.00–749.04 Cleft palate
749.10–749.14 Cleft lip
749.20–749.25 Cleft palate with cleft lip
750.21 Absence of salivary gland
750.22 Accessory salivary gland
750.23 Atresia, salivary duct
750.24 Congenital fistula of salivary gland
802.20–802.29 Fracture of mandible, closed
802.30–802.39 Fracture of mandible, open
802.4 Fracture of malar and maxillary bones, closed
802.5 Fracture of malar and maxillary bones, open
802.6 Fracture of orbital floor (blow-out), closed
802.7 Fracture of orbital floor (blow-out), open
802.8 Fracture of other facial bones, closed
802.9 Fracture of other facial bones, open
830.0 Closed dislocation of jaw
830.1 Open dislocation of jaw
873.40 Open wound of face, unspecified site, without mention of complication
873.41 Open wound of cheek, without mention of complication
873.50 Open wound of face, unspecified site, complicated
873.51 Open wound of cheek, complicated
874.02 Open wound of trachea, without mention of complication
874.12 Open wound of trachea, complicated
874.8 Open wound of neck, without mention of complication, not otherwise specified
874.9 Open wound of neck, complicated, not otherwise specified
900.82 Injury to multiple blood vessels of head and neck
900.89 Injury to other specified blood vessels of head and neck, not elsewhere classified
900.9 Injury to unspecified blood vessel of head and neck
925.1 Crushing injury of face and scalp
925.2 Crushing injury of neck
959.0 Face and neck injury, not otherwise specified

We note that diagnosis codes 925.1 and 925.2 are new codes that will be effective October 1, 1993. They replace current code 925 (Crushing injury of face, scalp, and neck). See Tables 6a and 6c in section V of the addendum to this proposed rule.

We are also proposing to change the titles of DRGs 482 and 483 to describe more accurately the types of cases that are classified to them. The proposed titles are as follows:

- DRG 482 Tracheostomy for Face, Mouth and Neck Diagnoses
- DRG 483 Tracheostomy Except for Face, Mouth and Neck Diagnoses

5. Surgical Hierarchies

Some inpatient stays entail multiple surgical procedures, each one of which, occurring by itself, could result in assignment of the case to a different DRG within the MDC to which the principal diagnosis is assigned. It is, therefore, necessary to have a decision rule by which these cases are assigned to a single DRG. The surgical hierarchy, an ordering of surgical classes from most to least resource intensive, performs that function. Its application ensures that cases involving multiple surgical procedures are assigned to the DRG associated with the most resource-intensive surgical class.

Because the relative resource intensity of surgical classes can shift as a function of DRG reclassification and recalibration, we reviewed the surgical hierarchy of each MDC, as we have for previous reclassifications, to determine if the ordering of classes coincided with the intensity of resource utilization, as measured by the same billing data used to compute the DRG relative weights.

A surgical class can be composed of one or more DRGs. For example, in MDC 5, the surgical class "heart transplant" consists of a single DRG (DRG 103) and the class "coronary bypass" consists of two DRGs (DRGs 106 and 107). Consequently, in many cases, the surgical hierarchy has an impact on more than one DRG. The methodology for determining the most resource-intensive surgical class, therefore, involves weighting each DRG for frequency to determine the average resources for each surgical class. For example, assume surgical class A includes DRGs 1 and 2 and surgical class B includes DRGs 3, 4, and 5, and that the average charge of DRG 1 is higher than that of DRG 3, but the average charges of DRGs 4 and 5 are higher than the average charge of DRG 2. To determine whether surgical class A should be higher or lower than surgical class B in the surgical hierarchy, we would weight the average charge of each DRG by frequency (that is, by the number of cases in the DRG) to determine average resource consumption for the surgical class. The

surgical classes would then be ordered from the class with the highest average resource utilization to that with the lowest, with the exception of "other OR procedures" as discussed below.

This methodology may occasionally result in a case involving multiple procedures being assigned to the lower-weighted DRG (in the highest, most resource-intensive surgical class) of the available alternatives. However, given that the logic underlying the surgical hierarchy provides that the GROUPER searches for the procedure in the most resource-intensive surgical class, which may sometimes occur in cases involving multiple procedures, this result is unavoidable.

We would like to point out that, notwithstanding the foregoing discussion, there are a few instances where a surgical class with a lower average relative weight is ordered above a surgical class with a higher average relative weight. For example, the "other OR procedures" surgical class is uniformly ordered last in the surgical hierarchy of each MDC in which it occurs, regardless of the fact that the relative weight for the DRG or DRGs in that surgical class may be higher than that for other surgical classes in the MDC. The "other OR procedures" class is a group of procedures that are least likely to be related to the diagnoses in the MDC but are occasionally performed on patients with these diagnoses. Therefore, these procedures should only be considered if no other procedure more closely related to the diagnoses in the MDC has been performed.

A second example occurs when the difference between the average weights for two surgical classes is very small. We have found that small differences generally do not warrant reordering of the hierarchy since, by virtue of the hierarchy change, the relative weights are likely to shift such that the higher-ordered surgical class has a lower average weight than the class ordered below it.

Based on the preliminary recalibration of the DRGs, we are proposing to modify the surgical hierarchy as set forth below. As we stated in the September 1, 1989 final rule (54 FR 36457), we are unable to test the effects of the proposed revisions to the surgical hierarchy and to reflect these changes in the proposed relative weights due to the unavailability of revised GROUPER software at the time this proposed rule is prepared. Rather, we simulate most major classification changes to approximate the placement of cases under the proposed reclassification and then determine the average charge for each DRG. These average charges then serve as our best estimate of relative resource use for each surgical class. We test the proposed surgical hierarchy changes after the revised GROUPER is received and reflect the final changes in the DRG relative weights in the final rule. Further, as discussed below in section II.C of this preamble, we anticipate that the final recalibrated weights will be somewhat different from those proposed since they will be based on more complete data. Consequently, further revision of the hierarchy, using the above principles, may be necessary in the final rule.

At this time, we would revise the surgical hierarchy for MDC 3 (Diseases and Disorders of the Ear, Nose, Mouth and Throat) and MDC 9 (Diseases and Disorders of the Skin, Subcutaneous Tissue and Breast).

a. In MDC 3, we would reorder Myringotomy with Tube Insertion (DRGs 61 and 62) above Tonsil and Adenoid Procedure Except Tonsillectomy and/or Adenoidectomy Only (DRGs 57 and 58).

b. In MDC 9, we would reorder Skin, Subcutaneous Tissue and Breast Plastic Procedures (DRG 268) above Breast Procedures (DRGs 257, 258, 259, 260, 261, and 262).

6. Refinement of Complications and Comorbidities List

There is a standard list of diagnoses that are considered complications or comorbidities (CCs). This list was developed by physician panels to include those diagnoses that, when present as a secondary condition, would be considered a substantial complication or comorbidity. In preparing the original CC list, a substantial CC was defined as a condition that, because of its presence with a specific principal diagnosis, would increase the length of stay by at least 1 day for at least 75 percent of the patients.

In previous years, we have made changes to the standard list of CCs, either by adding new CCs or deleting CCs already on the list. For FY 1994, we are not proposing to make any changes to the current CC list.

In the September 1, 1987 final notice concerning changes to the DRG classification system (52 FR 33143), we modified the GROUPER logic so that certain diagnoses included on the standard list of CCs would not be considered a valid CC in combination with a particular principal diagnosis. Thus, we created the CC Exclusions List. We made these changes to preclude coding of closely related conditions, to preclude duplicative coding or inconsistent coding from being treated as CCs, and to ensure that cases are appropriately classified between the complicated and uncomplicated DRGs in a pair.

In the May 19, 1987 proposed notice concerning changes to the DRG classification system (52 FR 18877), we explained that the excluded secondary diagnoses were established using the following five principles:

- Chronic and acute manifestations of the same condition should not be considered CCs for one another (as subsequently corrected in the September 1, 1987 final notice (52 FR 33154)).
- Specific and nonspecific (that is, not otherwise specified (NOS)) diagnosis codes for a condition should not be considered CCs for one another.
- Conditions that may not co-exist, such as partial/total, unilateral/bilateral, obstructed/unobstructed, and benign/malignant, should not be considered CCs for one another.
- The same condition in anatomically proximal sites should not be considered CCs for one another.
- Closely related conditions should not be considered CCs for one another.

The creation of the CC Exclusions List was a major project involving hundreds of codes. The FY 1988 revisions were intended to be only a first step toward refinement of the CC list in that the criteria used for eliminating certain diagnoses from consideration as CCs were intended to identify only the most obvious diagnoses that should not be considered complications or comorbidities of another diagnosis. For that reason and in light of comments and questions on the CC list, we have continued to review the remaining CCs to identify additional exclusions and to remove diagnoses from the master list that have been shown not to meet the definition of a CC stated above, as appropriate. (See the September 30, 1988 final rule for the revision made for the discharges occurring in FY 1989 (53 FR 38485), the September 1, 1989 final rule for the revision made for discharges occurring in FY 1990 (54 FR 36552), the September 4, 1990 final rule for the revision made for discharges occurring in FY 1991 (55 FR 36126), the August 30, 1991 final rule for the revision made for discharges occurring in FY 1992 (56 FR 43209), and the September 1, 1992 final rule for the revisions made for discharges occurring in FY 1993 (57 FR 39753).)

We are proposing a limited revision of the CC Exclusions List to take into account the changes that will be made in the ICD–9–CM diagnosis coding system effective October 1, 1993. (See

section II.B.8, below, for a discussion of these changes.) These proposed changes are being made in accordance with the principles established when we created the CC Exclusions List in 1987.

Tables 6f and 6g in section V of the addendum to this proposed rule contain the proposed revisions to the CC Exclusions List that would be effective for discharges occurring on or after October 1, 1993. Each table shows the principal diagnoses with proposed changes to the excluded CCs. Each of these principal diagnoses is shown with an asterisk and the additions or deletions to the CC Exclusions List are provided in an indented column immediately following the affected principal diagnosis.

CCs that are added to the list are in Table 6f—Additions to the CC Exclusions List. Beginning with discharges on or after October 1, 1993, the indented diagnoses will not be recognized by the GROUPER as valid CCs for the asterisked principal diagnosis.

CCs that are deleted from the list are in Table 6g—Deletions from the CC Exclusions List. Beginning with discharges on or after October 1, 1993, the indented diagnoses will be recognized by the GROUPER as valid CCs for the asterisked principal diagnosis.

Copies of the original CC Exclusions List applicable to FY 1988 can be obtained from the National Technical Information Service (NTIS) of the Department of Commerce. It is available in hard copy for $73.00 and on microfiche for $19.00, plus $3.00 for shipping and handling. A request for the FY 1988 CC Exclusions List (which should include the identification accession number, (PB) 88–133970) should be made to the following address: National Technical Information Service; United States Department of Commerce; 5285 Port Royal Road, Springfield, Virginia 22161; or by calling (703) 487–4650.

Users should be aware of the fact that all revisions to the CC Exclusions List (FYs 1989, 1990, 1991, 1992 and 1993) and those in Tables 6f and 6g of this document must be incorporated into the list purchased from NTIS in order to obtain the CC Exclusions List applicable for discharges occurring on or after October 1, 1993.

Alternatively, the complete documentation of the GROUPER logic, including the current CC Exclusions List, is available from 3M/Health Information Systems (HIS), which, under contract with HCFA, is responsible for updating and maintaining the GROUPER program. The current DRG Definitions Manual, Version 10.0, is available for $195.00, which includes $15.00 for shipping and handling. Version 11.0 of this manual, which will include the changes proposed in this document as finalized in response to public comment, will be available in September 1993 for $195.00. These manuals may be obtained by writing 3M/HIS at: 100 Barnes Road; Wallingford, Connecticut 06492; or by calling (203) 949–0303.

Please specify the revision or revisions requested.

7. Review of Procedure Codes in DRGs 468, 476, and 477

Each year, we review cases assigned to DRG 468 (Extensive OR Procedure Unrelated to Principal Diagnosis), DRG 476 (Prostatic OR Procedure Unrelated to Principal Diagnosis), and DRG 477 (Nonextensive OR Procedure Unrelated to Principal Diagnosis) in order to determine whether procedures are properly assigned among these DRGs.

DRGs 468, 476, and 477 are reserved for those cases in which none of the OR procedures performed during a hospital inpatient stay is related to the principal diagnosis. These DRGs are intended to capture atypical cases, that is, those cases not occurring with sufficient frequency to represent a distinct, recognizable clinical group. DRG 476 is assigned to those discharges in which one or more of the following prostatic procedures are performed and are unrelated to the principal diagnosis:

60.0 Incision of prostate
60.12 Open biopsy of prostate
60.15 Biopsy of periprostatic tissue
60.18 Other diagnostic procedures on prostatic and periprostatic tissue
60.2 Transurethral prostatectomy
60.61 Local excision of lesion of prostate
60.69 Prostatectomy NEC
60.93 Repair of prostate
60.94 Control of (postoperative) hemorrhage of prostate
60.99 Other operations on prostate

All remaining OR procedures are assigned to DRGs 468 and 477, with DRG 477 assigned to those discharges in which the only procedures performed are nonextensive procedures that are unrelated to the principal diagnosis. The original list of the ICD–9–CM procedure codes for the procedures we consider nonextensive procedures if performed with an unrelated principal diagnosis was published in Table 6c in section IV of the addendum to the September 30, 1988 final rule (53 FR 38591). As part of the September 4, 1990, August 30, 1991, and September 1, 1992 final rules, we moved several other procedures from DRG 468 to 477. (See 55 FR 36135, 56 FR 43212, and 57 FR 23625, respectively.)

We annually conduct a review of procedures producing DRG 468 or 477 assignments on the basis of volume of cases in these DRGs with each procedure. Our medical consultants then identify those procedures occurring in conjunction with certain principal diagnoses with sufficient frequency to justify adding them to one of the surgical DRGs for the MDC in which the diagnosis falls. This year's review did not identify any necessary changes; therefore, we are not proposing to move any procedures from DRGs 468 or 477 to one of the surgical DRGs.

We also reviewed the list of procedures that produce assignments to each of DRG 468, 476, and 477 to ascertain if any of those procedures should be moved to one of the other DRGs based on average charges and length of stay. Generally, we move only those procedures for which we have an adequate number of discharges to analyze the data. Based on our review this year, we are proposing several moves.

We identified two prostatic procedures currently assigned to DRG 468 that, in terms of resource use, would be more appropriately classified in DRG 476. Therefore, we are proposing to assign the following prostatic procedures to DRG 476:

60.81 Incision of periprostatic tissue
60.82 Excision of periprostatic tissue

In reviewing the list of OR procedures that produce DRG 477 assignments, we analyzed the average charge and length of stay data for cases assigned to that DRG to identify those procedures that are more similar to the discharges that currently group to DRG 468. We discovered five procedures that are significantly more resource intensive than the other procedures assigned to DRG 477. Therefore, we are proposing to move the following procedures to the list of procedures that result in assignment to DRG 468:

20.49 Other mastoidectomy
39.32 Suture of vein
39.53 Repair of arteriovenous fistula
43.42 Local excision of other lesion or tissue of stomach
70.50 Repair of cystocele and rectocele

We conducted a similar analysis of the procedures that assign cases to DRG 468 to determine if any of those procedures might more appropriately be classified to DRG 477. Again, we analyzed charge and length of stay data to identify procedures that were more similar to discharges assigned to DRG 477 than to those classified in DRG 468.

Based on this analysis, we are proposing to move an extensive number of cases from DRG 468 to DRG 477. Several of the procedures that we propose to move are members of the same procedure code "families" that currently classify to DRG 477. In Table 6h in section V of the addendum to this proposed rule, we have listed the additional procedure codes that we would consider nonextensive procedures if performed with an unrelated principal diagnosis.

All of the proposed reassignments among DRGs 468, 476, and 477 would be effective with discharges beginning on or after October 1, 1993.

8. Changes to the ICD–9–CM Coding System

As discussed above in section II.B.1. of this preamble, the ICD–9–CM is a coding system that is used for the reporting of diagnoses and procedures performed on a patient. In September 1985, the ICD–9–CM Coordination and Maintenance Committee was formed. This is a Federal interdepartmental committee charged with the mission of maintaining and updating the ICD–9–CM. This includes approving coding changes, and developing errata, addenda, and other modifications to the ICD–9–CM to reflect newly developed procedures and technologies and newly identified diseases. The Committee is also responsible for promoting the use of Federal and non-Federal educational programs and other communication techniques with a view toward standardizing coding applications and upgrading the quality of the classification system.

The Committee is co-chaired by the National Center for Health Statistics (NCHS) and HCFA. The NCHS has lead responsibility for the ICD–9–CM diagnosis codes included in Volume 1—Diseases: Tabular List and Volume 2—Diseases: Alphabetic Index, while HCFA has lead responsibility for the ICD–9–CM procedure codes included in Volume 3—Procedures: Tabular List and Alphabetic Index.

The Committee encourages participation in the above process by health-related organizations. In this regard, the Committee holds public meetings for discussion of educational issues and proposed coding changes. These meetings provide an opportunity for representatives of recognized organizations in the coding fields, such as the American Health Information Management Association (AHIMA) (formerly American Medical Record Association (AMRA)), the American Hospital Association (AHA), and various physician specialty groups as well as physicians, medical record administrators, health information management professionals, and other members of the public to contribute ideas on coding matters. After considering the opinions expressed at the public meetings and in writing, the Committee formulates recommendations, which then must be approved by the agencies.

The Committee presented proposals for coding changes at public meetings held on May 7, August 4, and December 3, 1992, and finalized the coding changes after consideration of comments received at the meetings and in writing within 30 days following the December 1992 meeting. The initial meeting for consideration of coding issues for implementation in FY 1994 was held on May 6 and 7, 1993. Copies of the minutes of these meetings may be obtained by writing to the co-chairpersons representing NCHS and HCFA. We encourage commenters to address suggestions on coding issues involving diagnosis codes to: Sue Meads, Co-Chairperson; ICD–9–CM Coordination and Maintenance Committee; NCHS; Rm. 9–58; 6525 Belcrest Road; Hyattsville, Maryland 20782.

Questions and comments concerning the procedure codes should be addressed to: Patricia E. Brooks, Co-Chairperson; ICD–9–CM Coordination and Maintenance Committee; HCFA, Office of Coverage and Eligibility Policy; rm. 401 East High Rise Building; 6325 Security Boulevard; Baltimore, Maryland 21207.

The ICD–9–CM code changes that have been approved will become effective October 1, 1993. The new ICD–9–CM codes are listed, along with their proposed DRG classifications, in Tables 6a and 6b (New Diagnosis Codes and New Procedure Codes, respectively) in section IV of the addendum to this proposed rule. As we stated above, the code numbers and their titles were presented for public comment in the ICD–9–CM Coordination and Maintenance Committee meetings. Both oral and written comments were considered before the codes were approved. Therefore, we are soliciting comments only on the proposed DRG classification.

Further, the Committee has approved the expansion of certain ICD–9–CM codes to require an additional digit for valid code assignment. Diagnosis codes that have been replaced by expanded codes or have been deleted are in Table 6c (Invalid Diagnosis Codes). The invalid diagnosis codes will not be recognized by the GROUPER beginning with discharges occurring on or after October 1, 1993. The corresponding new expanded codes are included in Tables 6a and 6b. Revisions to diagnosis and procedure code titles are in Tables 6d (Revised Diagnosis Code Titles) and 6e (Revised Procedure Code Titles), which also include the proposed DRG assignments for these revised codes.

Throughout the year, we receive many requests from hospitals, doctors, and others for advice on the correct coding of hospital inpatient claims. Often, this request follows a change in coding made by a Peer Review Organization (PRO) during a DRG validation review. We would like to reiterate the responsibilities and authority of the PRO concerning correct coding as well as HCFA's role in the process of issuing coding advice.

Among the many duties of the PROs is responsibility for validating the accuracy of coded data on hospital bills for Medicare beneficiaries. The PROs verify that the ICD–9–CM codes on the bill accurately represent the principal and secondary diagnoses and procedures reported for Medicare patients. The PROs retain the ultimate authority for coding decisions and DRG validation concerning individual claims of these patients. The PROs should follow any official coding advice they have received from HCFA through the regional offices.

Because of the rapidly changing nature of medical technology, as well as accurate coding and sequencing of discharge diagnoses, PROs occasionally have questions concerning coding policy. The PROs forward their questions to HCFA central office through their regional offices. After consulting with AHIMA and AHA, and obtaining clearance from NCHS, HCFA sends its response to the regional office that made the request. Copies are also sent to all other regional offices to share the information with PROs in their areas. Additional copies are sent to the SuperPRO, NCHS, AHA, and AHIMA for further dissemination.

The effective date of implementation of the coding advice will be the date of the response. Approved final coding policy sent as instructions to the PROs supersedes any previously printed coding advice. In disputes about correct coding, final decisions by HCFA and NCHS will prevail.

Since any correspondence concerning HCFA's coding instructions to the PROs is in the public domain, that correspondence may be reprinted in any trade publication. For example, AHIMA has published these responses in their Journal of AHIMA on a regular basis. We encourage widespread dissemination of this official advice to

assure greater consistency in coding practices for Medicare claims.

9. Other Issues

a. DRG refinements. For several years, we have been analyzing major refinements to the DRG classification system to compensate hospitals more equitably for treating severely ill Medicare patients. These refinements, generally referred to as severity of illness adjustments, would be based on using certain complications and comorbidities (CCs) to create DRGs specifically for very ill patients who consume far more resources than do other patients classified to the same DRGs in the current system. This approach has been taken by various other groups in refining the DRG system, most notably the research done for Yale and the changes incorporated by the State of New York into its all-payer DRG system.

Our preliminary work on these refinements is almost finished, and we intend to begin consultation with interested organizations sometime this summer. Our plan is to incorporate comments and suggestions we receive and to consider proposing the complete system as part of the FY 1995 prospective payment system proposed rule, which will be published in the spring of 1994. However, as the final rule published on September 1, 1992 (57 FR 39761) suggests, we would not propose to make significant changes to the DRG classification system unless we are able either to improve our ability to predict coding changes by validating in advance the impact that potential DRG changes may have on coding behavior, or to make methodological changes to prevent building the inflationary effects of the coding changes into future program payments.

Besides the mandate of section 1886(d)(4)(C)(iii) of the Act, which provides that aggregate payments may not be affected by DRG reclassification and recalibration changes, we do not believe it is prudent policy to make changes for which we cannot predict the effect on the case-mix index and, thus, payments. Our goal is to refine our methodology so that we can fulfill, in the most appropriate manner, both the statutory requirement to make appropriate DRG classification changes and to recalibrate DRG relative weights (as mandated by section 1886(d)(4)(C) of the Act) as well as to make DRG changes in a budget neutral manner.

In addition to the severity changes, we also intend to improve the classification and relative weights of the DRGs that apply to newborns, children, and maternity patients. The Medicare population does not include many of these individuals. The original DRG classification system was developed from analysis of claims data representative of the total inpatient population. When we calculated the original Medicare weights for the DRGs to which newborn, children and maternity patients are classified, we used non-MedPAR discharge records from Maryland and Michigan hospitals because there were either no MedPAR cases or too few cases assigned to these DRGs to provide a reasonably precise estimate of the average cost of care. (See the September 1, 1983 prospective payment final rule with comment period (48 FR 39768).) Since that time, because of the lack of MedPAR data, these low-volume DRGs have not been analyzed and refined, and the relative weights assigned to them may no longer be entirely reflective of the resources needed to treat the patients. We again intend to rely on data bases outside the MedPAR file to supplement our data.

b. Mechanical ventilation. Over the past several years, based on comments we have received, we have made several changes to the DRG classification system in order to recognize the higher costs of patients who require mechanical ventilation. Also, the ICD–9–CM procedure codes for mechanical ventilation and related procedures have undergone several revisions to better identify these patients.

Beginning with discharges occurring on or after October 1, 1987 (FY 1988), a new DRG was created for patients on mechanical ventilation in MDC 4 (Diseases and Disorders of the Respiratory System) (52 FR 33146, September 1, 1987). Those patients assigned to a medical DRG in MDC 4 who also receive mechanical ventilation (procedure code 93.92 (Other mechanical assistance to respiration)) through insertion of an endotracheal tube (procedure code 96.04) were assigned to new DRG 475 (Respiratory System Diagnosis with Ventilator Support). At the same time, we created a new DRG 474 (Respiratory System Diagnosis with Tracheostomy) for those patients in MDC 4 who receive a tracheostomy (procedure codes 31.1, 31.21, and 31.29).

Effective October 1, 1988 (FY 1989), procedure code 93.92 was revised to "Other mechanical ventilation" and a new code 93.90 was created for continuous positive airway pressure (CPAP), which had previously been included in procedure code 93.92. The classification rules for DRG 475 were revised to incorporate this coding change so that medical cases in MDC 4 with both procedure codes 96.04 and 93.92 or 93.90 would be assigned to that DRG (53 FR 38591, September 30, 1988).

The DRG classification for mechanical ventilation patients assigned to DRG 475 was again revised effective with discharges beginning on or after October 1, 1989 to address the problem that hospitals were experiencing with patients on mechanical ventilation who had been intubated before being admitted to the hospital (54 FR 36454, September 1, 1989). With this change, the intubation code (96.04) would no longer be required for assignment to DRG 475. Thus, the only procedure code necessary for assignment to DRG 475 would be the mechanical ventilation (code 93.92). The new classification allowed mechanical ventilation patients who had been intubated or had a tracheostomy performed elsewhere to be assigned to DRG 475 in the receiving hospital (when the patient has no tracheostomy or surgical procedure performed during the hospital stay and has a principal diagnosis in MDC 4).

As a part of the FY 1991 changes to the DRG classification system, we created two new DRGs for patients who receive a tracheostomy during their inpatient stay. Cases are assigned to these DRGs based on the presence of a tracheostomy procedure code before they are assigned by diagnosis to an MDC (55 FR 36015, September 4, 1990). As noted above, before this change, a tracheostomy case was assigned to DRG 474 only if the principal diagnosis was assigned to MDC 4. In response to that revision, we received many comments requesting that we make a similar expansion for the mechanical ventilation DRG. One of the problems we foresaw with such an expansion was distinguishing between patients who received short-term ventilator assistance from those who require long-term ventilation. Clearly, the latter group would consume far more resources than the former. However, the procedure codes in place at the time merely denoted that there was mechanical ventilation and not its duration. We stated that we would continue to analyze this issue.

In an attempt to complete that analysis, effective with discharges occurring on or after October 1, 1991, procedure code 93.92 was replaced with three new codes that denote time spent on mechanical ventilation. These new codes are: 96.70 (Continuous mechanical ventilation of unspecified duration), 96.71 (Continuous mechanical ventilation for less than 96 consecutive hours), and 96.72 (Continuous mechanical ventilation for 96 consecutive hours or more) (56 FR 43298; August 30, 1991).

The first full year of data using these new codes (FY 1992) has now become available for analysis. (The FY 1992 data are used to propose changes to the FY 1994 DRG classification and relative weights.) We analyzed the mechanical ventilation cases in a 10 percent sample of the FY 1992 cases posted to the MedPAR file as of September 30, 1992. We determined the average charge and length of stay (LOS) for these cases by procedure code and by MDC, looking separately at surgical and medical cases. We believe that it is important to separate the medical and surgical cases because patients who are undergoing surgery are often routinely intubated and receive mechanical ventilation during the procedure and for a short period of time thereafter. The following table shows the results based on the 10 percent sample.

Procedure code	Duration of continuous ventilation	Type	No. of cases	Average charge ($)	Average LOS (days)
96.70	Unspecified	medical	353	24,474	11.9
		surgical	77	60,864	27.3
96.71	<96 hours	medical	10,657	17,584	8.8
		surgical	2,500	33,967	14.9
96.72	>96 hours	medical	5,207	43,981	19.1
		surgical	2,081	91,566	38.1

Since our preliminary analysis of the 10 percent sample strongly suggests that there may be a need for further refinement of these mechanical ventilation cases, especially those with long-term ventilation, we intend to analyze alternative approaches using the complete MedPAR data. We believe that changes to the DRG classification system that might require modification of the basic DRG logic, such as would be required to address mechanical ventilation cases outside the usual MDC structure, similar to tracheostomies, should be considered in conjunction with DRG refinements to account for severity of illness differences. Depending on the classification structure that emerges from the refinement activity, it could be possible to address the mechanical ventilation cases within the basic structure of the revised classification system by, for example, grouping such cases with other high resource cases within the existing DRGs (or group of DRGs). On the other hand, we might need to establish new DRGs exclusive to mechanical ventilation to which cases would be assigned on the basis of procedure codes rather than first assigning them to an MDC based on the principal diagnosis. Therefore, we will complete our analysis of the mechanical ventilation cases and consider the appropriate placement of these cases as a part of the larger DRG refinement work.

c. DRG 209 (major joint and limb reattachment procedures of lower extremity). In an effort to address concerns regarding the resources required for cases involving major joint replacements of the lower extremity, we have been analyzing these cases over the past few years to determine whether or not alternate DRG classifications would improve clinical coherence and better relate a hospital's patient mix to its resource demands.

Effective with discharges beginning on or after October 1, 1989 (FY 1990), the ICD–9–CM procedure codes were revised to differentiate between initial joint replacements and revisions of joint replacements, and no longer differentiated between joint replacements that used methacrylate cement and those that did not (54 FR 36466 and 36549, September 1, 1989).

The data on these codes for joint replacements and revisions of joint replacements became available for analysis of DRG changes for FY 1992 as set forth in the September 4, 1990 final rule. Our analysis showed that although the revision of hip replacement cases are more expensive than the initial hip replacement cases assigned to DRG 209 (Major Joint and Limb Reattachment Procedures), the difference was not enough to justify reclassifying the revision cases (56 FR 43205). However, the analysis did indicate that separating the procedures of the upper extremity and procedures of the lower extremity would improve the DRG classification. Therefore, the upper extremity procedures were removed from DRG 209 and assigned to a new DRG 491 (Major Joint and Limb Reattachment Procedures of Upper Extremity), and the title of DRG 209 was revised to "Major Joint and Limb Reattachment Procedures of Lower Extremity."

In the September 1, 1992 final rule, we again addressed the classification of cases to DRG 209. In that rule, we analyzed the assignment of major limb reattachment procedures. Although we made no change to the DRG 209 assignments, we received comments that we should address major joint replacements of the lower extremity that involve infection or mechanical complications. The commenters stated that these cases are extremely resource intensive and, because a small number of specialty hospitals treat a disproportionate number of these cases, the hospitals are being systematically underpaid under the current DRG 209. In response, we stated that we would evaluate this issue as a part of our FY 1994 DRG analysis (57 FR 39751).

We analyzed DRG 209 cases with a principal diagnosis of infection or a principal diagnosis of mechanical or other complication. The diagnoses used in this analysis are listed below:

Infection diagnoses:

711.05 Pyogenic arthritis of the pelvic region and thigh
711.06 Pyogenic arthritis of the lower leg
711.07 Pyogenic arthritis of the ankle and foot
996.66 Infection and inflammatory reaction due to internal joint prosthesis
996.67 Infection and inflammatory reaction due to other internal orthopedic device, implant, and graft

Complication (mechanical or other) diagnoses:

733.1 Pathological fracture
996.4 Mechanical complication of internal orthopedic device, implant, and graft
996.77 Other complications due to internal joint prosthesis
996.78 Other complications due to internal orthopedic device, implant, and graft

We analyzed the average standardized charges and average length of stay for DRG 209 cases with a principal diagnosis of infection or mechanical or other complication and for cases without such principal diagnoses. We found that approximately 10 percent of the total DRG 209 cases have one of the infection or complication diagnoses as principal. However, the average charge and length of stay for those cases is only

slightly higher than that for all cases. In addition, the differences are well within one standard deviation of the average charge. Therefore, we are not proposing any changes to the classification of cases in DRG 209.

d. Epilepsy. Effective October 1, 1989, the diagnosis codes identifying epilepsy were modified to distinguish between intractable and nonintractable epilepsy. In addition, we added two new procedure codes to identify special procedures typically performed in the diagnosis and treatment of intractable epilepsy. Since the data on claims using these codes became available, we have conducted analyses to determine if the resource requirements of patients with intractable epilepsy differ from those required for all other epilepsy patients. (See the August 30, 1991 final rule (56 FR 43215) and the September 1, 1992 final rule (57 FR 39810).) As a result of these previous analyses, we concluded that, although intractable epilepsy patients have higher charges than do patients with nonintractable epilepsy, these differences are not significant enough to warrant any DRG classification change.

This year, we have continued to monitor the resources that prospective payment hospitals use in treating epilepsy patients. Our most recent analysis, based on FY 1992 MedPAR data, identified 21,684 discharges with a principal diagnosis of epilepsy in DRGs 24, 25, and 26 (Seizure and Headache). These patients represent 29 percent of all patients assigned to these DRGs, which is the same percentage as in last year's analysis using FY 1991 MedPAR data. Intractable epilepsy patients account for less than 4 percent of the DRGs' total discharges, which is also similar to the FY 1991 data.

Our most recent analysis resulted in findings comparable to previous analyses; that is, the intractable epilepsy cases incur higher average charges ($8,524) than the nonintractable cases ($6,958). These charges compare to average charges of $7,303 for all cases assigned to DRG 24, 25, and 26. For all three DRGs, the average charge incurred by patients with intractable epilepsy remains higher than the average charge for nonintractable epilepsy patients and the average charge of each of the DRGs overall. However, this difference is well within the variation in charges above and below the average charge.

We also analyzed the average charge for those epilepsy patients who received video and radio-telemetered electroencephalographic monitoring (procedure code 89.19) and intracarotid amobarbital testing (procedure code 89.10). These are the special tests performed in the diagnosis and treatment of intractable epilepsy patients. The results of our analysis show that both intractable and nonintractable patients receive these services. For procedure code 89.10, the average charge for patients receiving this service is below the average charge for each of the DRGs and for both intractable and nonintractable cases. When procedure code 89.19 is present, the average charge is higher than the average charge for DRGs 24 and 25, but below the average charge for all intractable patients in DRGs 24 and 26. However, with less than 1 percent of the total epilepsy cases reporting 89.10 and only 1.6 percent reporting 89.19, we do not believe there is sufficient data to support a definitive statement regarding the impact on charges as a result of using of these procedures. Psychological services, another frequently cited service for intractable patients, were reported with even less frequency, with only six cases (an increase from the two cases in our previous analysis).

Provider-level analysis identified 975 hospitals treating intractable epilepsy patients. There were 844 hospitals treating fewer than 5 cases, 83 hospitals with 5 to 10 cases each, and 48 with 10 or more cases. The average charges for these hospitals follow a normal distribution, with some incurring average charges above and some below the average charge for all cases. We note that, of the 17 hospitals with 20 or more intractable epilepsy discharges, 13 (76 percent) had a lower average charge for those cases than the average charge for all hospitals. Contrary to the assertions of high-volume epilepsy treatment centers, our analysis leads us to conclude that these hospitals may not be as disadvantaged by the current classification as other hospitals might be.

In conclusion, our analysis of both intractable and nonintractable epilepsy cases using FY 1992 MedPAR data confirms our prior conclusion that, although intractable epilepsy patients, particularly those with video-telemetered monitoring, do incur higher charges than patients without intractable epilepsy or telemetry, these differences are not currently of significant magnitude to justify a new DRG or other modification to the existing DRGs for these cases. We note, as we have in the past, that without accurate coding for the intensive services required for diagnosis and treatment of these patients, we cannot document consistent and reliable differences between patients receiving neurodiagnostic services and those not using these services. Given the low volume of patients, the minimal differences in average charges between intractable epilepsy cases and those of the DRG overall, the distribution of cases across a large number of hospitals, and the inconsistencies in charges between high-volume and other hospitals, we find there is insufficient evidence to justify a DRG modification at this time.

C. Recalibration of DRG Weights

We are proposing to use the same basic methodology for the FY 1994 recalibration as we did for FY 1993. (See the September 1, 1992 final rule (57 FR 39758).) That is, we would recalibrate the weights based on charge data for Medicare discharges. However, we would use the most current charge information available, the FY 1992 MedPAR file, rather than the FY 1991 MedPAR file. The MedPAR file is based on fully-coded diagnostic and surgical procedure data for all Medicare inpatient hospital bills.

The proposed recalibrated DRG relative weights are constructed from FY 1992 MedPAR data, received by HCFA through December 1992, from all hospitals subject to the prospective payment system and short-term acute care hospitals in waiver States. The FY 1992 MedPAR file includes data for approximately 10.6 million Medicare discharges.

The methodology used to calculate the proposed DRG relative weights from the FY 1992 MedPAR file is as follows:

- All the claims were regrouped using the proposed DRG classification revisions discussed above in section II.B of this preamble.
- Charges were standardized to remove the effects of differences in area wage levels, indirect medical education costs, disproportionate share payments, and, for hospitals in Alaska and Hawaii, the applicable cost-of-living adjustment.
- The average standardized charge per DRG was calculated by summing the standardized charges for all cases in the DRG and dividing that amount by the number of cases classified in the DRG.
- We then eliminated statistical outliers using the same criterion as was used in computing the current weights. That is, all cases outside of 3.0 standard deviations from the mean of the log distribution of charges per case for each DRG were eliminated.
- The average charge for each DRG was then recomputed (excluding the statistical outliers) and divided by the national average standardized charge per case to determine the relative weight.
- We established the relative weight for heart transplants (DRG 103) in a

manner consistent with the methodology for all other DRGs except that the heart transplant cases that were used to establish the weight were limited to those Medicare-approved heart transplant centers that have cases in the FY 1992 MedPAR file. Similarly, we limited the liver transplant cases that were used to establish the weight for DRG 480 (Liver Transplant) to those hospitals that are Medicare-approved liver transplant centers.

• Acquisition costs for kidney, heart, and liver transplants continue to be paid on a reasonable cost basis. Unlike other excluded costs, the acquisition costs are concentrated in specific DRGs (DRG 302 (Kidney Transplant); DRG 103 (Heart Transplant); and DRG 480 (Liver Transplant)). Because these costs are paid separately from the prospective payment rate, it is necessary to make an adjustment to prevent the relative weights for these DRGs from including the effect of the acquisition costs. Therefore, we subtracted the acquisition charges from the total charges on each transplant bill that showed acquisition charges prior to computing the average charge for the DRG and prior to eliminating statistical outliers.

When we recalibrated the DRG weights for previous years, we set a threshold of 10 cases as the minimum number of cases required to compute a reasonable weight. In the FY 1991 MedPAR data used to establish the FY 1993 weights, there were 37 DRGs that contained fewer than 10 cases. We propose to use that same case threshold in recalibrating the DRG weights for FY 1994. Using the FY 1992 MedPAR data set, there are 36 DRGs that contain fewer than 10 cases. We computed the weight for the 36 low-volume DRGs by adjusting the original weights of these DRGs by the percentage change in the average weight of the cases in the remaining DRGs.

The weights developed according to the methodology described above, using the proposed DRG classification changes, result in an average case weight that is different from the average case weight before recalibration. Therefore, the new weights are normalized by an adjustment factor, so that the average case weight after recalibration is equal to the average case weight prior to recalibration. This adjustment is intended to ensure that recalibration by itself neither increases nor decreases total payments under the prospective payment system.

Section 1886(d)(4)(C)(iii) of the Act requires that reclassification and recalibration changes beginning with FY 1991 be made in a manner that assures that the aggregate payments are neither greater than nor less than the aggregate payments that would have been made without the changes. We interpret section 1886(d)(4)(C)(iii) of the Act to require that we ensure that the FY 1994 reclassification and recalibration changes do not affect aggregate payments. Although normalization is intended to achieve this effect, equating the average case weight after recalibration to the average case weight before recalibration does not necessarily achieve budget neutrality with respect to aggregate payments to hospitals because payment to hospitals is affected by factors other than average case weight. Therefore, as discussed in section II.A.4.b. of the Addendum to this proposed rule, we are proposing to make a budget neutrality adjustment to assure the requirement of section 1886(d)(4)(C)(iii) of the Act is met.

III. Proposed Changes to Hospital Labor Market Areas and the Wage Index

A. Background

Under the Medicare prospective payment system, different payment rates are calculated for hospitals located in rural, urban, and large urban areas. For purposes of the standardized payment amount, section 1886(d)(2)(D) of the Social Security Act requires that we use Metropolitan Statistical Areas (MSAs) as defined by the Office of Management and Budget (OMB) to determine whether hospitals are located in rural, urban or large urban areas (areas with a population over 1 million).

Section 1886(d)(3)(E) of the Act requires that, as part of the methodology for determining prospective payments to hospitals, the Secretary shall adjust the urban and rural standardized amounts "for area differences in hospital wage levels by a factor (established by the Secretary) reflecting the relative hospital wage level in the geographic area of the hospital compared to the national average hospital wage level." In accordance with the broad discretion conferred by this provision, we have defined hospital labor market areas based on the definitions of MSAs issued by OMB. Additionally, as discussed below, we adjust the wage index to take into account the geographic reclassification of hospitals in accordance with sections 1886(d)(8)(B) and 1886(d)(10) of the Act.

For determining prospective payments to hospitals in FY 1993, the wage index is 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. The current wage index includes wages and salaries paid by a hospital, home office salaries, and fringe benefits. In addition, the current computation for the wage index excludes salaries associated with non-hospital type services, such as skilled nursing facility or home health agency services.

We are proposing several changes in the hospital wage index that would be used to determine the prospective payments to hospitals in FY 1994. Most significantly, we are proposing to implement new labor market areas based on OMB's revised MSA definitions pursuant to our broad discretion under section 1886(d)(3)(E) of the Act to define labor market areas and implementing regulations at §§ 412.63 (b) and (p). Additionally, we are using updated wage data to construct the wage index as required by section 1886(d)(3)(E) of the Act. Proposed changes to the labor market areas and to the hospital wage data are discussed in detail below.

B. Revised Labor Market Areas

1. Implementation of New MSA Definitions Based on 1990 Census Data

In the August 30, 1991 final rule (56 FR 43202), we indicated that OMB expected to issue revised MSA definitions based on 1990 census data in June 1992. We had anticipated implementing the new MSA definitions in the FY 1993 final rule. However, because of significant delays in obtaining the necessary data from the Bureau of the Census, OMB was unable to publish the revised MSA definitions by June 30, 1992. In the September 1, 1992 final rule (57 FR 39768), we stated that we would implement the revised MSA definitions based on 1990 census data in FY 1994. On December 28, 1992, OMB announced revised MSAs based on 1990 census data. Therefore, in accordance with § 412.63(b)(4), which provides that we adopt any revisions to the MSAs for payment purposes on the October 1 following the effective date of the change, we plan to adopt the revised MSAs on October 1, 1993. Table 4a of the wage index tables in the addendum to the proposed rule lists the MSAs and their member counties as set forth in OMB's announcement. If OMB announces further revisions in the MSA definitions by June 30, 1993, we would reflect these revisions in the final rule.

2. Reclassification Issues Related to New MSAs

The new MSA definitions have considerable effect on geographic redesignations of hospitals under both sections 1886(d)(8)(B) and 1886(d)(10) of the Act. Section 1886(d)(8)(B) of the

Act provides that, if certain conditions are met, the Secretary treats a hospital located in a rural county adjacent to one or more urban areas as being located in the urban area to which the greatest number of workers in the county commute, if the rural county would otherwise be considered part of an urban area under the standards for designating MSAs (and NECMAs) published in the **Federal Register** on January 3, 1980 (45 FR 956). Section 1886(d)(10) of the Act provided for the creation of the Medicare Geographic Classification Review Board (MGCRB). Guidelines concerning the criteria and conditions for hospital reclassification are located at §§ 412.230 through 412.236. Under the guidelines, hospitals may be reclassified individually for purposes of their wage index or standardized amount or both. Hospitals may also be reclassified as a group for purposes of both their wage index and standardized amount, but not solely for one of these measures. Section 1886(d)(8)(D) of the Act requires that additional payments to redesignated hospitals be financed through a budget neutrality adjustment to the urban standardized amount.

As previously noted, section 1886(d)(3)(E) directs the Secretary to make an adjustment to the prospective payment system standardized amounts "by a factor (established by the Secretary) reflecting the relative hospital wage level in the geographic area of the hospital compared to the national average hospital wage level." Thus, we calculate a hospital wage index based on hospital wages in each hospital's labor market area. Pursuant to the broad discretion conferred by the statute, we have defined hospital labor market areas on the basis of MSAs since the inception of the prospective payment system. Sections 1886(d)(2)(D) and (d)(3)(D) of the Act also require us to use MSAs for purposes of the standardized amount. In addition, sections 1886(d)(8) and 1886(d)(10) of the Act (which provide for the geographic reclassification of hospitals) refer to MSAs as part of the geographic classification scheme.

In the FY 1993 final rule (57 FR 39779) we explained that, because OMB was not expected to publish revised MSA definitions until after hospitals had already submitted their applications for geographic reclassification for FY 1994, hospitals should base their applications on the current MSA definitions, and the MGCRB decisions issued during FY 1993 would be based on the MSA definitions used for prospective payment purposes in FY 1993. We also explained that in constructing the FY 1994 wage index, we would group hospitals into their appropriate labor market areas based on the revised MSA definitions. We stated that we would provide a detailed discussion in the FY 1994 proposed rule of our proposed policies for determining where reclassified hospitals should be assigned. In addition, we noted that as provided in § 412.273(a)(2), a hospital would have 45 days from the date the FY 1994 proposed rule is published to withdraw its application for reclassification if the hospital determines that such reclassification would not be advantageous in light of the revised wage data or new labor market areas.

For purposes of applying the wage index and standardized amounts for FY 1994, we are proposing to implement the new MSA designations announced by the Office of Management and Budget (OMB) on December 28, 1992. Examples of OMB's changes to the MSAs are: (1) Additions or deletions of counties in existing MSAs; (2) newly established or eliminated MSAs; (3) mergers of existing MSAs; and (4) MSA title changes (which do not affect Medicare payments).

Implementation of these new MSA designations for FY 1994 must be reconciled with MGCRB reclassification decisions effective for the same fiscal year. As indicated above, the MGCRB decisions that would be effective in FY 1994 are based on the old MSA definitions. Under the revised MSA definitions, many reclassified hospitals are located in counties whose geographic assignments have now changed, and other hospitals have been reclassified to areas that have different boundaries under the new MSA definitions. For example, a hospital that was reclassified to another area by the MGCRB may also have been added to that area under the new MSA designations.

No existing statutes or regulations address how to effectuate MGCRB decisions for a particular fiscal year in light of changes to labor market areas for that same year. However, we believe that in reconciling the two processes, we must balance our obligation to implement the reclassifications prescribed by the MGCRB's decisions with our duty to implement the new changes to labor market areas in as uniform a manner as possible. Thus, we believe that when a hospital has been reclassified based on the old MSA definitions, payment to that hospital should be based on the new MSA definition most compatible with the reclassification decision. Our goal is to provide reclassified hospitals the benefit of their reclassification decisions for FY 1994 while ensuring that all hospitals under the prospective payment system will receive payments based on the new MSAs. In applying these principles, we propose to assign hospitals to the revised labor market area that includes most or all of the counties that comprise the labor market area to which the hospital was reclassified by the MGCRB based on current labor market area definitions. We propose to modify the effect of the MGCRB's decisions only in those cases where the new MSA designations would preclude our implementing, in a rational manner, reclassification decisions based on the current MSA assignments.

The need for such reconciliation between MGCRB decisions and implementation of new labor market areas is inherent in the statutory scheme. Under this scheme, a hospital must apply for reclassification at least 1 year prior to the fiscal year for which the reclassification is effective. Thus, a hospital seeking reclassification for FY 1994 had to apply by October 1, 1992. Moreover, the MGCRB had to issue the decision on that application by March 30, 1993 based on the MSA designations in effect when the application was filed. Meanwhile, any changes necessary as a result of new labor market areas (in this case, the implementation of new MSAs) must be implemented in the rulemaking process during the fiscal year prior to the fiscal year for which the changes would apply. Thus, since the rulemaking process and MGCRB adjudications for a particular fiscal year take place simultaneously, we believe it is both reasonable and necessary to reconcile the two processes using the new MSA changes as a framework for effectuating the MGCRB decisions.

Also, we note that the effect of a reclassification decision is not limited to determining which area's wage index a hospital receives. Pursuant to sections 1886 (d)(8)(C) and (d)(8)(D) of the Act, a reclassification decision also affects the calculation of the wage index and the size of the budget neutrality adjustment. Thus, the distinction between whether a hospital is considered to be reclassified to another area pursuant to an MGCRB decision, or is considered as part of that area under the new MSA designations, affects the calculation of payment amounts.

Section 1886(d)(8)(C) (i) and (ii) of the Act calls for certain adjustments to the wage index calculation only if "the application of subparagraph (B) or a decision of the Medicare Geographic Classification Review Board or the Secretary under paragraph (10), *by treating hospitals located in an urban*

area, or by treating hospitals located in one urban area as being located in another area" (emphasis added) results in certain specified effects. However, if a hospital has been added to an MSA under the new MSA designations, it is not necessary to "treat" the hospital as being located in that MSA pursuant to an MGCRB decision. Thus, with respect to wage index reclassifications, we propose to apply the provisions of section 1886(d)(8)(C) of the Act only in those situations where a hospital is deemed to be part of a particular geographic area solely because it has been reclassified under section 1886 (d)(8) or (d)(10) of the Act. Similarly, the budget neutrality adjustment provided under section 1886(d)(8)(D) would only account for payments to hospitals whose geographic location has changed solely because of the reclassification provisions.

In light of the considerations discussed above, where MSA changes have occurred, we are proposing to apply the new MSA definitions to reclassified hospitals as follows:

- One hundred fifteen hospitals reclassified by the MGCRB are located in counties that have been incorporated, under the new MSAs, into the area to which the hospitals were approved for reclassification. As a result of the new MSA definitions, hospitals in this situation will already be located in the area to which they were granted reclassification. Thus, pursuant to sections 1886(d)(8) (C) and (D) of the Act, the reclassifications granted by the MGCRB to these hospitals have no effect on the wage index and the budget neutrality adjustment required under section 1886(d)(8)(D) of the Act. For example, some hospitals located in the former Aurora-Elgin, Illinois MSA were granted reclassification to the Chicago, Illinois MSA. Since the Aurora-Elgin, Illinois MSA has been incorporated into the Chicago, Illinois MSA under the new definitions, these hospitals would be paid by virtue of this change based on the payment rates applicable to the Chicago MSA and their wage data would be reflected in the wage index for the Chicago MSA.
- If a county is incorporated into a new area under the revised MSA definitions and a hospital in that county has been granted reclassification into a different area by the MGCRB, we propose to implement the reclassifications as approved by the MGCRB or the Administrator. As of March 31, 1993, we had identified 25 reclassified hospitals for which this situation occurred. In these situations, we do not believe it would be appropriate to modify on our own the reclassifications requested by the hospital and approved by the MGCRB. However, if a hospital concludes that such reclassification would not be advantageous in light of the new MSA definitions, it has the opportunity to withdraw a reclassification application within 45 days from the publication of this proposed rule under § 412.273(a)(2). Unless we receive a withdrawal in these cases, we will implement these reclassifications.
- If a hospital was reclassified to an MSA based on its location in a county that is adjacent to an MSA county that has now been deleted from the MSA definition, we will implement such reclassifications for FY 1994. The decisions in these cases were appropriately determined based on the current MSA definitions that the MGCRB was required to use to decide applications for FY 1994. We note that the MGCRB will use the new MSA definitions for purposes of adjudicating requests for FY 1995 reclassifications. Thus, these hospitals may no longer meet the proximity and adjacency guidelines at § 412.230(a) for future application periods.
- In cases where MSAs have merged or there is a title change, reclassifications to those areas will be implemented based on the boundaries of the revised MSAs. For example, the Odessa, Texas MSA and the Midland, Texas MSA have now been merged under the revised MSA definitions to form the Odessa-Midland, Texas MSA. Therefore, all hospitals reclassified to either the current Odessa MSA or the Midland MSA, will be assigned to the Odessa-Midland, Texas MSA for purposes of FY 1994 reclassifications.
- We have identified one unique situation in which a single-county MSA loses its urban classification. The former Jackson, Tennessee MSA is now part of rural Tennessee since the 1990 census data did not confirm the 1984 census estimates under which the area had previously qualified for MSA status. There were 3 rural hospitals that were reclassified to the Jackson, Tennessee MSA by the MGCRB for FY 1994. Since Jackson is now classified as rural, any reclassifications granted to the former Jackson, Tennessee MSA for FY 1994 merely convey a rural classification to the applicant hospitals. Moreover, since the MSA no longer exists, we have no rational alternative but to assign these hospitals the rural Tennessee wage index value.
- Based on the new MSA definitions, 17 of the 39 counties whose hospitals were deemed urban under section 1886(d)(8)(B) of the Act have now been designated part of MSAs. The 23 hospitals located in these counties will no longer be treated as reclassified hospitals for purposes of the wage index and the budget neutrality adjustment required under section 1886(d)(8)(D) of the Act. In FY 1994, 30 hospitals in 22 rural counties will continue to be deemed urban under section 1886(d)(8)(B) of the Act.

3. Technical Changes to the MGCRB Guidelines

Section 1886(d)(10)(D)(i)(II) of the Act requires the Secretary to publish guidelines "for determining whether the county in which the hospital is located should be treated as being a part of a particular Metropolitan Statistical Area." The statute does not specify the particular criteria to be used, but instead confers broad authority on the Secretary in establishing guidelines. Currently, § 412.232(b) allows hospital groups to seek reclassification based on MSA/NECMA standards published in the **Federal Register** on January 3, 1980 (applying 1980 census data) or the standards published on March 30, 1990 (applying 1990 census data). Pursuant to our authority under the statute, we propose to update the guidelines by revising § 412.232(b) to specify that census data from 1990 or later should be used. We note that the 1980 MSA/NECMA standards are more stringent than the 1990 standards. Therefore, we do not expect hospitals to be harmed by this change.

Also, current guidelines with respect to wage index reclassifications based on an occupational mix adjustment provide for the use of occupational mix data from either the American Hospital Association survey or the Bureau of Labor Statistics survey. The Bureau of Labor Statistics discontinued its occupational mix data survey after 1988. Since we are now using FY 1990 wage data to construct the wage index, the latest occupational mix data available from the Bureau of Labor Statistics is no longer consistent with the data reflected in the wage index. Therefore, we propose to revise §§ 412.230(e)(2)(ii)(B) and 412.232(d)(2)(ii)(B) to eliminate this data source from the occupational mix guidelines.

C. Updating the Wage Index Data

Section 1886(d)(3)(E) of the Act requires that the wage index be updated annually beginning October 1, 1993. This section further provides that the Secretary base the update on a survey of the wages and wage-related costs of short-term acute care hospitals in the United States. The survey should measure, to the extent feasible, the earnings and paid hours of employment

by occupational category and must exclude data with respect to the wages and wage-related costs incurred in furnishing skilled nursing facility services.

For determining prospective payments to hospitals in FY 1993, the wage index is 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. In accordance with the statutory requirement to update the wage data annually beginning October 1, 1993, the FY 1994 wage index will be based on data for hospital cost reporting periods beginning on or after October 1, 1989 and before September 30, 1990 (FY 1990).

D. Revisions to the Wage Index

We propose to base the FY 1994 wage index, effective for hospital discharges occurring on or after October 1, 1993 and before October 1, 1994, upon the data collected from the Medicare cost report (worksheet S–3, Part II) submitted by hospitals for cost reporting periods beginning in FY 1990.

We propose to use all of the categories of data collected from worksheet S–3, Part II. Therefore, the proposed FY 1994 wage index reflects the following:

- Total short-term acute care hospital salaries and hours.
- Home office cost and hours.
- Fringe benefits associated with hospital and home office salaries.
- Contract labor cost and hours.
- The exclusion of salaries and hours for skilled nursing facility or other sub-provider components that are not subject to the prospective payment system.

The proposal to include contract labor represents a change from the current wage index. At the request of the hospital industry, we also considered incorporating an allocation of overhead salaries and hours to the sub-provider components of the hospital. However, as discussed below, we are not proposing to make this change.

Following is a discussion of our analysis of the wage data used to construct the wage index.

1. Verification of Wage Data from the Medicare Cost Report

The FY 1990 wage data was obtained from Worksheet S–3, Part II, of the HCFA–2552 for all short-term acute care hospitals. The wage data are reported electronically to HCFA through the Hospital Cost Report Information System (HCRIS). Because of substantial deficiencies in the initial data reported by hospitals on the cost report (including missing data items such as excluded hours and total paid hours), we initiated an intensive review of the wage data and made numerous edits to ensure quality and accuracy. Medicare intermediaries were instructed to transmit any revisions through HCRIS by early January 1993.

We subjected the revised cost report data to several edit checks. Of the 5,425 providers in the data base, over 1800 providers had data elements that failed an edit; approximately 400 of these involved mathematical errors and have been resolved. The other edits involved data that appear unusual and must be verified by the intermediary. Only 600 data items were unresolved as of March 15, 1993. Most of the unresolved data elements fall outside a reasonable range and require verification by the intermediary. We have instructed the intermediaries to complete their verification of questionable data elements and to transmit any changes to the wage data, via HCRIS, no later than June 15, 1993. We expect that all outstanding data elements will be resolved by that date and that we will be able to reflect the corrected data in the final rule.

The wage file used to construct the proposed wage index includes data obtained in late January 1993 from the HCRIS database and subsequent changes we received from intermediaries through March 15, 1993. To allow hospitals time to review the wage data used to construct the proposed hospital wage index, we forwarded to each hospital on April 21, 1993, a listing summarizing the FY 1990 wage data reported for the hospital. If a hospital believes that its wage data have been incorrectly reported, the hospital must submit corrections to its intermediary in time to allow for review and verification of the data before the development of the final wage index. To be reflected in the final wage index, any wage data corrections must be reviewed by the intermediary and transmitted via HCRIS on or before June 15, 1993. This deadline is necessary to allow sufficient time to download and edit the data so that the final wage index calculation can be completed for development of the final prospective payment rates to be published by September 1, 1993. Corrections transmitted to HCFA after June 15, 1993 may not be reflected in the final wage index. Therefore, we would suggest that hospitals wishing to submit corrected data do so as quickly as possible and follow up with their intermediaries in order to ensure inclusion in the final FY 1994 wage index.

We note that, as discussed in the FY 1993 prospective payment system final rule (57 FR 39765), we eliminated midyear wage data corrections effective with requests for correction received on or after October 1, 1992. For FY 1994, we will not make any midyear changes to the wage index values based on any corrected data received by HCFA via HCRIS subsequent to the development of the final wage index. It is therefore necessary for each hospital to carefully complete the Worksheet S–3, Part II, when filing its Medicare cost report. We are revising § 412.63(p) to reflect the expiration of midyear wage index corrections.

2. Patient Care-Related Contract Services

Worksheet S–3, Part II, collected data concerning labor-related payments and hours attributable to direct patient care-related contract services. Hospitals were instructed to exclude non-patient care contract services such as management and housekeeping services, non-labor-related expenses such as payments for equipment and supplies, and any contract services for which labor-related payments or hours could not be accurately determined.

The hospital industry has repeatedly advocated including contract labor in the wage index in order to address the increasing use of contract services. As discussed in the May 9, 1990 proposed rule (55 FR 19443), data collected for contract services on the 1988 wage survey were unreliable for a number of reasons, including inaccurate and incomplete reporting of data. Thus, we were unable to include contract labor in subsequent wage indexes based on the 1988 wage survey data. For the FY 1990 cost report data, we clarified the instructions for reporting contract labor and developed additional edits for contract labor that were reviewed as part of the intermediary's desk review process. As discussed below, our analysis of contract wage data reported on the FY 1990 cost report indicates that the reported salaries and hours appear reasonable. Therefore, we propose to include contract labor wages and hours in the wage index computation for FY 1994.

We analyzed the FY 1990 contract wage data to determine if it is sufficiently complete for inclusion in the wage index calculation. Of the 54.9 percent of providers that report contract services, only 4.2 percent are unable to associate all their contract wages with hours. In total, the proportion of contract wages not associated with hours to all contract wages is 3.85 percent. For providers reporting

contract services, contract hours account for an average of just 2.37 percent of total hours. Because the proportion of contract wages not associated with hours is small, and the proportion of contract hours to total hours is also small, we believe that the contract data are sufficiently complete for inclusion in wage index calculations. The exclusion of the contract wage costs for which the associated hours are missing should not have a material effect on the wage index.

We are verifying the accuracy of contract data reported for hospitals having a contract labor average hourly wage exceeding $80.00 per hour, which represents the mean plus 3 standard deviations. This is our standard way to identify and remove statistical outliers. For purposes of the proposed wage index, contract labor data for any hospital whose inflated contract labor average hourly wage exceeded $80.00 per hour were presumed to be unreasonable and were eliminated from the wage index computation. However, we did make exceptions if the fiscal intermediary reported to our office that the contract labor data were correct, and the fiscal intermediary was able to verify both the cost and hours reported. In addition, we eliminated contract labor data if the inflated contract labor average hourly wage was below $3.35 per hour (the minimum wage at the time we conducted our analysis).

These edits to the contract labor wage data resulted in the elimination of data for 14 hospitals with high contract labor average hourly wages and 3 hospitals with low contract labor average hourly wages. In each case where a hospital's contract labor average hourly wage did not meet our standards, we recalculated the hospital's average hourly wage exclusive of contract labor. We note that we would include the contract data for these hospitals in the final wage index if the data are revised and no longer exceed our limit, or the fiscal intermediary has notified our office that the contract labor cost and hours have been verified and supported by documentation.

In most labor market areas, the inclusion of contract labor in the wage index computation has a small effect on the average hourly wage. However, now that we have fairly complete data, we believe including contract labor would more accurately and fairly reflect wage levels across hospitals and MSAs. Accordingly, we propose to include contract labor for direct patient care services in the FY 1994 wage index.

3. Allocation of General Service Salaries to Areas Excluded From Wage Index

The current wage index is constructed using data only for areas of the hospital that are related to the provision of hospital care to inpatients. As a result, we exclude the direct wages and hours associated with certain sub-provider components of the hospital, such as skilled nursing facilities and home health agencies, from the wage survey. The cost reporting form used to collect the FY 1990 wage data also includes within the definition of excluded areas rehabilitation and psychiatric distinct part units of the hospital that are excluded from the prospective payment system.

We have received several suggestions from hospital representatives that, in addition to excluding the direct salaries and hours for sub-provider components of the hospital, HCFA should also exclude the general service, or overhead, wages and hours that are associated with these areas. Currently, for example, we include all of the wage costs associated with housekeeping in the wage index data, even if a facility has excluded sub-provider components that receive housekeeping services. In response to these comments, we initiated a special data collection to obtain the hours associated with workers in the general service areas of those hospitals that reported excluded salaries and hours. We received general service hour data for 3,811 of the 5,425 hospitals for which we have wage data.

We analyzed this special survey data in conjunction with the wage data from the cost report to determine whether we could reasonably allocate the overhead wages and hours to the excluded areas of the hospital. First, we determined the total general service wages (including fringe benefits) from Worksheet A of the cost report. We then developed a ratio of total indirect costs (net of capital costs) allocated to the excluded areas of the hospital to total non-capital general service costs (using Worksheet B, parts I and II from the cost report). We call this the "indirect cost ratio." We imputed the general service salaries and hours allocated to the excluded areas by multiplying the indirect cost ratio by the total general service salaries determined from the cost report and by the general service hours reported by the hospitals. For example, if 10 percent of a hospital's total indirect costs were allocated to excluded areas, we allocated 10 percent of its overhead salaries and 10 percent of its overhead hours to the excluded areas.

We analyzed the results of the general service allocation to remove any clearly incorrect or distorted allocations. We began by performing preliminary data edits. We eliminated the overhead allocation for 16 hospitals that reported overhead hours because their indirect cost ratios were 0, and, as a result, no allocation could be performed. We eliminated six more hospitals with allocated salaries or hours greater than the total salaries or hours reported on the cost report (after adjustment for the excluded areas of the hospital). We then analyzed the data for the remaining 3,789 hospitals in order to remove any obviously incorrect allocations. Eleven hospitals had general service average hourly wages below the minimum wage, indicating an obvious error in reporting the hours. We also eliminated the allocation for four providers with a general service average hourly wage of $100 per hour or greater for the same reason.

The next edit we performed was based on a comparison of the indirect cost ratio and the ratio of excluded hours (as reported on the cost report) to total hours (including excluded hours). We reasoned that the allocation was probably erroneous if the indirect cost ratio was extraordinarily high, unless there was also a large proportion of the hospital's total hours reported in excluded areas of the hospital. As a result, we eliminated allocations for 52 providers that had indirect cost ratios more than 3 standard deviations above the mean (that is, above 0.596786) but hour ratios less than 3 standard deviations above the mean (0.433817).

After completing the above edits, we eliminated the allocation for 43 providers whose general service average hourly wage was more than 3 standard deviations above the mean for the remaining providers, or above $34.81. Finally, we eliminated the allocation for 82 providers for whom the percentage difference between their pre-allocation average hourly wage and their general service average hourly wage was more than 3 standard deviations from the mean (if the difference was greater than 65.86 percent or less than −80.41 percent, we eliminated the allocation). These edits eliminated the most extreme and inexplicable general service allocations.

After we completed the above edits, 3,634 hospitals still had overhead allocations (as compared to 3,811 that reported overhead hours). Of these, approximately two-thirds (2,412) had average hourly wages that were lower after the overhead allocation was made to the excluded areas. The average difference between the pre- and post-allocation average hourly wage was −0.2 percent. Seventy-seven hospitals

had a percentage change of more than 10 percent in their average hourly wage, of which 29 were decreases. An additional 108 hospitals had a percentage change of between 5 and 10 percent, of which 67 were decreases. Twenty-nine of 49 rural labor market areas would experience decreases in their wage index value if we performed the allocation, while 184 urban areas would experience decreases. The average wage index value would decrease 0.1 percentage points if we performed the overhead allocation.

There are several indications that it would not be appropriate to use the overhead data collected in computing the wage index: The large number of hospitals removed due to the edits, the large number of hospitals with large swings in their average hourly wages, and the large proportion of hospitals that are actually harmed by the allocation rather than helped by it. As a result, we have decided not to employ the allocation of general service salaries and hours to the excluded areas of hospitals in constructing the FY 1994 wage index.

While we believe that an allocation of overhead salaries and hours to the excluded sub-provider components may be appropriate, it would not serve the hospital industry or the Medicare program to implement an allocation that is not reliable. Clearly, the overhead hours reported by many hospitals did not accurately reflect the salaries reported on the cost report. In addition, we realize that the allocation method described above may not necessarily be the most accurate method to make this allocation since it does not recognize departmental variations in salaries and hours. However, given the significant problems we have encountered in obtaining accurate data from hospitals, we are reluctant to expand the hospital data reporting requirements to include an allocation of the overhead salaries and hours on a departmental basis. We invite public comment concerning alternative methods that might produce a more accurate and uniform allocation method and at the same time impose little or no additional reporting burden on the hospital industry. Please bear in mind that under any acceptable allocation method, we would require that the method be used by all hospitals with excluded areas and that the intermediary be able to verify the accuracy of the reported data.

E. Computation of the Wage Index

As noted in section III.C. above, we are proposing to base the FY 1994 wage index on wage data reported on the FY 1990 cost report. The wage index would be comprised of data from 5,425 hospitals paid under the prospective payment system and short-term acute care hospitals in waiver States. The method used to compute the proposed wage index is as follows:

Step 1—We gathered data from each of the non-Federal short-term acute care hospitals for which data were reported on the Worksheet S–3, Part II of the Medicare cost report for the hospital's cost reporting periods beginning on or after October 1, 1989, and before September 30, 1990. Each hospital was assigned to its appropriate urban or rural area based on the MSA definitions to be used in the prospective payment system in FY 1994 prior to any reclassifications under section 1886(d)(8) or 1886(d)(10) of the Act. In addition, we included data from a few hospitals that had cost reporting periods beginning in September, 1989 and reported more than a 52-week cost reporting period. The data were included because no other data from these hospitals would be available for the cost reporting period described above, and particular labor market areas might be affected due to the omission of these hospitals. However, we generally describe this wage data as FY 1990 data.

Step 2—For each hospital, we subtracted the excluded salaries (that is, salaries attributable to skilled nursing facility and other sub-provider components) from gross hospital salaries to determine net hospital salaries. To the net hospital salaries, we added hospital contract labor costs, hospital fringe benefits, and any home office salaries and fringe benefits reported by the hospital to determine total salaries plus fringe benefits.

Step 3—For each hospital, we inflated or deflated, as appropriate, the total salaries plus fringe benefits resulting from Step 2 to a common period to determine total adjusted salaries. To make the wage inflation adjustment, we used the percentage change in average hourly earnings for each 30-day increment from October 14, 1989 through September 15, 1991, for hospital industry workers from S.I.C. 806, Bureau of Labor Statistics Employment and Earnings Bulletin. The annual inflation rate used was 5.6 percent. The inflation factors used to inflate the hospital's data were based on the midpoint of the cost reporting period as indicated below.

MIDPOINT OF COST REPORTING PERIOD

After	Before	Adjustment factor
10/14/89	11/15/89	1.075355086
11/14/89	12/15/89	1.070483309
12/14/89	1/15/90	1.065633603
1/14/90	2/15/90	1.060805868
2/14/90	3/15/90	1.056000000
3/14/90	4/15/90	1.051215914
4/14/90	5/15/90	1.046453497
5/14/90	6/15/90	1.041712655
6/14/90	7/15/90	1.036993291
7/14/90	8/15/90	1.032295308
8/14/90	9/15/90	1.027618609
9/14/90	10/15/90	1.022963096
10/14/90	11/15/90	1.018328675
11/14/90	12/15/90	1.013715250
12/14/90	1/15/91	1.009122726
1/14/91	2/15/91	1.004551007
2/14/91	3/15/91	1.000000000
3/14/91	4/15/91	.995469611
4/14/91	5/15/91	.990959746
5/14/91	6/15/91	.986470313
6/14/91	7/15/91	.982001218
7/14/91	8/15/91	.977552371
8/14/91	9/15/91	.973123678

For example, the midpoint of a cost reporting period beginning January 1, 1990 and ending December 31, 1990 is June 30, 1990. An inflation adjustment factor of 1.036993291 would be applied to the hospital's wages. In addition, for the data for any cost reporting period that began in FY 1990 and covers a period of less than 360 days or greater than 370 days, we annualized the data to reflect a 1-year cost report. Annualization is accomplished by dividing the data by the number of days in the cost report and then multiplying the results by 365.

Step 4—For each hospital, we subtracted the reported excluded hours from the gross hospital hours to determine net hospital hours. We increased the net hours by the addition of any reported contract labor hours and home office hours to determine total hours.

Step 5—As part of our editing process, we eliminated the contract labor data for 17 hospitals that reported aberrant contract labor wages (over $80.00 or less than $3.35 per hour). In addition, we eliminated the home office data reported by 14 hospitals where the home office wages were more than $90.00 or less than $3.35 per hour. This edit was derived by calculating the mean plus 3 standard deviations for the inflated home office average hourly wage. However, if the intermediary indicated through the verification process that the home office or contract labor salaries and hours had been reviewed and found to be accurate, we did not eliminate the data even if the

average hourly wage exceeded the edit limit. We will continue to edit the survey data and expect to resolve the problems with the records for most hospitals before the final wage index is published. In addition, we deleted data for 10 hospitals that are no longer participating in the Medicare program, for which we lacked sufficient documentation to verify data that failed a critical edit. We retained the data for other hospitals that are no longer participating in the Medicare program because these hospitals contributed to the relative wage levels in their labor market areas during their FY 1990 cost reporting period. We note that no adjustments were necessary for fringe benefit costs.

Step 6—Within each urban or rural labor market area we added the total adjusted salaries plus fringe benefits obtained in Step 3 for all hospitals in that area to determine the total adjusted salaries plus fringe benefits for the labor market area.

Step 7—We divided the total adjusted salaries plus fringe benefits obtained in Step 6 by the sum of the total hours (from Step 4) for all hospitals in each labor market area to determine an average hourly wage for the area.

Step 8—We added the total adjusted salaries plus fringe benefits obtained in Step 3 for all hospitals in the nation and then divided the sum by the national sum of total hours from Step 4 to arrive at a national average hourly wage. Using the data as described above, the national average hourly wage is $17.0343.

Step 9—For each urban or rural labor market area, we calculated the hospital wage index value by dividing the area average hourly wage obtained in Step 7 by the national average hourly wage computed in Step 8.

F. Revision to the Wage Index Based on Hospital Redesignations

Under section 1886(d)(8)(B) of the Act, 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 section 1886(d)(10) of the Act, the Medicare Geographic Classification Review Board (MGCRB) considers applications by hospitals for geographic reclassification for purposes of payment under the prospective payment system.

The methodology for determining the wage index values for redesignated hospitals is applied jointly to the hospitals located in those rural counties that were deemed urban under section 1886(d)(8)(B) of the Act and those hospitals that were reclassified as a result of the MGCRB decisions under section 1886(d)(10) of the Act. Section 1886(d)(8)(C) of the Act provides that the application of the wage index to redesignated hospitals is dependent on the hypothetical impact that the wage data from these hospitals would have on the wage index value for 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 1 percentage point or less, the MSA wage index value determined exclusive of the wage data for the redesignated hospitals applies to the redesignated hospitals.

If including the wage data for the redesignated hospitals reduces the wage index value for the area to which the hospitals are redesignated by more than 1 percentage point, the hospitals that are redesignated are subject to the wage index value of the area that results from including the wage data of the redesignated hospitals (the "combined" wage index value). However, the wage index value for the redesignated hospitals cannot be reduced below the wage index value for the rural areas of the State in which the hospitals are located.

- Rural areas whose wage index values would be reduced by excluding the data for hospitals that have been redesignated to another area continue to have their wage index calculated as if no redesignation had occurred. Those rural areas whose wage index value increases as a result of excluding the wage data for the hospitals that have been redesignated to another area have their wage index calculated exclusive of the redesignated hospitals.
- The wage index value for an urban area is calculated exclusive of the wage data for hospitals that have been reclassified to another area. However, geographic reclassification may not reduce the wage index for an urban area below the Statewide rural average, provided the wage index prior to reclassification was greater than the Statewide rural wage index value.

We note that, except for those rural areas where redesignations would reduce the rural wage index value, the wage index value for each area is computed exclusive of the data for hospitals that have been redesignated from the area for purposes of their wage index. As a result, several MSAs listed in Table 4a have no hospitals remaining in the MSA. This is because all the hospitals in these original MSAs have been reclassified to another area by the MGCRB. For those areas, we have listed the Statewide rural wage index value.

The proposed revised wage index values effective for discharges occurring on or after October 1, 1993 are shown in Tables 4a, 4b, and 4c of the addendum to this proposed rule. Hospitals that are redesignated should use the wage index values shown in Table 4c. (Hospitals that were redesignated to an MSA under section 1886(d)(8)(B) of the Act or reclassified by a decision of the MGCRB should not use Table 4c if they have also been assigned to the same MSA based on the new OMB definitions.) For some areas, more than one wage index value will be shown in Table 4c. This occurs when hospitals from more than one State are included in the group of redesignated hospitals, and one State has a higher Statewide rural wage index value than the wage index value otherwise applicable to the redesignated hospitals. In addition, tables 4d and 4e list the average hourly wage for each labor market area based on the FY 1990 wage data. Hospitals can use this information in applying to the MGCRB for wage index reclassifications for FY 1995. We note, however, that in adjudicating wage reclassification requests during FY 1994, the MGCRB will use the average hourly wages for each hospital and labor market area that are reflected in the final FY 1994 wage index.

The proposed FY 1994 wage index values incorporate all reclassification decisions made by the MGCRB as of March 15, 1993. As of that date, there were 421 hospitals redesignated for purposes of the wage index (including hospitals redesignated under both sections 1886(d)(8)(B) and 1886(d)(10) of the Act). This number does not include MGCRB decisions that are still under review by the Administrator or decisions that result in a reclassification to the same labor market area as the hospital is assigned under the revised MSA definitions. At the time this proposed wage index was constructed, the MGCRB had completed its review.

Any changes that result from withdrawals of requests for reclassification, wage index corrections, appeals, and the Administrator's review process will be incorporated into the wage index values to be published in the final rule. The changes may affect not only the wage index value for specific geographic areas, but also whether redesignated hospitals receive the wage index value for the area to which they are redesignated or a combined wage index that includes the data for both the hospitals already in the area and the redesignated hospitals. Further, the wage index value for the area from which the hospitals are redesignated may be affected.

Under § 412.273, hospitals that have been reclassified by the MGCRB are permitted to withdraw their applications within 45 days of the publication of this **Federal Register** document. The request for withdrawal of an application for reclassification that would be effective in FY 1994 must be received by the MGCRB by July 12, 1993. A hospital that requests to withdraw its application may not request that the MGCRB decision be reinstated after publication of the final wage index values.

G. Options for Phasing-I n the New Wage Index

Since FY 1991, the hospital wage index has been based on 1988 wage survey data. When we updated the wage index for FY 1991 to base it on the 1988 data, we proposed to limit the change in the wage index value of any labor market area whose wage index value would have changed more than 10 percent (55 FR 19445). Specifically, we proposed to limit the change in the wage index value to 10 percent plus half of the change above 10 percent. At that time, there were 38 labor market areas that would have been subject to the proposed limit, 23 of which faced more than a 10 percent decrease in their wage index value. In our September 4, 1990 final rule (55 FR 36041), we limited the change (in response to public comment) to 8 percent plus half the change above 8 percent.

Subsequently, section 4002(d)(1)(A) of Public Law 101–508, enacted November 5, 1990, delayed implementation of the updated wage data for 3 months. Further, section 4002(d)(1)(B) of Public Law 101–508 specified that the wage index used for payments for discharges occurring on or after January 1, 1991 was to be calculated using only data from the 1988 wage survey. For FY 1991 payments, the effect of these two provisions was essentially to provide hospitals with a blend of 25 percent 1984 wage data and 75 percent 1988 wage data.

Section 1886(d)(3)(E) of the Act requires the Secretary to update the wage index annually beginning October 1, 1993. Given concerns about the redistributional effect on payments to hospitals that result from updated wage data, we examined whether a phase-in of the updated wage data for FY 1994 would be appropriate. However, a phase-in of the FY 1994 wage index based on FY 1990 data is more complicated than a phase-in of the FY 1991 wage index because of the effects the new MSA definitions and geographic reclassifications by the MGCRB have on wage index values.

Based on a comparison using the FY 1990 wage data, there are only 5 labor market areas with decreases of more than 5 percent in their wage index value due to the new MSAs. These areas are: Rural Massachusetts; New York-Newark, NY-NJ-PA; Kalamazoo-Battle Creek, MI; Fayetteville-Springdale-Rogers, AR; and Rural Arizona. There are no labor market areas with increases of more than 5 percent in their wage index value. Thus, the MSA changes by themselves do not significantly affect the MSA wage index values; however, a large number of hospitals are moving to a different labor market area as a result of the MSA changes, and the MSA changes can result in significant wage index changes for individual hospitals. One implication is that a phase-in of the MSA changes at the MSA level, by taking into account the difference between the wage index value under the current MSA definition and the revised MSA definition, would not be effective in limiting the redistributional effects of the new labor market areas. Instead, an effective phase-in of the MSA changes would need to be made at the hospital level by taking into account the difference between an individual hospital's wage index value based on its current MSA assignment and the hospital's wage index value based on its revised MSA assignment. In doing so, it is not feasible to separate the effect of changes in geographic reclassification by the MGCRB on the hospital's wage index value from the effect of the MSA changes. As a result, the phase-in would need to incorporate both effects. It could be accomplished by limiting the percentage change in a hospital's wage index value between FY 1993 and FY 1994 to, for example, 10 percent, or by blending the two wage index values.

The following chart shows the effect of the change in hospitals' wage indexes. The chart shows the number of hospitals with a given percentage difference between the FY 1993 wage index value and the proposed FY 1994 wage index value. The differences include the combined effects of the changes in wage index reclassifications, the changes in the MSA definitions, and the use of the FY 1990 wage data. Seventy-three percent (3,927 hospitals) will face a change in their wage index value of less than 5 percent. Seventeen percent (932 hospitals) will face a change of between 5 and 10 percent, and 10 percent (547 hospitals) will face a change of more than 10 percent.

IMPACT OF REVISED WAGE INDEX

Percentage change in wage index values	No. of hospitals
Decrease more than 10 percent	330
Decrease between 5 and 10 percent	721
Decrease between 0 and 5 percent	2,550
Increase between 0 and 5 percent ..	1,377
Increase between 5 and 10 percent	211
Increase more than 10 percent	217

Of the 330 hospitals that would experience more than a 10 percent decrease in their wage index value, only 76 did not have a change in geographic reclassification by the MGCRB. For the hospitals whose reclassification status changed, the decrease in the wage index value is largely attributable to their no longer qualifying for a wage index reclassification by the MGCRB. For the remaining 76 hospitals, which include the 20 hospitals that move from urban to rural status as a result of the MSA changes, the decrease in the wage index value is solely attributable to the MSA changes and the new wage data.

We do not believe that it would be appropriate to phase in the changes in MSA definitions and the geographic reclassifications. The statute provides for hospital payments based on geographic location unless the hospital has been reclassified by the MGCRB or is subject to section 1886(d)(8) of the Act. In addition, we do not believe it is appropriate to provide additional payments to hospitals no longer reclassified by the MGCRB or to limit payments to newly reclassified hospitals, which would occur under any hospital-level phase-in of the new wage index values. We note that the President's legislative proposal to move the annual update to the prospective payment system to January 1 would in effect provide a hospital-level wage index blend during FY 1994 similar to the phase-in of the 1988 wage survey data during FY 1991. It would encompass all factors that affect each hospital's wage index change by providing that the wage index for the first 3 months of FY 1994 would be based on the hospital's FY 1993 wage index value and that the wage index value for the remainder of FY 1994 would be based on the FY 1994 wage index value.

We explored three options for implementing the updated wage data. The first option would be to implement the new wage index without any phase-in. The second option would be to blend the wage index values for each labor market area, using 50 percent of a wage index based on 1988 survey data and 50 percent of a wage index based on FY

1990 wage data. Both wage indexes under this option would be calculated using the revised MSA definitions and FY 1994 geographic reclassifications. In this way, the changes in geographic reclassification and the MSA changes would be fully accounted for in the wage index and would not be phased in; only the updated wage data would be phased in. Finally, we explored placing a cap of 10 percent on the maximum change in wage index value that hospitals in a given labor market area could experience due to the new wage data.

Under the first option, we would base the FY 1994 wage index entirely on FY 1990 cost report data. Our analysis indicates that, under this option, the wage index values for 12 labor market areas would increase by at least 10 percent and 12 labor market areas would decrease by at least 10 percent (after taking into account the effects of reclassification decisions by the MGCRB) compared to their FY 1993 wage index values.

Under a blended wage index (option 2), we would calculate the wage index for each labor market area based on a blend of 50 percent of a wage index based on 1988 survey data (using new MSAs and FY 1994 reclassifications) and 50 percent of a wage index based on FY 1990 cost report data. This blend would effectively phase in the new wage index data in all labor market areas. The wage index values for three labor market areas would change at least 10 percent, as opposed to 24 labor market areas without the blend. However, we rejected this option because we believe that use of FY 1990 data alone is most appropriate in light of our statutory obligation under section 1886(d)(4)(E) of the Act to implement new wage data for the FY 1994 wage index.

In determining which labor market areas would be affected by a cap that would limit the change in their wage index values to 10 percent (option 3), we would compare the wage index constructed based on the revised MSA definitions (after taking into account FY 1994 reclassifications) using the updated FY 1990 wage data to one based on the revised MSA definitions (after taking into account FY 1994 reclassifications) using the 1988 data. We would then limit the change in wage index value for any labor market area, including any hospitals reclassified to a given labor market area for wage index purposes, to a 10 percent increase or decrease. Under this option, the following areas would be subject to the cap:

DIFFERENCES IN WAGE INDEX VALUES BETWEEN 1988 AND 1990 WAGE DATA THAT WOULD BE SUBJECT TO A 10 PERCENT CAP

Labor market area	Pre-cap percent change subject to cap	No. of hospitals
Decreases:		
Hagerstown, MD[1]	−21.1	1
Odessa-Midland, TX[2]	−19.7	5
Hospitals reclassified to Miami, FL	−19.7	1
Hospitals reclassified to Macon, GA	−16.5	2
St. Joseph, MO	−16.1	1
Laredo, TX	−15.2	2
Arecibo, PR	−13.7	2
Miami, FL	−13.6	1
Mobile, AL	−12.7	9
Oklahoma City, OK[2]	−12.2	22
Bellingham, WA	−11.7	1
Amarillo, TX[2]	−10.7	6
	.....	53
Increases:		
Yuma, AZ	10.1	2
Alexandria, LA[2]	11.1	6
Caguas, PR[2]	11.7	3
Pine Bluff, AR	12.6	1
Redding, CA	12.6	4
Macon, GA	12.6	7
Ponce, PR	13.7	7
Rural Hawaii	14.6	9
Las Cruces, NM	14.7	1
Orange County, CA[2]	18.2	4
Rural Puerto Rico	20.9	4
Aguadilla, PR	23.0	2
	.....	48

[1] The hospital in Hagerstown operates under the Maryland waiver of the prospective payment system and thus will be unaffected by the wage index change.

[2] The number of hospitals shown for these labor market areas includes hospitals reclassified to the labor market areas for wage index purposed, because the reclassified hospitals would receive the MSA wage index using either the 1988 or the 1990 data.

We propose to implement the FY 1990 wage data without any phase-in. We believe this is the most appropriate option given our statutory obligation to update the wage index to reflect updated data; presumably, the most recent data are the best data available for the wage index. We note that the effects of the wage index on hospitals under each of the MSA-level phase-in options are not significantly different, and the number of area-level wage index

values with substantial changes are much fewer than for the FY 1991 wage index update. After consideration of the phase-in alternatives discussed above, we are not proposing to phase in the FY 1994 wage index. Although we believe that our proposal is the most appropriate approach given our current statutory obligation to base payment on a hospital's geographic location and to update the wage index in FY 1994, we solicit public comments on this issue. As noted above, the President's legislative proposal to delay the prospective payment update until January 1, 1994 would result in a blend of 25 percent of a hospital's current wage index value and 75 percent of a hospital's new wage index value during FY 1994.

H. Future Updates to Labor Market Areas

As discussed in section III.B above, the proposed FY 1994 wage index incorporates the labor market areas that result from OMB's revised MSA definitions based on the 1990 census data. The Prospective Payment Assessment Commission (ProPAC) has recommended that the Secretary substantially revise the hospital wage index under the prospective payment systems for FY 1994 (Recommendation 11). Specifically, ProPAC recommends that we develop a revised wage index based on hospital-specific labor market areas using each hospital's "nearest neighbors" measured by the air-mile distances between nearby hospitals. An example studied by ProPAC was to establish each hospital's labor market area based on its ten nearest neighbors within a 50-mile radius. ProPAC has also recommended that if HCFA is unable to implement a wage index using hospital-specific labor market areas in FY 1994, Congress should freeze the current wage index (and the wage index reclassifications approved for FY 1993) and delay updating the wage index until FY 1995. ProPAC believes that such a "freeze" is necessary to avoid a situation in which major payment disruptions take place both in FY 1994 and FY 1995, as a result of the revised MSAs and updated wage index in FY 1994 followed by implementation of hospital-specific labor market areas in FY 1995. As another alternative, ProPAC recommends that Congress could allow the current wage index to be modified only to include wage index reclassifications approved by the MGCRB for FY 1994.

We have used MSAs to construct the hospital wage index since the inception of the prospective payment system. Our policy has always been to group all the hospitals in a specific MSA for purposes of constructing the wage index. All remaining hospitals in the State located in counties that are not part of MSAs are grouped together and comprise the rural wage index.

Almost from the beginning of the prospective payment system, we have received comments from hospitals and ProPAC objecting to the use of MSA-based labor market areas to construct the wage index. The most significant areas of concern have been that the Statewide rural areas are too large to distinguish differences in labor market conditions, and that hospitals in the center cities (the "urban core") pay higher wages than suburban hospitals. Some commenters have argued that rural labor market areas should be divided based on county populations and that MSA-based labor market areas should be divided into urban core and suburban ring labor markets in order to distinguish the differences in labor market conditions. Because we recognize the inherent problems with the current wage index, over the years we have examined a variety of options for revising wage index labor market areas.

We believe, and ProPAC agrees, that legislation would be required before we could use hospital-specific labor market areas in constructing the wage index due to the statutory requirements regarding hospital reclassifications for wage index purposes. Currently, both sections 1886(d)(8) and 1886(d)(10) of the Act (which provide for the geographic reclassification of hospitals), assume that MSAs are to be used in applying the wage index. The legislative changes that would be involved in implementing ProPAC's proposal, which is set forth in ProPAC's report as Recommendation 12, are discussed in detail below.

In addition to the statutory constraints, we do not believe it would be feasible or advisable to attempt to implement ProPAC's recommendation in FY 1994. Although we recognize that ProPAC's recommendation may have promise, we believe that careful analysis of its impact on hospitals is necessary before proposing to adopt such a significant change. As ProPAC acknowledges, there are also a number of administrative issues that must be carefully considered before ProPAC's proposal could be implemented, including the possible development of an exceptions or appeals process to resolve disputes concerning the labor market areas. Before implementing the recommendation, we would need to review the public comments we receive on ProPAC's proposal and to analyze fully the implications of the hospital-specific wage index and other potential labor market alternatives. We will complete our analysis in time to allow us to publish any proposal we develop to revise labor market areas in the FY 1995 proposed rule.

To facilitate public comment on ProPAC's proposal, we are publishing hospital-specific wage index values using ProPAC's data on hospital location and the new FY 1990 hospital wage data (Appendix F). The tables indicate what each hospital's wage index value would be if the wage index were based on the wage data for the hospital and its ten nearest neighbors up to a radius of 50 air miles. This definition is just one example how of ProPAC's recommendation for hospital-specific labor market areas could be implemented.

Hospitals with fewer than ten hospitals within a 50 mile radius would have their wage index based on all of the hospitals within air 50 miles. We note that due to incomplete wage data files, the hospital-specific labor market definitions listed in Appendix F do not necessarily include every prospective payment hospital. In addition, because ProPAC's identification of "nearest neighbor" hospitals was based on the 1988 wage data file, every hospital does not have 10 hospitals listed in its labor market area, although there now may be 10 hospitals within 50 miles. Names listed for hospitals may also be outdated. However, we believe that sufficient information is provided to enable most hospitals to identify themselves and their nearest neighbors. The determination of which hospitals comprise each hospital-specific labor market area is based on ProPAC's data base and has not been verified. Prior to implementation of hospital-specific labor market areas, we would verify the location of all hospitals. Hospitals are listed in order of their proximity to the target hospital, so that the closest hospital is listed first, the second closest is listed second, etc. We are soliciting public comments on the feasibility of ProPAC's proposal and suggestions concerning the development of an exceptions or appeals process, if appropriate, for possible implementation in FY 1995. Comments concerning these issues should be mailed to the following address: Division of Hospital Payment Policy, 1–H–1 East Low Rise, 6325 Security Boulevard, Baltimore, Maryland 21207, Attention: Lana Price. Comments are due to HCFA by August 31, 1993.

We are also soliciting public comments on the following issues:

(1) The feasibility of using road miles instead of air miles to define hospital-specific labor market areas. ProPAC's research demonstrates that labor market areas defined using road miles are very similar to those that result from using air miles. However, in areas that contain major geographical barriers such as mountain ranges and bodies of water, the boundaries of labor market areas could differ widely depending on whether road or air miles are used. In addition, if air miles are used, we may consider developing guidelines that address whether geographic features such as bodies of water or mountain ranges should be taken into account in determining labor market areas.

(2) The process that should be used to verify a hospital's location. For hospitals with large campuses, a reference point would be needed to determine the hospital's longitude and latitude. In addition, a policy would be needed to determine a hospital's location when it is a multi-campus facility. ProPAC's hospital location file was developed using six different data bases. We would need to develop a process to insure that each hospital's location is accurately and uniformly determined.

(3) The policy that should be used to establish a wage index for new hospitals that begin operations subsequent to the year covered by the wage data. New hospitals will need a wage index value even though no wage data are available for that hospital. An administrative process will have to be developed to identify new hospitals, quickly determine location and establish a labor market area and wage index value for payment purposes, until the hospital's wage data are collected in the wage survey. In addition, we need to determine when terminated facilities would be dropped from the wage index.

(4) The need for special payment provisions for certain classes of hospitals. We need to determine how sole community hospitals and rural referral centers would be affected by ProPAC's proposed system. The MGCRB guidelines provide special consideration for these hospitals because of their importance in maintaining access to health care in rural areas.

(5) Whether there should be an exceptions process to address situations where the hospital is unlike its nearest neighbors and, if so, what types of situation should be addressed on an exceptions basis. In this regard, we note that ProPAC recommends that the statutory provision relating to wage index reclassifications by the MGCRB should be repealed effective with the implementation of a hospital-specific wage index.

(6) Whether other labor market definitions in the context of hospital-specific labor markets may be more appropriate than the 10 nearest neighbors within a 50-mile radius. For example, one alternative could be to group in a hospital's labor market all hospitals within a specific radius (such as 15 or 20 miles) rather than a specified number of nearest hospitals.

As well as continuing to analyze the suitability of ProPAC's proposal for hospital-specific labor market areas, we also plan to continue our analysis of alternatives that have appeared promising in the past using updated 1990 census data. The options we are planning to evaluate would be based on the current MSA-based system but would subdivide them further. Among the options we will be evaluating for rural labor market areas are: Grouping rural counties on the basis of population or population density; grouping rural counties adjacent to MSAs and those that are not; and grouping rural counties based on a combination of these two options. For urban areas, we plan to determine whether dividing them on the basis of central and outlying counties would improve the accuracy of the wage index. In addition, we plan to evaluate the appropriateness of assigning each hospital a wage index value based solely on its own wages and the national average hourly wage.

We plan to evaluate all potential labor market revisions using three basic criteria:

(1) The ability to explain wage variation. Certain adjustments, such as the wage index, were made part of the prospective payment formula because they explained significant amounts of variation in hospital operating costs. We will evaluate each alternative to determine whether it can explain variation in hospital operating costs better than the current MSA-based system.

(2) The reasonableness of the new labor market areas based on a comparison of hospital wages. We believe that to the extent possible the new labor market areas should reflect uniform labor market conditions as indicated by the degree of similarity in the hospital wage rates within labor market areas. The boundaries should minimize inequitable treatment, that is, cases where hospitals facing different labor costs are grouped in the same labor market or hospitals facing similar labor costs are grouped into different labor markets. We will make a special effort to study cases where two hospitals deemed to be in the same labor market area receive a different wage index even though the average hourly wages they pay are essentially the same. We also plan to analyze the comparative treatment of hospitals close to the wage area boundaries under the various alternatives. We will conduct descriptive analyses to determine what types of situations result in sharp differences in wage index values for neighboring hospitals.

(3) Whether distributional equity would be improved. While new labor market areas will result in the redistribution of payments to individual hospitals, such redistribution should not overcompensate or undercompensate high-wage hospitals relative to low-wage hospitals. We will examine the impact of all labor market options to determine their effects on the distribution of hospital payments, and the extent to which the hospitals that would gain and lose under various proposals are already doing well or poorly under the current system.

We do not agree with ProPAC's suggestion that Congress delay implementation of the revised labor market areas and the updated wage index because we are unable to implement hospital-specific labor market areas in FY 1994. The hospital wage index should be based on updated wage data reflective of current market conditions. In this regard, we note ProPAC's concern that timely data be used in its Recommendation 13. We also believe that it would be similarly inappropriate to delay implementation of the revised MSA definitions until we have another system of labor market classification in place.

In conjunction with its recommendation that labor market areas be revised, ProPAC has also recommended that Congress should repeal the current statutory provisions relating to geographic reclassification for the wage index (Recommendation 12). ProPAC believes that the effective date for this action should be the same as the effective date for adopting a wage index based on hospital-specific labor market areas. In addition, ProPAC has recommended that reclassification for the standardized payment amount should be repealed effective at the beginning of FY 1995, when the rural standardized payment amounts will be set equal to the other urban rate in accordance with section 1886(d)(3)(A)(iii) of the Act.

We agree that, if we adopt hospital-specific labor market areas using the methodology that ProPAC is recommending, the MGCRB, as it is currently structured, may no longer be necessary. However, until we have

analyzed fully the implications of adopting hospital-specific labor market areas or some other revisions to labor market areas, we believe it is too early to recommend that Congress repeal the MGCRB statute. After completing our analysis, we may decide to recommend that the mission of the MGCRB be altered to make it responsible for resolving disputes concerning hospital-specific labor market areas. As noted above, we invite public comment on what the basis for an exception to the hospital-specific labor market areas should be, and how such an exceptions process should be structured.

We believe that if a different system of specifying labor market areas were adopted, it would be necessary to seek legislation to permit at least a 1-year moratorium on reclassifications by the MGCRB. Otherwise, when the decisions are implemented, payment would be based on labor market areas that would no longer resemble the labor market areas used to make the reclassification determinations. If we propose to adopt substantial labor market area revisions, we will also examine appropriate ways of phasing them in, such as blending the wage index that results from the current MSA-based system and the new one.

We agree with ProPAC that Congress should repeal standardized amount reclassifications effective when the phase-out of the rural rate is complete in FY 1995.

We invite public comments on these issues by August 31, 1993 so that we may consider them in implementing future changes to the reclassification process.

I. Occupational Mix Adjustment

In its March 1, 1993 report, ProPAC recommended that the Secretary develop methods to collect more timely hospital wage data by occupational categories and to adjust the HCFA wage index for occupational mix (Recommendation 13).

The HCFA wage index reflects variations in the cost of labor; that is, it accounts for variations in the mix of occupations as well as the price of labor. ProPAC believes that the wage index should account for only variations in price, which are beyond the hospital's control and are not otherwise accounted for by adjustments in the prospective payment system.

Previous ProPAC studies on the effect of adjusting the wage index for occupational mix using California data found that a wage index adjusted for occupational mix would redistribute funds from urban to rural hospitals (see ProPAC's March 1991 report to Congress.) Within urban areas, the occupational mix adjustment would redistribute funds from large to small hospitals. Within rural areas, the occupational mix adjustment would increase the wage index values of all bed size groups. This year ProPAC reanalyzed the California data to examine the impact of an occupational mix adjustment on wage index values based on hospital-specific labor market areas. ProPAC found that nearest neighbor labor markets are no more sensitive to geographic differences in occupational mix than the current MSA-based labor markets.

We are not convinced that an occupational mix adjustment would improve the accuracy of the wage index, as we have discussed most recently in the August 30, 1991 final rule (56 FR 43222). We believe that if HCFA adopts a new system of labor market classification such as the hospital-specific wage index, the impact of an occupational mix adjustment in conjunction with revised labor market areas should be analyzed before adoption. We will analyze this issue using available data in conjunction with our review of hospital-specific and other labor market proposals.

We are uncertain how an occupational mix adjustment would work in conjunction with hospital-specific labor market areas. Currently, the wage index measures the overall costs of labor. If the wage index were to measure the price of labor, then a set of occupational weights would have to be developed to determine a standard occupational mix. Hospitals would not be compensated for a mix of employees above the standard, while hospitals with a mix of employees below the standard would be overcompensated, relative to their cost of labor. If we were to adopt hospital-specific labor market areas in conjunction with an occupational mix adjustment, one area of concern centers around the application of occupational weights to every prospective payment hospital in the country. Application of one set of occupational weights to every prospective payment hospital would seem in conflict with the intended purpose of hospital-specific labor markets, which is to make labor markets more responsive to local conditions.

ProPAC has suggested that we convene a working group made up of representatives from HCFA and the hospital industry to try to improve the timeliness and accuracy of the wage data. HCFA assembled such a work group to develop the 1988 wage survey and to evaluate its implementation. We are planning to convene another such working group to review potential revisions to labor market areas, and other issues related to the wage index. We will also discuss with the work group the reporting burden of gathering occupational mix data. It has been our experience that no matter which method of data collection is used, all wage data submitted will still require extensive editing and verification. We look forward to working with the hospital industry and ProPAC to evaluate methods of improving the accuracy of the wage index.

IV. Other Proposed Changes to the Prospective Payment System for Inpatient Operating Costs

A. Outlier Payments for Transfer Cases (§ 412.4)

Since a Medicare discharge is the basis of payment under the prospective payment system, it is necessary to distinguish between discharges in which a patient has received complete treatment and discharges in which the patient is transferred to another acute care hospital for related care. If a full DRG payment were made to each hospital involved in a transfer situation regardless of the length of time the patient spent in the sending hospital before transfer, there would be a strong incentive to increase transfers, thereby unnecessarily endangering patients' health. Therefore, in a transfer situation, the regulations at § 412.4(d) provide that full payment is made to the final discharging hospital and each transferring hospital is paid a per diem rate for each day of the stay, not to exceed the full DRG payment that would have been made if the patient had been discharged without being transferred. The per diem rate is determined by dividing the full DRG payment that would have been paid in a nontransfer situation by the geometric mean length-of-stay for the DRG into which the case falls. Two exceptions to the transfer payment policy are transfer cases classified into DRG 385 (Neonates, Died or Transferred to Another Acute Care Facility) or DRG 456 (Burns, Transferred to Another Acute Care Facility), which are not paid on a per diem basis but receive the full DRG payment instead.

Transferring hospitals are also eligible for outlier payments for cases that meet the cost outlier criteria established for all other cases classified to the DRG. They are not, however, eligible for day outlier payments.

Since the inception of the prospective payment system, there has been concern that the flat per diem payment fails to account for the likelihood that the beginning of a patient's hospitalization is the most resource intensive portion of

the stay. Thus, comments received in response to the September 1, 1983 interim final rule, which first implemented the prospective payment system, recommended that the transferring hospital should receive either the full DRG amount or should be paid on a sliding scale to reflect the higher costs of the first few days of a patient's stay. Our response at that time was that little or no data were provided in support of this position and that we believed that in many cases the bulk of a patient's treatment is received after the patient is transferred (49 FR 245, January 3, 1984).

In response to the requirement of section 9113 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. 99–272), we prepared a report to Congress on the impact of outlier and transfer payment policy on rural hospitals (Review of the Impact of Outlier and Transfer Payment Policies Upon Rural Hospitals, May 1988). In this report, we examined the appropriateness of transfer payment policy for cases categorized by their length-of-stay at the transferring hospital. We found that, for transfer cases, the ratios of per diem payments to total charges were actually highest for cases with the shortest lengths-of-stay and, therefore, we recommended no changes in the per diem payment methodology.

In its March 1, 1992 Report to Congress, ProPAC recommended that the flat per diem methodology should be replaced with a graduated per diem methodology in order to recognize the higher daily costs associated with the first few days in a patient's stay. This recommendation has been repeated in the March 1, 1993 ProPAC report (Recommendation 16). In its reports, ProPAC cites a study conducted by RAND as evidence that average daily costs are highest during the first part of a patient's stay ("How Services and Costs Vary by Day of Stay for Medicare Hospital Stays," RAND Report No. R–3870–ProPAC, March 1990). In response to the March 1, 1992 recommendation, we noted in the September 1, 1992 final rule (57 FR 39808) that RAND's study was not designed to evaluate transfer payment policy and included nontransfer cases in the analysis. Therefore, we did not implement ProPAC's recommendation because, among other things, the RAND report findings and the findings of our 1988 report did not agree. However, we stated that we would continue to examine transfer payment alternatives.

In order to analyze whether costs for transfer cases are indeed higher during the first few days of hospitalization prior to transfer, we contracted with RAND to conduct a study of Medicare transfer cases (contract number PM–102–HCFA). This analysis examined the characteristics of cases identified in the FY 1991 MedPAR file as transfers by their discharge destination. Using this criterion, the percentage of all cases identified as transfers was 2.75 percent. The percentage of rural cases that were transfers was 5.10 percent.

Prior to analyzing the per diem costs of transfer cases, RAND first examined the DRG-adjusted average costs of hospitals with a high proportion of transfers relative to other hospitals in order to determine whether these hospitals had higher overall costs per case. Rural hospitals above the 75th percentile in terms of their proportion of transfer cases had costs per case very similar to the average cost per case for all rural hospitals. The average cost per case for urban hospitals above the 75th percentile was below the average for all urban hospitals.

Having established that hospitals with the greatest proportions of transfer cases do not have a pattern of costs that are in excess of the average, the analysis turned to determining whether transfer cases are adequately compensated under the current payment methodology. The analysis separately examined transfers paid using the per diem method (cases where the patient was transferred prior to reaching the geometric mean length-of-stay) and transfer cases paid the full DRG amount (length-of-stay prior to transfer was equal to or greater than the geometric mean). Approximately 64 percent of the transfers examined were paid on the per diem basis. When RAND estimated payments for these transfer cases, the result was a ratio of Medicare payments to costs among transfer cases paid a per diem of 0.7221. However, among transfer cases receiving the full DRG amount, the ratio was only 0.6203. The ratio for all cases (transfer and nontransfer) was 0.9592 and for nontransfer cases it was 0.9665.

Dividing transfers into those with lengths of stay less than or greater than the geometric mean indicates not only that the payment-to-cost ratio for transfer cases is substantially less than the ratio for nontransfer cases, but also that, even for transfer cases receiving the full DRG amount, payments are, on average, much less than costs. Since transfer cases with length of stay equal to or longer than the geometric mean for the DRG receive the full DRG payment, revising the per diem payment methodology will not improve the payment-to-cost ratios for these cases. RAND's analysis is exploring all aspects of Medicare policy pertaining to transfer cases, including these cases, and we will continue to analyze appropriate policy changes.

Among cases that are transferred prior to reaching the geometric mean length-of-stay, RAND found that the 1-day stays cost a little over twice the per diem payment amount for cases in medical DRGs, and two-and-one-half times the per diem payment amount for cases in surgical DRGs (less than 1 percent of all cases classified to surgical DRGs are transfers). Among medical DRG transfer cases, the costs of 2-day stays are about 20 percent higher than the applicable per diem payment amount, and cases transferred after 2 days cost about 10 percent more than the applicable per diem amount. Among surgical cases, the costs of stays of 2 or more days are actually about 7 percent below the applicable per diem amount.

To evaluate the impact of replacing the flat per diem methodology with one designed to reflect the observed relationship between costs and the first few days of hospitalization, RAND simulated a transfer payment methodology that multiplies the flat per diem amounts by the coefficients referred to above. The improvement in payment-to-cost ratios was significant, from 0.7221 under current policy to 0.9719 using the scaled per diem. As part of its analysis, RAND also simulated the impacts of a transfer payment policy that would pay twice the per diem for the first day of hospitalization and a flat per diem after that. The results were similar to those using the per diem coefficients described above.

However, the effect of a graduated per diem on payment-to-cost ratios is not the only issue. Another consideration is the need to specify the transfer payment formula so as to fairly pay for these cases without creating an adverse impact on the incentives to provide appropriate care. While there is some concern that the current payment methodology discourages transfers due to the flat per diem payments, shifting the payments too much towards the first few days of hospitalization could actually encourage inappropriate transfers. Because of this, we intend to thoroughly analyze the various options and the resulting payments before proposing a change in our current transfer policy.

We note that ProPAC, in its March 1, 1993 report, recommended that Congress provide authority to the Secretary to implement a graduated per diem in a budget neutral manner. To implement the per diem coefficients in a budget neutral manner by offsetting the standardized amounts by a factor

reflecting the additional payments made to short-stay transfer cases, RAND estimates a reduction in the standardized amounts of 0.32 percent would be necessary.

Transferring hospitals are also eligible to receive payments for cost outliers. Currently, in order to qualify, these cases must meet the same thresholds as nontransfer cases. Since cases transferred prior to reaching the geometric mean length-of-stay are paid less than the full DRG amount, they must incur much larger losses relative to their payments before qualifying for outlier payments. For example, using the FY 1993 cost outlier thresholds (the greater of 2.0 times the prospective payment rate for the DRG or $35,500), a discharge classified to a DRG with a prospective payment rate of $10,000 (geometric mean length-of-stay of 5 days) would have to incur a loss of at least $25,500 to qualify for outlier payments. However, a transfer classified to this same DRG that was sent to another hospital after 1 day would receive $2,000 under the per diem payment and would have to incur a loss of at least $33,500 to qualify for outlier payments. The loss prior to receiving any outlier payments is much greater for the transfer case ($2,000/$35,500 or a 0.0563 payment-to-cost ratio) than for the discharge case ($10,000/$35,500 or a 0.2817 payment-to-cost ratio).

For cases transferred prior to reaching the DRG geometric mean length-of-stay, we are proposing that the cost outlier thresholds for such cases be set based on the per diem payment rate instead of the prospective payment rate for the DRG. For example, if the proposed methodology had been in place in FY 1993, the FY 1993 cost outlier thresholds for transfer cases would have been the greater of: (1) 2.0 times the total per diem payment rate for the DRG or, (2) $35,500 divided by the geometric mean length-of-stay for the DRG, multiplied by the length-of-stay prior to transfer. (The proposed FY 1994 thresholds are discussed in section II.A.4.d.ii. of the addendum to this preamble.) Under the proposed method using the FY 1993 cost outlier thresholds, the proportional loss for a transfer case would be identical to that for a discharge in the same DRG. Using the example described above, the fixed threshold for the transfer case would be reduced to $7,100 ($35,500/5), and the payment-to-cost ratio would rise to 0.2817 ($2,000/$7,100).

RAND estimated the impact upon transfer cases of this proposed change. Under the current policy, only 1.35 percent of transfer cases qualify for cost outlier payments, and only 0.05 percent of transfers that are paid the per diem qualify for outlier payments. (Of transfers paid the full DRG amount, 3.63 percent meet the thresholds.) Under the proposed per diem thresholds described above, 3.17 percent of transfer cases would qualify for cost outlier payments, including 2.93 percent of transfers paid using per diem and 3.17 percent of transfers paid the full DRG amount. The overall impact of this change on transfers paid the per diem rate is to increase the average payment per transfer case for outliers from $9 to $66. As a result of this change, the simulated average payment-to-cost ratio of transfers paid the per diem rises to 0.7417.

We are continuing to work with RAND to evaluate all aspects of transfer payment policy, including the impact on receiving hospitals of accepting transfers and the incentive to transfer patients back to community hospitals for recuperative care. We anticipate receiving the results of this analysis later this year.

B. Elimination of the Regional Floor (§ 412.70)

Section 4002(d) of Public Law 101–203 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. Section 115(b)(1) of Public Law 101–403 (Continuing Appropriations, 1991, enacted on October 1, 1990) amended section 1886(d)(1)(A)(iii) of the Act to extend the regional floor provision through October 20, 1990.

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 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. Because the statutory authority for the regional floor expires on October 1, 1993, we will discontinue its use effective with discharges occurring on or after October 1, 1993.

C. Rural Referral Centers (§ 412.96)

Under the authority of section 1886(d)(5)(C)(i) of the Act, § 412.96 sets forth the criteria a hospital must meet in order to receive special treatment under the prospective payment system as a rural referral center (that is, payment is based on the other urban payment rate rather than the rural payment rate). One of the criteria under which a rural hospital may qualify as a referral center is to have 275 or more beds available for use. A rural hospital that does not meet the bed size criterion can qualify as a rural referral center if the hospital meets two mandatory criteria (number of discharges and case-mix index) and at least one of three optional criteria (medical staff, source of inpatients, or volume of referrals). With respect to the two mandatory criteria, a hospital is classified as a rural referral center if its—

- Case-mix index is at least equal to the lower of the median case-mix index for urban hospitals in its census region, excluding hospitals with approved teaching programs, or the median case-mix index for all urban hospitals nationally; and
- Number of discharges is at least 5,000 discharges per year or, if fewer, the median number of discharges for urban hospitals in the census region in which the hospital is located. (We note that the number of discharges criterion for an osteopathic hospital is at least 3,000 discharges per year.)

1. Case-Mix Index

Section 412.96(c)(1) provides that HCFA will establish updated national and regional case-mix index values in each year's annual notice of prospective payment rates for purposes of determining rural referral center status. In determining the proposed national and regional case-mix index values, we would follow the same methodology we used in the November 24, 1986 final rule, as set forth in regulations at § 412.96(c)(1)(ii). Therefore, the proposed national case-mix index value includes all urban hospitals nationwide, and the proposed regional values are the median values of urban hospitals within each census region, excluding those with approved teaching programs (that is, those hospitals receiving indirect medical education payments as provided in § 412.105).

These values are based on discharges occurring during FY 1992 (October 1, 1991 through September 30, 1992) and include bills posted to HCFA's records through December 1992. Therefore, in addition to meeting other criteria, we are proposing that to qualify for initial rural referral center status for cost reporting periods beginning on or after October 1, 1993, a hospital's case-mix index value for FY 1992 would have to be at least—

- 1.2919; or
- Equal to the median case-mix index value for urban hospitals (excluding

hospitals with approved teaching programs as identified in § 412.105) calculated by HCFA for the census region in which the hospital is located.

The median case-mix values by region are set forth in the table below:

Region	Case-mix index value
1. New England (CT, ME, MA, NH, RI, VT)	1.1871
2. Middle Atlantic (PA, NJ, NY)	1.1919
3. South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	1.3040
4. East North Central (IL, IN, MI, OH, WI)	1.2212
5. East South Central (AL, KY, MS, TN)	1.2449
6. West North Central (IA, KS, MN, MO, NE, ND, SD)	1.2177
7. West South Central (AR, LA, OK, TX)	1.2906
8. Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	1.3508
9. Pacific (AK, CA, HI, OR, WA)	1.2975

The above numbers will be revised in the final rule to the extent required to reflect additional bills received for discharges through September 30, 1992.

For the benefit of hospitals seeking to qualify as referral centers or those wishing to know how their case-mix index value compares to the criteria, we are publishing each hospital's FY 1992 case-mix index value in Table 3C in section V of the addendum to this proposed rule. In keeping with our policy on discharges, these case-mix index values are computed based on all Medicare patient discharges subject to DRG-based payment.

2. Discharges

Section 412.96(c)(2)(i) provides that HCFA will set forth the national and regional numbers of discharges in each year's annual notice of prospective payment rates for purposes of determining referral center status. As specified in section 1886(d)(5)(C)(ii) of the Act, the national standard is set at 5,000 discharges. However, we are proposing to update the regional standards. The proposed regional standards are based on discharges for urban hospitals' cost reporting periods that began during FY 1991 (that is, October 1, 1990 through September 30, 1991). That is the latest year for which we have complete discharge data available.

Therefore, in addition to meeting other criteria, we are proposing that to qualify for initial rural referral center status for cost reporting periods beginning on or after October 1, 1993, the number of discharges a hospital must have for its cost reporting period that began during FY 1992 would have to be at least—

- 5,000; or
- Equal to the median number of discharges for urban hospitals in the census region in which the hospital is located, as indicated in the table below.

Region	Number of discharges
1. New England (CT, ME, MA, NH, RI, VT)	7429
2. Middle Atlantic (PA, NJ, NY)	8772
3. South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	7523
4. East North Central (IL, IN, MI, OH, WI)	7544
5. East South Central (AL, KY, MS, TN)	5841
6. West North Central (IA, KS, MN, MO, NE, ND, SD)	5020
7. West South Central (AR, LA, OK, TX)	5155
8. Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	8706
9. Pacific (AK, CA, HI, OR, WA)	5840

We note that all the regional standards now exceed the national of 5,000. Therefore, 5,000 discharges is now the standard all hospitals will have to meet. We reiterate that, to qualify for rural referral center status for cost reporting periods beginning on or after October 1, 1993, an osteopathic hospital's number of discharges for its cost reporting period that began during FY 1992 would have to be at least 3,000.

3. Retention of Referral Center Status

Section 412.96(f) states that each hospital receiving the referral center adjustment is reviewed every 3 years to determine if the hospital continues to meet the criteria for referral center status. To retain status as a referral center, a hospital must meet the criteria for classification as a referral center specified in § 412.96(b)(1) or (b)(2) or (c) for 2 of the last 3 years, or for the current year. A hospital may meet any one of the three sets of criteria for individual years during the 3-year period or the current year. For example, a hospital may meet the two mandatory requirements in § 412.96(c)(1) (case-mix index) and (c)(2) (number of discharges) and the optional criterion in paragraph (c)(3) (medical staff) during the first year. During the second or third year, the hospital may meet the criteria under § 412.96(b)(1) (rural location and appropriate bed size).

A hospital must meet all of the criteria within any one of these three sections of the regulations in order to meet the retention requirement for a given year. That is, it will have to meet all of the criteria of § 412.96(b)(1) or § 412.96(b)(2) or § 412.96(c). For example, if a hospital meets the case-mix index standards in § 412.96(c)(1) in years 1 and 3 and the number of discharge standards in § 412.96(c)(2) in years 2 and 3, it will not meet the retention criteria. All of the standards would have to be met in the same year.

The requirement for triennial review was originally added to the regulations in 1984, to be effective for cost reporting periods beginning on or after October 1, 1987 (the end of the first 3 years of the referral center adjustment). However, two statutory moratoriums on the performance of the triennial reviews were enacted by Congress. The second of these moratoriums expired as of October 1, 1992. Therefore, the first triennial reviews of referral centers were implemented effective with cost reporting periods beginning on or after October 1, 1992. See the June 4, 1992 proposed rule (57 FR 23647) and the September 1, 1992 final rule (57 FR 39787) for a detailed explanation of the moratorium and the implementation of the triennial reviews.

In accordance with § 412.96(f)(2), the review process is limited to the hospital's compliance during the last 3 years. Thus, if a hospital meets the criteria in effect for at least 2 of the last 3 years or if it meets the criteria in effect for the current year (that is, the criteria for FY 1994 outlined above in this section of the preamble), it will retain its status for another 3 years. No hospital is subject to a review until the end of its third full cost reporting period as a referral center. We have constructed the following chart and example to aid hospitals that qualify as referral centers under the criteria in § 412.96(c) in projecting whether they will retain their status as a referral center.

Under § 412.96(f), to qualify for a 3-year extension effective with cost reporting periods beginning in FY 1994, a hospital must meet the criteria in § 412.96(c) for FY 1994 or it must meet the criteria for 2 of the last 3 years as follows:

For the cost reporting period beginning during FY	Use hospital's case-mix index for FY	Use the discharges for the hospital's cost reporting period beginning during FY	Use numerical standards as published in the FEDERAL REGISTER on
1993 ..	1991 ..	1991	Sept. 1,1992.

For the cost reporting period beginning during FY	Use hospital's case-mix index for FY	Use the discharges for the hospital's cost reporting period beginning during FY	Use numerical standards as published in the FEDERAL REGISTER on
1992 ..	1990 ..	1990	Aug. 30, 1991.
1991 ..	1989 ..	1989	Sept. 4, 1990.

Example: A hospital with a cost reporting period beginning July 1 qualified as a referral center effective July 1, 1991. The hospital has fewer than 275 beds. Its status as a referral center is protected through June 30, 1994 (the end of its cost reporting period beginning July 1, 1993). To determine if the hospital should retain its status as a referral center for an additional 3-year period, we will review its compliance with the applicable criteria for its cost reporting periods beginning July 1, 1991, July 1, 1992, and July 1, 1993. The hospital must meet the criteria in effect either for its cost reporting period beginning July 1, 1994 or for two out of the three past periods. For example, to be found to have met the criteria at § 412.96(c) for its cost reporting period beginning July 1, 1992, the hospital's case-mix index value during FY 1990 must have equaled or exceeded the lower of the national or the appropriate regional standard as published in the August 30, 1991 final rule. The hospital's total number of discharges during its cost reporting year beginning July 1, 1990 must have equaled or exceeded 5,000 or the regional standard as published in the August 30, 1991 final rule.

For those hospitals that seek to retain referral center status by meeting the criteria of § 412.96(b)(1)(i) and (b)(1)(ii) (that is, rural location and at least 275 beds), we will look at the number of beds shown for indirect medical education purposes (as defined at § 412.105(b)) on the hospital's cost report for the appropriate year. We will consider only full cost reporting periods when determining a hospital's status under § 412.96(b)(1)(ii).

This definition varies from the bed size criterion used to determine a hospital's initial status as a referral center because we believe it is important for a hospital to demonstrate that it has maintained at least 275 beds throughout its entire cost reporting period, not just for a particular portion of the year.

D. Hospitals in Areas Redesignated as Rural (§ 412.102)

On December 28, 1992, the Office of Management and Budget (OMB) announced revisions to the Metropolitan Statistical Area (MSA) definitions based on 1990 census data. As a result, 20 counties that were previously part of MSAs lost their urban status and are now part of a rural area. Beginning October 1, 1993, the date on which the new MSA definitions will be implemented under the prospective payment system, the hospitals in these counties will be paid based on the rural standardized amount instead of an urban standardized amount. Section 1886(d)(8)(A) of the Act provides for an adjustment to the payment amounts for hospitals reclassified from urban to rural after April 20, 1983. Under the statute, a hospital that loses its urban status as a result of an OMB redesignation occurring after April 20, 1983, qualifies for special consideration by having the standardized amount payment reduction phased-in over a 2-year period. We note that the impact of this provision will be minimized because in FY 1995 the rural standardized amount will be set equal to the other urban standardized amount.

As described at § 412.102, in the first year that a hospital loses urban status, an eligible hospital will receive, in addition to its rural average standardized amount, two-thirds of the difference between its present rural standardized amount and the urban standardized amount that it would have received had it retained its urban status. In the second year, the hospital's additional payment will be one third of the difference between the rural standardized amount and the appropriate urban standardized amount.

Section 1886(d)(8)(A) of the Act specifies that eligible hospitals shall receive these special transition payments for two cost reporting periods. This provision was part of the Social Security Amendments of 1983 (Public Law 98–21), enacted on April 20, 1983. In drafting the law, Congress specified the use of cost reporting periods rather than Federal fiscal years because at that time hospitals were phasing into the prospective payment system at the beginning of their cost reporting periods. However, applying a literal reading of the statute at this time would result in denying some hospitals a full year of transition payments if their cost reporting periods do not coincide with the Federal fiscal year. To avoid such differential treatment, we propose to implement these special transition payments at the beginning of the Federal fiscal year, which is consistent with the effective date of the revised MSA definitions. Section 412.102 would be revised to reflect this change.

In addition, since a hospital's payment status for the disproportionate share hospital adjustment provided under § 412.106 depends on its urban/rural designation for purposes of the standardized amount payment, where applicable, we propose to include disproportionate share hospital payments in determining the amount of transition payments a hospital would receive.

This provision does not apply to the hospital wage index because the determination of a hospital's labor market area and applicable wage index is independent from its urban or rural designation specified under the statute for purposes of the standardized payment amount. Unlike the large urban, other urban and rural standardized amount designations that are specifically prescribed by law, labor market areas are defined by the Secretary through regulation.

E. Disproportionate Share Adjustment (§ 412.106)

Section 1886(d)(5)(F) of the Act provides for additional payments for hospitals that serve a disproportionate share of low income patients. Section 1886(d)(5)(F)(vii), as added by section 6003(c)(1)(B) of Public Law 101–239, specifies the formula for determining the disproportionate share adjustment percentage for hospitals that are located in an urban area and have 100 or more beds, or are located in a rural area and have 500 or more beds. The statute establishes different payment formulas for different years, including a change in the formula for discharges occurring on or after October 1, 1993.

Regulations concerning the disproportionate share adjustment are set forth at § 412.106. Under § 412.106(c)(1)(i), a hospital that is located in an urban area and has 100 or more beds, or is located in a rural area and has 500 or more beds, must have a "disproportionate patient percentage" of at least 15 percent to qualify for a disproportionate share payment adjustment. Section 412.106(d)(2) sets forth the formulas for determining the disproportionate payment adjustment factors applicable to these two groups of hospitals.

We are not proposing changes to any part of § 412.106 in this proposed rule. However, we wish to ensure that hospitals are aware of the revised payment formulas that will take effect in FY 1994. Specifically, for discharges occurring on or after October 1, 1993 and before October 1, 1994, any such hospital with a disproportionate share patient percentage greater than 20.2 percent will receive a disproportionate share adjustment equal to 5.88 percent plus 80 percent of the difference between 20.2 percent and the hospital's disproportionate patient percentage. If

one of these types of hospitals has a disproportionate patient percentage of at least 15 percent but not more than 20.2 percent, for discharges occurring on or after October 1, 1993, it will receive a disproportionate share adjustment equal to 2.5 percent plus 65 percent of the difference between 15 percent and the hospital's disproportionate patient percentage.

F. Direct Graduate Medical Education Payment (§ 413.86)

We propose to make a technical change to correct an error in § 413.86(h)(2). In the second sentence of § 413.86(h)(2), we would revise the phrase "On or before July 1, 1986 and before July 1, 1987," to read "On or after July 1, 1986 and before July 1, 1987,".

G. Other Technical Changes (§§ 412.1, 412.2 and 412.108)

We propose to make other technical changes to the regulations in §§ 412.1, 412.2 and 412.108 to remove and replace obsolete language and to correct references.

V. Proposed Changes and Clarifications to the Prospective Payment System for Capital-Related Costs

A. Evaluation of Provisions Relating to Obligated Capital for Hospitals Subject to Lengthy Certificate-of-Need (CON) Process (§ 412.302(c)(2))

Section 412.302(c)(2) specifies the conditions under which capital projects may be treated as obligated capital for hospitals subject to a lengthy CON process. As we noted in the policy changes and clarifications made in the last capital prospective payment system update published on September 1, 1992 (57 FR 39792–39793), we intend to conduct a systematic evaluation of the appropriateness of changing the criteria established in that regulation. We explained that any reassessment would be made within the policy framework used to establish the initial transition payment policies (August 30, 1991 final rule, 56 FR 43391–43394). We stated that we believed it would be premature to make modifications to the CON provisions based on the comments we received to the proposed rule changes (June 4, 1992 proposed rule, 57 FR 23651) without sufficient information about the extent of any potential problems unique to such hospitals. We solicited information from the hospitals that had not already advised us of their concerns but were also concerned about the issues raised by the commenters.

Although we had hoped by now to be able to conclude whether changes in our transition policies on this matter would be appropriate, we do not have the prerequisite information to complete our assessment in time for consideration during the FY 1994 rulemaking process. We have not as yet received additional comments from hospitals that would provide a basis for ascertaining the extent of any impact. In addition, payment data regarding old capital costs will not be available for some time due to the extension of the cut-off date by which hospitals were to submit documentation of obligated capital to their fiscal intermediaries (57 FR 39792), that is, the later of October 1, 1992 or 90 days after the hospital becomes subject to the prospective payment system for capital-related costs. Finally, the data on capital-related costs and payments are not yet available because of the delayed issuance of the new Medicare cost reporting forms for the first year of the capital prospective payment system (FY 1992).

As a result of these factors, we will continue our efforts to evaluate the comments and expect to report on them in the proposed rule setting forth our FY 1995 capital payment policies and rates. In the interim, we continue to solicit hospital information on this matter.

B. Disproportionate Share Adjustment Factor (§ 412.320)

Under section 1886(d)(5)(F)(i)(II) of the Act, hospitals may qualify for a disproportionate share adjustment and receive additional payments for operating costs. The August 30, 1991 final rule implementing the capital prospective payment system established a special provision under which these hospitals may also receive an adjustment to the Federal rate for the prospective payment system for capital-related costs. Section 412.320(b)(2), as added by the final rule of August 30, 1991, establishes a disproportionate share adjustment to the capital Federal rate of 14.16 percent for these hospitals. As we explained in the preamble to the final rule (56 FR 43377), our intent was to establish a capital disproportionate share adjustment for these hospitals that would result from deeming them to have a disproportionate patient percentage equivalent to that which would generate their operating disproportionate share payment, using the formula for urban hospitals with at least 100 beds. For discharges occurring on or after October 1, 1991, those hospitals qualified for an operating disproportionate share adjustment of 35 percent, which was equivalent to having a disproportionate share patient percentage of 65.4 based on the operating disproportionate share formula that was in effect for urban hospitals with at least 100 beds. Using the disproportionate share patient percentage of 65.4, we established the capital disproportionate share adjustment factor of 14.16 percent for these hospitals.

Section 1886(d)(5)(F)(vii) of the Act, as added by section 6003(c)(1)(B) of Public Law 101–239, specifies the formula for determining the disproportionate share adjustment percentage for hospitals that are located in an urban area and that have 100 or more beds. The statute establishes different payment formulas for different years, including a change in the formula for discharges occurring on or after October 1, 1993. Specifically, for discharges occurring on or after October 1, 1993 and before October 1, 1994, a hospital with a disproportionate share patient percentage greater than 20.2 percent will receive a disproportionate share adjustment equal to 5.88 percent plus 80 percent of the difference between 20.2 percent and the hospital's disproportionate share percentage.

Under this new formula, a hospital receiving a disproportionate share adjustment of 35 percent would be deemed to have a disproportionate share percentage of 56.6. In turn, a disproportionate share percentage of 56.6 yields a capital disproportionate share adjustment of 12.14 percent. Thus, the disproportionate share adjustment provided under § 412.320(b)(2) is no longer the adjustment that would result from deeming those hospitals to have the disproportionate share percentage that would yield their operating disproportionate share adjustment. We therefore propose to revise the regulation so that the capital disproportionate share adjustment for these hospitals is once again consistent with the original logic.

We propose to revise the regulation so that the capital disproportionate share adjustment for these hospitals changes automatically with any future revisions of the operating disproportionate share formula. We thus propose to revise § 412.320(b)(2) to provide that the capital disproportionate share adjustment for eligible hospitals is the adjustment that results from deeming those hospitals to have the disproportionate share percentage that would yield their operating disproportionate share adjustment. For FY 1994, this provision would result in a disproportionate share adjustment of 12.14%.

The additional capital disproportionate share payments to these hospitals will continue to be made at the same time that the additional operating disproportionate share

payments are made, that is, as the result of application for these payments under § 412.106(c)(2).

VI. Proposed Changes for Hospitals Excluded From the Prospective Payment System

A. Limitation of Exclusions for Distinct-Part Hospital Units (§ 412.25)

Since the inception of the prospective payment system for hospital inpatient services, certain types of specialty-care hospitals and hospital units have been excluded from that system under section 1886(d)(1)(B) of the Act. The hospitals currently excluded are psychiatric, rehabilitation, children's, long-term care, and cancer hospitals. The units currently excluded are psychiatric or rehabilitation units of hospitals that are distinct parts (as defined by the Secretary) of hospitals paid under the prospective payment system.

We have always believed it is self-evident that when an entire hospital is excluded from the prospective payment system, a separate component of the hospital cannot qualify for a second and distinct exclusion as a psychiatric or rehabilitation unit. To allow a second exclusion would be redundant, since the entire institution is already excluded from the prospective payment system. We also continue to believe that exclusion of a unit is available only to units of institutions that have at least enough beds subject to payment under the prospective payment system to meet the requirements of § 413.24(c) regarding adequacy of cost information and the related instructions in sections 2336.1 (C) and (D) of the Medicare Provider Reimbursement Manual (HCFA Pub. 15–1). Thus, a hospital that does not otherwise qualify as an excluded hospital cannot obtain exclusion from the prospective payment system in its entirety by allocating all its beds between an excluded psychiatric and an excluded rehabilitation unit. Finally, it has been our view that only one unit of each type (psychiatric or rehabilitation) can be approved in any hospital. However, these policies are not set forth explicitly in the regulations.

Because the current regulations are not explicit on these points, some institutions have expressed interest in reorganizing themselves in novel ways in order to obtain types of exclusions not contemplated by the statute. For example, representatives of an excluded psychiatric hospital may seek to set aside a part of the hospital for providing rehabilitation care to non-psychiatric patients, and may request exclusion of that facility as a rehabilitation unit. Since the facility is currently excluded from the prospective payment system in its entirety, the ceiling for the hospital encompasses costs associated with the unit. Thus, it would be inappropriate to apply a target amount to the unit that is different from (and higher than) the rate for the hospital as a whole (including the unit). If we were to allow a unit's ceiling to be artificially inflated in this way, we would diminish the incentive for efficient operation that is provided by the ceiling. Such an action would be at cross purposes with the intent of section 1886(b) of the Act.

In other cases, a hospital may wish to organize itself into two components, one that could qualify as an excluded rehabilitation unit and one that could qualify as an excluded psychiatric unit. Thus, a hospital that does not qualify as a psychiatric, rehabilitation, or other type of excluded hospital nevertheless could be excluded in its entirety from the prospective payment system. We believe that if a hospital does not qualify for exclusion from the prospective payment system as an excluded hospital, then some part of the hospital should be subject to payment under the prospective payment system. Accordingly, we would not approve exclusion of all units of a hospital if, as a result, all of the hospital beds would be excluded.

Finally, as noted above, a hospital may seek to set up multiple excluded units of the same type and obtain a separate target amount for each unit, thus defeating the purpose of the ceiling. The target amount is based on a system of averages and is intended to apply to all discharges of a hospital or unit, thereby encouraging the efficient delivery of needed health care.

To avoid the kinds of distortions in payment that would occur if we granted these types of exclusions, we propose to revise the regulations concerning common requirements for excluded distinct part hospital units to state explicitly the policies described above, as they have been applied since the inception of the rate-of-increase ceiling. Revised § 412.25 would allow a psychiatric or rehabilitation unit to be excluded only if the unit is a component of a hospital that is not eligible for exclusion from the prospective payment system in its entirety, and the hospital has a sufficient number of beds that are subject to the prospective payment system to permit the provision of adquate cost information as specified in § 413.24(c). We also would revise the regulations to state explicitly that only one unit of each type (psychiatric or rehabilitation) is allowed in each hospital. We emphasize that these revisions merely codify existing policy, and do not represent new substantive policies that would be effective only prospectively.

B. Ceiling on the Rate of Increase in Hospital Inpatient Costs (§ 413.40)

The rate-of-increase ceiling is based on an assumption that, except for inflation, a provider's year-to-year inpatient operating costs should remain comparable to its base year. Each hospital's target amount is adjusted annually, at the beginning of its cost reporting period, by an applicable rate-of-increase percentage for the Federal fiscal year in which the cost reporting period begins. Section 1886(b)(4)(A) of the Act authorizes the Secretary to grant an exemption from, or an adjustment or exception to, the rate-of-increase ceiling where events beyond the hospital's control or extraordinary circumstances create a distortion in the hospital's inpatient operating costs.

To implement section 1886(b)(4)(A) of the Act, regulations at § 413.40 provide that HCFA may adjust a hospital's operating costs that were considered in establishing a base year cost per case for purposes of determining the target amount, including both the periods subject to the limit and the hospital's base period. Section 413.40(g) provides that such an adjustment may be made only if the hospital exceeds its ceiling for the cost reporting period and only to the extent the hospital's costs are reasonable, attributable to the circumstances specified as creating the cost distortion, and are verified by the intermediary.

In the August 30, 1991 final rule (56 FR 43232), we set forth our policy for target amount adjustments for significant wage increases. Effective October 1, 1991, significant increases in wages since the base period are recognized as a basis for an adjustment in the target amount under § 413.40(g).

To qualify for an adjustment, the excluded hospital or hospital unit must be located in a labor market area that is determined to have an average hourly wage that increased significantly more than the national average hourly wage between the hospital's base period and the period subject to the ceiling. We use the hospital wage index for prospective payment hospitals to determine the rate of increase in the average hourly wage in the labor market area. For a hospital to qualify for an adjustment, the increase in its wage index value based on 1982 wage data and its wage index value based on the latest applicable wage data must be at least 8 percent. If the hospital's base period begins in FY 1984 or later, the increase in the wage

index value based on 1984 data and the wage index value based on the latest applicable wage data must be at least 8 percent. Sections 413.40(g)(4) (A) and (B) specify that 1988 wage data is to be used for comparisons of wage index values to those based on 1982 or 1984 wage data. Since we will be updating the wage index information yearly, we are replacing the specific requirements based on 1988 wage data with more general provisions based on a comparison of the wage index based on wage survey data collected for the cost reporting period subject to the ceiling to the wage index based on wage survey data collected for the base year cost reporting period. If survey data are not available for one (or both) of the cost reporting periods used in the comparison, the wage index based on the latest available survey data collected prior to that cost reporting period will be used. For example, to make the comparison between a 1983 base period and a hospital's cost reporting period beginning in FY 1992, we would use the rate of increase between the wage index based on 1982 wage data and the wage index based on the FY 1990 data, since the FY 1990 data are the most recent data that are currently available. Further, the comparison is made without regard to geographic reclassifications made by the MGCRB under sections 1886(d) (8) and (10) of the Act. Therefore, the comparison is made based on the wage index value of the labor market area in which the hospital is actually located.

The geographic areas in which the percentage difference in wage indexes was sufficient to qualify for a wage index adjustment are listed in Table 10 of section V of the addendum to this proposed rule. The table is constructed with old MSAs instead of the revised MSAs effective October 1, 1993 because current adjustment requests are for years prior to FY 1994.

We determine the amount of the adjustment for wage increases by considering three factors for the time between the base period and the period for which an adjustment is requested: The rate of increase in the hospital's average hourly wage; the rate of increase in the average hourly wage in the labor market area in which the hospital is located; and, the rate of increase in the national average hourly wage for hospital workers. The adjustment is limited to the amount by which the lower of the hospital's or the labor market area's rate of increase in average hourly wages significantly exceeds the national increase (that is, exceeds the national rate of increase by more than 8 percent). For purposes of computing the adjustment, the relative rate of increase in the average hourly wage for the labor market area is assumed to have been the same over each of the intervening years between the wage surveys.

To determine the rate of increase in the national average hourly wage, we use the average hourly earnings (AHE) component of the wages and salaries portion of the market basket. This measure would be derived from the 1982-based market basket since the 1987-based market basket uses the employment cost index (ECI) for hospital workers as the price proxy for this component. Unlike the AHE, the ECI for hospital workers can be measured historically only back to 1986. In addition, the ECI does not adjust for skill-mix shifts and, therefore, measures only the change in wage rates per hour.

The average hourly earnings for hospital workers as measured by the market basket show the following increases:

1983 = 8.4 percent
1984 = 5.6 percent
1985 = 5.4 percent
1986 = 4.1 percent
1987 = 4.7 percent
1988 = 6.5 percent
1989 = 6.9 percent
1990 = 5.6 percent
1991 = 5.6 percent
1992 = 4.8 percent
1993 = 4.5 percent
1994 = 5.5 percent

We use the following methodology to determine if an adjustment for significant wage increases is appropriate;

Step 1: Compare the hospital's rate of increase in average hourly wages to the rate of increase in the labor market area in which the hospital is located. The hospital's rate of increase is calculated by dividing its average hourly wage in the year for which the adjustment is requested by its average hourly wage in the base year. The rate of increase in the labor market area is computed by multiplying the cumulative percentage increase in the AHE for hospital workers by the applicable percentage change in the wage index. The lower of the two rates of increase will be used in Step 3.

Step 2: Determine the threshold for the adjustment. The threshold is equal to the cumulative percentage increase in the AHE for hospital workers over the period in question multiplied by 1.08.

Step 3: Subtract the amount determined in Step 2 from the lower of the two amounts determined in Step 1. This result is the percentage increase that is considered significantly above the increase that is accounted for by the update factor.

Step 4: Determine the proportion of the hospital's operating costs that is attributable to wages and fringe benefits. Adjust this proportion of the hospital's target amount to account for the wage increase by multiplying it by the percentage increase determined in Step 3. As with other adjustments under § 413.40(g), the adjustment is made only to the extent the hospital's costs are in excess of the target amount.

Since we provide a specific methodology to be used to make the wage adjustment, we authorized the intermediary to make the determinations on these requests for an adjustment due to a significant wage increase.

C. Technical Changes Regarding the Ceiling on the Rate of Increase in Hospital Inpatient Costs (§ 413.40)

We propose to make several technical changes to the regulations in § 413.40, which concern the ceiling on the rate of increase in hospital inpatient costs. These changes are necessary to define terms, clarify current provisions, correct citations, and remove obsolete material that applies to cost reporting periods for which a final notice of amount of program reimbursement (NPR) has long since been issued.

The specific changes we propose to make are as follows:

- *Definitions.* In § 413.40, concerning the ceiling on the rate of increase in hospital inpatient costs, the terms "ceiling" and "target amount" heretofore have been used interchangeably. Although the terms are closely related, they have different meanings. Therefore, to eliminate any possible confusion, we propose to add a new paragraph (a)(3) to define "target amount" and "ceiling." "Target amount" means the per discharge (case) limitation, derived from the hospital's allowable net Medicare inpatient operating costs in the hospital's base year, and updated for each subsequent hospital cost reporting period by the appropriate annual rate-of-increase percentage. "Ceiling" is the aggregate upper limit on the amount of a hospital's net Medicare inpatient operating costs that the program will recognize for payment purposes. For each cost reporting period, the ceiling is determined by multiplying the updated target amount for that period by the number of Medicare discharges during that period.

In addition, for the convenience of the reader, we propose to define "date of discharge," "market basket index," "net inpatient operating costs," "rate-of-increase percentage," and "update factor" in the new paragraph (a)(3).

"Date of discharge" is the earliest of the following dates: (1) The date the patient has exhausted Medicare Part A hospital inpatient benefits (including the election to use lifetime reserve days) during his or her spell of illness; (2) The date the patient is formally released as specified in § 412.4(a)(1) of this chapter; (3) The date the patient is transferred to another facility; or (4) The date the patient dies. "Market basket index" is HCFA's projection of the annual percentage increase in hospital inpatient operating costs. The market basket index is a wage and price index that incorporates weighted indicators of changes in wages and prices that are representative of the mix of goods and services included in the most common categories of hospital inpatient operating costs subject to the ceiling. "Net inpatient operating costs" include the costs of routine services, ancillary services, and intensive care services incurred by a hospital in furnishing covered inpatient services to Medicare beneficiaries. Net inpatient operating costs exclude capital-related costs, the costs of approved medical education programs, and heart, kidney, and liver acquisition costs incurred by approved transplantation centers. These costs are identified and excluded from inpatient operating costs before the application of the ceiling. "Rate-of-increase percentage" is the percentage by which each hospital's target amount from the preceding fiscal year will be increased. "Update factor" is the decimal equivalent of the rate-of-increase percentage. The update factor is the value by which a hospital's target amount for the preceding year is multiplied in order to determine the target amount for the following year. For example, if the rate-of-increase percentage for a year is 2.7 percent, the update factor for that year is 1.027.

In conjunction with these changes, we would make conforming changes to §§ 413.40 (c) and (d). Specifically, in § 413.40(c), concerning costs subject to the ceiling, we propose to remove the terms "target rate" and "target rate percentage," and replace these terms with "target amount" and "rate-of-increase percentage," respectively. In some instances, the terms "target amount," "ceiling" and "target rate percentage" were used interchangeably in paragraph (c); therefore, we are also replacing these terms with the appropriate terms. We propose to delete current paragraph (c)(2), since the date of discharge would be defined in paragraph (a)(3). In current paragraph (c)(3) (which we would redesignate as paragraph (c)(2)), we propose to include the update factors with the rate-of-increase percentages for FYs 1986 through 1988 since, as defined earlier, the update factor is the decimal equivalent of the rate-of-increase percentage. We also propose to remove and reserve current paragraph (c)(3)(ii) since the market basket index would be defined in paragraph (a)(3), and in current paragraph (c)(3)(i)(D), change the reference to paragraph (c)(3)(ii) to read (a)(3).

In paragraph (d) of § 413.40, concerning the application of the target amount in determining the amount of payment, we propose to replace the terms "target amount" and "reimbursement" with the appropriate terms. In paragraph (d)(1)(i) of § 413.40, we propose to add a reference to paragraph (a)(3).

- *Clarifications.* In § 413.40(a)(1), concerning the ceiling on the rate of increase in hospital inpatient costs, we propose to clarify that the ceiling applies to the operating costs incurred by a hospital in furnishing inpatient hospital services "to Medicare beneficiaries," and we propose to change the term "reimbursement" to read "the amount of Medicare payment."

In § 413.40(b)(1), concerning the cost reporting periods subject to the rate-of-increase ceiling, we propose to clarify the policy on the base period for new excluded units. Specifically, the base period for a newly established excluded distinct part unit is the first cost reporting period of at least 12 months following the unit's certification to participate in the Medicare program. We also propose to divide paragraph (b)(1) into 3 subparagraphs, for ease of use.

In § 413.40(b)(3), concerning cost reporting periods of other than 12 months, we propose to clarify that the ceiling does not apply to cost reporting periods of fewer than 12 months that occur in conjunction with a change in operations of the facility, as defined in paragraph (b)(1)(iii). The ceiling will apply to cost reporting periods of fewer than 12 months that result solely from the approval of a hospital's request for a change in accounting cycle, as specified in § 413.24(f)(3).

We propose to remove §§ 413.40 (c)(1)(ii) and (c)(1)(iii), since those components of net inpatient operating cost that are subject to, and those that are excluded from, the application of the ceiling, are now defined in paragraph (a)(3).

In § 413.40(e)(1), concerning the timing of a hospital's request for an adjustment to the amount of payment allowed under the rate-of-increase ceiling, we propose to clarify our policy on the deadline for requests for an adjustment to the ceiling.

In § 413.40(e)(4), concerning notification and review of a hospital's request regarding a payment adjustment, we propose to clarify that the right to review under subpart R of part 405 is contingent upon the intermediary's issuance of a notice of amount of program reimbursement that disallows costs for which the hospital had requested an adjustment, as specified in § 405.1801(a), which refers to pertinent definitions, and § 405.1835, which addresses the provider's right to a Board hearing.

In § 413.40(e)(6), concerning a hospital's request for a review of a decision on a request for a payment adjustment, we propose to change the term "reconsideration" to "review" in order to distinguish the review process from the formal reconsideration process.

In § 413.40(f)(1), concerning exemptions for new hospitals from the rate-of-increase ceiling, we propose to redesignate paragraphs (f)(1)(ii) and (f)(2) as (f)(2) and (f)(3), respectively, and add new paragraphs (f)(1)(ii) and (f)(1)(iii) to clarify that the hospital's intermediary must notify a hospital of its exempt status, and to clarify that the right to review under subpart R of part 405 is contingent upon the intermediary's issuance of a notice of amount of program reimbursement for a cost reporting period that is affected by the intermediary's exemption determination to the financial detriment of the hospital, as specified in § 405.1801(a), which refers to pertinent definitions, and § 405.1835, which addresses the provider's right to a Board hearing. In the redesignated paragraph (f)(2), we would clarify that a new distinct part unit does not qualify for an exemption unless the unit is located in an acute care hospital that, were it an excluded hospital, would qualify for the new hospital exemption. We also propose to remove a redundant reference to the base period for newly established excluded units.

In § 413.40(i)(3), we propose to add the term "update factor" to follow the term "rate-of-increase percentages" to be consistent with the changes proposed in paragraph (c)(3) that clarify the methodology for updating the target amount.

- *Citation corrections.* In §§ 413.40(a)(2)(ii), paragraph (b)(1)(i), and redesignated paragraph (f)(2), we propose to correct a reference to § 412.32 and replace it with § 412.30 since § 412.32 was removed in the September 1, 1992, final rule (see 57 FR 39821). In § 413.40(a)(2)(ii), we propose to remove a reference to § 412.94(b)

since § 412.94 was removed in the September 4, 1990, final rule (see 55 FR 36070). In § 413.40(f)(2), we also propose to revise references to paragraph (f)(1)(i) to read (f)(1).

In § 413.40(f)(3), concerning exemptions for a risk-basis HMO, we propose to correct a reference to § 417.250(c) and replace it with § 417.401 since § 412.250 was removed as an obsolete provision (see 56 FR 51985, October 17, 1991).

• *Removal of obsolete material.* In § 413.40(a)(1), concerning the ceiling on the rate of increase in hospital inpatient costs, we propose to delete a reference to costs that are included in FY 1982 base years. We would also eliminate the reference to "exceptions to" the ceiling to reflect the clarifying changes made to §§ 413.40(g) and (h) (see 56 FR 43231 and 43242, August 30, 1991).

In § 413.40(b)(3), concerning cost reporting periods of other than 12 months, we propose to remove obsolete language that refers to prorating percentage rates of increase across fiscal years.

In current § 413.40(c)(5) (which we would redesignate as paragraph (c)(4)), concerning the applicable update factor, we propose to remove references to the proration of rate-of-increase percentages across years since these provisions ceased as of January 3, 1984 (see 49 FR 336). We also would remove a now redundant reference to the development and proration of rate-of-increase percentages, and substitute language clarifying the policy on the application of rate-of-increase percentages to target amounts.

In § 413.40(d)(1)(ii), concerning the general application of the target amount in determining the amount of payment, we propose to add references to paragraphs (d)(2) and (d)(3), and remove an obsolete reference to cost reporting periods beginning prior to October 1, 1983. In conjunction with these changes, we propose to remove paragraphs (d)(1)(iii) and (d)(1)(iv).

In § 413.40(d)(2), concerning inpatient operating costs that are less than or equal to the ceiling, we propose to remove paragraph (d)(2)(iii), which contains an obsolete reference to § 413.30.

In § 413.40(d)(3), concerning inpatient operating costs that are greater than the ceiling, we propose to remove all references to cost reporting periods beginning on or after October 1, 1982 and before October 1, 1991.

Finally, we propose to remove and reserve § 413.40(h), concerning the target amount revisions for the Medicare Catastrophic Coverage Act of 1988 (Public Law 100–360), since these regulations are now obsolete.

D. Related Technical Changes (§§ 412.62, 412.63, 412.73 and 412.98)

We propose to make minor technical changes to the regulations in §§ 412.62, 412.63, 412.73 and 412.98 to reflect the proposed numbering and terminology changes in § 413.40.

VII. ProPAC Recommendations

We have reviewed the March 1, 1993 report submitted by ProPAC to Congress and have given its recommendations careful consideration in conjunction with the proposals set forth in this document. Recommendations 5, 9, and 10 concerning the update factors for inpatient operating costs are discussed in Appendix D of this proposed rule. Recommendations 6 and 7 concerning the update factors for capital costs are also discussed in Appendix D. Recommendations 11, 12, and 13 concerning the hospital wage index, geographic reclassification provisions, and hospital wage data are discussed in section III of this preamble. Recommendation 16 concerning Medicare transfer payment policy is discussed in section IV of this preamble. The remaining recommendations are discussed below.

A. Moderating the Growth in the Cost of Hospital Inpatient Services (Recommendation 1)

Recommendation: ProPAC recommends that the Medicare program continue to control the growth in its spending for hospital services. Medicare's payment amount should reflect a balance between the need to maintain access to quality care and the need to improve hospital productivity and constrain cost increases. ProPAC is concerned, however, that as Medicare has controlled its payments, hospitals have increased revenue from private payers. As a result, the effect of Medicare's financial incentives to control hospital costs has been weakened, and costs to private insurers and individuals have increased. ProPAC believes that the Medicare program, private insurers, hospitals, and physicians must renew their efforts to control the growth in the cost of furnishing care.

Response: We agree with the Commission that efforts to control the increase in the cost of providing hospital treatment must continue. We believe that the prospective payment system has provided, and will continue to provide, sufficient payments to hospitals for quality and cost-effective care of Medicare beneficiaries. We also believe that the implementation of the prospective payment system for capital-related costs will extend the incentives of the prospective payment system to hospitals' capital purchases, and eliminate unnecessary capital expenditures.

We look forward to working with the Commission, providers, and other interested parties to develop further methods of controlling cost increases while maintaining quality of care for beneficiaries in the context of the President's health care reform proposals.

B. Improving Equity in the Distribution of Prospective Payments (Recommendation 2)

Recommendation: ProPAC recommends that the Medicare program continue to modify prospective payment policies to ensure the equitable distribution of payments among hospitals. Payment adjustments are necessary to recognize appropriate variations in costs across hospitals. The adjustments should account for the impact of factors beyond a hospital's control and reflect the broader responsibilities of the Medicare program to maintain access to quality care. As the financial pressure on hospitals increases, it becomes even more important to regularly evaluate and refine prospective payment system policies that distribute payments across geographic areas and types of hospitals.

Response: We will continue our efforts to develop refinements to the prospective payment system aimed at improving payment equity and maintaining access to quality health care for Medicare beneficiaries. We agree with the Commission that any such changes must be supported by data and consistent with prospective payment system principles.

Over the years, we have made many changes to the prospective payment system that we believe are consistent with these goals, such as the FY 1993 refinements to day outlier payments and to the guidelines governing reclassifications by the Medicare Geographic Classification Review Board. We continue to evaluate other possible changes to the system, including revisions to the labor market area definitions and DRG refinements, in our aim to improve the equity of the prospective payment system, and will work with the Commission and others to ensure that any changes we might propose will be equitable and consistent with prospective payment principles.

C. Controlling Spending Across Sites of Care (Recommendation 3)

Recommendation: ProPAC believes the Medicare program should continue to seek effective methods to control its total spending across all sites of care. Total Medicare spending is growing at rates much greater than can be explained by inflation and increases in the number of enrollees. The growth in spending is straining the resources of the Medicare trust funds, adding to the Federal deficit, and creating substantial financial burdens for Medicare beneficiaries.

Response: We agree that controlling the rate of growth in health care spending both in the Medicare program and in the health care sector in general is of critical importance. The Medicare program has various mechanisms in place to stem the growth in spending for some services. For inpatient hospital services, the prospective payment system has been shown to slow the growth in Medicare spending compared with estimates of growth in program payments under reasonable cost reimbursement. The reform of Medicare physician payments, although recently enacted, has demonstrated a reduction in the growth of program expenditures in its first year. We are also developing a prospective payment system for outpatient services that will provide the appropriate economic incentives to help control the growth of Medicare outpatient spending.

However, we acknowledge the need to extend these cost control methods to other providers and to control the growth in the volume of services provided. We are developing alternative payment systems for hospitals and units that are excluded from the prospective payment system, for skilled nursing facilities, and for home health agencies. The Medicare volume performance standards (MVPS) system is one mechanism available for controlling the volume of services provided. The MVPS provides physicians with incentives to control the volume of services they provide. Similar mechanisms for other services do not exist, although we continue to explore other means of controlling the growth in the volume of services provided, such as bundling payment for multiple services into a single payment.

Ultimately, the key to controlling spending across sites of care lies in the reform of the health care system. One of the goals of reforming health care is slowing the rate of increase in public and private health care costs and, thus, health care spending overall.

D. Ensuring Quality of Care (Recommendation 4)

Recommendation: The Medicare program should continue to strengthen its ability to ensure quality of care for Medicare beneficiaries. Special attention should be directed to ambulatory care and other services furnished outside the acute care hospital setting, where there is currently little or no oversight of the quality of care furnished. ProPAC supports the efforts of the Secretary to develop new approaches to improve quality of care. This work should be expanded to include services provided in all settings.

Response: We intend to continue strengthening our ability to ensure quality of care for Medicare beneficiaries in all settings, as ProPAC recommends. Although, as ProPAC indicates, the Medicare program has traditionally relied on Medicare provider agreements and peer review programs to ensure quality of care in hospitals, services are increasingly being furnished in ambulatory settings and by other institutional providers. ProPAC recommends, and we agree, that increased focus be given to the quality of care in ambulatory and other settings.

Beginning with the Third Scope of Work (SOW III) (a document that outlines the specific review obligations of Peer Review Organizations (PROs)), the PROs have reviewed care furnished to Medicare beneficiaries in ambulatory settings. The PROs now routinely review a facility-specific sample of the procedures contained on HCFA's ambulatory surgery list when these procedures are performed in ambulatory surgical centers or hospital outpatient areas.

Additionally, the PROs review a sample of intervening care cases in a number of outpatient settings. Intervening care is care rendered to a beneficiary between inpatient hospital admissions when the date of the second admission occurs less than 31 days after the discharge date of the first admission. The outpatient settings subject to PRO review include skilled nursing facilities, hospital outpatient areas, and home health agencies. Under the Fourth Scope of Work (SOW IV) to be implemented by all PROs by October 1993, PROs will also review intervening care furnished in hospital emergency rooms and in hospital observation beds.

Currently, the PROs do not routinely review care furnished in physicians' offices. We concur that review of quality of care in office settings would be valuable, and we believe this review should be implemented in the most efficient manner possible. Therefore, we have implemented two pilot projects to evaluate methods of reviewing care furnished in the office setting.

E. Data for Evaluating Case-Mix Index Change (Recommendation 8)

Recommendation: The Secretary should collect the data necessary to apportion case-mix index change into its real and upcoding components.

Response: We agree with ProPAC that it would be desirable to separate case-mix index (CMI) change into its real and upcoding components. In the past, estimates of real CMI change and upcoding were based on a sample of medical records analyzed by the SuperPRO in its evaluation of PRO performance (SuperPRO is an organization of health care professionals whose responsibility is to provide HCFA with an independent, professionally recognized evaluation of PRO medical determinations). The Fourth Scope of Work for the SuperPRO is now under development, and we will take into account ProPAC's recommendations regarding the sampling scheme. However, we note that SuperPRO's mission is to improve the validity of PRO medical review decisions in accordance with our Health Care Quality Improvement Initiative (HCQII). The HCQII shifts the emphasis of PRO review activity from review of individual cases to the review of patterns of care and patterns of outcomes. As a result, it may no longer be possible for SuperPRO to collect the data necessary to analyze real CMI change. If this proves to be the case, the Uniform Clinical Data Set System (UCDSS) may be a means for collecting the necessary data elements to analyze CMI change. Assuming the data necessary for evaluating CMI change can be obtained through an analysis of a random sample of medical records, we believe that the data could be abstracted using the UCDSS. The UCDSS can be restructured, as necessary, to collect the type of variables needed to evaluate CMI change. The UCDSS is currently being pilot tested at 5 PRO sites. We do not plan to implement UCDSS on a nationwide basis before January 1995. We look forward to working with ProPAC to explore alternative methods of analyzing CMI change.

F. Improving Outlier Payment Policy (Recommendation 14)

Recommendation: The Commission believes that the following changes should be made in the current policy for identifying outlier cases and determining outlier payments under the prospective payment system:

- In determining outlier payment, the increasing emphasis on cost outliers relative to day outliers should continue, with the goal of eliminating day outlier payment over three years;
- The cost outlier threshold should be a fixed dollar amount (adjusted for differences in area wages and cost of living) above the payment rate received by the hospital for each case, regardless of the DRG to which the case is assigned;
- Neither the estimated cost of the case nor the outlier payment amount should be adjusted to reflect the hospital's indirect medical education or disproportionate share status;
- The marginal cost factor for cost outliers should be increased to 80 percent;
- The outlier payment pool should be set at 6 percent; and
- The payment rate for cases in each DRG should reflect the anticipated percentage of outlier payments for that DRG.

ProPAC believes these changes would improve the effectiveness of outlier payment policy in protecting against the risk of large losses on some cases.

Response: We continue to evaluate outlier payment policy in order to ensure that outlier payments are appropriately targeted at those cases that present the largest burden to hospitals. We are currently examining several possible refinements to outlier payment policy, including most of those recommended by the Commission.

The Commission first recommends that we continue to increase the emphasis on cost outlier cases relative to day outlier cases, with the goal of eliminating day outlier payments in 3 years. In our September 1, 1992, final rule, we made a major change to day outlier payment policy: we initiated the use of the arithmetic mean length of stay to determine the day outlier payment per diem, and we reduced the day outlier marginal cost factor to 55 percent. At that time, we made a commitment (at 57 FR 39782) to assess the full effects of that change before we established further changes in the day outlier payment methodology. As a result, we believe that it would be inappropriate to propose any further changes to day outlier payment policy at this time.

The Commission's second outlier policy recommendation concerns the formula for determining the cost outlier threshold. Currently, the cost outlier threshold is the greater of a fixed dollar amount (adjusted for differences in area wages and cost of living) or 2.0 times the DRG payment for the case. For some time, research performed by the RAND Corporation for HCFA has indicated that a modification of that formula would improve outlier payment equity. Under the modified methodology (now recommended by ProPAC as well), the cost outlier threshold would be the DRG payment for the case plus a fixed dollar amount (still adjusted for area wage levels and cost of living) for all cases, so that any case with a specified dollar loss would be eligible for outlier payment, regardless of its DRG classification. However, section 1886(d)(5)(A)(ii) of the Act mandates that the cost outlier threshold take its current form of the greater of a fixed multiple of the DRG payment rate or a fixed dollar amount. Therefore, until there is a statutory change, we are precluded from using the fixed loss threshold.

The Commission's third outlier recommendation concerns the method by which we adjust the charges of a case to cost in order to compare them to the cost outlier threshold. Currently, those charges are standardized to remove the effects of the indirect costs of medical education (IME) and the costs associated with serving a disproportionate share of low income patients (DSH). A cost-to-charge ratio is then applied in order to determine the operating and capital costs of the case to be compared to the cost thresholds. The resulting cost outlier payment amount is then subject to adjustment by the relevant IME and DSH payment adjustments that were used to determine the operating and capital costs of the case. The Commission advocates that we eliminate the standardization of the costs for IME and DSH, and that cost outlier payments should no longer be adjusted to reflect the additional IME and DSH costs. The effect of standardizing costs to remove the effects of IME and DSH is to increase the threshold faced by those hospitals.

The statute requires that we pay IME and DSH payments on outlier payments (under sections 1886(d)(5)(B)(i) and 1886(d)(5)(F)(ii) of the Act, respectively); therefore, we believe it would be inappropriate to implement the Commission's recommendation without a change to the statute.

Moreover, we believe that changes to the outlier standardization method should be considered in conjunction with the overall level of the IME and DSH adjustments. In this regard, we believe that the IME adjustment to prospective payments for operating costs is currently too high when compared to the differences in Medicare costs associated with teaching activity. Since the elimination of the standardization would further increase payments to teaching hospitals, we believe it would be appropriate to make this change only in conjunction with a reduction in the level of the IME adjustment (see Recommendation 15 below).

The Commission's next two outlier recommendations concern the marginal cost factor for cost outlier payments and the percentage of outlier payments. Section 1886(d)(5)(A)(iii) of the Act specifies that the amount of day and cost outlier payments shall approximate the marginal cost of care beyond the threshold, while section 1886(d)(5)(A)(iv) of the Act specifies that the total amount of outlier payments for discharges in a fiscal year may not be less than 5 percent nor more than 6 percent of the total payments projected or estimated to be made based on DRG prospective payment rates for discharges in that year. We currently set the thresholds so that total estimated outlier payments are 5.1 percent of total estimated DRG payments. When determining the percentage of payments that will be made for outliers, it is important to balance the protection for losses associated with outlier cases with the reduction in the standardized amounts that hospitals receive for all cases. Increasing the outlier payment percentage would result in an offsetting reduction in the standardized amounts. Unless the outlier payment percentage were increased, an increase in the marginal cost factor for cost outlier cases (currently 75 percent) would necessitate more restrictive cost outlier thresholds or further reductions in day outlier payments. We believe the current outlier policies achieve an appropriate balance and are not proposing to make any changes at this time. However, we will re-examine the issues of the outlier payment percentage and marginal cost factor for cost outliers at the same time we evaluate the effects of the day outlier policy changes.

ProPAC's final recommendation concerns the financing of outlier payments through a DRG-by-DRG payment reduction, rather than the current system-wide reduction. We look forward to further discussions of this issue, but are not aware of a feasible method of implementing such a change. We will continue to examine possible refinements to outlier policy, in order to provide the best protection possible to hospitals that are faced with unusually resource-intensive cases.

G. Indirect Medical Education Adjustment to Prospective Payment System Operating Payments (Recommendation 15)

Recommendation: ProPAC recommends that the indirect medical

education adjustment to the prospective payment system operating payments be reduced from its current level of 7.7 percent to 7.0 percent for fiscal year 1994. This reduction should be implemented with the anticipated decrease in indirect medical education payments returned to all hospitals through a proportionate increase in the standardized payment amounts.

Response: This recommendation is very similar to ProPAC's recommendation on the level of the indirect medical education (IME) adjustment for FY 1993, to which we responded in the proposed (57 FR 23661) and final (57 FR 39804) rules concerning the changes to the prospective payment systems for FY 1993. We continue to disagree with ProPAC's methodology for estimating the indirect cost effect of teaching without accounting for the disproportionate share (DSH) adjustment. Also, we believe that the resident-to-average daily census (ADC) ratio rather than the resident-to-bed ratio is the most appropriate measure of teaching intensity.

One difference in ProPAC's recommendation for FY 1994 is that the reduction in IME payments would be returned to all hospitals through an increase in the standardized amounts. For FY 1993, ProPAC recommended the reduction in IME payments be returned to teaching hospitals that qualify for the DSH payment adjustment, by increasing the DSH adjustment. This aspect of ProPAC's FY 1993 recommendation stemmed from concern that hospitals receiving both adjustments have lower total margins than other hospitals, even though their margins on Medicare patients are among the highest of any hospital group. However, as a result of increases in the level of the DSH adjustment enacted by the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101–508), ProPAC no longer believes the IME savings should be targeted toward teaching, DSH hospitals. Instead, the savings would be redistributed among all hospitals.

We agree that the IME adjustment should be reduced. When the capital prospective payment system was implemented beginning in FY 1992, we estimated the indirect effect of graduate medical education on total costs (excluding direct graduate medical education costs) to be an increase of approximately 2.82 percent for every 10 percent increase in the resident-to-ADC ratio. The President's FY 1994 budget recommends reducing the IME adjustment for the operating prospective payment system from its current level to the equivalent of a 5.65 percent increase for every 10 percent increase in the resident-to-bed ratio. (An IME adjustment of 5.65 percent based on the resident-to-bed ratio produces the same payment result as an adjustment of 3.43 percent that is based on resident-to-ADC ratio. See the discussion below comparing the different formulas.) Effective for discharges occurring on or after January 1, 1996, and before January 1, 1998, the budget would reduce IME payments to approximately a 3.51 percent increase for every 10 percent increase in teaching intensity (as measured by hospitals' resident-to-ADC ratios). Effective for discharges on or after January 1, 1998, the adjustment would be further reduced to approximately 3.43 percent. This proposal would also change the specification of the operating IME adjustment formula to make it similar to that used for the capital IME adjustment factor.

Under the President's budget proposal, the reduced IME payments would be used for deficit reduction rather than being redistributed to all hospitals through the standardized amounts. By delaying the reduction for 2 years, the proposal allows teaching hospitals time to prepare. Furthermore, to the extent that health care reform addresses some of the non-Medicare social issues currently facing many major teaching hospitals, the current high level of the adjustment may no longer be needed to subsidize non-Medicare operations. We believe that payments to nonteaching hospitals are adequate and that it would be inappropriate to increase their payments by making the teaching reduction budget neutral.

We note that the difference between the President's budget proposal and ProPAC's proposal (or the current adjustment) is not as large as the percentage increases might suggest. That is because, by convention, this adjustment has been described as the percentage increase in payments that occurs when the ratio increases slightly from zero (0.001), multiplied by the amount necessary to characterize the ratio increase as 10 percent. We believe the adjustments can better be compared by describing them in terms of the average adjustment factor (weighted by DRG payments plus outliers) they produce. Because these average adjustment factors are weighted by payments, they reflect the different levels of overall IME payments under the various formulas. For example, under the current operating IME formula, the weighted average IME adjustment factor is 0.133 (or an average per case adjustment for teaching hospitals of 13.3 percent). Under ProPAC's recommendation, we estimate the average adjustment factor would be 0.128 (an average adjustment of 12.8 percent per case). Under the President's budget proposal, for discharges on or after January 1, 1996, through December 31, 1997, the average factor would be 0.096, and, on or after January 1, 1998, it would be 0.094 (that is, average adjustments of 9.6 and 9.4 percent per case, respectively).

H. Evaluating and Improving Medicare Quality of Care Mechanisms (Recommendation 17)

Recommendation: ProPAC recommends that HCFA assess the methods Medicare uses to monitor quality of care. The Medicare program should adequately fund these evaluations as well as ongoing efforts to monitor and assure the quality of care delivered to its beneficiaries. Further, HCFA should coordinate its quality assurance programs with those of the rest of the health care industry.

Response: In its report, ProPAC implies that the PROs have had no methods for improving quality of care based on individual case review, other than merely notifying the physician or provider, on the one hand, and imposing sanctions, on the other, a system that many physicians regard as punitive. It also states that the present PRO methods fail to discern systematic patterns of poor quality care, and are oriented toward punishing providers for past care, rather than modifying future performance.

Although PROs already have a number of interventions available to them, including educational interventions and corrective action plans, HCFA, through the PRO program, is addressing ProPAC's concerns by implementing a quality improvement mechanism called pattern analysis, with educational feedback to physicians. Under this method, hospital records are still sampled and reviewed, but the emphasis is on examining patterns of care at both the physician and the facility level.

In concert with this new system, HCFA is also developing an approach to evaluate PRO performance in the use of pattern analysis, and to ensure that measurable improvements have been made in the quality of care. HCFA is working to develop a methodology that will:

- Quantify change;
- Measure performance against the baseline; and
- Provide continuous feedback to the hospitals.

The individual case review performed under the present contracts and under SOW IV will allow the PROs to identify individual instances of poor quality care. Additionally, the beneficiary-specific sampling mechanism used under SOW IV allows HCFA to track the individual beneficiary's care over a period of time. The result should be a definitive picture of the health delivery system available to the individual Medicare beneficiary, and an emerging picture of the relationship of the care provided by multiple facilities to the same individual.

However, case review, by itself, is not a cost-effective means of identifying and dealing with quality concerns. Under SOW IV, HCFA will supplement individual case review with a data-driven approach to monitoring care and outcomes and a cooperative approach to working with the health care community to improve care. The major changes are that PROs will use clinical and other data bases to examine patterns of care and outcomes, focus primarily on the differences that occur regularly between the observed and the achievable in both care and outcomes (rather than isolated cases), and identify variations that are concerns or of interest (practices that generally result in positive outcomes) by monitoring patterns of care and outcomes. PROs will be encouraged to conduct more detailed studies of the sources of outstanding problems or performance, and how and why they occurred. Under SOW IV, PROs will work cooperatively with the health care community by providing information pertaining to patterns of quality concerns to medical associations and to individual physicians and providers.

ProPAC further states that HCFA should coordinate its quality assurance efforts with those being conducted in the rest of the health care industry including quality assurance activities in hospitals, the National Committee for Quality Assurance, and the Joint Commission on Accreditation of Healthcare Organizations.

HCFA concurs that coordination with others in the health care industry concerned with quality of care is advisable. We welcome cooperative efforts. It should be noted that under SOW IV, the PROs will be working directly with those in hospitals responsible for internal quality assurance (for example, quality assurance committees) to utilize PRO-obtained information in improving the quality of care delivered to Medicare beneficiaries.

As reported in the Journal of the American Medical Association, new quality management models focusing on improving the processes of producing typical care rather than using inspection to correct unusual errors are emerging outside the health care industry. The models suggest that we should inspect care in order to identify patterns of care and outcomes, not to focus on individual concerns. Under SOW IV, PROs will conduct medical review of a limited number of cases and use the resulting data to identify common care and outcomes.

The PRO will analyze the review data looking for positive and negative outcomes, and provide feedback to the providers and practitioners that they may use as a basis for positive changes in future patient care behavior. In effect, the PRO's feedback serves to reinforce good behavior, and provide evidence of behaviors which may result in poor outcomes. The success will be measured by the decline in the use of a specific pattern of medical care which has been shown statistically to produce less favorable outcomes than another given the same set of medical circumstances.

I. Update to Composite Rate for Dialysis Services (Recommendation 18)

Recommendation: ProPAC recommends that the composite rate payment for dialysis services be updated by 2.5 percent for fiscal year 1994. ProPAC believes that this increase in payments will allow facilities to deliver high quality dialysis services to Medicare beneficiaries with end-stage renal disease.

Response: ProPAC's recommended increase would raise facilities' composite payment rates an average of $3.15 per treatment, and Medicare expenditures about $50 million annually. In constructing its recommendation, ProPAC used a framework similar to that employed in updating payments for PPS hospitals. This framework included an estimated market basket rate of increase in input prices, quality-enhancing scientific and technological advances, and a productivity improvement target. A discretionary adjustment of minus 2 percentage points was made to reflect the relationship between payments and estimated fiscal year 1993 costs.

Over the years renal facilities have controlled their costs. At this time, however, there is concern that inflation and new regulatory costs will erode renal facilities' operating margins and that this erosion could adversely affect the quality of patient care. In its report, ProPAC cited these factors as reasons for recommending a payment increase. Its recommendations would increase all renal facilities payment rates, even though 69 percent of all independent outpatient hemodialysis treatments are furnished at facilities with costs below their payment rates. For these independent providers, ProPAC's comparison of per treatment composite payments to estimated per treatment costs for 1993 indicates that payments exceed average costs by nearly 9 percent. Furthermore, the number of facilities reporting Medicare revenues in excess of Medicare reported costs increased by 62 from FYs 1990 to 1991.

We do not believe a 2.5 percent increase for all renal facilities is justified at this time. Increasing the payment rate for a facility whose costs are below its payment rate does not ensure quality of care, nor does it match payment with the proper level of medical resources needed to furnish a dialysis treatment. We note that since 1983, the number of renal facilities has increased at a rate of one new facility every 3.4 days. Moreover, during the last 3 years, the number of renal facilities has grown even faster, at a rate of one facility every 2.8 days. This increase in the number of new ESRD facilities does not support the argument that payment rates are too low to foster growth. Although the growth in the number of facilities can be attributed in part to growth in patient population, we believe that the increasing number of renal facilities also reflects the continuing economic viability of the industry, as evidenced by the fact that a majority of these new facilities are for-profit, independent facilities.

Hospital-based renal facilities, on the other hand, have historically reported Medicare costs in excess of Medicare payments. The 1990 and 1991 hospital cost data continue to display a wide range of costs per treatments. Attempts have been made to explain why hospital-based renal facilities report a wider variance of cost per treatment. However, for whatever reasons, hospitals have been less successful than independent facilities in keeping their costs below their payment rates. Even though hospitals report costs in excess of their payment rates, the number of hospital-based facilities continues to grow, but at a much slower pace than independent facilities. We believe the composite rate exception process provides an adequate mechanism to adjust payment levels for those renal facilities, particularly hospital-based ones, that report higher costs and are able to relate these amounts to the exception criteria specified in regulations at § 413.170.

Section 4201 of Public Law 101–508 mandated that ProPAC recommend an annual update for dialysis payments.

Following is a discussion of the appropriate factors to be considered for such an update if there were substantiated evidence of a need to update payment rates to ESRD providers.

The purpose of a payment update is to account for changes in conditions that affect providers' costs of production. The intent is to insure that payments per treatment cover costs per treatment for efficient providers of services. Factors to consider in determining the need for and size of an update should include inflation, productivity and economies of scale, and scientific and technological advancement that increases costs and enhances health.

Inflation

A key consideration in updating payment rates is the appropriate price measure to be used. HCFA has two areas of concern about ProPAC's input price index recommendation.

The first is the appropriateness of the proposed cost share categories and weights for the current distribution of costs among ESRD facilities. The cost shares for the ProPAC ESRD input price index were developed from 1991 Medicare cost report data on dialysis facilities. However, the 1991 data on cost shares are from unaudited cost reports. Therefore, these data may be biased for particular categories of costs, and their use could raise valid questions about the integrity of the payment process. HCFA is currently planning an audit of ESRD facility costs to be completed in the fall of 1993. This audit should provide valuable information regarding ESRD cost levels and cost shares by provider type.

ProPAC's recommendation identifies only four categories of cost: Capital, labor, other direct costs, and overhead. Medicare cost reports indicate that it may be possible to further disaggregate costs to show individual cost categories for wages and salaries, employee benefits, depreciation of plant and equipment, depreciation of movable equipment, drugs, supplies, laboratory and overhead. HCFA input price index analyses for hospitals, home health agencies and skilled nursing facilities suggest that more disaggregation of cost categories is needed than the ProPAC index employs for its ESRD input price index. When the audited data sources become available, the additional cost categories should be considered.

Our second area of concern is the appropriateness of the price proxies identified for the cost share categories in the ESRD input price index. We believe it is inappropriate to use the price proxies from the hospital prospective payment system, SNF, and HHA input price indexes to measure price growth for ESRD providers, as ProPAC has proposed. ESRD facilities purchase inputs in many markets that are unique to the ESRD industry. ProPAC's March 1993 report provides evidence of substantial declines in the prices of key inputs to ESRD treatments. None of the other price indexes reflect these price declines. HCFA is evaluating data from the Bureau of Labor Statistics and other sources that suggest the possibility of providing some wage and price measures specific to the ESRD industry.

Productivity and Economies of Scale

Understanding changes in productivity and economies of scale is essential to the development of an update formula. As firms become more productive, they can produce the same level of outputs using smaller levels of inputs. This is also true for firms experiencing increasing economies of scale. Over a certain range of growth in treatments per facility, firms that increase capacity utilization achieve greater specialization and higher levels of efficiency. This phenomenon produces unit cost reductions, which, if unaccounted for in an update methodology, could result in excessive payments relative to costs.

ProPAC estimates indicate that the ESRD industry has experienced considerable productivity growth in the last decade. ProPAC doubts that future growth in productivity will continue at current rates, but does not make a persuasive case why a decline in ESRD industry productivity growth should be the most likely scenario. If historical trends hold, further cost reductions can be expected in the near term. When new ESRD firms enter the industry, typically the number of treatments per facility is relatively low. As these facilities expand utilization rates, large productivity gains are likely. Failure to adjust payments for productivity gains would diminish ESRD providers' incentive to take productivity enhancing actions.

Science and Technological Advancement

In the last decade, the ESRD industry has witnessed ongoing scientific and technological innovation. Some of these innovations were cost-increasing but quality-enhancing. In spite of this, ProPAC indicates that industry productivity gains have lowered costs per treatment more than scientific and technological innovations have increased costs. The lack of evidence indicating that a major change in this relationship is imminent implies that there is no basis to increase payment per treatment at this time.

As discussed above, HCFA and ProPAC analyses indicate that current payment levels substantially exceed costs for the independent facilities. HCFA maintains an exceptions procedure for those facilities whose costs legitimately exceed payments. These facts suggest it is not appropriate to update payment rates at this time. In addition, ProPAC acknowledges that their input price index does not effectively measure changes in costs for ESRD providers.

We support the development of an update methodology as a paradigm for analyzing and monitoring payment levels for ESRD providers. However, existing data do not indicate the need for an update at this time. HCFA will continue to work with ProPAC to develop a valid input price index as well as an update methodology that accounts for changes in science and technology, productivity growth and changing economies of scale.

J. Improving Data Quality and Program Administration for Dialysis Services (Recommendation 19)

Recommendation: ProPAC is concerned that the dialysis facility data are inadequate for assessing costs across providers and modalities and changes in costs over time. ProPAC believes that HCFA should regularly audit the cost reports of a representative sample of dialysis facilities and maintain a database with this information. ProPAC states that HCFA should also improve policies to ensure the consistency of the data across providers through changes in program administration.

Response: Renal cost data come from cost reports filed by renal facilities. After renal facilities file their cost reports, intermediaries transmit the cost report data to the Hospital Cost Reporting Information System (HCRIS) in HCFA. For the most part, the renal cost reports are not audited and represent "as-submitted" data. Currently, the composite payment rates are not based on audits of renal facilities cost. Therefore, no benefit would be derived from auditing these facilities on a regular basis. However, intermediaries still perform a limited desk review on these cost reports, especially if a renal facility is claiming bad debts.

Auditing renal cost reports to improve the quality of the data would not be cost effective. Furthermore, audits would only correct a small percentage of the data. To improve overall quality of the renal cost data, administrators of renal facilities must take a more active role in

ensuring that renal data submitted by their facilities are correct.

In 1992, we reviewed the 1990 cost data to identify renal facilities with cost report data that did not appear to be correct. We instructed intermediaries to contact those renal facilities that submitted questionable cost data. Intermediaries are responsible for correcting cost report data and for submitting a revised cost report to HCRIS. In addition, intermediaries are responsible for informing HCFA about problems with the renal cost report data. The most notable of these problems deals with the reporting of costs and treatments for home patients under Method I and Method II. Under Method I, Medicare pays for home patients under the composite payment rate system; under Method II, the beneficiary deals directly with the supplier. In many instances, renal facilities either have combined Method I and Method II costs or they have combined Method I and Method II treatments. Combining costs or combining treatments is incorrect. To eliminate this problem, renal facilities should separately report costs for Method I and Method II home patients on their cost reports. Only Method I treatments are to be reported on the facilities cost report. In addition, renal facilities also have reported data that did not represent patient weeks for continuous ambulatory peritoneal dialysis (CAPD) and continuous cycling peritoneal dialysis (CCPD) services. This resulted in incorrect cost per treatment computations. The remaining errors by facilities included omitting information, using incorrect statistics for allocation, and using incorrect treatments to calculate their cost per treatment. These problems heighten the concern about using unaudited data for any analysis.

To reduce future problems, we are adding edits to HCRIS so that cost reports are rejected if they include treatments without costs, or costs without treatments. Also, these edits will reject renal cost reports if facilities do not report patient weeks for CAPD and CCPD.

In addition, we are preparing more detailed instructions to intermediaries and renal facilities for the purpose of:

- Helping facilities complete their renal cost reports properly;
- Making intermediaries aware of the errors in cost reports submitted by renal facilities and having the errors corrected in future cost reporting periods; and
- Explaining the proper procedures for facilities to follow in completing their cost reports, in order to eliminate these common errors.

These initiatives should help improve the reliability of the renal cost data without the need for regular audits. In the future, renal administrators should ensure that costs are not missing, treatments are reported correctly, Method I and Method II home costs are reported properly, and patient weeks are reported for CAPD and CCPD services.

We are preparing to audit renal facilities in fiscal year 1993 as recommended by ProPAC. Limited audit funds were made available to accomplish this special audit task. We have selected a scientific sample of 150 renal facilities to audit. Before selecting the audit sample, we discussed with ProPAC staff the design and limitation of the audit sample. The results of the audits will enable ProPAC to estimate the reasonable costs of furnishing a maintenance dialysis treatment in a hospital renal facility and in an independent renal facility. However, some issues raised by section 4201(b) of Public Law 101–508, such as the cost of furnishing a treatment in a rural facility and adjustment for patient mix, are beyond the scope of this audit sample.

ProPAC also believes that current procedures for reporting overhead costs for administration of Epoietin (EPO), while not affecting payment, may distort cost data. The renal cost report instructions for independent facilities require renal facilities to allocate overhead costs to EPO. Because this drug is expensive and frequently administered, a substantial amount of a facility's overhead costs are allocated to it. This allocation understates the costs of furnishing dialysis treatments. We are planning to revise the independent cost report to eliminate this concern about EPO and to make other necessary changes. We do not expect to receive data from the revised independent cost report before 1995. However, the audits planned for 1993 will include an adjustment to eliminate the allocation of overhead to the EPO cost center on the independent cost report.

Another concern raised by ProPAC is the possibility that services that should be incorporated under the composite rate will be paid for separately because of inadequate coordination within fiscal intermediaries and across fiscal intermediaries and carriers. ProPAC states that when the fiscal intermediary or carrier is processing bills, there is no means of distinguishing which dialysis-related services should be included in the composite rate. ProPAC recommends that HCFA develop a list of services for inclusion within the composite rate to resolve this inconsistency.

The composite rate payment is a comprehensive prospective payment per treatment that provides an incentive for the efficient delivery of outpatient maintenance dialysis services to Medicare beneficiaries. The composite rate includes payment for all dialysis related items and services furnished to the patient by the ESRD facility. The determination as to whether an item or service is covered under the composite rate payment does not depend on the frequency that dialysis patients require the item or service, or the number of patients who require it.

The development of a list of items and services included under the composite rate is not a simple matter. Although there is a group of services routinely furnished to ESRD patients that are dialysis related, such as nursing, social work services, equipment and supplies, there may be other services that are dialysis related only under certain circumstances and for certain patients. Further, there are multiple modes of dialysis, such as several means of peritoneal dialysis, hemodialysis, and hemofiltration. Each method involves different supplies that are directly related to dialysis.

Thus, while isolated cases of errors may occur under the claims processing system, we believe that the current safeguards provide sufficient assurance that services directly related to the dialysis session are included in the composite payment rate and, at the same time, allow for flexibility to address these isolated cases.

If we were to develop a list as ProPAC has suggested, we believe such a list might not be sufficiently comprehensive, or may be too comprehensive, resulting, under certain circumstances, in inappropriate inclusion or exclusion of items and services under the composite rate. Further, given the rapid changes that occur in technology, we would envision such a list as quickly becoming obsolete and subject to suggested additions and deletions.

ProPAC is also concerned that intermediaries and carriers have excessive latitude in determining medical justification for services that may be paid separately outside the composite rate. ProPAC believes this situation has resulted in coverage variation for these services.

In most cases, HCFA delegates medical necessity decisions to its contractors. After extensive assessments by the Office of Health Technology Assessment, we have issued national coverage policies for a few services and procedures; however, contractors make coverage determinations for the vast majority of procedures and services.

Contractors develop their individual medical necessity policies by

considering the medical literature and local consultants' medical opinions. Although such contractor discretion may result in inconsistency among the carriers and intermediaries in Medicare claims processing, we believe such variation is consistent with the intent of the law that allows local practices to be reflected in Medicare coverage policies.

Medical directors from our contractors convene regularly for meetings with HCFA to discuss issues that have arisen. In this forum, contractors share their local practices and have an opportunity to hear alternative strategies. We believe that this open forum promotes consistency without being restrictive.

K. Prospective Payment Method for Outpatient Services (Recommendation 20)

Recommendation: ProPAC believes that a prospective payment system for outpatient services should be implemented. Outpatient facility payment reform should be comprehensive and extend to all sites and providers. Reform should first encompass hospital provided ambulatory surgical center approved procedures and radiology services. ProPAC supports the Secretary's initiative to examine the use of ambulatory patient groups for purposes of payment of ambulatory services. ProPAC will submit additional recommendations on the specific payment method in its report to Congress analyzing the Secretary's report required by section 4151(b)(2) of Public Law 101–508.

Response: We appreciate ProPAC's support for our efforts to develop a prospective payment system for hospital outpatient services. We look forward to the Commission's additional recommendations when our report on a prospective payment system for hospital outpatient services is issued.

L. Beneficiary Liability for Hospital Outpatient Services (Recommendation 21)

Recommendation: For Medicare outpatient services that are paid prospectively, beneficiary Part B coinsurance should be limited to 20 percent of the Medicare allowed payment. Until prospective payment systems can be implemented for all Medicare outpatient services, beneficiary Part B liability should be based on an estimate of 20 percent of costs.

Response: We share ProPAC's concern that beneficiaries may be paying a disproportionate share of the total payment for hospital outpatient services under the current cost-based system. As noted above, we are in the process of developing a prospective payment system for hospital outpatient services that will be moving away from the use of hospital-specific costs and charges as a basis for payment. We believe that it would be most appropriate to make any changes to beneficiary coinsurance in conjunction with the implementation of this hospital outpatient prospective payment system. Therefore, as we develop the new payment system, we are reviewing the issue of beneficiary liability and are working to come up with an approach that will be fair to beneficiaries, while minimizing the negative financial impact on the Medicare program.

M. Nursing Facility Wage Index (Recommendation 22)

Recommendation: The Secretary should collect data on employee compensation and paid hours of employment for nursing facilities that care for Medicare beneficiaries. Once these data become available, the Secretary should develop a nursing facility wage index, and use it to adjust Medicare skilled nursing facility (SNF) payments.

Response: We have no way of knowing what impact a SNF wage index would have on payment for individual SNFs. A change in the wage index would undoubtedly impact SNFs positively in some areas, while posing a disadvantage for SNFs in other areas (possibly a major one). Considering this impact, as well as our serious concerns about developing an accurate SNF wage index and the reporting burden imposed on HCFA, the intermediaries, and the providers (based on our prior attempts to develop and implement a home health agency (HHA) specific wage index), we believe it would be inappropriate to initiate data collection, development and implementation of a SNF-specific wage index at this time.

In 1988 we implemented an HHA specific wage index based on data received from HHAs. Subsequently, HCFA and Congress received numerous provider complaints concerning the burden that the reporting requirements posed and the accuracy of the data. As a result, Congress passed legislation that repealed the mandate for the Secretary to develop the HHA wage index. Instead, the hospital wage index was again mandated for HHAs. This legislation had a retroactive effective date requiring HCFA to develop and issue new cost limits using the hospital wage index. These new limits were then applied retroactively to one period and to future periods, causing confusion among both providers and fiscal intermediaries.

Based on the HHA experience, we believe SNFs would have similar difficulty developing and maintaining the data needed for HCFA to develop an accurate SNF wage index. In particular, the reporting burden on the smaller freestanding SNFs (especially rural SNFs), which do not have the sophisticated accounting systems that hospitals have, would be significant and would reduce the accuracy of the data.

In addition, the reporting burden would be a disincentive for SNFs electing low-volume prospective payment to continue participation in the Medicare program, resulting in a reduction in access to SNF care for Medicare beneficiaries. This would be true especially in rural areas. SNFs that elect this alternative payment system do so primarily to avoid the large reporting burden associated with the normal cost reimbursement system. Finally, auditing and/or verifying the data would place a burden on Medicare fiscal intermediaries.

We believe it would be inadvisable to adopt a SNF-specific wage index that would not be as accurate as the current hospital wage index. In addition, even before a SNF wage index could be implemented, the Medicare program, SNFs, and the fiscal intermediaries would be impacted negatively by the reporting burden required by this recommendation. Consequently, we believe the major effort necessary to collect data and construct a wage index would be an inappropriate use of scarce government resources.

In addition, at the direction of Congress (section 4008(k) of Pub. L. 101–508), HCFA is currently developing a prospective payment system for SNFs that will include a methodology to account for geographic variations in prevailing wage levels. Rather than expending a major effort to develop a wage index for the current SNF retrospective reimbursement system, we would focus our efforts on the development of a new prospective payment system. Consequently, we recommend continued use of the hospital wage index until the current SNF payment system is replaced.

VIII. Other Required Information

A. Paperwork Reduction Act

This document does not impose information collection and recordkeeping requirements. Consequently, it need not be reviewed by the Office of Management and Budget under the authority of the

Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.).

B. Requests for Data from the Public

In order to respond promptly to public requests for data related to the prospective payment system, we have set up a process under which commenters can gain access to the raw data on an expedited basis. Generally, the data are available in computer tape format or cartridges; however, some files are available on diskette. Data sets are listed below with the cost of each. Anyone wishing to purchase data tapes, cartridges, or diskettes should submit a written request along with a company check or money order (payable to HCFA-PUF) to cover the cost, to the following address: Health Care Financing Administration, Public Use Files, Accounting Division, P.O. Box 17255, Baltimore, Maryland 21203–7255, (410) 597–5151.

1. Expanded Modified MEDPAR File

The file contains records for 100 percent of Medicare beneficiaries using hospital inpatient services. The files are stripped of most data elements that would identify beneficiaries. The hospitals are identified. The file is available to persons qualifying under the terms of the Notice of Proposed New Routine Use for an Existing System of Records published in the Federal Register on December 24, 1984 (49 FR 49941), which was amended by the July 2, 1985 Notice of Proposed New Routine Use for an Existing System of Records (50 FR 27361). Under the requirements of these notices, a data release agreement must be signed by the purchaser before release of these data.

Expanded Modified MEDPAR—Hospital Inpatient

Periods Available: FY 1988 through FY 1992

Price: $3,250.00 per fiscal year

2. HCFA Hospital Wage Index Data

This tape contains four files. Included are the hospital hours and salaries for FY 1990 used to create the proposed FY 1944 wage index as well as a history of all wage indexes used since October 1, 1983. It also contains a list of State and county codes used by SSA and FIPS (Federal Information Processing Standards), county name, and Metropolitan Statistical Area (MSA), and a file of hospitals that have been reclassified by the MGCRB for the purpose of the FY 1994 wage index.

Periods Available: FY 1994 PPS Update

File Cost: $475.00

3. PPS–I Minimum Data Set, Cost Reporting Periods Beginning On or After October 1, 1983, and Before October 1, 1984

The PPS–I Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552–84). The dataset includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. The majority of these cost reports have been settled by the Medicare Fiscal Intermediary. This file is no longer updated.

Price: $680.00

4. PPS–II Minimum Data Set, Cost Reporting Periods Beginning On or After October 1, 1984, and before October 1, 1985

The PPS–II Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552–85). The dataset includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This dataset is updated annually (October) and is available on the last day of the following month.

Price: $680.00

5. PPS–III Minimum Data Set, Cost Reporting Periods beginning on or after October 1, 1985, and before October 1, 1986

The PPS–III Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552–85). The dataset includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This dataset is updated annually (October) and is available on the last day of the following month.

Price: $680.00

6. PPS–IV Minimum Data Set, Cost Reporting Periods Beginning On or After October 1, 1986, and Before October 1, 1987

The PPS–IV Minimum Data Set, contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552–85). The dataset includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This dataset is updated at the end of each calendar quarter and is available on the last day of the following month.

Price: $680.00

7. PPS–V Minimum Data Set, Cost Reporting Periods Beginning On or After October 1, 1987, and Before October 1, 1988

The PPS–V Minimum Data Set, contains cost, statistical, financial, and other information from the Medicare hospital cost report (HCFA Form 2552–85). The dataset includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This dataset is updated at the end of each calendar quarter and is available on the last day of the following month.

Price: $680.00

8. PPS–VI Minimum Data Set, Cost Reporting Periods Beginning On or After October 1, 1988, and Before October 1, 1989

The PPS–VI Minimum Data Set contains cost, statistical, financial, and other information from the Medicare hospital cost report (Form HCFA 2552–85) for the hospital fiscal periods beginning on or after October 1, 1988, and before January 1, 1989, and (Form HCFA 2552–89) for the hospital fiscal periods beginning on or after January 1, 1989, and before October 1, 1989. The dataset includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This dataset is updated by the end of each calendar quarter and is available on the last day of the following month.

Price: $680.00

9. PPS–VII Minimum Data Set, Cost Reporting Periods Beginning On or After October 1, 1989, and Before October 1, 1990

The PPS–VII Minimum Data Set contains cost, statistical, financial and other information from the Medicare hospital cost report (Form HCFA 2552–85) for the hospital fiscal periods beginning on or after October 1, 1989, and before January 1, 1990), and (Form HCFA 2552–89) for the hospital fiscal periods beginning on or after January 1, 1990, and before October 1, 1990. The data set includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This data set is updated at the end of each calendar quarter and is available on the last day of the following month.

Price: $680.00

10. PPS–VIII Minimum Data Set, Cost Reporting Periods Beginning On or After October 1, 1990, and Before October 1, 1991

The PPS–VIII Minimum Data Set contains cost, statistical, financial and other information from the Medicare hospital cost report (Form HCFA 2552–85) for the hospital fiscal periods beginning on or after October 1, 1989, and before January 1, 1990), and (Form HCFA 2552–89) for the hospital fiscal periods beginning on or after October 1, 1990, and before October 1, 1991. The data set includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This data set is updated at the end of each calendar quarter and is available on the last day of the following month.
Price: $680.00

11. PPS–VI Capital Data Set, Cost Reporting Perioss Beginning On or After October 1, 1988, and before October 1, 1989

The PPS–VI Capital Data Set contains selected data for capital-related costs, interest expense and related information and complete balance sheet data from the Medicare hospital cost report (Form 2552–85) for the hospital fiscal periods beginning on or after October 1, 1988, and before January 1, 1989, and (Form 2552–89) for the hospital fiscal periods beginning on or after January 1, 1989, and before October 1, 1989. The data set includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This data set is updated at the end of each calendar quarter and is available on the last day of the following month.
Price: $680.00

12. PPS–VII Capital Data Set, Cost Reporting Periods Beginning on or After October 1, 1989, and Before October 1, 1990

The PPS–VII Capital Data Set contains selected data for capital related costs, interest expense and related information and complete balance sheet data from the Medicare hospital cost report (Form 2552–85) for the hospital fiscal periods beginning on or after October 1, 1989, and before October 1, 1990. The data set includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This data set is updated at the end of each calendar quarter and is available on the last day of the following month.
Price: $680.00

13. PPS–VIII Capital Data Set, Cost Reporting Periods Beginning on or After October 1, 1990, and Before October 1, 1991

The PPS–VIII Capital Data Set contains selected data for capital related costs, interest expense and related information and complete balance sheet data from the Medicare hospital cost report (Form 2552–89) for the hospital fiscal periods beginning on or after October 1, 1990, and before October 1, 1991. The data set includes only the most current cost report (as submitted, final settled or reopened) submitted for a Medicare Certified Hospital by the Medicare Fiscal Intermediary to HCFA. This data set is updated at the end of each calendar quarter and is available on the last day of the following month.
Price: $680.00

14. Provider-Specific File

This file is a component of the PRICER program used in the Fiscal Intermediary's system to compute individual DRG payments. The file contains records for all prospective payment system eligible hospitals, including hospitals in waiver States, and data elements used in the prospective payment system recalibration processes and related activities. Beginning with December 1988, the individual records were enlarged to include pass-through per diems and other elements. Beginning with December 1991, the individual records were enlarged to include elements related to the capital prospective payment system.
Periods Available: FY 1987 through FY 1993
(December updates)
Price: $475.00

15. HCFA Medicare Case-Mix Index File (3½" Diskette)

This file contains the Medicare case-mix index by provider number as published in each year's update of the Medicare Hospital Prospective Payment System. The case-mix index is a measure of the costliness of cases treated by a hospital relative to the cost of the national average of all Medicare hospital cases, using DRG weights as a measure of relative costliness of cases.
Periods Available: FY 1985 through FY 1992
Price: $135.00

16. Table 5 DRG (3½" Diskette)

This file contains a listing of DRGs, DRG narrative description, relative weight, geometric mean, length of stay, and day outlier trim points as published in the **Federal Register.**
Periods Available: FY 1993 PPS Update
Price: $135.00

17. PPS Payment Impact File (3½" Diskette)

This file contains data used to estimate payments under Medicare's prospective payment systems for operating and capital-related costs. The data are taken from various sources, including the Provider Specific File, the PPS–VI and PPS–VII Minimum Data Sets, and prior impact files. The data set is abstracted from an internal file used for the impact analysis of the changes to the prospective payment systems published in the **Federal Register**. This file is available for release 1 month after the final rule is published in the **Federal Register**, usually by the first week of September.
Periods Available: FY 1993 Update
Price: $135.00

18. AOR/BOR File (3½" Diskette)

This diskette contains data used to develop the DRG relative weights. It contains mean, maximum, minimum, standard deviation and coefficient of variation statistics by DRG for length of stay and standardized charges. The BOR tables are "Before Outliers Removed" and the AOR is "After Outliers Removed." (This refers to statistical outliers, not payment outliers.)
Periods Available: FY 1993 PPS Update
Price: $135.00

For further information concerning these data tapes, contact Mary R. White at (410) 597–3671.

In addition, certain other data, such as area wage data and data used to construct the Puerto Rico standardized amounts, are available in hard copy format. Commenters interested in examining hard copy data should contact Lana Price at (410) 966–4535.

We realize that commenters may be interested in obtaining data other than those we have discussed above. These commenters should direct their requests to Lana Price at the number provided above.

Finally, in lieu of obtaining data through the mail, certain data may also be available for inspection at the central office of the Health Care Financing Administration in Baltimore, Maryland. Commenters interested in obtaining more information about this alternative for reviewing data should also contact Lana Price.

C. Public Comments

Because of the large number of items of correspondence we normally receive

on a proposed rule, we are not able to acknowledge or respond to them individually. However, in preparing the final rule, we will consider all comments concerning the provisions of this proposed rule that we receive by the date and time specified in the "Dates" section of this preamble and respond to those comments in the preamble to that rule. We emphasize that, given the statutory requirement under section 1886(e)(5) of the Act that our final rule for FY 1994 be published by September 1, 1993, we will consider only those comments that deal specifically with the matters discussed in this proposed rule.

List of Subjects

42 CFR Part 412

Administrative practice and procedure, Health facilities, Medicare, Puerto Rico, Reporting and recordkeeping requirements.

42 CFR Part 413

Health facilities, Kidney diseases, Medicare, Puerto Rico, Reporting and recordkeeping requirements.

42 CFR chapter IV is amended as follows:

A. Part 412 is amended as follows:

PART 412—PROSPECTIVE PAYMENT SYSTEMS FOR INPATIENT HOSPITAL SERVICES

1. 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).

Subpart A—General Provisions

2. In paragraph (a) of § 412.1, the third sentence is revised, and an additional sentence is inserted after the revised third sentence to read as follows:

§ 412.1 Scope of part.

(a) * * * Payment for other costs related to inpatient hospital services (organ acquisition costs incurred by hospitals with approved organ transplantation centers, the costs of qualified nonphysician anesthetist's services, as described in § 412.113(c), and direct costs of approved nursing and allied health educational programs) is made on a reasonable cost basis. Payment for the direct costs of graduate medical education is made on a per resident amount basis in accordance with § 413.86 of this chapter. * * *

* * * * *

3. In § 412.2, paragraph (b)(2)(i) is revised to read as follows:

§ 412.2 Basis of payment.

* * * * *

(b) * * *

(2) * * *

(i) Limitation of liability days payable under the payment procedures for custodial care and services that are not reasonable and necessary as specified in § 411.400 of this chapter.

* * * * *

Subpart B—Hospital Services Subject to and Excluded From the Prospective Payment Systems for Inpatient Operating Costs and Inpatient Capital-Related Costs

4. In § 412.25, paragraph (a)(1) is revised and paragraph (d) is added to read as follows:

§ 412.25 Excluded distinct part hospital units: Common requirements.

(a) * * *

(1) Be part of an institution that—

(i) Has in effect an agreement under part 489 of this chapter to participate as a hospital;

(ii) Is not eligible for exclusion in its entirety from the prospective payment systems; and

(iii) Has enough beds that are not excluded from the prospective payment systems to permit the provision of adequate cost information, as required by § 413.24(c) of this chapter.

* * * * *

(d) *Number of excluded units.* Each hospital may have only one unit of each type (psychiatric or rehabilitation) excluded from the prospective payment systems.

Subpart D—Basic Methodology for Determining Prospective Payment Federal Rates for Inpatient Operating Costs

§ 412.62 [Amended]

5. In § 412.62(c)(2), the parenthetical phrase "(as defined in § 413.40(c)(3) of this chapter)" is revised to read "in the hospital market basket".

§ 412.63 [Amended]

6. Section 412.63 is amended as follows:

a. In paragraph (c)(2)(i), the phrase "under § 413.40(c) of this chapter;" is revised to read "in the hospital market basket;";

b. In paragraph (g) introductory text, the parenthetical phrase "(as described in § 413.40(c)(3)(ii))—" is revised to read "(as defined in § 413.40(a)(3) of this chapter)—";

c. In the introductory text of paragraphs (j), (k), (l), and (m), the parenthetical phrase "(generally described in § 413.40(c)(3)(ii) of this subchapter)—" is revised to read "(as defined in § 413.40(a)(3) of this chapter)—"; and

d. Paragraph (p)(2) is revised to read as follows:

§ 412.63 Federal rates for inpatient operating costs for fiscal years after Federal fiscal year 1984.

* * * * *

(p) * * *

(2) If an error is discovered before October 1, 1992, in the survey data that results in a change to the wage index value for an area, the revised wage index is effective prospectively from the date the change to the wage index is made.

* * * * *

Subpart E—Determination of Transition Period Payment Rates for the Prospective Payment System for Inpatient Operating Costs

§ 412.73 [Amended]

7. Section 412.73 is amended as follows:

a. In paragraph (c)(1), the phrase "the target rate percentage determined under § 413.40(c)(3) of this chapter," is revised to read "the rate-of-increase percentage determined under § 413.40(c)(2) of this chapter,".

b. In paragraph (c)(9), the parenthetical phrase "(generally described in § 413.40(c)(3)(ii) of this subchapter)." is revised to read "(as defined in § 413.40(a)(3) of this chapter)."

Subpart G—Special Treatment of Certain Facilities Under the Prospective Payment System for Inpatient Operating Costs

§ 412.98 [Amended]

8. In § 412.98(b), in the first sentence, the phrase "under § 413.40(c)(4) of this chapter" is revised to read "under § 413.40(c)(3) of this chapter".

9. Section 412.102, is revised to read as follows:

§ 412.102 Special treatment: Hospitals reclassified as rural.

Effective on or after October 1, 1983, a hospital reclassified as rural, as defined in § 412.62(f), may receive an adjustment to its rural Federal payment amount for operating costs for two successive fiscal years.

(a) *First year adjustment.* The hospital's rural average standardized amount and disproportionate share payments as described in § 412.106 are adjusted on the basis of an additional amount that equals two-thirds of the difference between the urban standardized amount and

disproportionate share payments applicable to the hospital before its reclassification and the rural standardized amount and disproportionate share payments otherwise applicable to the Federal fiscal year for which the adjustment is made.

(b) *Second year adjustment.* If a hospital continues to be reclassified as rural, its rural average standardized amount and disproportionate share payments are adjusted on the basis of an additional amount that equals one-third of the difference between the urban standardized amount and disproportionate share payments applicable to the hospital before its reclassification and the rural standardized amounts and disproportionate share payments otherwise applicable to the Federal fiscal year for which the adjustment is made.

§ 412.108 [Amended]

10. In § 412.108(a)(2), the end of the first paragraph, the phrase "under §§ 412.25 through 412.32" is revised to read "under §§ 412.25 through 412.30".

Subpart L—The Medicare Geographic Classification Review Board

11. In § 412.230, paragraph (e)(2)(ii) is republished, and paragraph (e)(2)(ii)(B) is revised to read as follows:

§ 412.230 Criteria for an individual hospital seeking redesignation to another rural area or an urban area.

* * * * *

(e) * * *

(2) * * *

(ii) For data of other hospitals, the hospital must provide the data concerning the following: * * *

(B) If the hospital is requesting reclassification under § 412.230(e)(1)(iii)(B), occupational-mix data to demonstrate the average occupational mix for each employment category in the adjacent area. Occupational-mix data can be obtained from surveys conducted by the American Hospital Association.

12. In § 412.232, paragraph (b) is revised, paragraph (d)(2)(ii) introductory text is republished and paragraph (d)(2)(ii)(B) is revised to read as follows:

§ 412.232 Criteria for all hospitals in a rural county seeking urban redesignation.

* * * * *

(b) *Metropolitan character.* The group of hospitals must demonstrate that the county in which the hospitals are located meets the standards for redesignation to an MSA or an NECMA as an outlying county that were published in the **Federal Register** on March 30, 1990 (55 FR 12154) using Bureau of the Census data or Bureau of Census estimates made after 1990.

* * * * *

(d) * * *

(2) * * *

(ii) For data of other hospitals, the hospitals must provide the following: * * *

(B) Occupational-mix data to demonstrate the average occupational mix for each employment category in the adjacent area. Occupational-mix data can be obtained from surveys conducted by the American Hospital Association.

Subpart M—Prospective Payment System for Inpatient Hospital Capital Costs

13. In § 412.320, paragraph (b)(2) is revised to read as follows:

§ 412.320 Disproportionate share adjustment factor.

* * * * *

(b) * * *

(2) If a hospital meets the criteria in § 412.106(c)(2) for purposes of hospital inpatient operating prospective payments, the disproportionate share adjustment factor is the factor that results from deeming the hospital to have the same disproportionate share patient percentage that would yield its operating disproportionate share adjustment.

B. Part 413 is amended as follows:

PART 413—PRINCIPLES OF REASONABLE COST REIMBURSEMENT; PAYMENT FOR END-STAGE RENAL DISEASE SERVICES

1. The authority citation for part 413 continues to read as follows:

Authority: Secs. 1102, 1814(b), 1815, 1833(a), (i), and (n), 1861(v), 1871, 1881, 1883, and 1886 of the Social Security Act (42 U.S.C. 1302, 1395f(b), 1395g, 13951(a), (i), and (n), 1395x(v), 1395hh, 1395rr, 1395tt, and 1395ww); sec. 104(c) of Pub. L. 100–360 as amended by sec. 608(d)(3) of Pub. L. 100–485 (42 U.S.C. 1395ww (note)); and sec. 101(c) of Pub. L. 101–234 (42 U.S.C. 1395ww (note)).

Subpart C—Limits on Cost Reimbursement

2. Section 413.40 is revised to read as follows:

§ 413.40 Ceiling on the rate of increase in hospital inpatient costs.

(a) *Introduction*—(1) *Scope.* This section implements section 1886(b) of the Act, establishing a ceiling on the rate of increase in operating costs per case for hospital inpatient services furnished to Medicare beneficiaries that will be recognized as reasonable for purposes of determining the amount of Medicare payment. This rate-of-increase ceiling applies to hospital cost reporting periods beginning on or after October 1, 1982. This section also sets forth rules governing exemptions from and adjustments to the ceiling.

(2) *Applicability.* (1) This section is not applicable to—

(A) Hospitals reimbursed in accordance with section 1814(b)(3) of the Act or under State reimbursement control systems that have been approved under section 1886(c) of the Act and subpart C of part 403 of this chapter; or

(B) Hospitals that are paid under the prosepective payment systems for inpatient hospital services in accordance with section 1886 (d) and (g) of the Act and part 412 of this chapter.

(ii) For cost reporting periods beginning on or after October 1, 1983, this section applies to hospitals excluded from the prospective payment system in accordance with § 412.23 of this chapter, and subprovider psychiatric and rehabilitation units (distinct parts) excluded from the prospective payment system in accordance with §§ 412.25 through 412.30 of this chapter.

(3) *Definitions.* As used in this section—

Ceiling is the aggregate upper limit on the amount of a hospital's net Medicare inpatient operating costs that the program will recognize for payment purposes. For each cost reporting period, the ceiling is determined by multiplying the updated target amount, as defined in this paragraph, for that period by the number of Medicare discharges during that period.

Date of discharge is the earliest of the following dates:

(A) The date the patient has exhausted Medicare Part A hospital inpatient benefits (including the election to use lifetime reserve days) during his or her spell of illness.

(B) The date the patient is formally released as specified in § 412.4(a)(1) of this chapter.

(C) The date the patient is transferred to another facility.

(D) The date the patient dies.

Market basket index is HCFA's projection of the annual percentage increase in hospital inpatient operating costs. The market basket index is a wage and price index that incorporates weighted indicators of changes in wages and prices that are representative of the mix of goods and services included in

the most common categories of hospital inpatient operating costs subject to the ceiling, as described in paragraph (c)(1) of this section.

Net inpatient operating costs include the costs of routine services, ancillary services, and intensive care services (as defined in § 413.53(b)) incurred by a hospital in furnishing covered inpatient services to Medicare beneficiaries. Net inpatient operating costs exclude capital-related costs as described in § 413.130, the costs of approved medical education programs as described in §§ 413.85 and 413.86, and heart, kidney, and liver acquisition costs incurred by approved transplantation centers. These costs are identified and excluded from inpatient operating costs before the application of the ceiling.

Rate-of-increase percentage is the percentage by which each hospital's target amount from the preceding Federal fiscal year is increased.

Target amount is the per discharge (case) limitation, derived from the hospital's allowable net Medicare inpatient operating costs in the hospital's base year, and updated for each subsequent hospital cost reporting period by the appropriate annual rate-of-increase percentage.

Update factor is the decimal equivalent of the rate-of-increase percentage. The update factor is the value by which a hospital's target amount for the preceding year is multiplied in order to determine the target amount for the following year. For example, if the rate-of-increase percentage for a year is 2.7 percent, the update factor for that year is 1.027.

(b) *Cost reporting periods subject to the rate-of-increase ceiling*—(1) *Base period.* Each hospital's target amount is based on its allowable net inpatient operating costs per case from the cost reporting period of at least 12 months immediately preceding the first cost reporting period subject to the rate-of-increase ceiling established under this section. If the immediately preceding cost reporting period is a short reporting period (fewer than 12 months), the first period of at least 12 months subsequent to that short period is the base period.

(i) The target amount established under this provision remains applicable to a hospital or excluded distinct part hospital unit, as described in §§ 412.25 through 412.30 of this chapter, despite intervening cost reporting periods during which the hospital or excluded distinct part hospital unit is not subject to the ceiling as a result of other provisions of the law or regulations, or nonparticipation in the Medicare program, unless the hospital or excluded distinct part hospital unit qualifies as a new hospital or excluded distinct part hospital unit under the provisions of paragraph (f) of this section.

(ii) The base period for a newly established excluded distinct part unit is the first cost reporting period of at least 12 months following the unit's certification to participate in the Medicare program.

(iii) When the operational structure of a hospital or distinct part unit changes (that is, a freestanding hospital becomes a distinct part unit or vice versa) the base period is the first cost reporting period of at least 12 months effective with the revised Medicare certification classification.

(2) *Periods subject to the ceiling.* The ceiling established under this section applies to all cost reporting periods that—

(i) Begin on or after October 1, 1982; and

(ii) Immediately follow the base period established under paragraph (b)(1) of this section unless the exception in paragraph (b)(3) of this section is applicable.

(3) *Periods of other than 12 months.* The ceiling established under this section does not apply to cost reporting periods of fewer than 12 months that occur in conjunction with a change in operation of the facility, as defined in paragraph (b)(1)(iii) of this section, as a result of changes in ownership, merger, or consolidation. However, the ceiling applies to cost reporting periods of fewer than 12 months that result solely from the approval of a hospital's request for a change in accounting cycle, as specified in § 413.24(f)(3).

(c) *Costs subject to the ceiling.* (1) *Applicability.* The ceiling established under this section applies to net operating costs incurred by a hospital in furnishing inpatient hospital services to Medicare beneficiaries.

(2) *Rate-of-increase percentages and update factors.* The applicable rate-of-increase percentages and update factors are determined as follows:

(i) *Federal fiscal year 1986.* The applicable rate-of-increase percentage for cost reporting periods beginning on or after October 1, 1985 and before September 30, 1986 is five-twenty-fourths of one percent, and the update factor is 1.00208333. For purposes of determining the target amount for cost reporting periods beginning on or after October 1, 1986, the applicable percentage increase for cost reporting periods beginning during Federal fiscal year 1986 is deemed to have been one-half percent, and the update factor is 1.005.

(ii) *Federal fiscal year 1987.* The applicable rate-of-increase percentage for cost reporting periods beginning on or after October 1, 1986 and before September 30, 1987 is 1.15 percent; the update factor is 1.0115.

(iii) *Federal fiscal year 1988.* The applicable rate-of-increase percentage for cost reporting periods beginning on or after October 1, 1987 and before October 1, 1988 is 2.3238 percent; the update factor is 1.023238. For purposes of updating the target amount for cost reporting periods beginning on or after October 1, 1988, the rate-of-increase percentage for cost reporting periods beginning during FY 1988 is deemed to have been 2.7 percent; the update factor is deemed to have been 1.027.

(iv) *Federal fiscal year 1989 and following.* The applicable rate-of-increase percentage for cost reporting periods beginning on or after October 1, 1988 is the percentage increase projected by the hospital market basket index (as defined in paragraph (a)(3) of this section).

(3) *Target amount.* The intermediary will establish a target amount for each hospital. The target amount for each cost reporting period is determined as follows:

(i) For the first cost reporting period to which this ceiling applies, the target amount equals the hospital's allowable net inpatient operating costs per case for the hospital's base period increased by the update factor for the subject period.

(ii) For subsequent cost reporting periods, the target amount equals the hospital's target amount for the previous cost reporting period increased by the update factor for the subject cost reporting period, unless the provisions of paragraph (c)(4)(ii) of this section apply.

(4) *Applicable update factor.* (i) The applicable update factor is derived from the prospectively determined rate-of-increase percentage published by HCFA. The update factor for each Federal fiscal year is applied prospectively to the target amount for each cost reporting period beginning during the Federal fiscal year.

(ii) In the case of cost reporting periods of less than 12 months, the target amount determined for a hospital's first cost reporting period beginning in a Federal fiscal year applies to subsequent periods beginning in the same Federal fiscal year.

(d) *Application of the target amount in determining the amount of payment*—(1) *General process.* (i) At the end of each cost reporting period subject to this section, the hospital's intermediary will compare a hospital's allowable net inpatient operating costs

with that hospital's ceiling (as defined in paragraph (a)(3) of this section) for that period.

(ii) The hospital's actual allowable costs will be determined without regard to the lesser of cost or charges provisions of § 413.13, and in accordance with the provisions of paragraph (d)(2) or (d)(3) of this section, as applicable.

(2) *Net inpatient operating costs are less than or equal to the ceiling.* If a hospital's allowable net inpatient operating costs do not exceed the hospital's ceiling, payment to the hospital will be determined on the basis of the lower of the—

(i) Net inpatient operating costs plus 50 percent of the difference between inpatient operating costs and the ceiling; or

(ii) Net inpatient operating costs plus 5 percent of the ceiling.

(3) *Net inpatient operating costs are greater than the ceiling.* For cost reporting periods beginning on or after October 1, 1991, if a hospital's allowable net inpatient operating costs exceed the hospital's ceiling, payment will be based on the lower of the—

(i) Ceiling plus 50 percent of the allowable net inpatient operating costs in excess of the ceiling; or

(ii) 110 percent of the ceiling.

(e) *Hospital requests regarding adjustments to the payment allowed under the rate-of-increase ceiling*—(1) *Timing of application.* A hospital may request an adjustment to the rate-of-increase ceiling imposed under this section. The hospital's request to its fiscal intermediary may be made upon receipt of the intermediary's notice of amount of program reimbursement (NPR) and must be made no later than 180 days after the date on the intermediary's NPR for the cost reporting period for which the hospital requests an adjustment.

(2) *Intermediary recommendation.* Unless HCFA has authorized the intermediary to make the decision, the intermediary makes a recommendation on the hospital's request to HCFA, which makes the decision. HCFA issues a decision to the intermediary no later than 180 days after receipt of the completed application and the intermediary's recommendation.

(3) *Intermediary decision.* If HCFA has authorized the intermediary to make the decision, the intermediary issues a decision no later than 180 days after receipt of the completed application.

(4) *Notification and review.* (i) The intermediary notifies the hospital of the decision, including a full explanation of the grounds for the decision. A decision issued under paragraph (e)(2) or (e)(3) of this section is considered final unless the hospital submits additional information and requests a review of the decision no later than 180 days after the date on the intermediary's notice of the decision.

(ii) The final decision is subject to review under the provider reimbursement determination and appeal procedures in subpart R of part 405 of this chapter, provided the hospital has received an NPR for the cost reporting period in question, and the NPR disallows costs for which the hospital had requested an adjustment (see the definitions in § 405.1801(a) and the provisions regarding a provider's right to a Board hearing in § 405.1835 of this chapter).

(5) *Extending the limit for PRRB review of NPR.* The time required to review the request is considered good cause for the granting of an extension of the time limit to apply for review of the notice of amount of program reimbursement by the Provider Reimbursement Review Board, as specified in § 405.1841(b) of this chapter.

(6) *Applicability.* The provisions in paragraphs (e)(1) through (e)(5) of this section apply to a hospital's initial request for an adjustment and to a request for a review of the original decision based on additional data.

(f) *Exemptions.* (1) *New hospitals.* (i) A new hospital is exempt from the rate-of-increase ceiling imposed under this section. The exemption begins when the hospital accepts its first patient and ends at the end of the first cost reporting period ending at least 2 years after the hospital accepts its first patient. The first cost reporting period of at least 12 months beginning at least 1 year after the hospital accepts its first patient is the base year, in accordance with paragraph (b) of this section. For purposes of this section, a new hospital is a provider of hospital inpatient services that—

(A) Has operated as the type of hospital for which HCFA granted it approval to participate in the Medicare program, under present or previous ownership (or both), for less than two full years; and

(B) Has provided the type of hospital inpatient services for which HCFA granted it approval to participate in the Medicare program, for less than two years.

(ii) Within 180 days of the date a hospital is excluded from the prospective payment system, the intermediary determines whether the hospital is exempt from the rate-of-increase ceiling. The intermediary notifies the hospital of its determination and the hospital's base period.

(iii) A decision issued under paragraph (f)(1) of this section is considered final unless the hospital submits additional information and requests a review of the decision no later than 180 days after the date on the intermediary's notice of the decision. The final decision is subject to review under the provider reimbursement determination and appeal procedures in subpart R of part 405 of this chapter, provided the hospital has received an NPR for the cost reporting period in question and the NPR does not reflect an exemption (see the definitions in § 405.1801(a) and the provisions regarding a provider's right to a Board hearing in § 405.1835 of this chapter).

(2) *New distinct part units.* A newly established distinct part unit that is excluded from the prospective payment system under the provisions of §§ 412.25 through 412.30 of this chapter does not qualify for the exemption afforded to a new hospital under paragraph (f)(1) of this section unless the distinct part unit is located in an acute care hospital that, if it were subject to the provisions of this section, would qualify as a new hospital under paragraph (f)(1) of this section.

(3) *Risk-basis HMOs.* Items or services that are furnished to beneficiaries enrolled in an HMO by a hospital that is either owned or operated by a risk-basis HMO or related to a risk-basis HMO by common ownership or control are exempt from the rate-of-increase ceiling (see the definition of an entity with a risk sharing contract in § 417.401 of this chapter).

(g) *Adjustments*—(1) *General rule.* HCFA may adjust the amount of the operating costs considered in establishing the rate-of-increase ceiling for one or more cost reporting periods, including both periods subject to the ceiling and the hospital's base period, under the circumstances specified below. When an adjustment is requested by the hospital, HCFA makes an adjustment only to the extent that the hospital's operating costs are reasonable, attributable to the circumstances specified, separately identified by the hospital, and verified by the intermediary. HCFA may grant an adjustment requested by the hospital only if a hospital's operating costs exceed the rate-of-increase ceiling imposed under this section.

(2) *Extraordinary circumstances.* HCFA may make an adjustment to take into account unusual costs (in either a cost reporting period subject to the ceiling or the hospital's base period) due to extraordinary circumstances beyond

the hospital's control. These circumstances include, but are not limited to, strikes, fire, earthquakes, floods, or similar unusual occurrences with substantial cost effects.

(3) *Comparability of cost reporting periods*—(i) *Adjustment for distortion.* HCFA may make an adjustment to take in account factors that would result in a significant distortion in the operating costs of inpatient hospital services between the base year and the cost reporting period subject to the limits.

(ii) *Factors.* The adjustments described in paragraph (g)(3)(i) of this section, include, but are not limited to, adjustments to take into account:

(A) FICA taxes (if the hospital did not incur costs for FICA taxes in its base period).

(B) Services billed under part B of Medicare during the base period, but paid under part A during the subject cost reporting period.

(C) Malpractice insurance costs (if malpractice costs were not included in the base year operating costs).

(D) Increases in service intensity or length of stay attributable to changes in the type of patient served.

(E) A change in the inpatient hospital services that a hospital provides, and that are customarily provided directly by similar hospitals, such as an addition or discontinuation of services or treatment programs.

(F) The manipulation of discharges to increase reimbursement.

(iii) *Adjusting operating costs.* Without a formal request from a hospital, HCFA may adjust the amount of operating costs determined under paragraph (c)(1) of this section to take into account certain adjustments. These adjustments include, but are not limited to, adjustments under paragraphs (g)(3)(ii) (A), (B), (C), (E), and (F) of this section.

(4) *Significant wage increase*—(i) *Criteria.* HCFA may make an adjustment to take into account a significant increase in wages occurring between the base period and the cost reporting period subject to the ceiling if there is a significant increase in the average hourly wage for the geographic area in which the hospital is located (determined by reference to the wage index for prospective payment hospitals without regard to geographic reclassifications under sections 1886(d)(8) and (10) of the Act). For this purpose, there is a significant wage increase if the wage index value based on wage survey data collected for the cost reporting period subject to the ceiling is at least 8.0 percent higher than the wage index value based on survey data collected for the base year cost reporting period. If survey data are not available for the cost reporting periods used in the comparison, the wage index value based on the latest available survey data collected prior to that cost reporting period is used.

(ii) *Amount of the adjustment.* The adjustment for a significant wage increase equals the amount by which the lesser of the following calculations exceeds 108 percent of the increase in the national average hourly earnings for hospital workers:

(A) The rate of increase in the average hourly wage in the geographic area (determined by applying the applicable increase in the area wage index value to the rate of increase in the national average hourly earnings for hospital workers).

(B) The rate of increase in the hospital's average hourly wage.

(h) [Reserved]

(i) *Assignment of a new base period*—(1) *General rule.* (i) Effective with cost reporting periods beginning on or after April 1, 1990, HCFA may assign a new base period to establish a revised ceiling if the new base period is more representative of the reasonable and necessary cost of furnishing inpatient services and all the following conditions apply:

(A) The actual allowable inpatient costs of the hospital in the cost reporting period that would be affected by the revised ceiling exceed the target amount established under paragraph (c) of this section.

(B) The hospital documents that the higher costs are the result of substantial and permanent changes in furnishing patient care services since the base period. In making this determination, HCFA takes into consideration the following factors:

(*1*) Changes in the services provided by the hospital.

(*2*) Changes in applicable technologies and medical practices.

(*3*) Differences in the severity of illness among patients or types of patients served.

(C) The adjustments described in paragraph (g) of this section would not result in recognition of the reasonable and necessary costs of providing inpatient services.

(ii) The revised ceiling is based on the necessary and proper costs incurred during the new base period.

(A) Increases in overhead costs (for example, administrative and general costs and housekeeping costs) are not taken into consideration unless the hospital documents that these increases result from substantial and permanent changes in furnishing patient are services.

(B) In determining whether wage increases are necessary and proper, HCFA takes into consideration whether increases in wages and wage-related costs for hospitals in the labor market area exceed the national average increase.

(2) *New base period.* The new base period is the first cost reporting period that is 12 months or longer that reflects the substantial and permanent change.

(3) *New applicable rate-of-increase percentages and update factors.* The revised target amount resulting from the assignment of a new base period is increased by the applicable rate-of-increase percentages (update factors) described in paragraph (c)(2) of this section.

Subpart F—Specific Categories of Costs

§ 413.86 [Amended]

3. In § 413.86(h)(2), in the second sentence, the phrase "On or before July 1, 1986 and before July 1, 1987," is revised to read "On or after July 1, 1986, and before July 1, 1987,".

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance; and Program No. 93.774, Medicare—Supplementary Medical Insurance Program)

Dated: May 11, 1993.

William Toby, Jr.,

Acting Deputy Administrator, Health Care Financing Administration.

Dated: May 13, 1993.

Donna E. Shalala,

Secretary.

[Editorial Note: The following addendum and appendixes will not appear in the Code of Federal Regulations.]

ADDENDUM—PROPOSED SCHEDULE OF STANDARDIZED AMOUNTS EFFECTIVE WITH DISCHARGES ON OR AFTER OCTOBER 1, 1993 AND UPDATE FACTORS AND RATE-OF-INCREASE PERCENTAGES EFFECTIVE WITH COST REPORTING PERIODS BEGINNING ON OR AFTER OCTOBER 1, 1993

I. Summary and Background

In this addendum, we are setting forth the proposed amounts and factors for determining prospective payment rates for Medicare inpatient operating costs and Medicare inpatient capital-related costs. We are also setting forth new proposed rate-of-increase percentages for updating the target amounts for hospitals and hospital units excluded from the prospective payment system.

For discharges occurring on or after October 1, 1993, except for sole community hospitals and hospitals located in Puerto Rico, each hospital's

payment per discharge under the prospective payment system will be comprised of 100 percent of the Federal national rate.

Sole community hospitals are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal national rate, the updated hospital-specific rate based on FY 1982 cost per discharge, or the updated hospital-specific rate based on FY 1987 cost per discharge. Hospitals in Puerto Rico are paid on the basis of a rate per discharge comprised of 75 percent of a Puerto Rico rate and 25 percent of a national rate (section 1886(d)(9)(A) of the Act).

As discussed below in section II, we are proposing to make changes in the determination of the prospective payment rates for Medicare inpatient operating costs. The changes, to be applied prospectively, would affect the calculation of the Federal rates. In section III we discuss changes we are proposing to make in the determination of the prospective payment rates for Medicare inpatient capital-related costs. Section IV sets forth our proposed changes for determining the rate-of-increase limits for hospitals excluded from the prospective payment system. The tables to which we refer in the preamble to the proposed rule are presented at the end of this addendum in section V.

II. Proposed Changes to Prospective Payment Rates for Inpatient Operating Costs for FY 1994

The basic methodology for determining prospective payment rates for inpatient operating costs is set forth at § 412.63 for hospitals located outside of Puerto Rico. The basic methodology for determining the prospective payment rates for inpatient operating costs for hospitals located in Puerto Rico is set forth at §§ 412.210 and 412.212. Below, we discuss the manner in which we are changing some of the factors used for determining the prospective payment rates. The Federal and Puerto Rico rate changes, once issued as final, will be effective with discharges occurring on or after October 1, 1993. As required by section 1886(d)(4)(C) of the Act, we must adjust the DRG classifications and weighting factors for discharges in FY 1994.

In summary, the proposed standardized amounts set forth in Tables 1a, 1b, and 1c of section V of this addendum were—

- Updated by 4.2 percent for urban hospitals and 5.7 percent for rural hospitals (that is, the market basket percentage increase of 4.2 percent for urban areas and the market basket percentage increase of 4.2 percent plus 1.5 percent for rural areas);
- Adjusted to ensure budget neutrality as provided for in sections 1886 (d)(4)(C)(iii) and (d)(3)(E) of the Act by applying new budget neutrality adjustment factors to the urban and rural standardized amounts;
- Adjusted to ensure budget neutrality as provided for in section 1886(d)(8)(D) of the Act by removing the FY 1993 budget neutrality factor and applying a revised factor; and
- Adjusted by removing the FY 1993 outlier offsets and applying the revised urban and rural outlier offsets.

A. Calculation of Adjusted Standardized Amounts

1. Standardization of Base-Year Costs or Target Amounts

Section 1886(d)(2)(A) of the Act required the establishment of base-year cost data containing allowable operating costs per discharge of inpatient hospital services for each hospital. The preamble to the September 1, 1983 interim final rule (48 FR 39763) contains a detailed explanation of how base-year cost data were established in the initial development of standardized amounts for the prospective payment system and how they are used in computing the Federal rates.

Section 1886(d)(9)(B)(i) of the Act required that Medicare target amounts be determined for each hospital located in Puerto Rico for its cost reporting period beginning in FY 1987. The September 1, 1987 final rule contains a detailed explanation of how the target amounts were determined and how they are used in computing the Puerto Rico rates (52 FR 33043, 33066).

The standardized amounts are based on per discharge averages of adjusted hospital costs from a base period or, for Puerto Rico, adjusted target amounts from a base period, updated and otherwise adjusted in accordance with the provisions of section 1886(d) of the Act. Sections 1886 (d)(2)(C) and (d)(9)(B)(ii) of the Act required that the updated base-year per discharge costs and, for Puerto Rico, the updated target amounts, respectively, be standardized in order to remove from the cost data the effects of certain sources of variation in cost among hospitals. These include case mix, differences in area wage levels, cost of living adjustments for Alaska and Hawaii, indirect medical education costs, and payments to hospitals serving a disproportionate share of low-income patients.

Since the standardized amounts have already been adjusted for differences in case mix, wages, cost-of-living, indirect medical education costs, and payments to hospitals serving a disproportionate share of low-income patients, no additional adjustments for these factors for FY 1994 were made. That is, the standardization adjustments reflected in the FY 1994 standardized amounts are the same as those reflected in the FY 1993 standardized amounts.

Sections 1886 (d)(2)(H) and (d)(3)(E) of the Act require that, in making payments under the prospective payment system, the Secretary adjust the proportion of payments that are wage-related (as estimated by the Secretary from time to time). Beginning with October 1, 1990, when the market basket was rebased, we have considered 71.40 percent of costs to be labor-related for purposes of the prospective payment system.

2. Computing Urban and Rural Averages Within Geographic Areas

Section 1886(d)(3) of the Act requires the Secretary to compute three average standardized amounts for discharges occurring in a fiscal year: One for hospitals located in rural areas; one for hospitals located in large urban areas; and one for hospitals located in other urban areas. In addition, under section 1886(d)(9)(B)(iii) of the Act, the average standardized amount per discharge must be determined for hospitals located in urban and rural areas in Puerto Rico. Hospitals in Puerto Rico are paid a blend of 75 percent of the applicable Puerto Rico standardized amount and 25 percent of a national standardized payment amount.

Section 1886(d)(2)(D) of the Act defines a "large urban area" as an urban area with a population of more than 1,000,000. In addition, section 4009(i) of Public Law 100–203 provides that a New England County Metropolitan Area (NECMA) with a population of more than 970,000 is classified as a large urban area. As required by section 1886(d)(2)(D) of the Act, population size is determined by the Secretary based on the latest population data published by the Bureau of the Census. Under that section, urban areas that do not meet the definition of a "large urban area" are referred to as "other urban areas."

Based on 1991 population estimates published by the Bureau of the Census, 51 large urban areas meet the criteria to be defined as large urban areas for FY 1994. These areas are identified by an asterisk in Table 4a.

Table 1a contains the three national standardized amounts that would continue to be applicable to most hospitals. Under section 1886(d)(9)(A)(ii) of the Act, the national standardized payment amount

applicable to hospitals in Puerto Rico consists of the discharge-weighted average of the national rural standardized amount, the national large urban standardized amount, and the national other urban standardized amount (as set forth in Table 1a). The national average standardized amount for Puerto Rico is set forth in Table 1c. This table also includes the three standardized amounts that would be applicable to most hospitals in Puerto Rico.

3. Updating the Average Standardized Amounts

In accordance with section 1886(d)(3)(A) of the Act, we are proposing to update the large urban, other urban, and rural average standardized amounts using the applicable percentage increases specified in section 1886(b)(3)(B)(i) of the Act. Section 1886(b)(3)(B)(i)(IX) of the Act specifies the following update factors for the standardized amounts for FY 1994:

- The market basket percentage increase of 4.2 percent for hospitals located in urban areas.
- The market basket percentage increase plus 1.5 percentage points (that is, 5.7 percent) for hospitals located in rural areas.

The percentage change in the market basket reflects the average change in the price of goods and services purchased by hospitals to furnish inpatient care. The most recent forecasted hospital market basket increase for FY 1994 is 4.2 percent.

Although the update factor for FY 1994 is set by law, we were required by section 1886(e)(3)(B) of the Act to report to Congress no later than March 1, 1993 on our initial recommendation of update factors for FY 1994 for both prospective payment hospitals and hospitals excluded from the prospective payment system. For general information purposes, we have included the report to Congress as Appendix B to this proposed rule. This recommendation was based on an earlier forecast of the hospital market basket increase. Our proposed recommendation on the update factors (which is required by sections 1886 (e)(4)(A) and (e)(5)(A) of the Act), as well as our responses to ProPAC's recommendation concerning the update factor, is set forth as Appendix D to this proposed rule.

4. Other Adjustments to the Average Standardized Amounts

a. Recalibration of DRG weights and updated wage index—budget neutrality adjustment. Section 1886(d)(4)(C)(iii) of the Act 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. As discussed in section II of the preamble, 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 is intended to ensure that recalibration does not affect total payments to hospitals, our analysis indicates that the normalization adjustment does not necessarily achieve budget neutrality with respect to aggregate payments to hospitals.

Section 1886(d)(3)(E) of the Act 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 payments using the FY 1993 relative weights and the wage index effective October 1, 1992 to aggregate payments using the proposed FY 1994 relative weights and wage index. The same methodology was used for the FY 1993 budget neutrality adjustment. (See the discussion in the September 1, 1992 final rule (57 FR 39832).) Based on this comparison, we computed a budget neutrality adjustment factor equal to .997819. This budget neutrality adjustment factor is applied to the standardized amounts without removing the effects of the FY 1993 budget neutrality adjustment. We do not remove the prior budget neutrality adjustment because the statute requires that aggregate payments after the changes in the DRG relative weights and wage index equal estimated payments prior to the changes. If we removed the prior year adjustment, we would not be able to satisfy this condition.

In addition, we are proposing to continue to apply the same FY 1994 adjustment factor to the hospital-specific rates that are effective for cost reporting periods beginning on or after October 1, 1993, in order to ensure that we 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. (See the discussion in the September 4, 1990 final rule (55 FR 36073).)

b. Reclassified Hospitals—Budget Neutrality Adjustment. 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. In addition, section 1886(d)(10) of the Act provides for the reclassification of hospitals based on determinations by the Medicare Geographic Classification Review Board (MGCRB). Under section 1886(d)(10) of the Act, a hospital may be reclassified for purposes of the standardized amount or the wage index, or both.

Section 1886(d)(8)(D) of the Act specifies two budget neutrality objectives that must be met. First, the FY 1994 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) and 1886(d)(10) 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. We note that some rural referral centers have been reclassified for purposes of the standardized amount. The budget neutrality adjustment for geographic reclassifications does not include the cost of paying the other urban standardized amount to rural referral centers or hospitals that lost their rural referral center status as a result of reclassification, since they would already be paid on this basis in the absence of reclassification. Rather, the budget neutrality adjustment includes only the difference between the payments to these hospitals after reclassification and payments as a rural referral center before reclassification (for example, higher disproportionate share payments or the difference between large urban and other urban rates, as applicable). The following adjustment factors, necessary to achieve the requisite budget neutrality constraints, were applied to the proposed standardized amounts:

Urban	Rural
.993665	.998805

The adjustment factors are applied to the standardized amounts after removing the effects of the FY 1993 budget neutrality adjustment factors. We note that the proposed FY 1994 adjustments reflect wage index and standardized amount reclassifications approved by the MGCRB or the Administrator as of March 15, 1993. The effects of any additional reclassification changes resulting from appeals and review of the MGCRB's decisions for FY 1994 or from a hospital's request for the withdrawal of a reclassification request will be reflected in the final budget neutrality adjustment required under section 1886(d)(8)(D) of the Act and published in the final rule for FY 1994.

c. Retroactive budget neutrality adjustment to reflect FY 1993 midyear wage index corrections. In the September 4, 1990 final rule (55 FR 36042), we set forth under § 412.63(l) (redesignated at § 412.63(p)) our policy for making midyear corrections in the wage index and applying those corrections on a prospective basis effective with discharges occurring after the date the corrections are made. As described in that rule, when midyear corrections are made under the provisions of § 412.63(1), 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) of the Act (to account for the effect on payments of the midyear corrections), are not made until the beginning of the next fiscal year. We note that midyear wage index corrections will not be recognized in FY 1994.

To account for the effect that midyear corrections in the wage index for FY 1993 had on program payments for that year, we have computed a retroactive budget neutrality adjustment factor of .998286. This adjustment was computed by comparing FY 1993 aggregate payments before the wage data corrections were made with aggregate payments after the revised wage index values were implemented. This adjustment has been applied to the FY 1994 standardized amounts after removing the effects of the FY 1993 budget neutrality adjustment for midyear wage corrections made in FY 1992.

d. Outliers. Section 1886(d)(5)(A) of the Act provides 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. Section 1886(d)(9)(B)(iv) of the Act requires that the urban and rural standardized amounts applicable to hospitals in Puerto Rico be reduced by the proportion of estimated total DRG payments attributable to estimated outlier payments.

Consequently, instead of a uniform reduction factor applying equally to all the standardized amounts, there are two separate reduction factors, one applicable to the urban standardized amounts and the other applicable to the rural standardized amounts. Furthermore, section 1886(d)(5)(A)(iv) of the Act directs that outlier payments in any year may not be less than 5 percent nor more than 6 percent of total payments projected to be made based on the prospective payment rates.

i. Factors affecting outlier thresholds. In the September 1, 1992 final rule (at 57 FR 39783), we discussed several factors that could have been responsible for FY 1991 outlier payments being lower than expected. We also stated our intention to explore possible refinements to the outlier estimation methodology that would help ensure that actual outlier payments are as close as possible to estimated outlier payments (as a fraction of total DRG payments).

We examined the various adjustment factors that are used to estimate cost outlier payments. These include adjustments for the indirect costs of medical education (IME) and for hospitals serving a disproportionate share of low income patients (DSH), the hospital cost-to-charge ratios, and the charge inflation factor. We decided not to make any adjustments to the IME and DSH adjustments currently used to estimate outlier payments because they do not change in any predictable fashion. As a result, there is no accurate adjustment that we can make to these adjustment factors that would improve our estimation methodology. However, we have noted a continued trend with respect to changes in costs relative to charges. Over time, charges have continued to increase at a faster rate than costs, so that cost-to-charge ratios have been declining. Because we use the latest available cost-to-charge ratios (which may be as much as 2 years old) to convert billed charges to costs for purposes of estimating cost outlier payments, we may be overestimating outlier payments in setting the thresholds. As a result, actual payments may be lower than estimated. In order to alleviate this problem, we are proposing to use a cost inflation factor rather than a charge inflation factor to estimate FY 1994 costs. In other words, instead of inflating the FY 1992 charge data by a charge inflation factor for 2 years in order to estimate FY 1994 charge data and then applying the cost-to-charge ratio, we will adjust the charges by the cost-to-charge ratio and then inflate the estimated costs for 2 years of cost inflation. In this manner, we will be automatically adjusting for any changes in the cost-to-charge ratios that may occur, since the relevant variable is the costs estimated for a given case.

In setting the proposed FY 1994 outlier thresholds, we used a cost inflation factor of 9.2 percent. This is the average increase in cost per case between PPS–5 (data from cost reporting periods beginning in FY 1988) and PPS–7 (data from cost reporting periods beginning in FY 1990), for a matched set of hospitals. We made an audit adjustment for any cost report that had not been settled, based on the average ratio between submitted and final cost report data. This adjustment was made separately for Medicare inpatient capital costs and Medicare inpatient operating costs. We used the actual settlement ratio for PPS–5 cost report data, since most cost reports for that period had been settled, but used the settlement ratio from PPS–6 (data from cost reporting periods beginning in FY 1989) for the PPS–7 cost reports, since the PPS–7 settlement ratio currently available is based on many fewer hospitals (approximately 39 percent, as opposed to 88 percent for PPS–6). We hope to use PPS–8 data (from cost reporting periods beginning in FY 1991) in setting the cost inflation factor for the final rule; currently, there are not enough cost reports on file for FY 1991 to make an accurate estimate using the PPS–8 data.

In the September 1, 1992 final rule (at 57 FR 39782), we stated our intention to examine the use of separate ancillary and routine cost-to-charge ratios in determining cost outlier payments. The RAND Corporation has studied the use of separate ancillary and routine cost-to-charge ratios in determining cost outlier payments, and the results show some potential for improvement in payments.

However, we do not believe that it would be appropriate to make a change to cost outlier payment policy until the results of the day outlier payment change have been completely incorporated into the discharge data. The RAND study indicates that the most appropriate timeframe for implementing any change to the use of separate ancillary and routine cost-to-charge ratios would be in the context of further possible changes to day outlier payment policy.

A recent report for ProPAC by Jack Ashby, "The Accuracy of Cost Measures Derived from Medicare Cost Report Data" (intramural report I–93–01, March 1993), compares cost measures derived from the cost report with costs derived from sophisticated hospital cost accounting systems, which were assumed to be correct for the purposes of the study. The study suggests that while the cost report is reliable for estimating total costs, it is much less reliable for estimating separate routine and ancillary costs. Inpatient ancillary costs were understated using the cost report, while inpatient routine costs were overstated. This analysis is based on an extremely small sample (17 hospitals, using FY 1988 data), but it nonetheless suggests that some caution is necessary in considering the use of separate ancillary and routine cost-to-charge ratios.

ii. FY 1992 and FY 1993 outlier payments. In the June 4, 1992 proposed rule (57 FR 23645), we discussed several reasons for a difference between actual and estimated outlier payments as a percentage of total DRG payments for FY 1992. At that time, we estimated that actual FY 1992 outlier payments would be approximately 3.6 percent of FY 1992 total DRG payments. We also estimated that total DRG payments for FY 1992 would be higher than estimated at the time that we set the FY 1992 outlier thresholds. Thus, we stated our belief that hospitals were not necessarily disadvantaged by the lower than estimated outlier payment percentage. Our current estimate is that actual FY 1992 outlier payments will be approximately 3.5 percent of total DRG payments. At the same time, we estimate that FY 1992 total DRG payments per case were 2.3 percent higher than we estimated when we set the FY 1992 outlier thresholds. This estimate is based on the June 30, 1992 update of the provider-specific file and the December 31, 1992 update of the MedPAR file.

We believe that using a cost inflation factor in setting the FY 1994 outlier thresholds, rather than a charge inflation factor, will further improve our estimation methodology in order that actual outlier payments as a percentage of total DRG payments will equal estimated outlier payments as a percentage of total DRG payments.

In the September 1, 1992 final rule, we set the outlier thresholds so that estimated operating outlier payments were equal to 5.1 percent of estimated total estimated operating prospective payments. We currently estimate that FY 1993 outlier payments will be 4.5 percent of total DRG payments.

We note that the payment adjustment factors for IME and DSH have changed much less between the FY 1993 final rule and our current estimates than they did in the analysis completed in the FY 1993 proposed rule (at 57 FR 23645) for FY 1992 outlier payments. The operating cost-to-charge ratio continues to decrease, but we believe that we have controlled for that in our FY 1994 outlier estimation by using the cost inflation factor, as described above.

	DSH	IME	Operating Cost-to-charge ratios
FY 1993 final rule	0.0426	0.0506	0.6328
FY 1994 NPRM	0.0457	0.0510	0.6188

Note: The FY 1993 estimate is based on the 6/30/92 provider-specific file; the FY 1994 estimate is based on the 12/31/92 file.

Although we now estimate that FY 1993 outlier payments will be 0.6 percent lower than anticipated, we note that FY 1993 total DRG payments per case will be approximately 1.1 percent higher than we estimated when setting the FY 1993 outlier thresholds. In addition, we note that the estimate of the market basket rate of increase used to set the FY 1993 rates was 4.1 percentage points, while our current estimate for the FY 1993 market basket rate of increase is 3.3 percent. Thus, the net effect is that hospitals are receiving higher FY 1993 payments than would have been established based on the more recent data.

We will continue to evaluate possible refinements to outlier payment policy, such as the use of separate routine and ancillary cost-to-charge ratios (as described above) in order to better simulate outlier payments as a percentage of total DRG payments.

iii. FY 1994 outlier thresholds. For FY 1993, the day outlier threshold is the geometric mean length of stay for each DRG plus the lesser of 23 days or 3.0 standard deviations. The cost outlier threshold is the greater of 2.0 times the prospective payment rate for the DRG or $35,500 ($32,500 for hospitals that have not yet entered the prospective payment system for inpatient capital-related costs). The outlier adjustments for FY 1993 standardized amounts were .944598 for the urban rates, .978420 for the rural rates, and .9496 fof the capital Federal rate.

For FY 1994, we propose to set the day outlier threshold at the geometric mean length of stay for each DRG plus the lesser of 23 days or 3.0 standard deviations and the cost outlier threshold at the greater of 2.0 times the prospective payment rate for the DRG or $36,000 ($33,000 for hospitals that have not yet entered the prospective payment system for capital-related costs).

The FY 1994 outlier thresholds would result in a slight increase in the proportion of outliers paid as cost outliers relative to those paid as day outliers. We estimate that 48.0 percent of outlier cases would be paid using the cost outlier methodology and 52.0 percent would be paid using the day outlier methodology. Cases that meet the day outlier threshold but that would be paid using the cost outlier methodology, because it yields the higher payment, would represent 17.4 percent of all outlier cases. Our simulation of FY 1994 outlier payments based on FY 1992 MedPAR data indicates that the percentage of outlier cases that would qualify as day outliers is about 69.4 percent. The cases qualifying as day outliers will receive 73.7 percent of operating outlier payments in FY 1994. An estimated 30.6 percent of outlier cases would be cost-only outlier cases, which would receive

about 26.3 percent of operating outlier payments. The following table illustrates this finding in greater detail:

Type of outlier	Percentage of outlier cases	Percentage of operating outlier payments	Percentage of capital outlier payments	Percentage of total outlier payments
Meets day threshold only	43.3	18.0	16.6	17.9
Meets day and cost thresholds, paid using day methodology	8.7	13.1	12.1	13.0
Meets day and cost thresholds, paid using cost methodology	17.4	42.5	42.0	42.5
Subtotal—all cases meeting day threshold	69.4	73.7	70.6	73.4
Meets cost threshold only	30.6	26.3	29.4	26.6
Total	100.0	100.0	100.0	100.0

When we modeled the combined operating and capital outlier payments, we found that using a common set of thresholds resulted in a slightly higher percentage of outlier payments for capital-related costs than for operating costs. We estimate the proposed thresholds for FY 1994 would result in outlier payments equal to 5.1 percent of operating DRG payments and 5.45 percent of capital payments based on the Federal rate.

We are proposing to establish outlier thresholds that would be applicable to both inpatient operating costs and inpatient capital-related costs. The proposed outlier adjustment factors applied to the standardized amounts and the capital Federal rate for FY 1994 are as follows:

Urban standardized amount	Rural standardized amount	Capital federal rate
.945752	.977589	.9455

We would apply the proposed outlier adjustment factors after removing the effects of the FY 1993 outlier adjustment factors on the standardized amounts and the capital Federal rate.

We are proposing to continue to set the outlier thresholds so that estimated outlier payments equal 5.1 percent of estimated total operating prospective payments. The model that we use to determine the outlier thresholds necessary to target our desired outlier payment percentage for FY 1994 uses the FY 1992 MedPAR file and the most recent available information on hospital-specific payment parameters (such as the cost-to-charge ratios). This information is based on the December, 1992 update of the provider-specific file used in the PRICER program.

iv. Other changes concerning outliers. Because of the change to the calculation of day outlier payments beginning in FY 1993, we are now including the arithmetic mean length of stay in Table 5 of section V of this addendum. When we recalibrate DRG weights, we set a threshold of 10 cases as the minimum number of cases required to compute a reasonable weight and geometric mean length of stay. DRGs that do not have at least 10 cases are considered to be low volume DRGs. For the low volume DRGs, we use the original geometric mean lengths of stay, because no arithmetic mean length of stay was calculated based on the original data.

Table 8a in section V of this addendum contains the updated Statewide average operating cost-to-charge ratios for urban hospitals and for rural hospitals to be used in calculating cost outlier payments for those hospitals for which the intermediary is unable to compute a reasonable hospital-specific cost-to-charge ratio. Effective October 1, 1993, these Statewide average ratios replace the ratios published in the September 1, 1992 final rule (57 FR 39944). Table 8b contains comparable Statewide average capital cost-to-charge ratios. These average ratios would be used to calculate cost outlier payments for those hospitals for which the intermediary computes operating cost-to-charge ratios lower than 0.300234 or greater than 1.27519 and capital cost-to-charge ratios lower than 0.01256 or greater than 0.25700. This range represents 3.0 standard deviations (plus or minus) from the mean of the log distribution of cost-to-charge ratios for all hospitals. The cost-to-charge ratios in Tables 8a and 8b would be applied to all hospital-specific cost-to-charge ratios based on cost report settlements occurring during FY 1994.

B. Adjustments for Area Wage Levels and Cost of Living

This section contains an explanation of the application of two types of adjustments to the adjusted standardized amounts that would be made by the intermediaries in determining the prospective payment rates as described in this addendum. For discussion purposes, it is necessary to present the adjusted standardized amounts divided into labor and nonlabor portions. Tables 1a, 1b, and 1c, as set forth in this addendum, contain the actual labor-related and nonlabor-related shares that will be used to calculate the prospective payment rates for hospitals located in the 50 States, the District of Columbia, and Puerto Rico.

1. Adjustment for Area Wage Levels

Sections 1886(d)(3)(E) and 1886(d)(9)(C)(iv) of the Act require that an adjustment be made to the labor-related portion of the prospective payment rates to account for area differences in hospital wage levels. This adjustment is made by the intermediaries by multiplying the labor-related portion of the adjusted standardized amounts by the appropriate wage index for the area in which the hospital is located. In section

III of the preamble, we discuss certain revisions we are making to the wage index. This index is set forth in Tables 4a through 4e of this addendum.

2. Adjustment for Cost of Living in Alaska and Hawaii

Section 1886(d)(5)(H) of the Act authorizes an adjustment to take into account the unique circumstances of hospitals in Alaska and Hawaii. Higher labor-related costs for these two States are taken into account in the adjustment for area wages described above. For FY 1994, the adjustment necessary for nonlabor-related costs for hospitals in Alaska and Hawaii would be made by the intermediaries by multiplying the nonlabor portion of the standardized amounts by the appropriate adjustment factor contained in the table below. If the Office of Personnel Management releases revised cost-of-living adjustment factors before August 1, 1993, we will publish them in the final rule and use them for FY 1994 payments.

TABLE OF COST-OF-LIVING ADJUSTMENT FACTORS, ALASKA AND HAWAII HOSPITALS

Alaska—All areas	1.25
Hawaii:	
Oahu	1.225
Kauai	1.175
Maui	1.20
Molokai	1.20
Lanai	1.20
Hawaii	1.15

(The above factors are based on data obtained from the U.S. Office of Personnel Management.)

C. DRG Relative Weights

As discussed in section II of the preamble, we have developed a classification system for all hospital discharges, assigning them into DRGs, and have developed relative weights for each DRG that are intended to reflect the resource utilization of cases in each DRG relative to Medicare cases in other DRGs. The intermediary makes an adjustment to the prospective payment rate by multiplying the standardized amount by the relative weight for the DRG to which the discharge is assigned.

Table 5 of section V of this addendum contains the relative weights that we propose to use for discharges occurring in FY 1994. These factors have been recalibrated as explained in section II of the preamble.

D. Calculation of Prospective Payment Rates for FY 1994

General Formula for Calculation of Prospective Payment Rates for FY 1994:

Prospective payment rate for all hospitals located outside Puerto Rico except sole community hospitals=Federal rate.

Prospective payment rate for sole community hospitals=Whichever of the following rates yields the greatest aggregate payment: 100 percent of the Federal rate, 100 percent of the FY 1982 hospital-specific rate, or 100 percent of the FY 1987 hospital-specific rate.

Prospective payment rate for Puerto Rico=75 percent of the Puerto Rico rate + 25 percent of a discharge-weighted average of the large urban, other urban, and rural national rates.

1. Federal Rate

For discharges occurring on or after October 1, 1993 and before October 1, 1994, except for sole community hospitals and hospitals in Puerto Rico, the hospital's rate is comprised exclusively of the Federal national rate. Hospitals located in counties that were reclassified from urban to rural due to redesignation of MSAs by the Office of Management and Budget shall have their rural average standardized amount adjusted on the basis of an additional amount that equals two-thirds of the difference between the urban and rural standardized amounts. See section IV of the preamble for a detailed discussion of this provision.

The Federal rates are determined as follows:

Step 1—Select the appropriate national adjusted standardized amount considering the type of hospital and designation of the hospital as large urban, other urban, or rural (see Tables 1a and 1b, section V of this addendum).

Step 2—Multiply the labor-related portion of the standardized amount by the applicable wage index for the geographic area in which the hospital is located (see Tables 4a, 4b, and 4c, section V of this addendum).

Step 3—For hospitals in Alaska and Hawaii, multiply the nonlabor-related portion of the standardized amount by the appropriate cost-of-living adjustment factor.

Step 4—Add the amount from Step 2 and the nonlabor-related portion of the standardized amount (adjusted if appropriate under Step 3).

Step 5—Multiply the final amount from Step 4 by the relative weight corresponding to the appropriate DRG (see Table 5, section V of this addendum).

2. Hospital-Specific Rate (Applicable Only to Sole Community Hospitals)

Sections 1886(d)(5)(D)(i) and (b)(3)(C) of the Act provide that sole community hospitals are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal rate, the updated hospital-specific rate based on FY 1982 cost per discharge, or the updated hospital-specific rate based on FY 1987 cost per discharge.

Hospital-specific rates have been determined for each of these hospitals based on both the FY 1982 cost per discharge and the FY 1987 cost per discharge. For a more detailed discussion of the calculation of the FY 1982 hospital-specific rate and the FY 1987 hospital-specific rate, we refer the reader to the September 1, 1983 interim final rule (48 FR 39772); the April 20, 1990 final rule with comment (55 FR 15150); and the September 4, 1990 final rule (55 FR 35994).

a. Updating the FY 1982 and FY 1987 hospital-specific rates for FY 1994 cost reporting periods. For cost reporting periods beginning on or after October 1, 1993, we are proposing to increase the hospital-specific rates by 4.2 percent (the hospital market basket percentage increase) for sole community hospitals located in all areas. Section 1886(b)(3)(C)(ii) of the Act provides that the update factor applicable to the hospital-specific rates for sole community hospitals equals the update factor provided under section 1886(b)(3)(B)(ii) of the Act, which, for cost reporting periods beginning in FY 1994, is the market basket rate of increase.

b. Calculation of hospital-specific rate. For sole community hospital cost reporting periods beginning on or after October 1, 1993 and before October 1, 1994, the applicable hospital-specific rate would be calculated by multiplying a hospital's hospital-specific rate for the preceding cost reporting period by the applicable update factor (that is, 1.042). In addition, the hospital-specific rate would be adjusted by the budget neutrality adjustment factor (that is, .997819) as discussed in section II.A.4.b. of this addendum. This resulting rate would be used in determining under which rate a sole community hospital is paid for its cost reporting period beginning on or after October 1, 1993, based on the formula set forth above.

3. General Formula for Calculation of Prospective Payment Rates for Hospitals Located in Puerto Rico Beginning On or After October 1, 1993 and Before October 1, 1994.

a. Puerto Rico rate. The Puerto Rico prospective payment rate is determined as follows:

Step 1—Select the appropriate adjusted average standardized amount considering the large urban, other urban, or rural designation of the

hospital (see Table 1c, section V of the addendum).

Step 2—Multiply the labor-related portion of the standardized amount by the appropriate wage index (see Tables 4a and 4b, section V of the addendum).

Step 3—Add the amount from Step 2 and the nonlabor-related portion of the standardized amount.

Step 4—Multiply the result in Step 3 by 75 percent.

Step 5—Multiply the amount from Step 4 by the appropriate DRG relative weight (see Table 5, section V of the addendum).

b. National rate. The national prospective payment rate is determined as follows:

Step 1—Multiply the labor-related portion of the national average standardized amount (see Table 1c, section V of the addendum) by the appropriate wage index.

Step 2—Add the amount from Step 1 and the nonlabor-related portion of the national average standardized amount.

Step 3—Multiply the result in Step 2 by 25 percent.

Step 4—Multiply the amount from Step 3 by the appropriate DRG relative weight (see Table 5, section V of the addendum).

The sum of the Puerto Rico rate and the national rate computed above equals the prospective payment for a given discharge for a hospital located in Puerto Rico.

III. Proposed Changes to Payment Rates for Inpatient Capital-Related Costs for FY 1994

The prospective payment system for hospital inpatient capital-related costs was implemented for cost reporting periods beginning on or after October 1, 1991. Effective with that cost reporting period and during a 10-year transition period extending through FY 2001, hospital inpatient capital-related costs are paid on the basis of an increasing proportion of the capital prospective payment system Federal rate and a decreasing proportion of the historical costs for capital as described below.

The basic methodology for determining Federal capital prospective rates is set forth at §§ 412.308 through 412.352 of the regulations. Below we discuss the factors that we propose to use to determine the Federal rate and the hospital-specific rate. The proposed rates would be effective for discharges occurring on or after October 1, 1993.

We computed the FY 1992 standard Federal payment rate for capital-related costs under the prospective payment system by updating the FY 1989 Medicare inpatient capital cost per case by an actuarial estimate of the increase in Medicare inpatient capital costs per case. Each year after FY 1992 we updated the standard Federal rate for increases in capital-related costs as provided in § 412.308(c)(1). Also, § 412.308(c)(2) provides that the Federal rate is adjusted annually by a factor equal to the estimated additional payments under the Federal rate for outlier cases, determined as a proportion of total capital payments under the Federal rate. For FY 1992 through FY 2001, § 412.308(c)(3) requires that the Federal rate be reduced by an adjustment factor equal to the estimated additional payments made for exceptions under § 412.348. Section 412.308(c)(4)(ii) requires that the Federal rate be adjusted so that estimated aggregate payments after any changes resulting from the annual DRG reclassification and the recalibration of DRG weights and changes in the geographic adjustment factor are budget neutral. For FY 1992 through FY 1995, § 412.352 requires that the Federal rate also be adjusted by a budget neutrality factor, so that estimated aggregate payments for inpatient hospital capital costs will equal 90 percent of the estimated payments that would have been made for capital-related costs on a reasonable cost basis during the fiscal year.

The hospital-specific rate for each hospital was calculated by dividing the hospital's Medicare inpatient capital-related costs for a specified base year by its Medicare discharges (adjusted for transfers), and dividing the result by the hospital's case mix index (also adjusted for transfers). The resulting case-mix adjusted average cost per discharge was then updated to FY 1992 based on the national average increase in Medicare's inpatient capital cost per discharge and adjusted by the exceptions payment adjustment factor and the budget neutrality adjustment factor to yield the FY 1992 hospital-specific rate. The hospital-specific rate is updated each year after FY 1992 for inflation and for changes in the exceptions payment adjustment factor and the budget neutrality adjustment factor.

To determine the appropriate budget neutrality adjustment factors and the exceptions payment adjustment factor, we developed a dynamic model of Medicare inpatient capital-related costs, that is, a model that projects changes in Medicare inpatient capital-related costs over time. The model and its application are described more fully in Appendix B.

In accordance with section 1886(d)(9)(A) of the Act, under the prospective payment system for inpatient operating costs, hospitals located in Puerto Rico are paid under a special payment formula. These hospitals are paid a blended rate that takes into account their geographical designation and is comprised of 75 percent of the applicable standardized amount specific to Puerto Rico hospitals and 25 percent of the applicable national average standardized amount. Section 412.374 provides for the use of this blended payment system for payments to Puerto Rico hospitals under the prospective payment system for inpatient capital-related costs. Accordingly, for capital-related costs we compute a separate payment rate specific to Puerto Rico hospitals using the same methodology used to compute the national Federal rate for capital. Hospitals in Puerto Rico are paid based on 75 percent of the Puerto Rico rate and 25 percent of the Federal rate.

A. Determination of Federal Inpatient Capital-Related Prospective Payment Rate Update

For FY 1993, the Federal rate was $417.29. With the changes we are proposing to the factors used to establish the Federal rate, we are proposing that the FY 1994 Federal rate would be $394.88.

In the discussion that follows, we explain the factors that were used to determine the proposed FY 1994 Federal rate. In particular, we explain why the proposed Federal rate has decreased 5.37 percent compared to the FY 1993 Federal rate. The major factor contributing to the decrease in the Federal rate is the requirement that estimated payments each year from FY 1992 through FY 1995 for capital costs equal 90 percent of what would have been payable that year on a reasonable cost basis. Based on the most recent data, we now estimate that capital payments for FY 1992 will have equalled 98.3 percent of reasonable costs, and that capital payments for FY 1993 will have equalled 95.3 percent of reasonable costs. The data thus indicate that the budget neutrality adjustments for FY 1992 and FY 1993 were not sufficient to meet the 90 percent target and that, as a consequence, the Federal rates for both FY 1992 and FY 1993 were higher than they should have been. While we do not retroactively adjust the budget neutrality factor and the Federal rate for previous years to account for revised estimates, we do employ the most recent information available to refine the budget neutrality adjustment for subsequent years. The result is a larger budget neutrality adjustment for FY 1993, which contributes to the decrease in the Federal rate.

Another factor contributing to the decrease in the Federal rate is an anticipated increase in exceptions payments. Section 412.308(c)(3) requires that the standard Federal rate for inpatient capital-related costs be reduced by an adjustment factor equal to the estimated additional payments for exceptions under § 412.348 determined as a proportion of total payments under the hospital-specific rate and the Federal rate. We estimate that there will be a six-fold increase in exceptions payments in FY 1994 compared to FY 1993. (Because total capital payments exceeded the budget neutrality target by 5.3 percentage points in FY 1993, we now estimate that exceptions for FY 1993 will be 63 percent lower than we originally estimated.) We expect exceptions payments to increase during the transition period as payments are based increasingly on the Federal rate. The increase anticipated for FY 1994 is fully consistent with that expectation.

Although the proposed Federal rate for FY 1994 is 5.37 percent lower than the FY 1993 Federal rate, we estimate that total capital payments per case will increase 3.8 percent in FY 1994. The increase in total payments is due to the increase in the budget neutrality target to equal 90 percent of estimated FY 1994 capital costs per case. Since section 1886(g)(1)(A) of the Act requires that estimated payments equal 90 percent of reasonable cost for capital-related expenses, payments under the capital prospective payment system can be expected to increase as capital costs per case increase. The increase from FY 1993 to FY 1994 is less than the total estimated increase in capital costs per case between FY 1993 and FY 1994 because estimated FY 1993 payments were 5.3 percentage points higher than the FY 1993 budget neutrality target. As a result, payments must increase less than the full increase in costs to prevent estimated payments for FY 1994 from exceeding 90 percent of reasonable cost. We discuss the determination of the budget neutrality target in section III.A.3. below.

Finally, it should be noted that total payments to hospitals under the prospective payment systems will be relatively insensitive to changes in the Federal rate even after the expiration of the budget neutrality provision in FY 1996. Since capital payments constitute about 10 percent of hospital payments, a 1 percent change in the Federal rate yields only about a 0.1 percent change in actual payments to hospitals.

1. Standard Federal Rate Update.

Section 412.308(c)(1)(i) provides that for FY 1993 through FY 1995, the standard Federal rate is updated on the basis of a lagged 2-year moving average of actual increases in Medicare inpatient capital-related costs per discharge. The 2-year moving average is based on the actual increase, adjusted for case-mix index change, in Medicare inpatient capital-related costs per case for the fiscal years 3 and 4 years before the fiscal year in question. For FY 1994, the increase is based on the increase in Medicare inpatient capital-related costs per case from FY 1989 through FY 1991. These are the most recent fiscal years for which cost report data are available. To determine the amount of the increase, we apportioned a hospital's costs and discharges to each fiscal year based on the number of months in the hospital's cost reporting period that occurred during the applicable fiscal year. Thus, an individual hospital may have more than one cost report included in the calculation.

We are proposing that the FY 1994 update factor for the Federal rate be 3.10 percent. The following chart, based on the March 1993 update of HCRIS, shows how this figure was computed:

CAPITAL COSTS PER CASE INCREASE FROM COST REPORT DATA

Fiscal year	Number hospitals 1st HCR	Number hospitals 2nd HCR [1]	Unadj. capital cost per case	Increase in cost per case (unadj.)	Audit adjusted capital cost per case [2]	Increase in adjusted cost per case	Average two increase in adjusted cost per case	Observed CMI	Adj. to CMI	Adjusted CMI	CMI adjusted increase	Update (average two year increase of CMI adjusted rate of increase)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1989	4300	5493	$509.86	.....	$506.43							
1990	4267	5410	558.56	9.55%	539.40	6.51%	.....	0.85%	1.22%	2.08%	4.34%	
1991	4160	5234	610.86	9.36%	563.24	4.42%	5.46%	2.50%	.....	2.50%	1.87%	3.10%

[1] Columns 1 and 2 represent the numbers of hospital cost reports used in developing capital costs per case figures in column 3. Since hospital cost reporting periods do not all coincide with the Federal fiscal year, data for a given Federal fiscal year must be derived from more than one hospital cost report, allocated proportionately to the Federal fiscal year. For example, for a hospital with a cost reporting period beginning January 1, one quarter of its cost report for the period ending December 31, 1987 would be allocated to Federal fiscal year 1988, and three quarters of its cost report for the period ending December 31, 1988 would be allocated to Federal fiscal year 1987. Column 1 represents the number of cost reports used that ended in the Federal fiscal year in question. Column 2 represents the number of cost reports used that began in the Federal fiscal year in question. Column 2 is greater than Column 1 because Column 2 includes cost reports for hospitals whose cost reporting period coincides with the Federal year along with cost reports for those hospitals whose cost reporting periods do not coincide with the Federal fiscal year. Column 1 includes only cost reports for hospitals whose cost reporting periods do not coincide with the Federal fiscal year.

[2] Figures in column 5 represent capital costs per case, adjusted for the anticipated effects of cost report audits and reopenings, from the March 1993 update of HCRIS. The following factors were used in adjusting capital costs per case figures from column 3 for the effects of audits and reopenings:

Audit Adjustment Applied to As-Submitted Cost Reports

Cost reporting periods beginning in:

FY 1988—0.9243

FY 1989—0.9109

FY 1990—0.9238

FY 1991—0.9100

Audit Adjustment Applied to Settled Cost Reports

All years—1.0035

The costs per case figures that result after the application of these audit adjustments to submitted and settled cost reports, respectively, are entered in Column 5.

For the final rule, we will recalculate the FY 1994 update factor on the basis of the June 1993 update of HCRIS. We note that the proposed FY 1994 update factor is 2.09 percentage points lower than the update factor of 5.19 percent that we previously projected from the capital acquisitions model for FY 1994 (57 FR 40008). This difference is due to lower capital costs per case amounts in the most recent HCRIS data.

As we explained in the final rule for FY 1990 (54 FR 36471), 1.22 percent of the total increase in case mix from FY 1987 to FY 1988 resulted from FY 1988 GROUPER changes and recalibration. In other words, 1.22 percent of the increase in case mix from FY 1987 to FY 1988 did not represent an increase in resource requirements that should be recognized in increased payments in subsequent years. To assure that this distortion was not continued into subsequent years, we reduced the FY 1990 weights to remove prospectively the 1.22 percent increase in the average weight attributable to GROUPER changes and recalibration in FY 1988. In computing the capital update factor, we adjust each year's rate of increase in capital costs per case for observed case-mix increase in that year. Since 1.22 percent was removed from the FY 1990 weights to adjust for the effects of administrative changes on the DRG weights in 1988, that reduction must be reincorporated into the case mix increase for FY 1990. The purpose of this adjustments is to assure consistent measures of case mix.

We note that the effect of the update on the Federal rate is limited by the requirement of budget neutrality until FY 1996. Thus, although the update factor for inflation is 3.10 percent, the proposed FY 1994 Federal rate is lower than the FY 1993 Federal rate because of the budget neutrality adjustment factor. We also note that the FY 1994 budget neutrality target is determined by the estimate of FY 1994 capital costs, not by the 2-year average update factor applied to the FY 1993 Federal rate. We discuss the basis for the budget neutrality target further in III.A.4 below.

2. Outlier Payment Adjustment Factor

Section 412.312(c) establishes a unified outlier methodology for inpatient operating and inpatient capital-related costs. A single set of thresholds is used to identify outlier cases for both inpatient operating and inpatient capital-related payments. Outlier payments are made only on the portion of the Federal rate that is used to calculate the hospital's inpatient capital-related payments (for example, 30 percent for cost reporting periods beginning in FY 1994 for hospitals paid under the fully prospective methodology). Section 412.308(c)(2) provides that the standard Federal rate for inpatient capital-related costs be reduced by an adjustment factor equal to the estimated additional payments under the Federal rate for outlier cases, determined as a proportion of inpatient capital-related payments under the Federal rate. The outlier thresholds are set so that 5.1 percent of estimated inpatient operating payments are paid as outlier payments. The inpatient capital-related outlier reduction factor is then set according to the estimated inpatient capital-related outlier payments that would be made if hospitals were all paid according to 100 percent of the Federal rate. It is appropriate, for purposes of calculating the outlier thresholds and the outlier reduction factor, to model all hospitals as if paid 100 percent of the Federal rate. This is because, as explained above, outlier payments are made only on the portion of the Federal rate that is included in the hospital's inpatient capital-related payments.

In the September 1, 1992 final rule, we estimated that outlier payments for FY 1993 would equal 5.04 percent of inpatient capital-related payments based on the Federal rate. Accordingly, we applied an outlier adjustment factor of 0.9496 to the Federal rate. Based on the proposed thresholds as set forth in section II.A.4.d of the preamble, we estimate that outlier payments will equal 5.45 percent of inpatient capital-related payments based on the Federal rate in FY 1994. We are therefore proposing an outlier adjustment factor of 0.9455 to the Federal rate. The outlier reduction factors are not built permanently into the rates; that is, they are not applied cumulatively in determining the Federal rate. Therefore, the net change in the outlier adjustment to the Federal rate for FY 1994 is .9455/.9496 or 0.9957. Thus, the outlier payment percentage will reduce the FY 1994 Federal rate by 0.43 percent (0.9957–1) compared with the FY 1993 outlier adjustment.

3. Budget Neutrality Adjustment Factor for Changes in DRG Weight and the Geographic Adjustment Factor

Section 412.308(c)(4)(ii) requires that the Federal rate be adjusted so that estimated aggregate payments for the fiscal year based on any changes resulting from the annual reclassification and recalibration of the DRG weights and changes in the geographic adjustment factor equal estimated aggregate payments that would have been made on the basis of the Federal rate without such changes. We used the actuarial model described in Appendix B to estimate the aggregate payments that would have been made on the basis of the Federal rate without changes in the DRG classifications and weights and in the geographic adjustment factor. We also used the model to estimate aggregate payments that would be made on the basis of the Federal rate as a result of those changes. We then used these figures to compute the adjustment required to maintain budget neutrality for changes in DRG weights and in the geographic adjustment factor.

For FY 1993, we calculated a budget neutrality factor of 0.9980. For FY 1994, we are proposing a budget neutrality factor of 1.0046. The GAF/DRG budget neutrality factors are built permanently into the rates; that is, they are applied cumulatively in determining the Federal rate. This follows from the requirement that aggregate payments each year be no more than it is estimated that they would have been in the absence of the changes from the annual DRG reclassification and recalibration and in the geographic adjustment factor. The incremental change in the adjustment from FY 1993 to FY 1994 is 1.0046. The cumulative change in the GAF/DRG budget neutrality adjustment to the Federal rate is 1.0026 (.9980×1.0046).

We note that this factor accounts for changes due to DRG classification changes and recalibration and in the geographic adjustment factor. It also incorporates the effects on the geographic adjustment factor of FY 1994 geographic reclassification decisions made by the MGCRB compared to FY 1993 decisions. However, in accordance with § 412.308(c)(4)(ii), it does not account for changes in payments due to changes in the disproportionate share and indirect medical education adjustment factors or in the large urban add-on.

4. Budget Neutrality Adjustment Factor to Assure Aggregate Payments Equal 90 Percent of Reasonable Cost Payments

Section 1886(g)(1)(A) of the Act requires that aggregate payments made each year in FY 1992 through FY 1995 for hospital inpatient services be reduced in a manner that results in payments equal to 90 percent of what the Secretary estimates would have been payable on a reasonable cost basis for inpatient capital-related costs in that year. No retroactive increase or decrease is made if aggregate payments are greater than or less than 90 percent of actual Medicare inpatient capital-related costs for that year.

Section 412.352 of the regulations provides that HCFA determines an adjustment to the hospital-specific rate and the Federal rate proportionately, so that the estimated payments for capital in each year from FY 1992 through FY 1995 will equal 90 percent of what would have been payable that year on a reasonable cost basis. The effect of this provision is that the reduction required under section 1886(g)(1)(A) of the Act is realized entirely through a reduction in the prospective payments for capital costs (that is, no reduction is made for this purpose in the reasonable cost payments for old capital) in FY 1992 through FY 1995.

For FY 1993, we determined that a budget neutrality factor of 0.9162 was required, so that estimated aggregate payments for inpatient capital-related costs would equal 90 percent of what would have been payable on a reasonable cost basis in that year. For FY 1994, we are proposing a budget neutrality factor of 0.8726. As we explain in Appendix B, we determine this factor on the basis of a projected FY 1994 capital costs per case budget neutrality target. We developed this target from available data on average Medicare capital costs per case for all short-term acute care hospitals subject to the capital prospective payment system (that is, data from excluded and waiver hospitals were eliminated). For this proposed rule, we have data from the March 1993 update of HCRIS on the average Medicare capital cost per case for FY 1991. We adjusted this figure for the effects of audits and updated it to FY 1994 on the basis of estimated rates of increase in Medicare capital costs per case. For the final rule, we expect to have data from the June 1993 HCRIS update that we will use as the basis for projecting the FY 1994 capital cost per case budget neutrality target.

The proposed budget neutrality adjustment factor for FY 1994 is 4.76 percent lower than the FY 1993 budget neutrality adjustment (0.9162) and 6.84 percent lower than the adjustment that we projected for FY 1994 in the final rule for FY 1993 (0.9367). The proposed adjustment for FY 1994 is lower because of an 8.67 percent decline in the budget neutrality target for FY 1994. That decline is the result of two factors. First, in the FY 1993 final rule, we had projected the FY 1991 capital cost per case based on FY 1990 capital costs per case and an estimated 6.71 percent increase between FY 1990 and FY 1991. In this proposed rule for FY 1994, the FY 1991 capital cost per case is based on actual FY 1991 capital costs per case from the March 1993 HCRIS update. The actual FY 1991 capital cost per case from the March 1993 update is 5.20 percent lower than estimated.

Second, in the final rule for FY 1993, we had estimated that there would be a 31.63 percent increase in Medicare inpatient capital cost per case between FY 1991 and FY 1994. In this proposed rule for FY 1994, we estimate the increase over that period will be 26.68 percent. The following chart shows how the rate of increase estimates for FY 1991 through FY 1994 were calculated in the FY 1993 final rule and in this proposed rule for FY 1994:

COMPARISON OF FACTORS FOR MEDICARE INPATIENT CAPITAL COST PER CASE INCREASES: FY 1993 FINAL RULE (FR) AND FY 1994 PROPOSED RULE (PR)

[In percentages]

Estimate for fiscal year	(1) total inpatient capital			(2) medicare share			(1)×(2)=(3) medicare inpatient capital			(4) medicare enrollment			(5) admissions incidence			(4)×(5)=(6) medicare admissions			(3)/(6)=(7) estimated increase in medicare inpatient capital cost per case		
	FY93 FR	FY94 PR	Percent change	FY93 FR	FY94 PR	Percent change	FY93 FR	FY94 PR	Percent change	FY93 FR	FY94 PR	Percent change	FY93 FR	FY94 PR	Percent change	FY93 FR	FY94 PR	Percent change	FY93 FR	FY94 PR	Percent change
1992	8.00	7.07	−0.86	3.00	3.10	0.97	11.24	10.38	−0.76	2.22	1.99	−0.23	0.25	2.72	2.46	2.47	4.77	2.24	8.56	5.64	−2.69
1993	9.00	8.00	−0.92	3.30	3.30	0.00	12.60	11.56	−0.92	2.11	1.89	−0.22	0.62	0.30	−0.32	2.75	2.19	−0.55	9.58	9.17	−0.37
1994	10.00	9.00	−0.91	3.60	3.60	0.00	13.96	12.92	−0.91	1.94	1.73	−0.21	1.04	0.97	−0.07	2.99	2.71	−0.27	10.65	9.94	−0.64

The chart shows the causes of the decline in the rate of increase projections. For FY 1992, the decline in the projected rate of increase is due to a 0.76 percent decline in the projected rate of increase of total Medicare capital costs and a 2.24 percent increase in the projected rate of increase of Medicare admissions. Together these factors produced a 2.69 percent decline in the projected rate of increase of Medicare inpatient capital costs per case. For FY 1993, the 0.37 percent decline in the projected rate of increase is due to a 0.92 percent decline in total Medicare inpatient capital costs per case. For FY 1994, the 0.64 percent decline in the projected rate of increase is due to a 0.91 percent decrease in total Medicare inpatient capital costs per case.

The following chart shows the effect of the reduced rates of increase by comparing the projections from FY 1991 to FY 1994 at the time of the final rule for FY 1993 and in this proposed rule for FY 1994:

EFFECT OF REVISED RATE OF INCREASE ESTIMATES ON CALCULATION OF FY 1993 BUDGET NEUTRALITY TARGET

	Capital cost per case	Percent change in rate of increase	Percent change in capital cost per case
FY 1991:			
Final FY 1993	[1] $598.10		
Proposed FY 1994	[2] 566.98	N/A	−5.20
FY 1992:			
Final FY 1993: 8.56%	649.30		
Proposed FY 1994: 5.64%	598.96	−2.69	−7.75
FY 1993:			
Final FY 1993: 9.58%	711.50		
Proposed FY 1994: 9.17%	653.91	−0.37	−8.09
FY 1994:			
Final FY 1993: 10.65%	787.20		
Proposed FY 1994: 9.94%	718.93	−0.64	−8.67
Cumulative	.....	−3.67	

[1] FY 1991 estimate, based on June 1992 HCRIS data (audit-adjusted) for FY 1990 and estimated rate of increase of 6.71 percent.
[2] FY 1991 cost per case based on March 1993 HCRIS data, audit-adjusted, excluding waiver hospitals and PPS-excluded hospitals.

The chart shows that the cumulative effect of the revised rates of increase is to lower the FY 1994 budget neutrality target by 3.67 percent. Together with the 5.20 percent decline due to updated HCRIS data, this accounts for the 8.67 percent reduction in the FY 1994 capital cost per case budget neutrality target compared to the level estimated in the FY 1993 final rule.

For FY 1994, we are proposing a budget neutrality factor of 0.8726 to realize the 90 percent target. The budget neutrality factors are not built permanently into the rates; that is, the factors are not applied cumulatively in determining the Federal rate. The proposed net adjustment to the FY 1994 Federal rate would therefore be .8726/.9162 or 0.9524. For the final rule, we will recalculate the budget neutrality factor on the basis of the most recent data available.

5. Exceptions Payment Adjustment Factor

Section 412.308(c)(3) requires that the standard Federal rate for inpatient capital-related costs be reduced by an adjustment factor equal to the estimated additional payments for exceptions under § 412.348 determined as a proportion of total payments under the hospital-specific rate and Federal rate. The model developed for determining the budget neutrality adjustment factor is also used to estimate payments under the exceptions payment process and to determine the exceptions payment adjustment factor.

For FY 1993, we estimated that exceptions payments would equal 2.44 percent of aggregate payments based on the Federal rate and the hospital-specific rate. Therefore, we applied an exceptions reduction factor of 0.9756 (1–0.0244) in determining the Federal rate. For FY 1994, we estimate that exceptions payments will equal 6.01 percent of aggregate payments based on the Federal rate and the hospital-specific rate. Therefore, we propose to apply an exceptions reduction factor of 0.9399 to determine the FY 1994 Federal rate. We have always expected exceptions payments to increase during the transition period as payments are based increasingly on the Federal rate. The higher level of exceptions payments for FY 1994 as compared to FY 1993 is entirely consistent with this expectation.

The exceptions reductions factors are not built permanently into the rates; that is, the factors are not applied cumulatively in determining the Federal rate. The proposed net adjustment to the FY 1994 Federal rate is therefore .9399/.9756, or 0.9634.

6. Standard Federal Rate for FY 1994

For FY 1993, the Federal rate was $417.29. With the changes we are proposing to the factors used to establish the Federal rate, we are proposing that the FY 1994 Federal rate will be $394.88. The proposed changes are as follows:

- The FY 1994 update factor would be 1.0310.
- The FY 1994 outlier adjustment factor would be 0.9455.
- The FY 1994 budget neutrality adjustment factor that is applied to the standard Federal payment rate for changes in the DRG relative weights and in the geographic adjustment factor would be 1.0046.
- The FY 1994 budget neutrality adjustment factor that is applied to the standard Federal payment rate and the hospital-specific rate to assure that aggregate payments equal 90 percent of payments that would have been made on a reasonable cost basis would be 0.8726.
- The FY 1994 exceptions payments adjustment factor would be 0.9399.

Since the Federal rate has already been adjusted for differences in case mix, wages, cost-of-living, indirect medical education costs, and payments to hospitals serving a disproportionate share of low-income patients, we propose to make no additional

adjustments in the standard Federal rate for these factors other than the budget neutrality factors for changes in the DRG relative weights and the geographic adjustment factor.

We are providing a chart that shows how each of the proposed factors and adjustments for FY 1994 affected the computation of the proposed FY 1994 Federal rate in comparison to the FY 1993 Federal rate. The FY 1994 update increases the Federal rate 3.10 percent compared to the rate in FY 1993 while the geographic and DRG budget neutrality factor increases the Federal rate by 0.46 percent. The exceptions reduction factor decreases the proposed Federal rate by 3.66 percent compared to the exceptions reduction for FY 1993. The budget neutrality adjustment factor reduces the proposed FY 1994 rate by 4.76 percent compared to the budget neutrality reduction in FY 1993. The combined effect of all the proposed changes is to decrease the proposed Federal rate by 5.37 percent compared to the Federal rate for FY 1993.

COMPARISON OF FACTORS AND ADJUSTMENTS: FY 1993 FEDERAL RATE AND PROPOSED FY 1994 FEDERAL RATE

		Change	Percent change
Update factor[1]:			
Fiscal year 1993	1.0607		
Proposed fiscal year 1994	1.0310	1.0310	3.10
GAF/DRG reduction factor[1]:			
Fiscal year 1993	0.9980		
Proposed fiscal year 1994	1.0046	1.0046	0.46
Outlier reduction factor[2]:			
Fiscal year 1993	0.9496		
Proposed fiscal year 1994	0.9455	0.9957	−0.43
Exceptions reduction factor:			
Fiscal year 1993[2]	0.9756		
Proposed fiscal year 1994	0.9399	0.9634	−3.66
Budget neutrality adjustment factor[2]:			
Fiscal year 1993	0.9162		
Proposed fiscal year 1994	0.8726	0.9524	−4.76
Federal rate:			
Fiscal year 1993 ($417.29).			
Proposed fiscal year 1994 ($394.88)	.....	0.9463	−5.37

[1] The update factor and the GAF/DRG budget neutrality factors are built permanently into the rates. Thus, for example, the incremental change from FY 1993 to FY 1994 resulting from the application of the proposed 1.0046 GAF/DRG budget neutrality factor for FY 1994 is 1.0046.

[2] The outlier reduction factor, the exceptions reduction factor, and the budget neutrality factor to assure that payments do not exceed 90 percent of what it is estimated would have been paid on the basis of reasonable cost are not built permanently into the rates; that is, these factors are not applied cumulatively in determining the rates. Thus, for example, the net change resulting from the application of the FY 1994 exceptions reduction factor is 0.9399/0.9756, or 0.9634.

We have refined our proposed budget neutrality and exceptions reduction factors for FY 1994 on the basis of the most recent data at our disposal. We have not retroactively adjusted the Federal rate for FY 1993 in determining the proposed rate for FY 1994.

7. Special Rate for Puerto Rico Hospitals

For FY 1993, the special rate for Puerto Rico hospitals was $320.99. With the changes we are proposing to the factors used to determine the rate, we are proposing that the FY 1994 special rate for Puerto Rico will be $303.75.

B. Determination of Hospital-Specific Rate Update

Section 412.328(e) of the regulations provides that the hospital-specific rate for FY 1994 be determined by adjusting the FY 1993 hospital-specific rate by the following factors:

1. Hospital-Specific Rate Update Factor

The hospital-specific rate is updated in accordance with the update factor for the standard Federal rate determined under § 412.308(c)(1). For FY 1994, we are proposing that the hospital-specific rate be updated by a factor of 1.0310.

2. Exceptions Payment Adjustment Factor

For FY 1992 through FY 2001, the updated hospital-specific rate is reduced by an adjustment factor equal to the estimated additional payments for capital-related costs for exceptions under § 412.348, determined as a proportion of the total amount of payments under the hospital-specific rate and the Federal rate. For FY 1994, we estimate that exceptions payments will be 6.01 percent of aggregate payments based on the Federal rate and the hospital-specific rate. We therefore propose that the updated hospital-specific rate be reduced by a factor of 0.9399. The exceptions reductions factors are not built permanently into the rates; that is, the factors are not applied cumulatively in determining the hospital-specific rate. The net adjustment to the FY 1994 hospital-specific rate is therefore .9399/.9756 or .9634.

3. Budget Neutrality Adjustment Factor

For FY 1992 through FY 1995, the updated hospital-specific rate is adjusted by a budget neutrality adjustment factor determined under § 412.352, so that estimated aggregate payments under the capital prospective payment system will equal 90 percent of what would have been payable on a reasonable cost basis. (The budget neutrality adjustment for changes in the DRG relative weights and in the geographic adjustment factor is not applied to the hospital-specific rate.) For FY 1994, we are proposing a budget neutrality factor of 0.8726. The budget neutrality factor is not built permanently into the rates; that is, the factor is not applied cumulatively in determining the hospital-specific rate. The net adjustment to the FY 1994 hospital-specific rate is therefore .8726/.9162 or .9524.

4. Net Change to Hospital-Specific Rate

We are providing a chart below to show the proposed net change to the hospital-specific rate. The chart shows

the factors for FY 1993 and FY 1994 and the net adjustment for each factor. It also shows that the proposed cumulative net adjustment from FY 1993 to FY 1994 is 0.9460, which represents an decrease of 5.40 percent to the hospital-specific rate. The proposed FY 1994 hospital-specific rate for each hospital can be determined by multiplying the FY 1993 hospital-specific rate by the cumulative net adjustment of 0.9460.

PROPOSED FISCAL YEAR 1994 UPDATE AND ADJUSTMENTS TO HOSPITAL-SPECIFIC RATES

		Net adjustment	Percent change
Update factor:			
Fiscal Year 1993	1.0607		
Fiscal Year 1994	1.0310	1.0310	3.10
Exceptions payment adjustment factor:			
Fiscal Year 1993	0.9755		
Fiscal Year 1994	0.9399	0.9634	−3.66
Budget neutrality factor:			
Fiscal Year 1993	0.9162		
Fiscal Year 1994	0.8726	0.9524	−4.76
Cumulative adjustments:			
Fiscal Year 1993	0.9481		
Fiscal Year 1994	0.8969	0.9460	−5.40

NOTE: The update factor for the hospital-specific rate is applied cumulatively in determining the rates. Thus, the incremental increase in the update factor from FY 1993 to FY 1994 is 1.0310. In contrast, the exceptions payment adjustment factor and the budget neutrality factor are not applied cumulatively. Thus, for example, the incremental increase in the budget neutrality factor from FY 1993 to FY 1994 is .8726/.9162, or .9524.

C. Calculation of Inpatient Capital-Related Prospective Payments for FY 1994

During the capital prospective payment system transition period, a hospital is paid for the inpatient capital-related costs under one of two alternative payment methodologies: the fully prospective payment methodology or the hold-harmless methodology. The payment methodology applicable to a particular hospital is determined when a hospital comes under the prospective payment system for capital-related costs by comparing its hospital-specific rate to the Federal rate applicable to the hospital's first cost reporting period under the prospective payment system. The applicable Federal rate is determined by adjusting:

- For outliers by dividing the standard Federal rate by the outlier reduction factor for that fiscal year; and,
- For the payment adjustment factors applicable to the hospital (that is, the hospital's geographic adjustment factor, the disproportionate share adjustment factor, and the indirect medical education adjustment factor, where appropriate).

If the hospital-specific rate is above the applicable Federal rate, the hospital is paid under the hold-harmless methodology. If the hospital-specific rate is below the applicable Federal rate, the hospital is paid under the fully prospective methodology.

For purposes of calculating payments for each discharge under both the hold-harmless payment methodology and the fully prospective payment methodology, the standard Federal rate is adjusted as follows:

(Standard Federal Rate) × (DRG weight) × (Geographic Adjustment Factor) × (Large Urban Add-on, if applicable) × (for hospitals located in Alaska and Hawaii, COLA adjustment) × (1 + Disproportionate Share Adjustment Factor + Indirect Medical Education Adjustment Factor, if applicable).

The result is termed the adjusted Federal rate.

Payments under the hold-harmless methodology are determined under one of two formulas. A hold-harmless hospital is paid the higher of:

- 100 percent of the adjusted Federal rate for each discharge; or
- An old capital payment equal to 85 percent (100 percent for sole community hospitals) of the hospital's allowable Medicare inpatient old capital costs per discharge for the cost reporting period plus a new capital payment based on a percentage of the adjusted Federal rate for each discharge. The percentage of the adjusted Federal rate equals the ratio of the hospital's allowable Medicare new capital costs to its total Medicare inpatient capital-related costs in the cost reporting period.

Once a hospital receives payment based on 100 percent of the adjusted Federal rate in a cost-reporting period beginning on or after October 1, 1993 (or the first cost reporting period after obligated capital that is recognized as old capital under § 412.302(c) is put in use for patient care, if later), the hospital continues to receive capital prospective payment system payments on that basis for the remainder of the transition period.

Payment for each discharge under the fully prospective methodology is the sum of:

- The hospital-specific rate multiplied by the DRG relative weight for the discharge and by the applicable hospital-specific transition blend percentage for the cost reporting period; and
- The adjusted Federal rate multiplied by the Federal transition blend percentage.

The blend percentages for cost reporting periods beginning in FY 1994 are 30 percent of the adjusted Federal rate and 70 percent of the hospital-specific rate.

Hospitals may also receive outlier payments for those cases that qualify under the thresholds established for each fiscal year. Section 412.312(c) provides for a single set of thresholds to identify outlier cases for both inpatient operating and inpatient capital-related payments. Outlier payments are made only on that portion of the Federal rate that is used to calculate the hospital's inpatient capital-related payments. For fully prospective hospitals, that will be 30 percent of the Federal rate for discharges occurring in cost reporting periods beginning during FY 1994. Thus, a fully prospective hospital will receive 30 percent of the capital-related outlier payment calculated for the case for discharges occurring in cost reporting periods beginning in FY 1994. For hold-harmless hospitals paid 85 percent of their reasonable costs for old

inpatient capital, the portion of the Federal rate that is included in the hospital's outlier payments is based on the hospital's ratio of Medicare inpatient costs for new capital to total Medicare inpatient capital costs. For hold-harmless hospitals that are paid 100 percent of the Federal rate, 100 percent of the Federal rate is included in the hospital's outlier payments.

The proposed rules to establish outlier thresholds for FY 1994 are published in section II.A.4.d of the Addendum to this proposed rule. For FY 1994, we are proposing that a case qualifies as a cost outlier if the cost for the case (after standardization for the indirect teaching adjustment and disproportionate share adjustment) is greater than the larger of 2 times the prospective payment rate for the case or $36,000. We are also proposing that a case qualifies as a day outlier for FY 1994 if the length of stay is greater than the geometric mean length of stay for the DRG plus the lesser of 3 standard deviations of the length of stay or 23 days.

During the capital prospective payment system transition period, any hospital may also receive an additional payment under an exceptions process if its total inpatient capital-related payments are less than a minimum percentage of its allowable Medicare inpatient capital-related costs. The minimum payment level is established by class of hospital under § 412.348. The minimum payment levels for portions of cost reporting periods occurring in FY 1994 are:

- Sole community hospitals (located in either an urban or rural area), 90 percent;
- Urban hospitals with at least 100 beds and a disproportionate share patient percentage of at least 20.2 percent and urban hospitals with at least 100 beds that qualify for disproportionate share payments under § 412.106(c)(2), 80 percent; and,
- All other hospitals, 70 percent.

Under § 412.348(d), the amount of the exceptions payment is determined by comparing the cumulative payments made to the hospital under the capital prospective payment system to the cumulative minimum payment levels applicable to the hospital for each cost reporting period subject to that system. Any amount by which the hospital's cumulative payments exceed its cumulative minimum payment is deducted from the additional payment that would otherwise be payable for a cost reporting period.

New hospitals are exempted from the capital prospective payment system for their first 2 years of operation and are paid 85 percent of their reasonable costs during that period. A new hospital's old capital costs are its allowable costs for capital assets that were put in use for patient care on or before the later of December 31, 1990 or the last day of the hospital's base year cost reporting period, and are subject to the rules pertaining to old capital and obligated capital as of the applicable date. Effective with the third year of operation, we will pay the hospital under either the fully prospective methodology, using the appropriate transition blend in that Federal fiscal year, or the hold-harmless methodology. If the hold-harmless methodology is applicable, the hold-harmless payment for assets in use during the base period would extend for 8 years, even if the hold-harmless payments extend beyond the normal transition period.

IV. Proposed Rate-of-Increase Percentages for Hospitals and Hospital Units Excluded From the Prospective Payment System

The inpatient operating costs of hospitals and hospital units excluded from the prospective payment system are subject to rate-of-increase limits established under the authority of section 1886(b) of the Act, which is implemented in § 413.40 of the regulations. Under these limits, an annual target amount (expressed in terms of the inpatient operating cost per discharge) is set for each hospital, based on the hospital's own historical cost experience trended forward by the applicable rate-of-increase percentages (update factors). The target amount is multiplied by the number of Medicare discharges in a hospital's cost reporting period, yielding the ceiling on aggregate Medicare inpatient operating costs for the cost reporting period.

Effective with cost reporting periods beginning on or after October 1, 1991, a hospital that has Medicare inpatient operating costs in excess of its ceiling is paid its ceiling plus 50 percent of its costs in excess of the ceiling. Total payment may not exceed 110 percent of the ceiling. A hospital that has inpatient operating costs less than its ceiling will continue to be paid its costs plus the lower of—

- Fifty percent of the difference between the inpatient operating costs and the ceiling; or
- Five percent of the ceiling.

Each hospital's target amount is adjusted annually, before the beginning of its cost reporting period, by an applicable rate-of-increase percentage. For cost reporting periods beginning on or after October 1, 1993 and before October 1, 1994, section 1886(b)(3)(B)(ii) of the Act provides that the applicable percentage increase is the market basket percentage increase. In order to determine a hospital's target amount for its cost reporting period beginning in FY 1994, the hospital's target amount for its reporting period that began in FY 1993 is increased by the market basket percentage increase for FY 1994. The most recent forecasted market basket increase for FY 1994 for hospitals and units excluded from the prospective payment system is 4.3 percent. Therefore, the applicable percentage increase is also 4.3 percent, or an update factor of 1.043.

V. Tables

This section contains the tables referred to throughout the preamble to this proposed rule and in this addendum. For purposes of this proposed rule, and to avoid confusion, we have retained the designations of Tables 1 through 5 that were first used in the September 1, 1983 initial prospective payment final rule (48 FR 39844). Tables 1a, 1c, 1d, 3C, 4a, 4b, 4c, 4d, 4e, 5, 6a, 6b, 6c, 6d, 6e, 6f, 6g, 6h, 7A, 7B, 8a, 8b, 9 and 10 are presented below. The tables presented below are as follows:

Table 1a—National Adjusted Operating Standardized Amounts, Labor/Nonlabor
Table 1c—Adjusted Operating Standardized Amounts for Puerto Rico, Labor/Nonlabor
Table 1d—Capital Standard Federal Payment Rate
Table 3C—Hospital Case Mix Indexes for Discharges Occurring in Federal Fiscal Year 1992
Table 4a—Wage Index and Capital Geographic Adjustment Factor (GAF) for Urban Areas
Table 4b—Wage Index and Capital Geographic Adjustment Factor (GAF) for Rural Areas
Table 4c—Wage Index and Capital Geographic Adjustment Factor (GAF) for Hospitals That Are Reclassified
Table 4d—Average Hourly Wage for Urban Areas
Table 4e—Average Hourly Wage for Rural Areas
Table 5—List of Diagnosis Related Groups (DRGs), Relative Weighting Factors, Geometric Mean Length of Stay, and Length of Stay Outlier Cutoff Points Used in the Prospective Payment System
Table 6a—New Diagnosis Codes
Table 6b—New Procedure Codes
Table 6c—Invalid Diagnosis Codes
Table 6d—Revised Diagnosis Code Titles

Table 6e—Revised Procedure Code Titles
Table 6f—Additions to the CC Exclusions List
Table 6g—Deletions to the CC Exclusions List
Table 6h—Additional OR Procedures That Group to DRG 477
Table 7A—Medicare Prospective Payment System Selected Percentile Lengths of Stay FY 92 MEDPAR Update 12/92 GROUPER V 10.0
Table 7B—Medicare Prospective Payment System Selected Percentile Lengths of Stay FY 92 MEDPAR Update 12/92 GROUPER V 11.0
Table 8a—Statewide Average Operating Cost-to-Charge Ratios for Urban and Rural Hospitals (Case Weighted) April 1993
Table 8b—Statewide Average Capital Cost-to-Charge Ratios for Urban and Rural Hospitals (Case Weighted) April 1993
Table 9—1992 Transfer Adjusted Case-Mix Index and Transfer Adjustment to Discharges for Capital Hospital-Specific Rate Redeterminations
Table 10—Percentage Difference in Wage Indexes for Areas That Qualify for a Wage Index Exception for Excluded Hospitals and Units

TABLE 1a.—NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS, LABOR/NONLABOR

Large urban		Other urban		Rural	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
2,708.14	1,115.72	2,665.27	1,098.07	2,757.25	888.34

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

	Large urban		Other urban		Rural	
	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
Puerto Rico	2,435.69	506.56	2,397.12	498.54	1,879.42	405.16
National	2,704.97	1,051.77				

TABLE 1d.—CAPITAL STANDARD FEDERAL PAYMENT RATE

	Rate
National	394.88
Puerto Rico	303.75

TABLE 3C.—HOSPITAL CASE MIX INDEXES FOR DISCHARGES

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[Occurring in Federal Fiscal Year 1992]

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
010001	01.3141	010066	00.8544	010131	01.2485	030012	01.2350	030086	01.1904
010004	01.0110	010068	01.2154	010134	00.7796	030013	01.2167	030087	01.6305
010005	01.1288	010069	01.1370	010136	01.0490	030014	01.4814	030088	01.3135
010006	01.3795	010072	01.1870	010137	01.2113	030016	01.2772	030089	01.3504
010007	01.0535	010073	00.9387	010138	00.9520	030017	01.3929	030091	00.9378
010008	01.0428	010078	01.1952	010139	01.6487	030018	01.7190	030092	01.4842
010009	01.0870	010079	01.0984	010143	01.1518	030019	01.2413	030093	01.3394
010010	01.1271	010080	01.0186	010144	01.3408	030022	01.5191	030094	01.3648
010011	01.4167	010081	01.8443	010145	01.2349	030023	01.2798	030095	01.2361
010012	01.2548	010083	01.0604	010146	01.0270	030024	01.6431	030898	00.8508
010015	00.9981	010084	01.2960	010148	00.9822	030025	01.1128	030899	00.8352
010016	01.1189	010085	01.2560	010149	01.3921	030027	01.0785	040001	01.0972
010018	00.8717	010086	01.0188	010150	01.0481	030030	01.6616	040002	01.2079
010019	01.1925	010087	01.7828	010152	01.2869	030033	01.2286	040003	01.0094
010020	00.9172	010089	01.1366	010153	02.0157	030034	01.1074	040004	01.2619
010021	01.2043	010090	01.5769	010155	01.0412	030035	01.2893	040005	01.0067
010022	00.9604	010091	00.9938	010898	00.8559	030036	01.2218	040007	01.5971
010023	01.3601	010092	01.3878	010899	00.9642	030037	01.9029	040008	01.2106
010024	01.2945	010094	01.2065	020001	01.4935	030038	01.5195	040010	01.1823
010025	01.2245	010095	01.0195	020002	01.0192	030040	00.9928	040011	00.9512
010027	00.8693	010096	00.9034	020004	01.1098	030041	00.9821	040013	00.9148
010029	01.5020	010097	00.9397	020005	00.8528	030043	01.2116	040014	01.2239
010031	01.2326	010098	01.0049	020006	01.0748	030044	01.0716	040015	01.1197
010032	00.8162	010099	01.0317	020007	00.8846	030046	01.0238	040016	01.5334
010033	01.9435	010100	01.1552	020008	00.9954	030047	01.0147	040017	01.2930
010034	01.0212	010101	01.0454	020009	00.9161	030049	01.0407	040018	01.3326
010035	01.1931	010102	00.9047	020010	00.8782	030054	00.8315	040019	01.1828
010036	01.1517	010103	01.6115	020011	00.9928	030055	01.2016	040020	01.4629
010038	01.2225	010104	01.5505	020012	01.1491	030059	01.3660	040021	01.2894
010039	01.6294	010108	01.2409	020013	01.0571	030060	01.0445	040022	01.7083
010040	01.3216	010109	01.0500	020014	01.0349	030061	01.5198	040024	01.0246
010043	00.9649	010110	00.9045	020017	01.4074	030062	01.3315	040025	00.9738
010044	01.0858	010112	01.1643	020018	00.9531	030064	01.4890	040026	01.5481
010045	01.0418	010113	01.6345	020019	00.8884	030065	01.4747	040027	01.2945
010046	01.3950	010114	01.2633	020020	00.7832	030067	01.0453	040028	00.9965
010047	00.8624	010115	00.8726	020021	00.8324	030068	01.0307	040029	01.1224
010049	01.0829	010117	01.1016	020024	01.0928	030069	01.3160	040030	00.8697
010050	00.9340	010118	01.2123	020025	00.9213	030071	00.9474	040031	00.9380
010051	00.9145	010119	01.1629	020026	01.1822	030072	00.8557	040032	00.9532
010052	00.9696	010120	00.9552	020027	01.0085	030073	01.0783	040035	00.9527
010053	01.0101	010121	01.1006	030001	01.3447	030074	00.8817	040036	01.3242
010054	01.2664	010122	00.9087	030002	01.7752	030075	00.9256	040037	01.1453
010055	01.3520	010123	01.2449	030003	01.3118	030076	00.9886	040039	01.1971
010056	01.3557	010124	01.2633	030004	00.9709	030077	00.9216	040040	01.0473
010058	00.9802	010125	01.0407	030006	01.6147	030078	01.0418	040041	01.1587
010059	01.0542	010126	01.1407	030007	01.2603	030079	00.8707	040042	01.2656
010061	00.9946	010127	01.5138	030008	01.9441	030080	01.6617	040044	00.9469
010062	00.9709	010128	00.8770	030009	01.1956	030083	01.4031	040045	00.9734
010064	01.6296	010129	01.0154	030010	01.4834	030084	01.0579	040047	01.0326
010065	01.2375	010130	01.1133	030011	01.4265	030085	01.4210	040048	01.1557

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
040050	01.1267	050013	02.1131	050077	01.6422	050140	01.3236	050219	01.3302
040051	01.0693	050014	01.1267	050078	01.3697	050143	01.4244	050220	01.2959
040053	01.1206	050015	01.4174	050079	01.4718	050144	01.4783	050222	01.5643
040054	00.9540	050016	01.1669	050080	01.2885	050145	01.3437	050224	01.6026
040055	01.4189	050017	01.9966	050081	01.6032	050146	01.1697	050225	01.3758
040058	01.0155	050018	01.4132	050082	01.4350	050147	00.7319	050226	01.4225
040060	00.9768	050019	00.8238	050084	01.5563	050148	01.1427	050228	01.3297
040062	01.4573	050021	01.2710	050088	01.1006	050149	01.3709	050230	01.4104
040063	01.4791	050022	01.4785	050089	01.3531	050150	01.2336	050231	01.5121
040064	00.9144	050024	01.3494	050090	01.2769	050152	01.3920	050232	01.7990
040066	01.1483	050025	01.6325	050091	01.2598	050153	01.6417	050233	01.2257
040067	01.0522	050026	01.4636	050092	00.9019	050154	01.1821	050234	01.2647
040069	01.0616	050028	01.3017	050093	01.5385	050155	01.1099	050235	01.4741
040070	00.9837	050029	01.2897	050095	01.5486	050158	01.7139	050236	01.3987
040071	01.4457	050030	01.3363	050096	01.0386	050159	01.2922	050238	01.4779
040072	01.0551	050032	01.2342	050097	01.4311	050161	01.3486	050239	01.3897
040074	01.2067	050033	01.4556	050099	01.6800	050167	01.3479	050240	01.4810
040075	01.0932	050036	01.6806	050100	01.8530	050168	01.6710	050241	01.2701
040076	01.1330	050038	01.3497	050101	01.4076	050169	01.5605	050242	01.4070
040077	00.9274	050039	01.6485	050102	01.3352	050170	01.4645	050243	01.4743
040078	01.2258	050040	01.1956	050103	01.4286	050172	01.3540	050245	01.3482
040080	01.0828	050041	01.2659	050104	01.3409	050173	01.2892	050248	01.1121
040081	00.9095	050042	01.2291	050107	01.3405	050174	01.6949	050251	01.1604
040082	01.3060	050043	01.5045	050108	01.4352	050175	01.3153	050253	00.9042
040084	01.1112	050045	01.2573	050109	02.0845	050177	01.2502	050254	01.1590
040085	01.2413	050046	01.1992	050110	01.1707	050179	01.2511	050256	01.7769
040088	01.2752	050047	01.7712	050111	01.3544	050180	01.5116	050257	01.0597
040090	00.9134	050051	01.0697	050112	01.4843	050181	01.2522	050258	01.3150
040091	01.2942	050052	00.8884	050113	01.2155	050183	01.2018	050260	00.9514
040093	01.0479	050053	01.3911	050114	01.4991	050186	01.4160	050261	01.1532
040095	00.8375	050054	01.3275	050115	01.5378	050188	01.4155	050262	01.7932
040100	01.1380	050055	01.2706	050116	01.4445	050189	01.0104	050263	01.2218
040105	00.9977	050056	01.3605	050117	01.2968	050191	01.3999	050264	01.4281
040106	01.1748	050057	01.4819	050118	01.1524	050192	01.2040	050267	01.5386
040107	01.0745	050058	01.3945	050121	01.3242	050193	01.3282	050269	01.1014
040109	01.0733	050060	01.5092	050122	01.4916	050194	01.2509	050270	01.3226
040114	01.7925	050061	01.3588	050124	01.1977	050195	01.5799	050272	01.3973
040116	01.3768	050063	01.4005	050125	01.3337	050196	01.3442	050274	01.1252
040118	01.1970	050065	01.5622	050126	01.4295	050197	01.9083	050276	01.1057
040119	01.1403	050066	01.2811	050127	01.2739	050199	01.3442	050277	01.3766
040124	01.1275	050067	01.3359	050128	01.5711	050204	01.3954	050278	01.3761
040126	00.9772	050068	01.0345	050129	01.4694	050205	01.3633	050279	01.2384
040133	00.8231	050069	01.6748	050131	01.1459	050207	01.3266	050280	01.4329
040898	00.8691	050070	01.2582	050132	01.3653	050208	01.2796	050281	01.3565
040899	00.8443	050071	01.3066	050133	01.2281	050211	01.3330	050282	01.3839
050002	01.3455	050072	01.3116	050135	01.3269	050212	00.9062	050283	01.3611
050006	01.3260	050073	01.2567	050136	01.4045	050213	01.3314	050286	01.0283
050007	01.5939	050074	01.0588	050137	01.2337	050214	01.6036	050289	01.7279
050008	01.4264	050075	01.2887	050138	01.7978	050215	01.4142	050290	01.5505
050009	01.5873	050076	01.5417	050139	01.2206	050217	01.2561	050291	01.2054

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
050292	01.1469	050378	01.1234	050456	01.3144	050548	00.5777	050622	01.2148
050293	01.2274	050379	01.0754	050457	01.8723	050549	01.7942	050623	01.4081
050295	01.3594	050380	01.6114	050458	00.9892	050550	01.9003	050624	01.2682
050296	01.1641	050382	01.3934	050459	01.2520	050551	01.2712	050625	01.5157
050298	01.2234	050385	01.4278	050464	01.8166	050552	01.1011	050630	01.2179
050299	01.2866	050387	00.9644	050467	01.2809	050557	01.5238	050633	01.1649
050300	01.2914	050388	00.9484	050468	01.3728	050559	01.3141	050635	01.3125
050301	01.3202	050390	01.2814	050469	01.1024	050560	01.3601	050636	01.3619
050302	01.3811	050391	01.3802	050470	01.1342	050561	01.1825	050637	01.1836
050305	01.5188	050392	00.9404	050471	01.7952	050564	01.2637	050638	00.9458
050307	01.4921	050393	01.4890	050476	01.2545	050565	01.2583	050641	01.1085
050308	01.5578	050394	01.5038	050477	01.3954	050566	00.9890	050643	00.9296
050309	01.2642	050396	01.6032	050478	01.0040	050567	01.6738	050644	01.0709
050310	01.1828	050397	00.9091	050481	01.4952	050568	01.3568	050655	00.8717
050312	01.7950	050401	01.1774	050482	00.9812	050569	01.2301	050660	01.0748
050313	01.1416	050404	01.1299	050483	01.1492	050570	01.7105	050661	00.9004
050315	01.2998	050406	01.1019	050485	01.6659	050571	01.4444	050662	00.8271
050317	01.3947	050407	01.2591	050486	01.4799	050573	01.6482	050663	01.0618
050320	01.3773	050410	01.1193	050488	01.2107	050575	01.2341	050666	00.8834
050324	01.8471	050411	01.3117	050489	01.0213	050577	01.2457	050667	00.9987
050325	01.2348	050414	01.2745	050491	01.4247	050578	01.3558	050668	01.1537
050327	01.5672	050417	01.1973	050492	01.2471	050579	01.4010	050670	00.8312
050328	01.2809	050418	01.2767	050494	01.0491	050580	01.2535	050671	01.1240
050329	01.2171	050419	01.2684	050496	01.8210	050581	01.4188	050672	00.6536
050331	01.3461	050420	01.3875	050497	00.8879	050583	01.6818	050674	01.1743
050333	00.9741	050421	01.3503	050498	01.2563	050584	01.2236	050675	01.5284
050334	01.4900	050423	01.0145	050502	01.6759	050585	01.3630	050676	00.8456
050335	01.2747	050424	01.7220	050503	01.2721	050586	01.2450	050677	01.3447
050336	01.2930	050425	01.2730	050506	01.4948	050587	01.3491	050678	01.1072
050337	01.2805	050426	01.3961	050510	01.2908	050588	01.3567	050680	01.3240
050342	01.3201	050427	00.7339	050512	01.2642	050589	01.2698	050682	00.8850
050343	01.0627	050430	00.9915	050515	01.3280	050590	01.3102	050684	01.2275
050345	01.2938	050431	01.0989	050516	01.5634	050591	01.1729	050685	01.1351
050348	01.8341	050432	01.5651	050517	01.4219	050592	01.3360	050686	01.2682
050349	01.0023	050433	01.0128	050522	01.3813	050593	01.3080	050688	01.1740
050350	01.3749	050434	01.0694	050523	01.2263	050594	01.8713	050689	01.4780
050351	01.5117	050435	01.2259	050526	01.3112	050597	01.3160	050690	01.1996
050352	01.3039	050436	01.0121	050528	01.2872	050598	01.3947	050693	01.3064
050353	01.6351	050438	01.5568	050530	00.9260	050599	01.5540	050694	01.1623
050355	01.0165	050440	01.3409	050531	01.3316	050601	01.3443	050695	01.1757
050357	01.9189	050441	01.8204	050534	01.2828	050603	01.4166	050696	01.8184
050359	01.1071	050443	00.9113	050535	01.4516	050604	01.4445	050697	01.3181
050360	01.4883	050444	01.2388	050537	01.2452	050607	01.1775	050698	01.1727
050363	01.3607	050446	00.9466	050539	01.1931	050608	01.1669	050699	00.9838
050366	01.3503	050447	01.1801	050541	01.5326	050609	01.3784	050700	01.4253
050367	01.2562	050448	01.2383	050542	01.0814	050613	01.0892	050701	01.1924
050369	01.2619	050449	01.2453	050543	01.4076	050615	01.3202	050702	00.8657
050373	01.3326	050451	01.0508	050545	00.9790	050616	01.3226	050703	00.7076
050376	01.3533	050454	01.8321	050546	00.8979	050618	01.1981	050898	00.8339
050377	00.9150	050455	01.9439	050547	00.9776	050619	01.3395	050899	00.8627

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
060001	01.5364	060066	01.0149	070036	01.2800	100032	01.8882	100089	01.2687
060003	01.2003	060068	01.2341	070898	00.8486	100034	01.6543	100090	01.3561
060004	01.2172	060070	01.0093	070899	00.8437	100035	01.5067	100092	01.5146
060006	01.2312	060071	01.1767	080001	01.6112	100038	01.6642	100093	01.4899
060007	01.1390	060072	00.9104	080002	01.1599	100039	01.6713	100098	01.2627
060008	01.0574	060073	00.9842	080003	01.2705	100040	01.6786	100099	01.2439
060009	01.3976	060075	01.2566	080004	01.2604	100042	01.1758	100100	01.3527
060010	01.5640	060076	01.3910	080005	01.3059	100043	01.4292	100102	01.1486
060011	01.1496	060085	00.9414	080006	01.1433	100044	01.3957	100103	00.9719
060012	01.4329	060087	01.5417	080007	01.2564	100045	01.4073	100105	01.4205
060013	01.1850	060088	01.0269	080898	00.8732	100046	01.3108	100106	01.1098
060014	01.6747	060090	00.8379	080899	00.9119	100047	01.6208	100107	01.2703
060015	01.5170	060096	00.9892	090001	01.4458	100048	01.0246	100108	01.1447
060016	01.1890	060100	01.3290	090002	01.2669	100049	01.3489	100109	01.2344
060018	01.2574	060101	01.4667	090003	01.3973	100050	01.2237	100110	01.4591
060020	01.4922	060103	01.3325	090004	01.5735	100051	01.3306	100112	01.0019
060022	01.6563	060104	01.2944	090005	01.2920	100052	01.3033	100113	01.9942
060023	01.4929	070001	01.7586	090006	01.2999	100053	01.2628	100114	01.4720
060024	01.5795	070002	01.8458	090007	01.1890	100054	01.2549	100117	01.3842
060026	01.4477	070003	01.1414	090008	01.4378	100055	01.3585	100118	01.1953
060027	01.4297	070004	01.1150	090010	00.9865	100056	01.5294	100121	01.1714
060028	01.4020	070005	01.3174	090011	01.8804	100057	01.2989	100122	01.3948
060029	01.0156	070006	01.2619	090898	00.8761	100059	01.5244	100124	01.3311
060030	01.4104	070007	01.3869	090899	00.8432	100060	01.7952	100125	01.1765
060031	01.5200	070008	01.2480	100001	01.4470	100061	01.5127	100126	01.5101
060032	01.3797	070009	01.2211	100002	01.3979	100062	01.7478	100127	01.6035
060033	01.1539	070010	01.4874	100004	01.0101	100063	01.2475	100128	02.2232
060034	01.3548	070011	01.2228	100005	00.9971	100065	01.1231	100129	01.3375
060036	01.1764	070012	01.2396	100006	01.5769	100067	01.3983	100130	01.1692
060037	00.9856	070013	01.3960	100007	01.9263	100068	01.5094	100131	01.2563
060038	01.0653	070015	01.2848	100008	01.7217	100069	01.4139	100132	01.3623
060041	01.0796	070016	01.2799	100009	01.4604	100070	01.3641	100134	01.0236
060042	00.9784	070017	01.3192	100010	01.3864	100071	01.3385	100135	01.5182
060043	00.9194	070018	01.3351	100012	01.5421	100072	01.3040	100137	01.1605
060044	01.1628	070019	01.1527	100014	01.2746	100073	01.8012	100138	01.0033
060046	01.0211	070020	01.4134	100015	01.3756	100074	01.3251	100139	01.0333
060047	00.8943	070021	01.2420	100016	01.0246	100075	01.7067	100140	01.1083
060049	01.0535	070022	01.6866	100017	01.6292	100076	01.4637	100142	01.1242
060050	01.2537	070023	01.3014	100018	01.3388	100077	01.2907	100143	01.2192
060052	01.0204	070024	01.2808	100019	01.5079	100078	01.2583	100144	01.2180
060053	01.1233	070025	01.7186	100020	01.2413	100079	00.9268	100145	01.3499
060054	01.2166	070026	01.1832	100022	01.6293	100080	01.6112	100146	01.1032
060056	00.9291	070027	01.2824	100023	01.2908	100081	01.0809	100147	01.1156
060057	01.1230	070028	01.5099	100024	01.3295	100082	01.4180	100150	01.3645
060058	00.8371	070029	01.2215	100025	01.5487	100083	01.2921	100151	01.7957
060060	00.9946	070030	01.2285	100026	01.5339	100084	01.4242	100152	01.5390
060062	00.9347	070031	01.2728	100027	00.8628	100085	01.3213	100154	01.6117
060063	01.0814	070033	01.3691	100028	01.2945	100086	01.3415	100156	01.1238
060064	01.4065	070034	01.3069	100029	01.4424	100087	01.7609	100157	01.5636
060065	01.3405	070035	01.3574	100030	01.2576	100088	01.6111	100159	01.0266

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
100160	01.2155	100228	01.2578	110004	01.1892	110063	01.0135	110127	00.8687
100161	01.5028	100229	01.3838	110005	01.3383	110064	01.2666	110128	01.1639
100162	01.3561	100230	01.3186	110006	01.2519	110065	00.9597	110129	01.6292
100164	00.9560	100231	01.7482	110007	01.4321	110066	01.3265	110130	01.0616
100165	00.9379	100232	01.3240	110008	01.1408	110069	01.1866	110132	01.1530
100166	01.4457	100234	01.3683	110009	01.0438	110070	00.9869	110134	00.8480
100167	01.4223	100235	01.3630	110010	02.0073	110071	00.9945	110135	01.0843
100168	01.2834	100236	01.3872	110011	01.1273	110072	00.9808	110136	01.2460
100169	01.8481	100237	02.1913	110013	01.0348	110073	01.2067	110140	00.9072
100170	01.4940	100238	01.4016	110014	01.0729	110074	01.2995	110141	00.9392
100172	01.2974	100239	01.4530	110015	01.0767	110075	01.2134	110142	01.0805
100173	01.6317	100240	00.7982	110016	01.2086	110076	01.3443	110143	01.2735
100174	01.3792	100241	00.9730	110017	00.9838	110078	01.5613	110144	01.1807
100175	00.9891	100242	01.3288	110018	01.1673	110079	01.3536	110146	00.9403
100176	01.9906	100243	01.4497	110020	01.2471	110080	01.1124	110149	01.1791
100177	01.3344	100244	01.3562	110023	01.1872	110082	02.1204	110150	01.3019
100179	01.6793	100246	01.3644	110024	01.3423	110083	01.5975	110152	01.0533
100180	01.4089	100248	01.6341	110025	01.2772	110085	01.1590	110153	01.0726
100181	01.3429	100249	01.2773	110026	01.1080	110086	01.0313	110154	00.9499
100183	01.3770	100252	01.2429	110027	01.0409	110087	01.2526	110155	01.0723
100185	01.1917	100253	01.3992	110028	01.5946	110088	00.8774	110156	00.9046
100186	01.3615	100254	01.6227	110029	01.2770	110089	01.2097	110157	01.1392
100187	01.3723	100255	01.3455	110030	01.2498	110091	01.3428	110161	01.2700
100189	01.2649	100256	01.9107	110031	01.2812	110092	01.0619	110162	00.7919
100191	01.3338	100258	01.6973	110032	01.1059	110093	00.9112	110163	01.3777
100194	01.2380	100259	01.4501	110033	01.3562	110094	01.0761	110164	01.3397
100196	01.2246	100260	01.3654	110034	01.4254	110095	01.2872	110165	01.2556
100199	01.2467	100262	01.3896	110035	01.3248	110096	01.1054	110166	01.4260
100200	01.3092	100263	01.4278	110036	01.6899	110097	01.0696	110168	01.6051
100203	01.2076	100264	01.4236	110037	01.0432	110098	00.9387	110169	00.7768
100204	01.6001	100265	01.2937	110038	01.3619	110100	01.0819	110171	01.3111
100206	01.4124	100266	01.3608	110039	01.3300	110101	01.0411	110172	01.2377
100207	01.4890	100267	01.3271	110040	01.0206	110103	00.9059	110174	01.0419
100208	01.5535	100268	01.2200	110041	01.0512	110104	01.1536	110176	01.0971
100209	01.5490	100269	01.3923	110042	01.0157	110105	01.1541	110177	01.3834
100210	01.7283	100270	00.8869	110043	01.5564	110107	01.6337	110178	01.2207
100211	01.3212	100271	01.5508	110044	01.1500	110108	00.8975	110179	01.1581
100212	01.7274	100273	01.1535	110045	01.0795	110109	01.0583	110181	00.9830
100213	01.6050	100275	01.3418	110046	01.2049	110111	01.1334	110183	01.3251
100217	01.2125	100276	01.3063	110048	01.1222	110112	01.0648	110184	01.1737
100218	00.9074	100277	00.9643	110049	01.0690	110113	01.0078	110185	01.1273
100219	01.5447	100278	00.9918	110050	01.0438	110114	01.1190	110186	01.2640
100220	01.8086	100279	01.3217	110051	00.9888	110115	01.7106	110187	01.1501
100221	01.5287	100280	01.4717	110052	00.9172	110117	01.0742	110188	01.3425
100222	01.2394	100281	01.1918	110054	01.2479	110118	01.0367	110189	01.0595
100223	01.4152	100898	00.7891	110055	00.9155	110120	01.0638	110190	01.1679
100224	01.4148	100899	00.8338	110056	00.9275	110121	01.1183	110191	01.2964
100225	01.2719	110001	01.1859	110059	01.2216	110122	01.3043	110192	01.3205
100226	01.3738	110002	01.1951	110061	01.0119	110124	01.0381	110193	01.2258
100227	01.0220	110003	01.3260	110062	00.9307	110125	01.1479	110194	00.9910

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
110195	01.1546	130018	01.5391	140032	01.2818	140094	01.2441	140159	01.1864
110198	01.3377	130019	01.2181	140033	01.2106	140095	01.2250	140160	01.1570
110200	01.9667	130021	00.8558	140034	01.1141	140097	00.9418	140161	01.1218
110201	01.3402	130022	01.1810	140035	01.0640	140098	01.3185	140162	01.6994
110203	00.9962	130024	01.1023	140036	01.1410	140100	01.3118	140164	01.2260
110204	00.6638	130025	01.0566	140037	01.0036	140101	01.1214	140165	01.1032
110205	01.0526	130026	01.0945	140038	01.1461	140102	01.0225	140166	01.2069
110207	01.1762	130027	00.8829	140039	01.0104	140103	01.3717	140167	01.1349
110208	01.0295	130028	01.2333	140040	01.2475	140105	01.3065	140168	01.1551
110898	00.8587	130029	01.0456	140041	01.1051	140107	01.0665	140170	00.9394
110899	00.8561	130030	01.0759	140042	01.0572	140108	01.1715	140171	00.9912
120001	01.7126	130031	00.9584	140043	01.2530	140109	01.1212	140172	01.4975
120002	01.1959	130034	00.9907	140045	00.9895	140110	01.3208	140173	01.0539
120003	01.0233	130035	00.9507	140046	01.2241	140112	01.0879	140174	01.4087
120004	01.2406	130036	01.2035	140047	01.0761	140113	01.4561	140176	01.2287
120005	01.2581	130037	01.1635	140048	01.1989	140114	01.3062	140177	01.3354
120006	01.1631	130039	01.3281	140049	01.3189	140115	01.2329	140179	01.2682
120007	01.5742	130040	00.8583	140051	01.3252	140116	01.3281	140180	01.3788
120009	00.8670	130043	01.0165	140052	01.2618	140117	01.2739	140181	01.3033
120010	01.6762	130044	00.8835	140053	01.7748	140118	01.5387	140182	01.3184
120011	01.2248	130045	00.9067	140054	01.3459	140119	01.6130	140184	01.1564
120012	00.9620	130048	01.0708	140055	00.9579	140120	01.2661	140185	01.3760
120014	01.1568	130049	01.2210	140058	01.1467	140121	01.1819	140186	01.2317
120015	01.0541	130054	01.0264	140059	01.0779	140122	01.4208	140187	01.3745
120016	00.9392	130056	00.9862	140061	01.1121	140123	01.2226	140188	00.9740
120018	00.9628	130058	00.9374	140062	01.2523	140124	01.1601	140189	01.1384
120019	01.1510	130060	01.0871	140063	01.3570	140125	01.2323	140190	01.1448
120021	00.9042	140001	01.2912	140064	01.2153	140127	01.2846	140191	01.3954
120022	01.5881	140002	01.2111	140065	01.4108	140128	01.1288	140192	00.9822
120024	01.0500	140003	01.0122	140066	01.2331	140129	01.0663	140193	00.9809
120026	01.2563	140004	00.9820	140067	01.7599	140130	01.1794	140197	01.2013
120027	01.4102	140005	00.9100	140068	01.2957	140132	01.5090	140199	01.0009
120898	00.8559	140007	01.4079	140069	01.0635	140133	01.3396	140200	01.4325
120899	00.8443	140008	01.3816	140070	01.2778	140135	01.2120	140202	01.2803
130001	00.9612	140010	01.3357	140074	01.1012	140137	01.0431	140203	01.2428
130002	01.3740	140011	01.0816	140075	01.3984	140138	01.0420	140205	00.9414
130003	01.1792	140012	01.2467	140077	01.0923	140139	01.0800	140206	01.1023
130005	01.3990	140013	01.5462	140079	01.2898	140140	01.0132	140207	01.4193
130006	01.7364	140014	01.1177	140080	01.8699	140141	01.0151	140208	01.4641
130007	01.4643	140015	01.2273	140081	01.2005	140143	01.0767	140209	01.6577
130008	01.0051	140016	00.9706	140082	01.2877	140144	01.0595	140210	01.0290
130009	00.9879	140018	01.5246	140083	01.2699	140145	01.0839	140211	01.1768
130010	00.9365	140019	00.8986	140084	01.2113	140146	01.0008	140212	01.1912
130011	01.3450	140024	01.0243	140086	01.1252	140147	01.1979	140213	01.2132
130012	01.0153	140025	01.1425	140087	01.4608	140148	01.6312	140215	01.0818
130013	01.2511	140026	01.1248	140088	01.4495	140150	01.3800	140217	01.2405
130014	01.2741	140027	01.0946	140089	01.2387	140151	01.1798	140218	00.9406
130015	01.0043	140029	01.3909	140090	01.3550	140152	01.0897	140220	01.1148
130016	00.8264	140030	01.5273	140091	01.5930	140155	01.2102	140223	01.5289
130017	00.9878	140031	01.0454	140093	01.2118	140158	01.3685	140224	01.3341

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
140228	01.4799	150018	01.2670	150073	01.0253	150898	00.8559	160060	01.0658
140229	00.9259	150019	01.0950	150074	01.4930	150899	00.8299	160061	01.0067
140230	00.9178	150020	01.0953	150075	01.2023	160001	01.1688	160062	01.0277
140231	01.5750	150021	01.6752	150076	01.1009	160002	01.2934	160063	01.0834
140233	01.6378	150022	01.1660	150077	01.2805	160003	01.0535	160064	01.5564
140234	01.1695	150023	01.3928	150078	01.0047	160005	01.0223	160065	01.0588
140236	01.0061	150024	01.2284	150079	01.1358	160007	01.0108	160066	01.1176
140239	01.5975	150025	01.5524	150082	01.4282	160008	01.1231	160067	01.2934
140240	01.3792	150026	01.2117	150084	01.8222	160009	01.2578	160068	01.0487
140242	01.5323	150027	01.0157	150085	00.9794	160012	01.1411	160069	01.3747
140245	01.0054	150029	01.2425	150086	01.1979	160013	01.2791	160070	01.0953
140246	01.0695	150030	01.0934	150088	01.1574	160014	00.9358	160071	01.0613
140250	01.2134	150031	01.0040	150089	01.3362	160016	01.2559	160072	01.0468
140251	01.3609	150032	01.6513	150090	01.2915	160018	00.9861	160073	00.9818
140252	01.3245	150033	01.5820	150091	01.1871	160020	01.0977	160074	01.0263
140253	01.2031	150034	01.2860	150092	01.0281	160021	01.1397	160075	01.1227
140258	01.4261	150035	01.3881	150094	00.9895	160023	01.0943	160076	01.0116
140271	01.0791	150036	01.0344	150095	01.0118	160024	01.5080	160077	01.0673
140275	01.2156	150037	01.2252	150096	01.0410	160025	01.8862	160079	01.3346
140276	02.0077	150038	01.2095	150097	01.0797	160026	01.0952	160080	01.1677
140280	01.2212	150039	00.9600	150098	01.0926	160027	01.1432	160081	01.0763
140281	01.5516	150042	01.2045	150099	01.2445	160028	01.2288	160082	01.7402
140285	01.3279	150043	01.0777	150100	01.6618	160029	01.4370	160083	01.5178
140286	01.1464	150044	01.2755	150101	01.0942	160030	01.3039	160085	01.2509
140288	01.5710	150045	01.1625	150102	01.0466	160031	01.0642	160086	00.9727
140289	01.2558	150046	01.5304	150103	01.0692	160032	01.1405	160088	01.0540
140290	01.3951	150047	01.6742	150104	01.1861	160033	01.3976	160089	01.1914
140291	01.2583	150048	01.1645	150105	01.1665	160034	00.9801	160090	01.0243
140292	01.2277	150049	01.1206	150106	01.0675	160035	00.9523	160091	01.1167
140294	01.1197	150050	01.1427	150109	01.2695	160036	01.0349	160092	00.9296
140297	01.4035	150051	01.2582	150110	00.8958	160037	01.0983	160093	01.1330
140299	00.9685	150052	01.0108	150111	01.1088	160039	01.0170	160094	01.1484
140898	00.8559	150053	01.0335	150112	01.1834	160040	01.2679	160095	01.0635
140899	00.8611	150054	01.1532	150113	01.1856	160041	01.1267	160097	01.1461
150001	01.0639	150056	01.6864	150114	01.0467	160043	01.0348	160098	01.0209
150002	01.4078	150057	02.2588	150115	01.3167	160044	01.2922	160099	01.0941
150003	01.6483	150058	01.5545	150122	01.0924	160045	01.6646	160101	01.1092
150004	01.4334	150059	01.1751	150123	00.9619	160046	01.0287	160102	01.4177
150005	01.1882	150060	01.1932	150124	01.1768	160047	01.3973	160103	00.9806
150006	01.2103	150061	01.2012	150125	01.4057	160048	01.1103	160104	01.1954
150007	01.2324	150062	01.0080	150126	01.5378	160049	00.9851	160106	01.0647
150008	01.3617	150063	01.1365	150127	01.0827	160050	01.0067	160107	01.1626
150009	01.2962	150064	01.0539	150128	01.1776	160051	01.1563	160108	01.0781
150010	01.2146	150065	01.1141	150129	01.2548	160052	00.9459	160109	00.9359
150011	01.2683	150066	01.0909	150130	01.1105	160054	01.0511	160110	01.5082
150012	01.6146	150067	01.0921	150132	01.3352	160055	00.9875	160111	01.0642
150013	01.2590	150069	01.2447	150133	01.1884	160056	01.0492	160112	01.3852
150014	01.4087	150070	01.0699	150134	01.1959	160057	01.3602	160113	01.0057
150015	01.2237	150071	01.1008	150135	00.9691	160058	01.6944	160114	00.9529
150017	01.7232	150072	01.3220	150136	00.8973	160059	01.2852	160115	01.0486

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
160116	01.2643	170031	00.8786	170090	00.9750	170164	01.0616	180044	01.0906
160117	01.3377	170032	01.0286	170092	00.8364	170166	00.9927	180045	01.1806
160118	00.9907	170033	01.2559	170093	00.9611	170168	00.8596	180046	01.1282
160120	00.9600	170034	00.9772	170094	01.1058	170171	01.2111	180047	01.1205
160122	01.1982	170035	00.9468	170095	01.1705	170172	00.9608	180048	01.1843
160123	01.1490	170036	00.8852	170097	00.9269	170173	00.7621	180049	01.3373
160124	01.1331	170037	01.0746	170098	01.1059	170174	00.8649	180050	01.3374
160126	01.1940	170038	00.8876	170099	01.3872	170175	01.2364	180051	01.1366
160129	01.0819	170039	01.0306	170100	00.9041	170176	01.4601	180053	01.2264
160130	01.1094	170040	01.4020	170101	01.0537	170898	00.8273	180054	01.0394
160131	01.1671	170041	01.0317	170102	00.9719	170899	00.8231	180055	01.0761
160133	01.1744	170043	01.0249	170103	01.2220	180001	01.1938	180056	01.0551
160134	00.9669	170044	01.1210	170104	01.4242	180002	01.1211	180058	00.8960
160135	00.9711	170045	01.0382	170105	01.0143	180004	01.1530	180059	00.9314
160138	01.1141	170049	01.2931	170106	00.9184	180005	01.0389	180060	00.8735
160140	01.0620	170050	00.9425	170108	00.8286	180006	00.9279	180063	01.0576
160141	00.8465	170051	00.9763	170109	01.0739	180007	01.4446	180064	01.1407
160142	01.0950	170052	01.0495	170110	00.9256	180009	01.2084	180065	00.9794
160143	01.1082	170053	00.8887	170112	00.9407	180010	01.8182	180066	01.2535
160145	01.0317	170054	01.0709	170113	01.0406	180011	01.1633	180067	01.8191
160146	01.3646	170055	01.0531	170114	01.0586	180012	01.2907	180069	01.1655
160147	01.1720	170056	00.9873	170115	00.9980	180013	01.3230	180070	01.0753
160151	01.1133	170057	00.9957	170116	01.1092	180014	01.5302	180072	01.0295
160152	00.9754	170058	01.0916	170117	00.9351	180015	01.1125	180075	00.9867
160153	01.6437	170060	01.0510	170119	01.0316	180016	01.2301	180078	01.0998
160898	00.9440	170061	01.1691	170120	01.3393	180017	01.2842	180079	00.9997
160899	00.8432	170062	00.9202	170121	00.8708	180018	01.1966	180080	01.1304
170001	01.1931	170063	00.8363	170122	01.8117	180019	01.2319	180081	01.4734
170004	01.0325	170064	01.1130	170123	01.6739	180020	01.0724	180085	01.3165
170006	01.2061	170066	00.8848	170124	00.9840	180021	01.0157	180087	01.0496
170008	01.0558	170067	00.9891	170126	00.9075	180023	00.8690	180088	01.6670
170009	01.1166	170068	01.2840	170128	00.9987	180024	01.3355	180092	01.1932
170010	01.2072	170069	00.9692	170131	01.2200	180025	01.1477	180093	01.3976
170011	01.4501	170070	00.9946	170133	01.1149	180026	01.1752	180094	01.0010
170012	01.4327	170072	00.9412	170134	00.9316	180027	01.1851	180095	01.0093
170013	01.2559	170073	01.0636	170137	01.1496	180028	01.0174	180099	01.0520
170014	01.0783	170074	01.0893	170139	01.0081	180029	01.3253	180101	01.2897
170015	00.9860	170075	00.8727	170140	01.1118	180030	01.1930	180102	01.4368
170016	01.5430	170076	01.0853	170142	01.3523	180031	01.0339	180103	01.9078
170017	01.2238	170077	00.9090	170143	01.1599	180032	01.0326	180104	01.3982
170018	01.0165	170079	00.9404	170144	01.4408	180033	01.0505	180105	00.9446
170019	01.1640	170080	01.0040	170145	01.2117	180034	00.9867	180106	00.8998
170020	01.2218	170081	01.0561	170146	01.2938	180035	01.4645	180108	00.9276
170022	01.2037	170082	00.9202	170147	01.1667	180036	01.1011	180115	00.9991
170023	01.3640	170084	00.9059	170148	01.3330	180037	01.2776	180116	01.3757
170024	01.1987	170085	00.9180	170150	01.0966	180038	01.3320	180117	01.0996
170025	01.2557	170086	01.6177	170151	01.0282	180040	01.9914	180118	00.9673
170026	01.0430	170087	01.3486	170152	01.0115	180041	01.0500	180120	00.8993
170027	01.2227	170088	00.8910	170159	01.0646	180042	01.1113	180121	01.1116
170030	00.9283	170089	00.9925	170160	00.9317	180043	01.1131	180122	00.9957

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
180123	01.4410	190046	01.4650	190136	01.0403	190207	01.2137	210002	01.9380
180124	01.3222	190047	01.0687	190138	00.7010	190208	00.8767	210003	01.4591
180125	01.0373	190048	01.0754	190140	01.0680	190211	00.6135	210004	01.3083
180126	00.9885	190049	01.0177	190142	01.0162	190212	00.9044	210005	01.2094
180127	01.2365	190050	01.0765	190144	01.1034	190213	00.9749	210006	01.1462
180128	01.1454	190053	01.0891	190145	00.9500	190214	00.8083	210007	01.4922
180129	01.0995	190054	01.3018	190146	01.5230	190215	02.1856	210008	01.3129
180130	01.3554	190059	00.9349	190147	00.9872	190216	00.7763	210009	01.7627
180132	01.2432	190060	01.3436	190148	00.9643	200001	01.2669	210010	01.1813
180133	01.2316	190064	01.4888	190149	00.9696	200002	01.0930	210011	01.2789
180134	01.0224	190065	01.4943	190151	01.0748	200003	01.0926	210012	01.6045
180136	01.3539	190071	00.9028	190152	01.3583	200006	01.1287	210013	01.3190
180137	01.7561	190075	01.4151	190155	00.9552	200007	01.0777	210015	01.1941
180138	01.2463	190077	00.8733	190156	00.8571	200008	01.2412	210016	01.9047
180139	01.0620	190078	01.1129	190158	01.2656	200009	01.7040	210017	01.0944
180898	00.8451	190079	01.2426	190160	01.1338	200012	01.1240	210018	01.2583
180899	00.8443	190081	00.9128	190161	00.9042	200013	01.0889	210019	01.4064
190001	00.9235	190083	01.0020	190162	01.1988	200015	01.2455	210022	01.3716
190002	01.5712	190086	01.3065	190164	01.1468	200016	01.0133	210023	01.3066
190003	01.3476	190088	01.3371	190165	01.0485	200017	01.2633	210024	01.2969
190004	01.2806	190089	01.0778	190166	01.0577	200018	01.1520	210025	01.2977
190005	01.3537	190090	01.1901	190167	01.2635	200019	01.2514	210026	01.3262
190006	01.1256	190092	01.2905	190170	01.0105	200020	01.0973	210027	01.2195
190007	01.0794	190095	01.0647	190173	01.4174	200021	01.1689	210028	01.0744
190008	01.5165	190098	01.4331	190175	01.5399	200023	00.8318	210029	01.3653
190009	01.1137	190099	01.1679	190176	01.4808	200024	01.2114	210030	01.0563
190010	00.9399	190102	01.4978	190177	01.4572	200025	01.1643	210031	01.7829
190011	01.1144	190103	00.9037	190178	01.0029	200026	00.9906	210032	01.2273
190013	01.2324	190106	01.1184	190182	01.0734	200027	01.1796	210033	01.1233
190014	01.0809	190109	01.0916	190183	01.1603	200028	01.0044	210034	01.2185
190015	01.1950	190110	00.9474	190184	00.9422	200031	01.2691	210035	01.1478
190017	01.2090	190111	01.5284	190185	01.2090	200032	01.2885	210036	01.2586
190018	01.2075	190112	01.2797	190186	00.8685	200033	01.6916	210037	01.2220
190019	01.4508	190113	01.2907	190187	00.8820	200034	01.1871	210038	01.3856
190020	01.1805	190114	00.9675	190189	00.5025	200037	01.1651	210039	01.2249
190025	01.2599	190115	01.3198	190190	00.9481	200038	00.9998	210040	01.3399
190026	01.3613	190116	01.2067	190191	01.2541	200039	01.2842	210043	01.2481
190027	01.4265	190118	01.0455	190193	01.2354	200040	01.0309	210044	01.2142
190029	01.2638	190120	00.9397	190194	01.2347	200041	01.1378	210045	00.9990
190033	00.9419	190122	01.2579	190196	00.9059	200043	00.6903	210046	01.1090
190034	01.2201	190124	01.4418	190197	01.2351	200050	01.1530	210048	01.1821
190035	01.4087	190125	01.3862	190198	01.1432	200051	01.0060	210049	01.1471
190036	01.6909	190127	01.4263	190199	01.2024	200052	01.0614	210051	01.3058
190037	01.0305	190128	00.8907	190200	01.5244	200055	01.0863	210054	01.2399
190039	01.4411	190130	00.9588	190201	01.3033	200062	00.9510	210055	01.2250
190040	01.3842	190131	01.2173	190202	01.4268	200063	01.2106	210056	01.3921
190041	01.5547	190132	01.1206	190203	01.5673	200066	01.2072	210057	01.2427
190043	01.1160	190133	00.9796	190204	01.5120	200898	00.8457	210058	01.8423
190044	01.1042	190134	00.9978	190205	01.5692	200899	00.8443	210059	01.3115
190045	01.2809	190135	01.3369	190206	01.4205	210001	01.3065	210060	01.1010

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
210898	00.7390	220070	01.1360	220171	01.6543	230069	01.0998	230135	01.2828
210899	00.9480	220071	01.8207	220173	00.5442	230070	01.3160	230137	01.1520
220001	01.1954	220073	01.2337	220897	05.1375	230071	00.6384	230138	00.8763
220002	01.3637	220074	01.2258	220898	00.8606	230072	01.2068	230141	01.5909
220003	01.1419	220075	00.8082	220899	00.8315	230075	01.3318	230142	01.1852
220004	01.2432	220076	01.2267	230001	01.1276	230076	01.2584	230143	01.2577
220006	01.3095	220077	01.6729	230002	01.2700	230077	02.1046	230144	01.2153
220008	01.1812	220079	01.1299	230003	01.2028	230078	01.2616	230145	01.1428
220010	01.1353	220080	01.1645	230004	01.6705	230080	01.2866	230146	01.2696
220011	01.1526	220081	01.0300	230005	01.2709	230081	01.1999	230147	01.4921
220012	01.1991	220082	01.2311	230006	01.0658	230082	01.1566	230149	01.1978
220015	01.2066	220083	01.1493	230007	01.0901	230085	01.2214	230150	01.3429
220016	01.2093	220084	01.2099	230012	00.9183	230086	01.0056	230151	01.3924
220017	01.2642	220086	01.5711	230013	01.2521	230087	01.1182	230153	01.0859
220019	01.0966	220088	01.4923	230014	01.1069	230089	01.3475	230154	01.0309
220020	01.1628	220089	01.3110	230015	01.3418	230090	01.0433	230155	01.1378
220021	01.2502	220090	01.2068	230017	01.5413	230092	01.2528	230156	01.6402
220023	01.1876	220092	01.1734	230019	01.5596	230093	01.1967	230157	01.3888
220024	01.1970	220094	01.2557	230020	01.6376	230095	01.1834	230159	01.2526
220025	01.1117	220095	01.1984	230021	01.5931	230096	01.0532	230162	00.9660
220026	01.3574	220097	01.0286	230022	01.2618	230097	01.5517	230165	01.7523
220028	01.3886	220098	01.2611	230024	01.5188	230099	01.2729	230167	01.2372
220029	01.1608	220099	01.1045	230027	01.0625	230100	01.1675	230169	01.3530
220030	01.1365	220100	01.2246	230029	01.4989	230101	01.1242	230171	01.1090
220031	01.6687	220101	01.3711	230030	01.2484	230103	01.0244	230172	01.1894
220033	01.2802	220102	00.7823	230031	01.4279	230104	01.6850	230173	01.2919
220035	01.2179	220104	01.1802	230032	01.7515	230105	01.5993	230174	01.2462
220036	01.5033	220105	01.1466	230034	01.1620	230106	01.1292	230175	01.0468
220038	01.2421	220106	01.1159	230035	01.1420	230107	00.9185	230176	01.2427
220041	01.1594	220107	01.1508	230036	01.2884	230108	01.1754	230178	01.0185
220042	01.1431	220108	01.1362	230037	01.1282	230110	01.2518	230180	01.0925
220045	01.2729	220110	01.9381	230038	01.6144	230111	01.0253	230184	01.1283
220046	01.3844	220111	01.1563	230040	01.2878	230113	01.0110	230186	00.9760
220048	01.2188	220114	01.0577	230041	01.1843	230114	00.6462	230188	01.2291
220049	01.2557	220115	00.7331	230042	01.1384	230115	00.9716	230189	00.9258
220050	00.9835	220116	01.8113	230043	00.6198	230116	00.9032	230190	01.1304
220051	01.1422	220118	01.9718	230046	01.8356	230117	01.8810	230191	00.8921
220052	01.2450	220119	01.3092	230047	01.2598	230118	01.2471	230193	01.3371
220053	01.2603	220120	01.0351	230053	01.4424	230119	01.2276	230194	01.1756
220055	01.1896	220123	00.9428	230054	01.6933	230120	01.0367	230195	01.3020
220057	01.2397	220126	01.2500	230055	01.1867	230121	01.2618	230197	01.2219
220058	01.0327	220128	01.0818	230056	00.9299	230122	01.3257	230199	01.1567
220060	01.1322	220131	01.0985	230058	01.1213	230124	01.0879	230201	01.0177
220062	00.8562	220133	00.8189	230059	01.4825	230125	01.3582	230204	01.3026
220063	01.1483	220135	01.1402	230060	01.1278	230128	01.3172	230205	01.0244
220064	01.1870	220153	00.9923	230062	01.1136	230129	01.9566	230207	01.2664
220065	01.2208	220154	00.9149	230063	01.2829	230130	01.6275	230208	01.0785
220066	01.2966	220156	01.2533	230065	01.4599	230132	01.4221	230211	00.9247
220067	01.2774	220162	01.3348	230066	01.3236	230133	01.1606	230212	01.1026
220068	00.6169	220163	01.8749	230068	01.3870	230134	01.2333	230213	01.0753

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
230216	01.3187	240022	01.1003	240090	01.0249	240150	00.9559	250020	01.0022
230217	01.1932	240023	01.1270	240091	00.9045	240152	00.9781	250021	00.9061
230219	00.9809	240025	01.1758	240093	01.2872	240153	01.0375	250023	00.7977
230221	01.2505	240027	01.0609	240094	00.9511	240154	00.9450	250024	00.9179
230222	01.3309	240028	01.0549	240096	01.0572	240155	00.9484	250025	01.0024
230223	01.2962	240029	01.1987	240097	01.1231	240157	01.0571	250027	00.9734
230227	01.4374	240030	01.3296	240098	00.9682	240160	00.9712	250029	00.9194
230228	01.2473	240031	00.9409	240099	00.9522	240161	00.9472	250030	00.9320
230230	01.3756	240036	01.4740	240100	01.2695	240162	01.0553	250031	01.2058
230232	01.0078	240037	01.0790	240101	01.3167	240163	00.9163	250032	01.3452
230235	01.0190	240038	01.4670	240102	01.0095	240166	01.0976	250033	01.0066
230236	01.3608	240040	01.2462	240103	01.0735	240169	01.0035	250034	01.4550
230237	01.1743	240041	01.1819	240104	01.1890	240170	01.0684	250035	00.8740
230239	01.1955	240043	01.1778	240105	00.9255	240171	01.0014	250036	01.0106
230241	01.1837	240044	01.1739	240106	01.2783	240172	01.1157	250037	00.9120
230244	01.3716	240045	01.0591	240107	00.8719	240173	00.9960	250038	00.8859
230253	01.1224	240047	01.4113	240108	00.9376	240175	00.8588	250039	00.9770
230254	01.2500	240048	01.2779	240109	01.0110	240176	00.9598	250040	01.1837
230257	01.1664	240049	01.7066	240110	01.0251	240179	01.0040	250042	01.1579
230259	01.0995	240050	01.1169	240111	00.9769	240180	00.9449	250043	00.9118
230264	01.2070	240051	00.9215	240112	00.9750	240183	01.3732	250044	01.0481
230266	01.1293	240052	01.2144	240114	01.0453	240184	00.9660	250045	01.1878
230269	01.2329	240053	01.4699	240115	01.5429	240187	01.2695	250046	01.0248
230270	01.2731	240056	01.3100	240116	00.9258	240192	00.9030	250047	00.8956
230273	01.5540	240057	01.7123	240117	01.1009	240193	01.0840	250048	01.3849
230275	00.9816	240058	00.9840	240119	00.8375	240196	00.6241	250049	00.9559
230276	01.0804	240059	01.1402	240121	00.9588	240200	00.9082	250050	01.2018
230277	01.1995	240061	01.4650	240122	01.1387	240205	00.8915	250051	00.9081
230278	01.0009	240063	01.5043	240123	01.0808	240206	00.8055	250057	01.1424
230898	00.8652	240064	01.1787	240124	01.0105	240207	01.1933	250058	01.1752
230899	00.8546	240065	01.0480	240125	00.9293	240210	01.2590	250059	01.0609
240001	01.5574	240066	01.3478	240127	00.9329	240211	00.9038	250060	00.7884
240002	01.6625	240069	01.1614	240128	01.1347	240898	00.8508	250061	00.8958
240003	01.1961	240071	01.1141	240129	01.0431	240899	00.8710	250062	00.9544
240004	01.4726	240072	01.0014	240130	01.0178	250001	01.5289	250063	00.8636
240005	00.8992	240073	00.9821	240132	01.2581	250002	00.7754	250065	00.8880
240006	01.1381	240075	01.2155	240133	01.1270	250003	00.9588	250066	00.9727
240007	01.0839	240076	01.1465	240135	00.8918	250004	01.4320	250067	00.9799
240008	01.0752	240077	00.9170	240136	00.8977	250005	00.9826	250068	00.8557
240009	01.0465	240078	01.3989	240137	01.1676	250006	00.9792	250069	01.2497
240010	01.9035	240079	01.1038	240138	00.8505	250007	01.2248	250071	01.0921
240011	01.0700	240080	01.3984	240139	00.9760	250008	00.9379	250072	01.2503
240013	01.2567	240082	01.1708	240140	00.7429	250009	01.1156	250073	00.9869
240014	01.1405	240083	01.3397	240141	01.0339	250010	01.0029	250076	00.9314
240016	01.3919	240084	01.3581	240142	01.1440	250012	00.8748	250077	00.9417
240017	01.1113	240085	00.8674	240143	00.9296	250015	00.9648	250078	01.3916
240018	01.2318	240086	01.1453	240144	00.9895	250016	00.8719	250079	00.8724
240019	01.3457	240087	01.1215	240145	01.0726	250017	01.0258	250081	01.2409
240020	01.2351	240088	01.4580	240146	00.9552	250018	00.9336	250082	01.2028
240021	01.0621	240089	01.1207	240148	00.9971	250019	01.3354	250083	00.9156

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
250084	01.1684	260011	01.5842	260077	01.4609	260163	01.1757	270036	01.0364
250085	01.0555	260012	00.9969	260078	01.1280	260164	01.1397	270039	00.9767
250086	00.9992	260013	01.2306	260079	01.0015	260166	01.2084	270040	01.0467
250088	01.0370	260014	01.6408	260080	01.1267	260172	01.0063	270041	00.9235
250089	01.0214	260015	01.2309	260081	01.4221	260173	01.0298	270044	01.2018
250091	00.9595	260016	01.5588	260082	01.1368	260175	01.1389	270046	00.9634
250093	01.1777	260017	01.2045	260085	01.5313	260176	01.6131	270047	00.9950
250094	01.2497	260018	01.0008	260086	01.0964	260177	01.2981	270048	01.0558
250095	01.0084	260019	01.0059	260089	01.0673	260178	01.5324	270049	01.6462
250096	01.1634	260020	01.6894	260091	01.5997	260179	01.4905	270050	01.0352
250097	01.1919	260021	01.3023	260092	01.0832	260180	01.5694	270051	01.2387
250098	00.8654	260022	01.4024	260094	01.0897	260183	01.5804	270052	01.0374
250099	01.2207	260023	01.2376	260095	01.3935	260186	01.1574	270053	00.9566
250100	01.2293	260024	01.0571	260096	01.4784	260188	01.3406	270055	00.6762
250101	00.8662	260025	01.2735	260097	01.2040	260189	00.8713	270057	01.1343
250102	01.4875	260027	01.5120	260100	01.0480	260190	01.1760	270058	00.9074
250104	01.3710	260029	01.1851	260102	01.0078	260191	01.1933	270059	00.8983
250105	00.9316	260030	01.1666	260103	01.3114	260193	01.2710	270060	00.8794
250107	00.9958	260031	01.4408	260104	01.7204	260195	01.1199	270063	00.8682
250109	00.9385	260032	01.6483	260105	01.9219	260197	01.2177	270067	00.9006
250112	01.0298	260033	01.3638	260107	01.3300	260198	01.2429	270068	00.8296
250117	01.1115	260034	01.0886	260108	01.7100	260200	01.2091	270072	00.8245
250119	01.0190	260035	01.0603	260109	01.0569	260202	01.2537	270073	01.2131
250120	01.0236	260036	01.0221	260110	01.6241	260898	00.9440	270074	00.8855
250122	01.2103	260037	01.2925	260111	01.0102	260899	00.8228	270075	00.9132
250123	01.2626	260039	01.2223	260112	01.4326	270002	01.2275	270076	00.8193
250124	00.8901	260040	01.4593	260113	01.1633	270003	01.1822	270079	00.8914
250125	01.2808	260042	01.1975	260115	01.0902	270004	01.6429	270080	01.1018
250126	01.0172	260044	01.0750	260116	01.1696	270006	00.8982	270081	00.9321
250127	00.7758	260047	01.3486	260119	01.1670	270007	01.0801	270082	00.9529
250128	00.9423	260048	01.4347	260120	01.2878	270009	01.0804	270083	01.0753
250129	00.8723	260050	01.0853	260122	01.2608	270011	01.0948	270084	00.8962
250131	00.9272	260051	01.1415	260123	00.9543	270012	01.4845	270898	00.8606
250134	00.9449	260052	01.2488	260127	01.0207	270013	01.2824	270899	00.8443
250136	00.7804	260053	01.1150	260128	00.9527	270014	01.6492	280001	01.0494
250138	01.2474	260054	01.3382	260129	01.0859	270016	00.8696	280003	01.9285
250139	00.7669	260055	01.0832	260131	01.2500	270017	01.2216	280005	01.4214
250140	00.9033	260057	01.2614	260134	01.2655	270019	00.9292	280009	01.5363
250141	01.1582	260059	01.1239	260137	01.1801	270021	01.1529	280010	03.4238
250898	00.8559	260061	01.1019	260138	01.8879	270023	01.3182	280011	01.0065
250899	00.8698	260062	01.1660	260141	02.1150	270024	00.9554	280012	01.1813
260001	01.5702	260063	01.1711	260142	01.1667	270026	00.9655	280013	01.9093
260002	01.3688	260064	01.3793	260143	00.9865	270027	01.1186	280014	01.0383
260003	00.9617	260065	01.6871	260146	01.1973	270028	01.0498	280015	00.9735
260004	01.0295	260066	01.1327	260147	01.0117	270029	01.1439	280017	01.1821
260005	01.4609	260067	00.9310	260148	01.0034	270030	01.0063	280018	00.9685
260006	01.4716	260068	01.8029	260158	01.0514	270031	00.9391	280020	01.4378
260007	01.3431	260070	01.1500	260159	01.1410	270032	01.1447	280021	01.1430
260008	01.2769	260073	01.0774	260160	01.1196	270033	00.9096	280022	01.0272
260009	01.2487	260074	01.1591	260162	01.0906	270035	01.0028	280023	01.3209

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
280024	00.8536	280084	00.9855	290032	01.3452	310025	01.1587	310090	01.2241
280025	00.9951	280085	00.9105	300001	01.2815	310026	01.2641	310091	01.2219
280026	01.2297	280088	01.6842	300003	01.8505	310027	01.2801	310092	01.3391
280028	00.9788	280089	01.0689	300005	01.2902	310028	01.1582	310093	01.1289
280029	01.0658	280090	00.9574	300006	01.1132	310029	01.7941	310096	01.8709
280030	01.8575	280091	01.0478	300007	01.1276	310031	02.6113	310105	01.1532
280031	01.0385	280092	00.9336	300008	01.2767	310032	01.2770	310108	01.3390
280032	01.2163	280094	01.1156	300009	01.1592	310034	01.2194	310110	01.2074
280033	01.0438	280097	00.8630	300010	01.1759	310036	01.2236	310111	01.2552
280034	01.2314	280098	00.9891	300011	01.2472	310037	01.2140	310112	01.2271
280035	00.9578	280101	01.1018	300012	01.3337	310038	01.7598	310113	01.2177
280037	00.9830	280102	00.8558	300013	01.2261	310039	01.2845	310115	01.1421
280038	01.0457	280104	01.0018	300014	01.3044	310040	01.2179	310116	01.2488
280039	01.1284	280105	01.2357	300015	01.1255	310041	01.2621	310118	01.2359
280040	01.5814	280106	01.1256	300016	01.2599	310042	01.1457	310119	01.5193
280041	00.9927	280107	01.0025	300017	01.2016	310043	01.2085	310120	01.1045
280042	00.9346	280108	01.0423	300018	01.2093	310044	01.2528	310121	01.1161
280043	01.0671	280109	00.8621	300019	01.2920	310045	01.2707	310898	00.8606
280045	01.0812	280110	00.8570	300020	01.2496	310047	01.2737	310899	00.8443
280046	00.9768	280111	01.2242	300021	01.1895	310048	01.2439	320001	01.4199
280047	01.1951	280114	00.9267	300022	01.1120	310049	01.3340	320002	01.2675
280048	01.1149	280115	01.0450	300023	01.2545	310050	01.1798	320003	01.1462
280049	01.0466	280117	01.1238	300024	01.2017	310051	01.2754	320004	01.2051
280050	01.0086	280118	01.0683	300028	01.1038	310052	01.2036	320005	01.2273
280051	00.9405	280119	00.8922	300029	01.2879	310054	01.2585	320006	01.3136
280052	01.0510	280123	00.7645	300033	01.0417	310056	01.1530	320009	01.4609
280054	01.2255	280898	00.8829	300034	01.8680	310057	01.2672	320011	00.9825
280055	00.9136	280899	00.8709	300898	00.8407	310058	01.1717	320012	01.0407
280056	00.9911	290001	01.6120	300899	00.8442	310060	01.1858	320013	01.0626
280057	01.0314	290002	00.9656	310001	01.6897	310061	01.1926	320014	00.9130
280058	01.1167	290003	01.6763	310002	01.8385	310062	01.3029	320016	01.1546
280060	01.5323	290005	01.1747	310003	01.2593	310063	01.3375	320017	01.2418
280061	01.3176	290006	01.0186	310005	01.2173	310064	01.2357	320018	01.3512
280062	01.1690	290007	01.7926	310006	01.1944	310067	01.2502	320019	01.4638
280064	01.0564	290008	01.3051	310008	01.3022	310069	01.1417	320021	01.7036
280065	01.1589	290009	01.4965	310009	01.1692	310070	01.3019	320022	01.2267
280066	01.0965	290010	01.1055	310010	01.2541	310072	01.2508	320023	01.1114
280068	00.9830	290011	00.9884	310011	01.2314	310073	01.4190	320030	00.9978
280070	01.2227	290012	01.3326	310012	01.5995	310074	01.3226	320031	00.9405
280073	00.9908	290013	01.0405	310013	01.2911	310075	01.2990	320032	00.9429
280074	01.1250	290014	01.0036	310014	01.5739	310076	01.3552	320033	01.1573
280075	01.2492	290015	00.8365	310015	01.7168	310077	01.6188	320035	01.1198
280076	00.9580	290016	01.0919	310016	01.2565	310078	01.2453	320037	01.1417
280077	01.2510	290018	00.9183	310017	01.3280	310081	01.2403	320038	01.2466
280078	01.0864	290019	01.2253	310018	01.2437	310083	01.2645	320046	01.0429
280079	01.0380	290020	01.2033	310019	01.6808	310084	01.2236	320048	01.3173
280080	01.1255	290021	01.5289	310020	01.2246	310085	01.1890	320056	00.8835
280081	01.4981	290022	01.6477	310021	01.2555	310086	01.2046	320057	01.0489
280082	01.3522	290027	01.0669	310022	01.2124	310087	01.1919	320058	00.8769
280083	00.9384	290029	00.8721	310024	01.2472	310088	01.1850	320059	01.0315

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
320060	00.8913	330046	01.5599	330121	00.9709	330199	01.3247	330270	01.9095
320061	01.2377	330047	01.2314	330122	01.2798	330201	01.4906	330273	01.2906
320062	00.9413	330048	01.2552	330125	01.7617	330202	01.4121	330275	01.2758
320063	01.2982	330049	01.2129	330126	01.1575	330203	01.3769	330276	01.2072
320065	01.2285	330053	01.0563	330127	01.2624	330204	01.3014	330277	01.1613
320067	00.8750	330055	01.3678	330128	01.4969	330205	01.1129	330279	01.2498
320068	00.9930	330056	01.4283	330132	01.1381	330208	01.1766	330281	00.5552
320069	01.0950	330057	01.6108	330133	01.2903	330209	01.2402	330285	01.6255
320070	00.9504	330058	01.2970	330135	01.2689	330211	01.1865	330286	01.3367
320074	01.0988	330059	01.4681	330136	01.2587	330212	01.1962	330288	01.0017
320076	01.1953	330061	01.3294	330140	01.6743	330213	01.0754	330290	01.7411
320079	01.1607	330062	01.0748	330141	01.3024	330214	01.6575	330293	01.1736
320080	00.6390	330064	01.3581	330142	01.3756	330215	01.1887	330304	01.2461
320898	00.8764	330065	01.1559	330144	01.0176	330218	01.3022	330306	01.3842
320899	00.8960	330066	01.2234	330148	01.0048	330219	01.5263	330307	01.1935
330001	01.1461	330067	01.3162	330151	01.0964	330221	01.2313	330308	01.2270
330002	01.4251	330072	01.3501	330152	01.3740	330222	01.2343	330309	01.2279
330003	01.3073	330073	01.2008	330153	01.4942	330223	01.0651	330314	01.2854
330004	01.3631	330074	01.2271	330154	01.4614	330224	01.2090	330315	01.1601
330005	01.7205	330075	01.0456	330157	01.2623	330225	01.1930	330316	01.2519
330006	01.3425	330078	01.3738	330158	01.2915	330226	01.2662	330327	00.9346
330007	01.3367	330079	01.1426	330159	01.3136	330229	01.2115	330331	01.2172
330008	01.1686	330080	01.2721	330160	01.4621	330230	01.4955	330332	01.2486
330009	01.3154	330082	01.1884	330161	01.0273	330231	01.0564	330333	01.2617
330010	01.2077	330084	00.9577	330162	01.2957	330232	01.2600	330336	01.2695
330011	01.1721	330085	01.3436	330163	01.1370	330233	01.4693	330338	01.1693
330012	01.6037	330086	01.3063	330164	01.3377	330234	01.9989	330339	00.7865
330013	02.0939	330088	01.0744	330166	00.9239	330235	01.1694	330340	01.1508
330014	01.4718	330090	01.6719	330167	01.5465	330236	01.3264	330350	01.7731
330016	00.9947	330091	01.3790	330169	01.3719	330238	01.0818	330353	01.2001
330019	01.2652	330092	00.9931	330171	01.3173	330239	01.1602	330354	01.2750
330020	01.0450	330094	01.2144	330175	01.0675	330240	01.2532	330357	01.3422
330022	00.9401	330095	01.2415	330177	00.9911	330241	01.8680	330359	00.9415
330023	01.1986	330096	01.1102	330179	00.9069	330242	01.2780	330372	01.2605
330024	01.7925	330097	01.1872	330180	01.2110	330244	01.0491	330381	01.2364
330025	01.0773	330100	00.6775	330181	01.2919	330245	01.2704	330383	01.3644
330027	01.4093	330101	01.6272	330182	02.3121	330246	01.2114	330385	01.1954
330028	01.3157	330102	01.2813	330183	01.3471	330247	00.6814	330386	01.1382
330029	01.0740	330103	01.1890	330184	01.2933	330249	01.2454	330387	00.8752
330030	01.1383	330104	01.3542	330185	01.1743	330250	01.2240	330389	01.8654
330033	01.1372	330106	01.5704	330186	01.0405	330252	00.9547	330390	01.2111
330034	01.0735	330107	01.2136	330188	01.2019	330254	00.9969	330393	01.5975
330036	01.1574	330108	01.1831	330189	00.8475	330258	01.3096	330394	01.4413
330037	01.0363	330110	01.0962	330191	01.2482	330259	01.3543	330395	01.3520
330038	01.1378	330111	01.1338	330193	01.3313	330261	01.2562	330396	01.1703
330039	00.8758	330114	00.9557	330194	01.7487	330263	01.0453	330397	01.3035
330041	01.3629	330115	01.2525	330195	01.6005	330264	01.2140	330398	01.2181
330043	01.2393	330116	00.9849	330196	01.3430	330265	01.2448	330399	01.3539
330044	01.1739	330118	01.5574	330197	01.0285	330267	01.2605	330898	00.7874
330045	01.3549	330119	01.6090	330198	01.3535	330268	01.0662	330899	00.8416

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
340001	01.3258	340060	01.1369	340130	01.3887	350021	01.1116	360020	01.2880
340002	01.8277	340061	01.6415	340131	01.3301	350023	00.9237	360021	01.2264
340003	01.1723	340063	01.0286	340132	01.4157	350024	01.0387	360024	01.2433
340004	01.4053	340064	01.1085	340133	01.1219	350025	00.9916	360025	01.1901
340005	01.1597	340065	01.2451	340135	00.8679	350027	00.9801	360026	01.1318
340006	01.1643	340067	01.1181	340136	00.9363	350029	00.9563	360027	01.5493
340007	01.1563	340068	01.2983	340137	01.1753	350030	01.0464	360028	01.3269
340008	01.1303	340069	01.7498	340138	01.1763	350033	00.9568	360029	01.1194
340009	01.1567	340070	01.2460	340141	01.5723	350034	00.8943	360030	01.1498
340010	01.3144	340071	01.0781	340142	01.1874	350035	00.9429	360031	01.2536
340011	01.0648	340072	01.0761	340143	01.3308	350036	00.9201	360032	01.1514
340012	01.0941	340073	01.3927	340144	01.3111	350038	01.0232	360034	01.1435
340013	01.2422	340075	01.1831	340145	01.3043	350039	00.9543	360035	01.4550
340014	01.6717	340080	01.0987	340146	01.0423	350041	01.0079	360036	01.1938
340015	01.2336	340084	01.0545	340147	01.2911	350042	00.9855	360037	01.9908
340016	01.1147	340085	01.2695	340148	01.4274	350043	01.5887	360038	01.5235
340017	01.2889	340087	01.1941	340151	01.1762	350044	00.8456	360039	01.2629
340018	01.1904	340088	01.2178	340153	01.8086	350047	01.2399	360040	01.3104
340019	01.0912	340089	00.9517	340154	00.8118	350049	01.1334	360041	01.3109
340020	01.2284	340090	01.1339	340155	01.4963	350050	00.9888	360042	01.0773
340021	01.2290	340091	01.6677	340156	00.8548	350051	00.9703	360044	01.0723
340022	01.0684	340093	01.0545	340158	01.1289	350053	00.9343	360045	01.4259
340023	01.2419	340094	01.3599	340159	01.1510	350055	00.9508	360046	01.1302
340024	01.2409	340096	01.1718	340160	01.0608	350056	00.8665	360047	01.0600
340025	01.1670	340097	01.0287	340162	01.3087	350058	01.0272	360048	01.8024
340027	01.1536	340098	01.6366	340164	01.3375	350060	00.9468	360049	01.2729
340028	01.4265	340099	01.1835	340166	01.4148	350061	00.9746	360050	01.2082
340030	01.9428	340100	00.9069	340168	00.5580	350063	00.8555	360051	01.4813
340031	01.0894	340101	00.9972	340898	00.8606	350064	00.8110	360052	01.6745
340032	01.2964	340104	00.9594	340899	00.8299	350065	00.9781	360054	01.3063
340034	01.2140	340105	01.3389	350001	01.0308	350066	00.8612	360055	01.2083
340035	01.0933	340106	01.1225	350002	01.6974	350898	00.8794	360056	01.2969
340036	01.1878	340107	01.3241	350003	01.1439	350899	00.8568	360057	00.9667
340037	01.2508	340109	01.3176	350004	01.8811	360001	01.2528	360058	01.1313
340038	01.2248	340111	01.1937	350005	01.1955	360002	01.1624	360059	01.5059
340039	01.2800	340112	01.0454	350006	01.3211	360003	01.6411	360062	01.6271
340040	01.7839	340113	01.9480	350007	01.0578	360006	01.7795	360063	01.1136
340041	01.2251	340114	01.4647	350008	00.9800	360007	01.1303	360064	01.4669
340042	01.1469	340115	01.4791	350009	01.1831	360008	01.2343	360065	01.2383
340044	01.0665	340116	01.8036	350010	01.0773	360009	01.3392	360066	01.2648
340045	01.0067	340119	01.2884	350011	01.7780	360010	01.1769	360067	01.0689
340047	01.8396	340120	01.0921	350012	01.0474	360011	01.2537	360068	01.5442
340048	01.2335	340121	01.0423	350013	01.0755	360012	01.2615	360069	01.0038
340049	00.6791	340122	00.9954	350014	01.0777	360013	01.0811	360070	01.5022
340050	01.1939	340123	01.1473	350015	01.5287	360014	01.2095	360071	01.3056
340051	01.1893	340124	01.0846	350016	00.9459	360015	01.4853	360072	01.1444
340052	01.0758	340125	01.4560	350017	01.3334	360016	01.4853	360074	01.3359
340053	01.5642	340126	01.3577	350018	01.0107	360017	01.7152	360075	01.4415
340054	01.0569	340127	01.2004	350019	01.5336	360018	01.4600	360076	01.2687
340055	01.2105	340129	01.3024	350020	01.3254	360019	01.1969	360077	01.4313

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
360078	01.3321	360133	01.3950	360200	01.1317	370034	01.1476	370110	00.9687
360079	01.6776	360134	01.5346	360203	01.1273	370035	01.4514	370112	01.0089
360080	01.2054	360135	01.1294	360204	01.2464	370036	01.0052	370113	01.1024
360081	01.3118	360136	01.1315	360210	01.1573	370037	01.5473	370114	01.5992
360082	01.2834	360137	01.5527	360211	01.1681	370038	01.0023	370117	01.4552
360083	01.2321	360139	01.0340	360212	01.4515	370039	01.2789	370121	01.3377
360084	01.4892	360140	01.0409	360213	01.1271	370040	01.0740	370122	01.1014
360085	01.6599	360141	01.4353	360218	01.2878	370041	01.0413	370123	01.1760
360086	01.3354	360142	00.9690	360230	01.3398	370042	00.8768	370125	01.0347
360087	01.3586	360143	01.2921	360231	01.0931	370043	01.0208	370126	01.0456
360088	01.1784	360144	01.2750	360232	01.0888	370045	01.0097	370131	01.0631
360089	01.0792	360145	01.5637	360234	01.2726	370046	00.9218	370133	01.0716
360090	01.2340	360147	01.1758	360236	01.1773	370047	01.2139	370138	01.1638
360091	01.2689	360148	01.1509	360238	00.9245	370048	01.2183	370139	01.0245
360092	01.1413	360149	01.1111	360239	01.1597	370049	01.3484	370140	01.1056
360093	01.2857	360150	01.2567	360240	00.5990	370051	00.9919	370141	01.4195
360094	01.2387	360151	01.3692	360241	00.6066	370054	01.2769	370146	01.1065
360095	01.2844	360152	01.4909	360242	01.4341	370056	01.4473	370148	01.3359
360096	01.1089	360153	01.1776	360243	00.9188	370057	01.0989	370149	01.2267
360098	01.3686	360154	01.0845	360244	00.7733	370059	01.2301	370153	01.1308
360099	01.0669	360155	01.2923	360245	01.0110	370060	01.0186	370154	00.9625
360100	01.2768	360156	01.1311	360898	00.8952	370063	01.1924	370156	01.0773
360101	01.6832	360159	01.1635	360899	00.8967	370064	01.0073	370157	00.9051
360102	01.2748	360161	01.2101	370001	01.6894	370065	01.0664	370158	01.1049
360103	01.3263	360162	01.2463	370002	01.1909	370069	01.1093	370159	01.2477
360104	00.8831	360163	01.7047	370004	01.2472	370071	01.0199	370161	01.2560
360106	01.1153	360164	00.9377	370005	00.9611	370072	00.9520	370163	00.8882
360107	01.1406	360165	01.0785	370006	01.2450	370076	01.1744	370165	01.1320
360108	01.0316	360166	01.1077	370007	01.1911	370077	01.1814	370166	01.1117
360109	01.0257	360169	01.0553	370008	01.4142	370078	01.5008	370169	01.0377
360112	01.6442	360170	01.1444	370011	00.9817	370079	00.9222	370170	00.9914
360113	01.2920	360172	01.4006	370012	00.8824	370080	00.9574	370171	01.0187
360114	01.0438	360174	01.1905	370013	01.6803	370082	00.9925	370172	00.8867
360115	01.2420	360175	01.1393	370014	01.2901	370083	00.9553	370173	01.2023
360116	01.0760	360176	01.2032	370015	01.1309	370084	00.9714	370174	01.0473
360118	01.2624	360177	01.2135	370016	01.3553	370085	00.8628	370176	01.2243
360119	01.2235	360178	01.2428	370017	00.9935	370086	01.2028	370177	00.9708
360120	00.7533	360179	01.2483	370018	01.2294	370089	01.3078	370178	00.9959
360121	01.2689	360180	02.2058	370019	01.2119	370091	01.5819	370179	00.9550
360122	01.3179	360184	00.8049	370020	01.2812	370092	01.0784	370180	00.9807
360123	01.2040	360185	01.2099	370021	00.9719	370093	01.7533	370183	01.1334
360124	01.2070	360186	01.1815	370022	01.3052	370094	01.4108	370186	00.9456
360125	01.0517	360187	01.2905	370023	01.4085	370095	00.8985	370189	00.9932
360126	01.2144	360188	01.0679	370025	01.3412	370097	01.3017	370190	01.1013
360127	01.0747	360189	01.0216	370026	01.4199	370099	01.1548	370898	00.8452
360128	01.0528	360192	01.3117	370028	01.7192	370100	01.0174	370899	00.7961
360129	01.0150	360193	01.3211	370029	01.1893	370103	00.9114	380001	01.3293
360130	01.1460	360194	01.1519	370030	01.2382	370105	01.9929	380002	01.1885
360131	01.2186	360195	01.2156	370032	01.3563	370106	01.3679	380003	01.1922
360132	01.2259	360197	01.1656	370033	01.1182	370108	01.1451	380004	01.8582

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
380005	01.1656	380078	01.1576	390042	01.2942	390100	01.6707	390159	01.2711
380006	01.2534	380081	01.1465	390043	01.0758	390101	01.2070	390160	01.1792
380007	01.7369	380082	01.2592	390044	01.5517	390102	01.2725	390161	01.1546
380008	01.0570	380083	01.1630	390045	01.3282	390103	01.1008	390162	01.2242
380009	01.6746	380084	01.2250	390046	01.4474	390104	01.0919	390163	01.1501
380010	01.1684	380087	01.0687	390047	01.4951	390106	00.9971	390164	02.0943
380011	01.1550	380088	00.9395	390048	01.1324	390107	01.1866	390165	01.0983
380013	01.2099	380089	01.3112	390049	01.5610	390108	01.2570	390166	01.1100
380014	01.3167	380090	01.3176	390050	01.9595	390109	01.1839	390167	01.2367
380017	01.8119	380091	01.1696	390051	02.1569	390110	01.4921	390168	01.1510
380018	01.8919	380094	01.0166	390052	01.1495	390111	01.7271	390169	01.2574
380019	01.1197	380898	00.9033	390054	01.1243	390112	01.2051	390170	01.6917
380020	01.3694	380899	00.8276	390055	01.7019	390113	01.1989	390171	01.1101
380021	01.2125	390001	01.2785	390056	01.0780	390114	01.0540	390172	01.1656
380022	01.2042	390002	01.2940	390057	01.2660	390115	01.2835	390173	01.1147
380023	01.2357	390003	01.1665	390058	01.3210	390116	01.1774	390174	01.6094
380024	01.3411	390004	01.2616	390059	01.4300	390117	01.1761	390176	01.1440
380025	01.2568	390005	01.0253	390060	01.1484	390118	01.1160	390178	01.3064
380026	01.3500	390006	01.7285	390061	01.2356	390119	01.3245	390179	01.2874
380027	01.2280	390007	01.2209	390062	01.1422	390121	01.1721	390180	01.3827
380029	01.1208	390008	01.1753	390063	01.6813	390122	01.0370	390181	01.0461
380031	00.9744	390009	01.5792	390064	01.4351	390123	01.2524	390183	01.0828
380033	01.6797	390010	01.1509	390065	01.1719	390125	01.1778	390184	01.1517
380035	01.2187	390011	01.1617	390066	01.2587	390126	01.1925	390185	01.1225
380036	01.0675	390012	01.2224	390067	01.6222	390127	01.1374	390186	01.0351
380037	01.2659	390013	01.2103	390068	01.2725	390128	01.1406	390189	01.0847
380038	01.2958	390014	00.6912	390069	01.2337	390130	01.1119	390191	01.1318
380039	01.2971	390015	01.0885	390070	01.2118	390131	01.1734	390192	01.1053
380040	01.3549	390016	01.1708	390071	01.0469	390132	01.1107	390193	01.1690
380042	01.0762	390017	01.1817	390072	00.9907	390133	01.5415	390194	01.1028
380047	01.6211	390018	01.2212	390073	01.4890	390135	01.2295	390195	01.6425
380048	01.0552	390019	01.0883	390074	01.2002	390136	01.1997	390196	01.2929
380050	01.3190	390021	01.0174	390075	01.2659	390137	01.1837	390197	01.2788
380051	01.4734	390022	01.3343	390076	01.2426	390138	01.2125	390198	01.2099
380052	01.2121	390023	01.1987	390078	01.0427	390139	01.4516	390199	01.2728
380055	01.1835	390024	00.8006	390079	01.6612	390142	01.6960	390200	01.0561
380056	01.0904	390025	00.7836	390080	01.2017	390145	01.1864	390201	01.2842
380060	01.3743	390026	01.2427	390081	01.2253	390146	01.1936	390203	01.2459
380061	01.6205	390027	01.7760	390083	01.1715	390147	01.2082	390204	01.2454
380062	00.9805	390028	01.7622	390084	01.1517	390148	01.1530	390205	01.2376
380063	01.2269	390029	01.7677	390086	01.0996	390149	01.1803	390206	01.2785
380064	01.3175	390030	01.1516	390088	01.3061	390150	01.1595	390209	00.9260
380065	00.9766	390031	01.1545	390090	01.7486	390151	01.2510	390211	01.1432
380066	01.2062	390032	01.1996	390091	01.1262	390152	01.0472	390213	01.2029
380068	00.9991	390035	01.2645	390092	01.2140	390153	01.2082	390215	01.1681
380069	01.2344	390036	01.2391	390093	01.2730	390154	01.1605	390217	01.1452
380070	01.0493	390037	01.2196	390095	01.2205	390155	01.1996	390219	01.2311
380071	01.2609	390039	01.1169	390096	01.2230	390156	01.3476	390220	01.1321
380072	00.9225	390040	00.9867	390097	01.3095	390157	01.1588	390222	01.2126
380075	01.3872	390041	01.2501	390098	01.6298	390158	01.2846	390223	01.7024

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
390224	00.9263	400016	01.2707	410010	01.0761	420064	01.0736	430031	00.9319
390225	01.2089	400017	01.0966	410011	01.2046	420065	01.3125	430033	01.0451
390226	01.6448	400018	01.2479	410012	01.6559	420066	00.9426	430034	01.0212
390228	01.2035	400019	01.5973	410013	01.1806	420067	01.1896	430036	01.0328
390229	01.4997	400021	01.3236	410898	00.8559	420068	01.2221	430037	00.9393
390231	01.3378	400022	01.2716	410899	00.8315	420069	01.0728	430038	01.0783
390233	01.2682	400024	01.0549	420002	01.3514	420070	01.2976	430039	01.0575
390235	01.8089	400026	00.8647	420004	01.9864	420071	01.3934	430040	00.9230
390236	01.2615	400027	01.1793	420005	01.0734	420072	01.0022	430041	00.9319
390237	01.4880	400028	01.0620	420006	01.4062	420073	01.2904	430042	01.0120
390238	00.9064	400029	01.0272	420007	01.5400	420074	00.9948	430043	01.1835
390242	01.2022	400031	01.1338	420009	01.2404	420075	01.0111	430044	00.9656
390244	00.8960	400032	01.1388	420010	01.0605	420076	01.1931	430047	01.1563
390245	01.3419	400044	01.2321	420011	01.1186	420078	01.6490	430048	01.1066
390246	01.1649	400048	01.0604	420014	01.0745	420079	01.5650	430049	00.9954
390247	01.0527	400061	01.7731	420015	01.2930	420080	01.3085	430051	01.0055
390249	01.1305	400079	01.1515	420016	01.2232	420081	00.8267	430054	00.9700
390252	00.7841	400087	01.2441	420018	01.6578	420082	01.3517	430056	00.8739
390256	01.6913	400088	00.5448	420019	01.1609	420083	01.1853	430057	00.9121
390258	01.2938	400089	00.9929	420020	01.2330	420084	00.7842	430060	01.0211
390260	01.2781	400094	00.9104	420022	00.9886	420085	01.2917	430062	00.8268
390261	01.8850	400098	01.1901	420023	01.3556	420086	01.4248	430064	01.0771
390262	01.7777	400102	01.1731	420026	01.9364	420087	01.5287	430065	00.9470
390263	01.4305	400103	01.4080	420027	01.3306	420088	01.2128	430066	00.9881
390265	01.2651	400104	01.2526	420028	01.1432	420089	01.3282	430073	01.1744
390266	01.1171	400105	01.2821	420029	01.8346	420091	00.5469	430076	00.9805
390267	01.1998	400106	01.1813	420030	01.2510	420898	00.8629	430077	01.3873
390268	01.2665	400109	01.5159	420031	01.0008	420899	00.8568	430079	00.9791
390270	01.2939	400110	01.1498	420032	00.9316	430004	01.1617	430080	00.9018
390272	00.6053	400111	01.1674	420033	01.1926	430005	01.2097	430081	00.9242
390275	00.5337	400112	01.2178	420035	00.7243	430007	01.1486	430082	00.8596
390277	00.5634	400113	01.2805	420036	01.2699	430008	01.1878	430083	00.9229
390278	00.8957	400114	01.0229	420037	01.1868	430009	01.0788	430084	00.9127
390898	01.1318	400115	00.9728	420038	01.2808	430010	01.1764	430085	00.9074
390899	00.8517	400117	01.2149	420039	01.1480	430011	01.3128	430086	00.9391
400001	01.2074	400118	01.1561	420040	01.2454	430012	01.3045	430087	00.9929
400002	01.2575	400120	01.3177	420042	01.0726	430013	01.2069	430088	00.9718
400003	01.2048	400121	01.1824	420043	01.2399	430014	01.2723	430898	00.7854
400004	01.1584	400122	00.9273	420044	01.1478	430015	01.0938	430899	00.8466
400005	01.0242	400123	01.1373	420048	01.1616	430016	01.7357	440001	01.0367
400006	01.2727	400898	00.8055	420049	01.1444	430017	01.1660	440002	01.5735
400007	01.1411	400899	00.8299	420051	01.5869	430018	00.9626	440003	01.1499
400008	01.2063	410001	01.3391	420053	01.0497	430022	00.9705	440006	01.3598
400009	00.9775	410002	01.1334	420054	01.2013	430023	00.8878	440007	01.0092
400010	00.9241	410004	01.4368	420055	01.0528	430024	00.9918	440008	00.9781
400011	01.0426	410005	01.3090	420056	01.1125	430025	01.0094	440009	01.0504
400012	01.0137	410006	01.2051	420057	01.1388	430026	00.9431	440010	00.9176
400013	01.0378	410007	01.5835	420059	00.9761	430027	01.7173	440011	01.2089
400014	01.3051	410008	01.1578	420061	01.2629	430028	01.0993	440012	01.3462
400015	01.2472	410009	01.3282	420062	01.4135	430029	01.0265	440014	00.9031

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
440015	01.5507	440081	01.1303	440170	01.3583	450037	01.4456	450111	01.2508
440016	00.9482	440082	01.8600	440173	01.4782	450039	01.2301	450112	01.2609
440017	01.5057	440083	01.2240	440174	00.9348	450040	01.5970	450113	01.2833
440018	01.3266	440084	01.2352	440175	01.1633	450042	01.6204	450115	01.0549
440019	01.4639	440087	01.0131	440176	01.2910	450043	01.4805	450118	01.4596
440020	01.2234	440090	01.0416	440178	01.2465	450044	01.5663	450119	01.1922
440022	01.1121	440091	01.4714	440180	01.1056	450046	01.3927	450121	01.4055
440023	01.0067	440095	01.0360	440181	01.0330	450047	01.0480	450123	01.0758
440024	01.3195	440100	01.0791	440182	00.9241	450050	01.1767	450124	01.4646
440025	01.2308	440102	01.0208	440183	01.4926	450051	01.5813	450126	01.3355
440026	01.3084	440103	01.2292	440184	01.2982	450052	01.0875	450127	00.9581
440029	01.2355	440104	01.4970	440185	01.1932	450053	01.1308	450128	01.1891
440030	01.1306	440105	01.2683	440186	01.0946	450054	01.6753	450130	01.4733
440031	01.0398	440109	01.0884	440187	01.1389	450055	01.1418	450131	01.2341
440032	00.9968	440110	01.0229	440189	01.4369	450056	01.5879	450132	01.4737
440033	01.0356	440111	01.2506	440192	01.1239	450057	01.4012	450133	01.4941
440034	01.4069	440114	01.0382	440193	01.2303	450058	01.5073	450135	01.6326
440035	01.2355	440115	01.0790	440194	01.3244	450059	01.3739	450137	01.4057
440038	01.0429	440120	01.4608	440196	00.9506	450060	01.4615	450140	00.8744
440039	01.5969	440121	00.9852	440197	01.3336	450063	00.9798	450142	01.3998
440040	00.8909	440125	01.4921	440200	01.1936	450064	01.4746	450143	01.0090
440041	00.8514	440128	00.7516	440203	01.0232	450065	01.0466	450144	01.1095
440046	01.1885	440130	01.1208	440205	00.9374	450068	01.7204	450145	00.9818
440047	00.8955	440131	01.0807	440206	00.9212	450070	01.1907	450146	01.0494
440048	01.6551	440132	01.1063	440898	00.8602	450072	01.1632	450147	01.3416
440049	01.6430	440133	01.4570	440899	00.8833	450073	01.0441	450148	01.3401
440050	01.1505	440135	01.3850	450002	01.4426	450074	01.3248	450149	01.3827
440051	00.9150	440136	01.2834	450004	01.1083	450076	01.4378	450150	00.9526
440052	01.2005	440137	01.0381	450005	01.1021	450078	00.9901	450151	01.0955
440053	01.1528	440141	01.1442	450007	01.2982	450079	01.4862	450152	01.4027
440054	01.0351	440142	01.1606	450008	01.3158	450080	01.2153	450153	01.5604
440056	01.0477	440143	01.0022	450010	01.2919	450081	01.1952	450154	01.1411
440057	00.9518	440144	01.2327	450011	01.6315	450082	00.9879	450155	01.0324
440058	01.1742	440145	01.0287	450014	01.0814	450083	01.6362	450157	01.0390
440059	01.1926	440146	00.8684	450015	01.4947	450085	01.0808	450160	00.9158
440060	01.2300	440147	00.8938	450016	01.6517	450087	01.4177	450162	01.2538
440061	01.1813	440148	01.1134	450018	01.6279	450090	01.1452	450163	01.0365
440063	01.4135	440149	01.1770	450020	01.0820	450092	01.2184	450164	00.9825
440064	01.0919	440150	01.3083	450021	01.8147	450094	01.2738	450165	00.9942
440065	01.1901	440151	01.2797	450023	01.4140	450096	01.4023	450166	00.9255
440067	01.1785	440152	01.4596	450024	01.4683	450097	01.3959	450169	00.8694
440068	01.1501	440153	01.0871	450025	01.5050	450098	01.1093	450170	01.1076
440069	01.1325	440154	00.8212	450027	01.2751	450099	01.2344	450175	01.3442
440070	00.9304	440156	01.5221	450028	01.3677	450101	01.4005	450176	01.2735
440071	01.3232	440157	01.0192	450029	01.4178	450102	01.6543	450177	01.0780
440072	01.3767	440159	01.1879	450031	01.6202	450104	01.2139	450178	01.0937
440073	01.3126	440160	01.0166	450032	01.2126	450107	01.4928	450179	00.8730
440074	00.8538	440161	01.5738	450033	01.6165	450108	01.0425	450181	00.9855
440078	01.0263	440166	01.3348	450034	01.5157	450109	01.0287	450184	01.4108
440079	00.8717	440168	01.0316	450035	01.4955	450110	01.1683	450185	01.0385

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
450187	01.2459	450292	01.2731	450410	01.0828	450565	01.2736	450660	01.6711
450188	01.0091	450293	01.0324	450411	00.9759	450570	01.0565	450661	01.2074
450190	01.1927	450296	01.2065	450417	01.0727	450571	01.4598	450662	01.3694
450191	01.1211	450297	01.0540	450418	01.4499	450573	00.9912	450665	01.0139
450192	01.1107	450299	01.3443	450419	01.2174	450574	00.9614	450666	01.2497
450193	02.1237	450303	00.9320	450422	00.7236	450575	00.9421	450668	01.5777
450194	01.1610	450306	01.0008	450423	01.2773	450578	00.9883	450669	01.2847
450195	01.3272	450307	01.1529	450424	01.2869	450580	01.1282	450670	01.2801
450196	01.3400	450309	01.0314	450429	00.9070	450583	00.9720	450672	01.6157
450197	01.1654	450315	01.2146	450431	01.5638	450584	01.2045	450673	01.0303
450200	01.3661	450320	01.3096	450438	00.9958	450586	01.0845	450674	00.8643
450201	00.9853	450321	00.7948	450446	00.9011	450587	01.3014	450675	01.3841
450203	01.1844	450322	00.9636	450447	01.2521	450591	01.1168	450677	01.2658
450209	01.4459	450324	01.5185	450450	01.0100	450596	01.3143	450678	01.4879
450210	01.0767	450325	01.1985	450451	01.0455	450597	01.0637	450681	01.5881
450211	01.2421	450327	01.0421	450457	01.6534	450603	00.9064	450682	01.2462
450213	01.4247	450330	01.1126	450460	01.0232	450604	01.2630	450683	01.3292
450214	01.3477	450334	01.0559	450462	01.7190	450605	01.3030	450684	01.3008
450217	01.0944	450337	01.1316	450464	00.9561	450607	00.9286	450686	01.3864
450219	01.1417	450340	01.3459	450465	01.2119	450609	00.8791	450688	01.3130
450221	01.0616	450341	00.9848	450467	01.0243	450610	01.4415	450690	01.3415
450222	01.7153	450346	01.3112	450469	01.2295	450614	01.1120	450691	01.3530
450224	01.3021	450347	01.1759	450473	01.1197	450615	00.9723	450694	01.1640
450229	01.3781	450348	00.9930	450475	01.1460	450617	01.3759	450696	01.2430
450231	01.5774	450349	01.1766	450484	01.5417	450620	01.1416	450697	01.4033
450233	01.0501	450351	01.2943	450488	01.2254	450623	01.1476	450698	00.8832
450234	00.9775	450352	01.2203	450489	01.0332	450626	00.9663	450700	00.8964
450235	00.9701	450353	01.2010	450497	01.1530	450628	00.9687	450702	01.3297
450236	01.1483	450355	01.1368	450498	01.0001	450630	01.5663	450703	01.4283
450237	01.5719	450358	02.0041	450508	01.4382	450631	01.6420	450704	01.3118
450239	01.2390	450362	00.9188	450514	01.0995	450632	00.9948	450705	00.7704
450241	00.8553	450365	00.8923	450517	00.9682	450633	01.5168	450706	01.1921
450243	00.9001	450366	01.6502	450518	01.3075	450634	01.3810	450709	01.2077
450246	01.0460	450369	01.1061	450523	01.5974	450637	01.3204	450711	01.6962
450249	00.8961	450370	01.1533	450530	01.2986	450638	01.4518	450712	00.7899
450253	01.1036	450371	01.0903	450534	00.9833	450639	01.5479	450713	01.2934
450258	01.1325	450372	01.2917	450535	01.2335	450641	00.9339	450715	01.3343
450259	01.1624	450373	01.1993	450537	01.3473	450643	01.1304	450716	01.2292
450264	00.8360	450374	00.7670	450538	01.1676	450644	01.6527	450717	01.2473
450269	00.9936	450376	01.4326	450539	01.1485	450646	01.5677	450718	01.1780
450270	01.1529	450378	01.2566	450544	01.2690	450647	01.9140	450723	01.2550
450271	01.1454	450379	01.5551	450545	01.1070	450648	01.0977	450724	01.1760
450272	01.2936	450381	00.8856	450546	01.3340	450649	01.0271	450725	00.9957
450276	01.0334	450388	01.6747	450547	00.9638	450651	01.9020	450726	00.8524
450278	01.0551	450389	01.1936	450550	01.0999	450652	00.9379	450727	00.9148
450280	01.2770	450393	01.2839	450551	01.0652	450653	01.3474	450728	00.8466
450283	01.0173	450395	01.0732	450558	01.8092	450654	00.9657	450729	01.0120
450286	01.0408	450399	00.9689	450559	00.9949	450656	01.3698	450730	01.3700
450288	01.1839	450400	01.0595	450561	01.5998	450658	00.9752	450732	01.1376
450289	01.3682	450403	01.2875	450563	01.1773	450659	01.4502	450733	01.3771

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
450734	01.2349	460021	01.3835	490012	01.0361	490088	01.1447	500015	01.2689
450735	00.8396	460022	00.9368	490013	01.1462	490089	01.1011	500016	01.3371
450742	01.2599	460023	01.1365	490014	01.6893	490090	01.2079	500019	01.2336
450743	01.3507	460024	00.9322	490015	01.4556	490091	01.1653	500021	01.4710
450745	00.9129	460025	00.7820	490017	01.3088	490092	01.2117	500023	01.2611
450746	00.8605	460026	00.9533	490018	01.1040	490093	01.2601	500024	01.5437
450747	01.2991	460027	00.9746	490019	01.1100	490094	01.1396	500025	01.8529
450749	01.0726	460029	01.1068	490020	01.0995	490095	01.2514	500026	01.3501
450750	01.0259	460030	01.1291	490021	01.4267	490097	01.0977	500027	01.5609
450751	01.1840	460032	00.9712	490022	01.2374	490098	01.3116	500028	01.0150
450754	00.9436	460033	01.0462	490023	01.2098	490099	00.9554	500029	01.0282
450755	01.0704	460035	00.8718	490024	01.6735	490100	01.3382	500030	01.3159
450757	00.9234	460036	01.0033	490027	01.0372	490101	01.1303	500031	01.2678
450758	01.8381	460037	00.9733	490028	01.2846	490104	00.9341	500033	01.2215
450759	01.0510	460039	00.8964	490030	01.3320	490105	00.7286	500035	01.4987
450760	01.1618	460041	01.2415	490031	01.0234	490106	00.8617	500036	01.2626
450761	01.0565	460042	01.4565	490032	01.6908	490107	01.2028	500037	01.2347
450763	01.0733	460043	01.6470	490033	01.1802	490108	00.8665	500039	01.3136
450765	01.0580	460044	01.1649	490035	01.0356	490109	00.8876	500041	01.2153
450766	01.6779	460046	01.6223	490037	01.1747	490110	01.2460	500042	01.3297
450768	01.1035	460047	01.6771	490038	01.2333	490111	01.1623	500043	01.2098
450769	00.9400	460049	02.0842	490040	01.4154	490112	01.5278	500044	01.8709
450770	01.0568	460B98	00.8559	490041	01.1805	490113	01.2993	500045	01.1817
450771	01.4344	460B99	00.8299	490042	01.2643	490114	01.0753	500048	00.9030
450775	01.2569	470001	01.1472	490043	01.2181	490115	01.2313	500049	01.1947
450776	00.9234	470003	01.9228	490044	01.2544	490116	01.1796	500050	01.3138
450777	00.9264	470004	01.0477	490045	01.1679	490117	01.1293	500051	01.6053
450778	01.0111	470005	01.2132	490046	01.3825	490118	01.6962	500052	01.2203
450779	01.3097	470006	01.1797	490047	01.1054	490119	01.3615	500053	01.2817
450781	01.1858	470008	01.1579	490048	01.4559	490120	01.2954	500054	01.8771
450898	00.8912	470010	01.0558	490050	01.3456	490122	01.1941	500055	01.1056
450899	00.8574	470011	01.2390	490052	01.4795	490123	01.1711	500057	01.3233
460001	01.6653	470012	01.2401	490053	01.2456	490124	01.1453	500058	01.4680
460003	01.4737	470013	01.1387	490054	01.0465	490126	01.2145	500059	01.1056
460004	01.7614	470015	01.2441	490057	01.4361	490127	01.0532	500060	01.2970
460005	01.3051	470018	01.1602	490059	01.4567	490129	00.8368	500061	01.0373
460006	01.2413	470020	00.9956	490060	01.0510	490130	01.1769	500062	00.9818
460007	01.4567	470023	01.2083	490063	01.6182	490131	00.9519	500064	01.5297
460008	01.3049	470024	01.1036	490066	01.2153	490898	00.8559	500065	01.2314
460009	01.7904	490001	01.0825	490067	01.2418	490899	00.8561	500068	01.0063
460010	01.9713	490002	01.0612	490069	01.3763	500001	01.2644	500069	01.0549
460011	01.3922	490003	00.6320	490071	01.4375	500002	01.4541	500071	01.3396
460013	01.4799	490004	01.2390	490073	01.3867	500003	01.2526	500072	01.1991
460014	01.0515	490005	01.4458	490074	01.3496	500005	01.7015	500073	00.9908
460015	01.2376	490006	01.1253	490075	01.2964	500007	01.3050	500074	01.1497
460016	00.9275	490007	01.9951	490077	01.1968	500008	01.8459	500075	01.2206
460017	01.3393	490008	01.2125	490079	01.2727	500009	01.2955	500076	01.2654
460018	00.9454	490009	01.6225	490083	00.6659	500011	01.2538	500077	01.2520
460019	00.9605	490010	01.1456	490084	01.1047	500012	01.4956	500078	01.2332
460020	01.0310	490011	01.3474	490085	01.1372	500014	01.7199	500079	01.2287

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Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
500080	00.8334	510018	01.0557	520007	01.0843	520069	01.1720	520140	01.4781
500084	01.1038	510020	01.0746	520008	01.3443	520070	01.3645	520141	01.1452
500085	01.0466	510022	01.6516	520009	01.5776	520071	01.1524	520142	00.9627
500086	01.3711	510023	01.0659	520010	01.1018	520074	01.0787	520144	01.0415
500088	01.3060	510024	01.3856	520011	01.1562	520075	01.4100	520145	00.9958
500089	00.9509	510025	00.9020	520012	00.9678	520076	01.1358	520146	01.1570
500090	00.8809	510026	00.9739	520013	01.3277	520077	00.9979	520148	01.0914
500092	01.0586	510027	01.0160	520014	01.1237	520078	01.4146	520149	01.0462
500094	00.9079	510028	01.1413	520015	01.1596	520082	01.2710	520151	01.0879
500096	01.0120	510029	01.2992	520016	01.0732	520083	01.5743	520152	01.1358
500097	01.2274	510030	01.1157	520017	01.1989	520084	01.0780	520153	01.0076
500098	00.9278	510031	01.3193	520018	01.0245	520087	01.5498	520154	01.1168
500101	00.9172	510033	01.2749	520019	01.3051	520088	01.2306	520156	01.0202
500102	00.9701	510035	01.0340	520021	01.2268	520089	01.5448	520157	01.0779
500104	01.1770	510036	01.0602	520024	01.1080	520090	01.1785	520159	00.8590
500106	01.0727	510038	01.0535	520025	01.0912	520091	01.2431	520160	01.7388
500107	01.1374	510039	01.3289	520026	01.0543	520092	01.1568	520161	01.0310
500108	01.6535	510040	01.0143	520027	01.1179	520094	01.1593	520170	01.2580
500110	01.2185	510043	00.9999	520028	01.4009	520095	01.3960	520171	00.9821
500118	01.1934	510046	01.2264	520029	00.9498	520096	01.4529	520173	01.0968
500119	01.2980	510047	01.1461	520030	01.5697	520097	01.3310	520174	01.4150
500122	01.2792	510048	01.1315	520031	01.1136	520098	01.7353	520176	00.8305
500123	01.0015	510050	01.2364	520032	01.1940	520100	01.2475	520177	01.4743
500124	01.2624	510053	00.9736	520033	01.2060	520101	01.1341	520178	01.1447
500125	00.9923	510055	01.1912	520034	01.1989	520102	01.1926	520180	00.7304
500127	01.0018	510058	01.1908	520035	01.2177	520103	01.3344	520898	00.8473
500129	01.6810	510059	01.1667	520037	01.6034	520107	01.2525	520899	00.8299
500132	00.9076	510060	01.1531	520038	01.2554	520109	01.0188	530001	01.3934
500134	00.6656	510061	01.0220	520039	01.0357	520110	01.0622	530002	01.2184
500135	01.0921	510062	01.1865	520040	01.3751	520111	01.0141	530003	00.8633
500137	00.8018	510063	01.0747	520041	01.1081	520112	01.1498	530004	00.9221
500138	06.0530	510065	01.0059	520042	01.1158	520113	01.1869	530005	01.1618
500139	01.3493	510066	01.1295	520044	01.3469	520114	01.0769	530006	01.1432
500140	01.2226	510067	01.2053	520045	01.6698	520115	01.2402	530007	01.0482
500141	01.2472	510068	01.1032	520047	01.0180	520116	01.2314	530008	01.2225
500143	00.6038	510070	01.1827	520048	01.3980	520117	01.0897	530009	00.9983
500898	00.8606	510071	01.2383	520049	01.9151	520118	00.9626	530010	01.2757
500899	00.8443	510072	01.0563	520051	02.0141	520120	01.0575	530011	01.1428
510001	01.6188	510076	00.9588	520053	01.0279	520121	00.9931	530012	01.5930
510002	01.2834	510077	01.1862	520054	01.1151	520122	01.0217	530014	01.2121
510004	00.9502	510080	01.0444	520056	01.2938	520123	01.0149	530015	01.1284
510005	00.9572	510081	01.0120	520057	01.1799	520124	01.1033	530016	01.1982
510006	01.2554	510082	00.9660	520058	01.0805	520130	00.9747	530017	00.9772
510007	01.4178	510084	00.9981	520059	01.1989	520131	01.0553	530018	00.9987
510008	01.0862	510085	01.2886	520060	01.2200	520132	01.1888	530019	00.9891
510009	01.0589	510086	01.1016	520062	01.2087	520134	01.1037	530022	01.0950
510012	01.0125	520002	01.2631	520063	01.1723	520135	00.9769	530023	00.8916
510013	01.1213	520003	01.1393	520064	01.5382	520136	01.4967	530024	01.0285
510015	00.9585	520004	01.2468	520066	01.2688	520138	01.8440	530025	01.2662
510016	01.0156	520006	01.0773	520068	00.9985	520139	01.2486	530026	01.0451

Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix	Provider	Case mix
530027	00.9471	530029	00.8988	530031	00.9331	530032	01.2859	530898	00.8691

Note: Case mix indexes do not include discharges from PPS-exempt units.
Case mix indexes include cases received in HCFA central office through Dec. 1992.

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS

Urban area (constituent counties or county equivalents)	Wage index	GAF
Abilene, TX	0.8579	0.9004
Taylor, TX		
Aguadilla, PR	0.5596	0.6720
Aguada, PR		
Aguadilla, PR		
Moca, PR		
Akron, OH	0.8035	0.8609
Portage, OH		
Summit, OH		
Albany, GA	0.8485	0.8936
Dougherty, GA		
Lee, GA		
Albany-Schenectady-Troy, NY	0.9138	0.9401
Albany, NY		
Montgomery, NY		
Rensselaer, NY		
Saratoga, NY		
Schenectady, NY		
Schoharie, NY		
Albuquerque, NM	0.9988	0.9992
Bernalillo, NM		
Sandoval, NM		
Valencia, NM		
Alexandria, LA	0.9208	0.9451
Rapides, LA		
Allentown-Bethlehem-Easton, PA	1.0033	1.0023
Carbon, PA		
Lehigh, PA		
Northampton, PA		
Altoona, PA	0.9433	0.9608
Blair, PA		
Amarillo, TX	0.7852	0.8474
Potter, TX		
Randall, TX		
Anchorage, AK	1.2998	1.1967
Anchorage, AK		
Ann Arbor, MI	1.2492	1.1646
Lenawee, MI		
Livingston, MI		
Washtenaw, MI		
Anniston, AL	0.8023	0.8600
Calhoun, AL		
Appleton-Oshkosh-Neenah, WI	0.8816	0.9173
Calumet, WI		
Outagamie, WI		
Winnebago, WI		
Arecibo, PR	0.3398	0.4775
Arecibo, PR		
Camuy, PR		
Hatillo, PR		
Asheville, NC	0.9318	0.9528
Buncombe, NC		
Madison, NC		
Athens, GA	0.8431	0.8897
Clarke, GA		
Madison, GA		
Oconee, GA		
* Atlanta, GA	0.9577	0.9708

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Barrow, GA		
Bartow, GA		
Carroll, 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		
Pickens, GA		
Rockdale, GA		
Spalding, GA		
Walton, GA		
Atlantic City-Cape May, NJ	1.0434	1.0295
Atlantic City , NJ		
Cape May, NJ		
Augusta-Aiken, GA-SC	1.0043	1.0029
Columbia, GA		
Richmond, GA		
Aiken, SC		
Edgefield, SC		
Austin-San Marcos, TX	0.9175	0.9427
Bastrop, TX		
Caldwell, TX		
Hays, TX		
Travis, TX		
Williamson, TX		
Bakersfield, CA	0.9889	0.9924
Kern, CA		
*Baltimore, MD	0.9590	0.9717
Anne Arundel, MD		
Baltimore, MD		
Baltimore City, MD		
Carroll, MD		
Harford, MD		
Howard, MD		
Queen Annes, MD		
Bangor, ME	0.9309	0.9521
Penobscot		
Barnstable-Yarmouth, MA	1.3551	1.2313
Barnstable, MA		
Baton Rouge, LA	0.8731	0.9113
East Baton Rouge, LA		
Livingston, LA		
West Baton Rouge, LA		
Beaumont-Port Arthur, TX	0.8738	0.9118
Hardin, TX		
Jefferson, TX		
Orange, TX		
Bellingham, WA	0.9228	0.9465
Whatcom, WA		
Benton Harbor, MI	0.7846	0.8469
Berrien, MI		
Billings, MT	0.9107	0.9380
Yellowstone, MT		
Biloxi-Gulfport-Pascagoula, MS	0.7968	0.8559
Hancock, MS		
Harrison, MS		
Jackson, MS		
Binghamton, NY	0.9197	0.9443
Broome, NY		
Tioga, NY		
Birmingham, AL	0.9082	0.9362

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Blount, AL		
Jefferson, AL		
St. Clair, AL		
Shelby, AL		
Bismarck, ND	0.8871	0.9212
Burleigh, ND		
Morton, ND		
Bloomington, IN	0.8625	0.9037
Monroe, IN		
Bloomington-Normal, IL	0.8571	0.8998
McLean, IL		
Boise City, ID	0.8976	0.9287
Ada, ID		
Canyon, ID		
*Boston-Brockton-Nashua, MA-NH	1.1450	1.0972
Bristol, MA		
Essex, MA		
Middlesex, MA		
Norfolk, MA		
Plymouth, MA		
Suffolk, MA		
Worcester, MA		
Hillsborough, NH		
Merrimack, NH		
Rockingham, NH		
Strafford, NH		
Boulder-Longmont, CO	0.8346	0.8835
Boulder, CO		
Brazoria, TX	0.8766	0.9138
Brazoria, TX		
Bremerton, WA	0.9663	0.9768
Kitsap, WA		
Brownsville-Harlingen-San Benito, TX	0.8262	0.8774
Cameron, TX		
Bryan-College Station, TX	0.9142	0.9404
Brazos, TX		
*Buffalo-Niagara Falls, NY	0.9234	0.9469
Erie, NY		
Niagara, NY		
Burlington, VT	0.9580	0.9710
Chittenden, VT		
Franklin, VT		
Grand Isle, VT		
Caguas, PR	0.5104	0.6309
Caguas, PR		
Cayey, PR		
Cidra, PR		
Gurabo, PR		
San Lorenzo, PR		
Canton-Massillon, OH	0.8688	0.9082
Carroll, OH		
Stark, OH		
Casper, WY	0.8419	0.8888
Natrona, WY		
Cedar Rapids, IA	0.8269	0.8780
Linn, IA		
Champaign-Urbana, IL	0.8636	0.9045
Champaign, IL		
Charleston-North Charleston, SC	0.8869	0.9211
Berkeley, SC		
Charleston, SC		
Dorchester, SC		
Charleston, WV	0.8919	0.9246
Kanawha, WV		
Putnam, WV		
*Charlotte-Gastonia-Rock Hill, NC-SC	0.9826	0.9881

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage Index	GAF
Cabarrus, NC		
Gaston, NC		
Lincoln, NC		
Mecklenburg, NC		
Rowan, NC		
Union, NC		
York, SC		
Charlottesville, VA	0.9665	0.9769
Albemarle, VA		
Charlottesville City, VA		
Fluvanna, VA		
Greene, VA		
Chattanooga, TN-GA	0.9001	0.9305
Catoosa, GA		
Dade, GA		
Walker, GA		
Hamilton, TN		
Cheyenne, WY	0.7635	0.8313
Laramie, WY		
*Chicago, IL	1.0651	1.0441
Cook, IL		
De Kalb, IL		
Du Page, IL		
Grundy, IL		
Kane, IL		
Kendall, IL		
Lake, IL		
McHenry, IL		
Will, IL		
Chico-Paradise, CA	1.0444	1.0302
Butte, CA		
*Cincinnati, OH-KY-IN	0.9313	0.9524
Dearborn, IN		
Ohio, IN		
Boone, KY		
Campbell, KY		
Gallatin, KY		
Grant, KY		
Kenton, KY		
Pendleton, KY		
Brown, OH		
Clermont, OH		
Hamilton, OH		
Warren, OH		
Clarksville-Hopkinsville, TN-KY	0.6847	0.7715
Christian, KY		
Montgomery, TN		
*Cleveland-Lorain-Elyria, OH	1.0026	1.0018
Ashtabula, OH		
Cuyahoga, OH		
Geauga, OH		
Lake, OH		
Lorain, OH		
Medina, OH		
Colorado Springs, CO	0.9585	0.9714
El Paso, CO		
Columbia, MO	0.9253	0.9482
Boone, MO		
Columbia, SC	0.8965	0.9279
Lexington, SC		
Richland,		
Columbus, GA-AL	0.7296	0.8058
Russell, AL		
Chattanoochee, GA		
Harris, GA		
Muscogee, GA		
*Columbus, OH	0.9578	0.9709

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Delaware, OH		
Fairfield, OH		
Franklin, OH		
Licking, OH		
Madison, OH		
Pickaway, OH		
Corpus Christi, TX	0.8320	0.8817
Nueces, TX		
San Patricio, TX		
Cumberland, MD-WV	0.8121	0.8672
Allegany, MD		
Mineral, WV		
*Dallas, TX	0.9755	0.9832
Collin, TX		
Dallas, TX		
Denton, TX		
Ellis, TX		
Henderson, TX		
Hunt, TX		
Kaufman, TX		
Rockwall, TX		
Danville, VA	0.7982	0.8570
Danville City, VA		
Pittsylvania, VA		
Davenport-Rock Island-Moline, IA-IL	0.8458	0.8916
Scott, IA		
Henry, IL		
Rock Island, IL		
Dayton-Springfield, OH	0.9393	0.9580
Clark, OH		
Greene, OH		
Miami, OH		
Montgomery, OH		
Daytona Beach, FL	0.8525	0.8965
Flagler, FL		
Volusia, FL		
Decatur, AL	0.8002	0.8584
Lawrence, AL		
Morgan, AL		
Decatur, IL	0.7970	0.8561
Macon, IL		
*Denver, CO	1.1053	1.0710
Adams, CO		
Arapahoe, CO		
Denver, CO		
Douglas, CO		
Jefferson, CO		
Des Moines, IA	0.8800	0.9162
Dallas, IA		
Polk, IA		
Warren, IA		
*Detroit, MI	1.0632	1.0429
Lapeer, MI		
Macomb, MI		
Monroe, MI		
Oakland, MI		
St. Clair, MI		
Wayne, MI		
Dothan, AL	0.7893	0.8504
Dale, AL		
Houston, AL		
Dover, DE	0.8532	0.8970
Kent, DE		
Dubuque, IA	0.8012	0.8592
Dubuque, IA		
Duluth-Superior, MN-WI	0.9250	0.9480
St. Louis, MN		
Douglas, WI		
Dutchess County, NY	1.0742	1.0502
Dutchess, NY		
Eau Claire, WI	0.8585	0.9008

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Chippewa, WI Eau Claire, WI		
El Paso, TX	0.9464	0.9630
El Paso, TX		
Elkhart-Goshen, IN	0.8670	0.9069
Elkhart, IN		
Elmira, NY	0.8668	0.9067
Chemung, NY		
Enid, OK	0.8097	0.8654
Garfield, OK		
Erie, PA	0.9287	0.9506
Erie, PA		
Eugene-Springfield, OR	0.9602	0.9726
Lane, OR		
Evansville-Henderson, IN-KY	0.8974	0.9285
Posey, IN Vanderburgh, IN Warrick, IN Henderson, KY		
Fargo-Moorhead, ND-MN	0.9675	0.9776
Clay, MN Cass, ND		
Fayetteville, NC	0.8500	0.8947
Cumberland, NC		
Fayetteville-Springdale-Rogers, AR	0.7340	0.8091
Benton, AR Washington, AR		
Flint, MI	1.0826	1.0559
Genesee, MI		
Florence, AL	0.7666	0.8336
Colbert, AL Lauderdale, AL		
Florence, SC	0.8594	0.9014
Florence, SC		
Fort Collins-Loveland, CO	1.0110	1.0075
Larimer, CO		
*Ft. Lauderdale, FL	1.0491	1.0334
Broward, FL		
Fort Myers-Cape Coral, FL	0.9401	0.9586
Lee, FL		
Fort Pierce-Port St. Lucie, FL	1.0643	1.0436
Martin, FL St. Lucie, FL		
Fort Smith, AR-OK	0.7469	0.8189
Crawford, AR Sebastian, AR Sequoyah, OK		
Fort Walton Beach, FL	0.8639	0.9047
Okaloosa, FL		
Fort Wayne, IN	0.8879	0.9218
Adams, IN Allen, IN De Kalb, IN Huntington, IN Wells, IN Whitley, IN		
*Forth Worth-Arlington, TX	0.9399	0.9584
Hood, TX Johnson, TX Parker, TX Tarrant, TX		
Fresno, CA	1.0246	1.0168
Fresno, CA Madera, CA		
Gadsden, AL	0.7847	0.8470
Etowah, AL		
Gainesville, FL	0.9010	0.9311
Alachua, FL		
Galveston-Texas City, TX	0.9994	0.9996
Galveston, TX		
Gary, IN	0.8763	0.9135

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Lake, IN		
Porter, IN		
Glens Falls, NY	0.9514	0.9665
Warren, NY		
Washington, NY		
Goldsboro, NC	0.8506	0.8951
Wayne, NC		
Grand Forks, ND-MN	0.8908	0.9239
Polk, MN		
Grand Forks, ND		
Grand Rapids-Muskegon-Holland, MI	0.9879	0.9917
Allegan, MI		
Kent, MI		
Muskegon, MI		
Ottawa, MI		
Great Falls, MT	0.9021	0.9317
Cascade, MT		
Greeley, CO	0.8826	0.9180
Weld, CO		
Green Bay, WI	0.8966	0.9280
Brown, WI		
*Greensboro-Winston-Salem-High Point, NC	0.9387	0.9576
Alamance, NC		
Davidson, NC		
Davie, NC		
Forsyth, NC		
Guilford, NC		
Randolph, NC		
Stokes, NC		
Yadkin, NC		
Greenville, NC	0.9450	0.9620
Pitt, NC		
Greenville-Spartanburg-Anderson, SC	0.8992	0.9298
Anderson, SC		
Cherokee, SC		
Greenville, SC		
Pickens, SC		
Spartanburg, SC		
Hagerstown, MD	0.7199	0.7985
Washington, MD		
Hamilton-Middletown, OH	0.8035	0.8609
Butler, OH		
Harrisburg-Lebanon-Carlisle, PA	1.0048	1.0033
Cumberland, PA		
Dauphin, PA		
Lebanon, PA		
Perry, PA		
*Hartford, CT	1.2238	1.1483
Hartford, CT		
Litchfield, CT		
Middlesex, CT		
Tolland, CT		
Hickory-Morganton, NC	0.9411	0.9593
Alexander, NC		
Burke, NC		
Caldwell, NC		
Catawba, NC		
Honolulu, HI	1.1068	1.0720
Honolulu, HI		
Houma, LA	0.7904	0.8512
Lafourche, LA		
Terrebonne, LA		
*Houston, TX	0.9823	0.9878
Chambers, TX		
Fort Bend, TX		
Harris, TX		
Liberty, TX		
Montgomery, TX		
Waller, TX		
Huntington-Ashland, WV-KY-OH	0.8987	0.9295

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Boyd, KY		
Greenup, KY		
Lawrence, OH		
Cabell, WV		
Wayne, WV		
Huntsville, AL	0.8263	0.8775
Limestone, AL		
Madison, AL		
*Indianapolis, IN	0.9945	0.9962
Boone, IN		
Hamilton, IN		
Hancock, IN		
Hendricks, IN		
Johnson, IN		
Madison, IN		
Marion, IN		
Morgan, IN		
Shelby, IN		
Iowa City, IA	0.9830	0.9883
Johnson, IA		
Jackson, MI	0.9396	0.9582
Jackson, MI		
Jackson, MS	0.7615	0.8298
Hinds, MS		
Madison, MS		
Rankin, MS		
Jacksonville, FL	0.8782	0.9149
Clay, FL		
Duval, FL		
Nassau, FL		
St. Johns, FL		
Jacksonville, NC	0.7236	0.8013
Onslow, NC		
Jamestown, NY	0.7787	0.8426
Chautaqua, NY		
Janesville-Beloit, WI	0.8728	0.9110
Rock, WI		
Johnson City-Kingsport-Bristol, TN-VA	0.8463	0.8920
Carter, TN		
Hawkins, TN		
Sullivan, TN		
Unicoi, TN		
Washington, TN		
Bristol City, VA		
Scott, VA		
Washington, VA		
Johnstown, PA	0.8813	0.9171
Cambria, PA		
Somerset, PA		
Joplin, MO	0.7850	0.8472
Jasper, MO		
Newton, MO		
Kalamazoo-Battlecreek, MI	1.1026	1.0692
Calhoun, MI		
Kalamazoo, MI		
Van Buren, MI		
Kankakee, IL	0.8566	0.8994
Kankakee, IL		
*Kansas City, KS-MO	0.9334	0.9539
Johnson, KS		
Leavenworth, KS		
Miami, KS		
Wyandotte, KS		
Cass, MO		
Clay, MO		
Clinton, MO		
Jackson, MO		
Lafayette, MO		
Platte, MO		
Ray, MO		
Kenosha, WI	0.8975	0.9286
Kenosha, WI		
Killeen-Temple, TX	1.0216	1.0147

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Bell, TX		
Coryell, TX		
Knoxville, TN	0.9366	0.9561
Anderson, TN		
Blount, TN		
Knox, TN		
Loudon, TN		
Sevier, TN		
Union, TN		
Kokomo, IN	0.8727	0.9110
Howard, IN		
Tipton, IN		
La Crosse, WI-MN	0.8542	0.8977
Houston, MN		
La Crosse, WI		
Lafayette, LA	0.8248	0.8764
Acadia, LA		
Lafayette, LA		
St. Landry, LA		
St. Martin, LA		
Lafayette, IN	0.8680	0.9076
Clinton, IN		
Tippecanoe, IN		
Lake Charles, LA	0.8121	0.8672
Calcasieu, LA		
Lakeland-Winter Haven, FL	0.8241	0.8759
Polk, FL		
Lancaster, PA	0.9619	0.9737
Lancaster, PA		
Lansing-East Lansing, MI	1.0063	1.0043
Clinton, MI		
Eaton, MI		
Ingham, MI		
Laredo, TX	0.6143	0.7163
Webb, TX		
Las Cruces, NM	0.9034	0.9328
Dona Ana, NM		
Las Vegas, NV-AZ	1.1188	1.0799
Mohave, AZ		
Clark, NV		
Nye, NV		
Lawrence, KS	0.8560	0.8990
Douglas, KS		
Lawton, OK	0.8561	0.8991
Comanche, OK		
Lewiston-Auburn, ME	0.9768	0.9841
Androscoggin, ME		
Lexington, KY	0.8397	0.8872
Bourbon, KY		
Clark, KY		
Fayette, KY		
Jessamine, KY		
Madison, KY		
Scott, KY		
Woodford, KY		
Lima, OH	0.7445	0.8171
Allen, OH		
Auglaize, OH		
Lincoln, NE	0.9018	0.9317
Lancaster, NE		
Little Rock-North Little Rock, AR	0.8363	0.8848
Faulkner, AR		
Lonoke, AR		
Pulaski, AR		
Saline, AR		
Longview-Marshall, TX	0.8832	0.9185
Gregg, TX		
Harrison, TX		
Upshur, TX		
*Los Angeles-Long Beach, CA	1.2797	1.1840
Los Angeles, CA		
Louisville, KY-IN	0.9479	0.9640

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Clark, IN		
Floyd, IN		
Harrison, IN		
Scott, IN		
Bullitt, KY		
Jefferson, KY		
Oldham, KY		
Lubbock, TX	0.8699	0.9090
Lubbock, TX		
Lynchburg, VA	0.8222	0.8745
Amherst, VA		
Bedford City, VA		
Bedford, VA		
Campbell, VA		
Lynchburg City, VA		
Macon, GA	0.9876	0.9915
Bibb, GA		
Houston, GA		
Jones, GA		
Peach, GA		
Twiggs, GA		
Madison, WI	0.9663	0.9768
Dane, WI		
Mansfield, OH	0.8263	0.8775
Crawford, OH		
Richland, OH		
Mayaguez, PR	0.5084	0.6292
Anasco, PR		
Cabo Rojo, PR		
Hormigueros, PR		
Mayaguez, PR		
Sabana Grande, PR		
San German, PR		
McAllen-Edinburg-Mission, TX	0.8086	0.8646
Hidalgo, TX		
Medford-Ashland, OR	0.9799	0.9862
Jackson, OR		
Melbourne-Titusville-Palm Bay FL	0.8747	0.9124
Brevard, FL		
*Memphis, TN-AR-MS	0.8638	0.9046
Crittenden, AR		
De Soto, MS		
Fayette, TN		
Shelby, TN		
Tipton, TN		
Merced, CA	1.0122	1.0083
Merced, CA		
*Miami, FL	0.8391	0.8868
Dade, FL		
*Milwaukee, WI	0.9366	0.9561
Milwaukee, WI		
Ozaukee, WI		
Washington, WI		
Waukesha, WI		
*Minneapolis-St Paul, MN-WI	1.0609	1.0413
Anoka, MN		
Carver, MN		
Chisago, MN		
Dakota, MN		
Hennepin, MN		
Isanti, MN		
Ramsey, MN		
Scott, MN		
Sherburne, MN		
Washington, MN		
Wright, MN		
Pierce, WI		
St. Croix, WI		
Mobile, AL	0.7381	0.8122
Baldwin, AL		
Mobile, AL		
Modesto, CA	1.1758	1.1173

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Stanislaus, CA		
Monroe, LA	0.8070	0.8634
Ouachita, LA		
Montgomery, AL	0.7676	0.8343
Autauga, AL		
Elmore, AL		
Montgomery, AL		
Muncie, IN	0.8368	0.8851
Delaware, IN		
Myrtle Beach, SC	0.7898	0.8508
Horry, SC		
Naples, FL	0.9770	0.9842
Collier, FL		
*Nashville, TN	0.9184	0.9434
Cheatham, TN		
Davidson, TN		
Dickson, TN		
Robertson, TN		
Rutherford TN		
Sumner, TN		
Williamson, TN		
Wilson, TN		
*New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT	1.2279	1.1510
Fairfield, CT		
New Haven, CT		
New London-Norwich	1.1738	1.1160
New London, CT		
*New Orleans, LA	0.9253	0.9482
Jefferson, LA		
Orleans, LA		
Plaquemines, LA		
St. Bernard, LA		
St. Charles, LA		
St. James, LA		
St. John The Baptist, LA		
St. Tammany, LA		
*New York-Newark, NY-NJ-PA	1.3235	1.2116
Bergen, NJ		
Essex, NJ		
Hudson, NJ		
Hunterdon, NJ		
Middlesex, NJ		
Monmouth, NJ		
Morris, NJ		
Ocean, NJ		
Passaic, NJ		
Somerset, NJ		
Sussex, NJ		
Union, NJ		
Warren, NJ		
Bronx, NY		
Kings, NY		
Nassau, NY		
New York City, NY		
Putnam, NY		
Queens, NY		
Richmond, NY		
Rockland, NY		
Suffolk, NY		
Westchester, NY		
Pike, PA		
*Norfolk-Virginia Beach-Newport News, VA-NC	0.8650	0.9055

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Currituck, NC		
Chesapeake City, VA		
Gloucester, VA		
Hampton City, VA		
Isle of Wight, VA		
James City, VA		
Mathews, VA		
Newport News City, VA		
Norfolk City, VA		
Poquoson City, VA		
Portsmouth City, VA		
Suffolk City, VA		
Virginia Beach City VA		
Williamsburg City, VA		
York, VA		
*Oakland, CA	1.4083	1.2642
Alameda, CA		
Contra Costa, CA		
Ocala, FL	0.8602	0.9020
Marion, FL		
Odessa-Midland, TX	0.8538	0.8974
Ector, TX		
Midland, TX		
Oklahoma City, OK	0.8075	0.8638
Canadian, OK		
Cleveland, OK		
Logan, OK		
McClain, OK		
Oklahoma, OK		
Pottawatomie, OK		
Olympia, WA	1.0094	1.0064
Thurston, WA		
Omaha, NE-IA	0.9752	0.9829
Pottawattamie, IA		
Cass, NE		
Douglas, NE		
Sarpy, NE		
Washington, NE		
*Orange County, CA	1.4736	1.3041
Orange, CA		
Orange, County, NY	0.8575	0.9001
Orange, NY		
*Orlando, FL	0.9860	0.9904
Lake, FL		
Orange, FL		
Osceola, FL		
Seminole, FL		
Owensboro, KY	0.7752	0.8400
Daviess, KY		
Panama City, FL	0.7839	0.8464
Bay, FL		
Parkersburg-Marietta, WV-OH	0.7763	0.8408
Washington, OH		
Wood, WV		
Pensacola, FL	0.8242	0.8760
Escambia, FL		
Santa Rosa, FL		
Peoria-Pekin, IL	0.8469	0.8924
Peoria, IL		
Tazewell, IL		
Woodford, IL		
*Philadelphia, PA-NJ	1.1150	1.0774
Burlington, NJ		
Camden, NJ		
Gloucester, NJ		
Salem, NJ		
Bucks, PA		
Chester, PA		
Delaware, PA		
Montgomery, PA		
Philadelphia, PA		
*Phoenix-Mesa, AZ	1.0017	1.0012

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Maricopa, AZ		
Pinal AZ		
Pine Bluff, AR	0.8826	0.9180
Jefferson, AR		
* Pittsburgh, PA	1.0064	1.0044
Allegheny, PA		
Beaver, PA		
Butler, PA		
Fayette, PA		
Washington, PA		
Westmoreland, PA		
Pittsfield, MA	1.0515	1.0350
Berkshire, MA		
Ponce, PR	0.5145	0.6344
Guayanilla, PR		
Juana Diaz, PR		
Penuelas, PR		
Ponce, PR		
Villalba, PR		
Yauco, PR		
Portland, ME	0.9502	0.9656
Cumberland, ME		
Sagadahoc, ME		
York, ME		
* Portland-Vancouver, OR-WA	1.1057	1.0712
Clackamas, OR		
Columbia, OR		
Multnomah, OR		
Washington, OR		
Yamhill, OR		
Clark, WA		
* Providence-Warwick, RI	1.0808	1.0547
Bristol, RI		
Kent, RI		
Newport, RI		
Providence, RI		
Washington, RI		
Provo-Orem, UT	1.0017	1.0012
Utah, UT		
Pueblo, CO	0.8035	0.8609
Pueblo, CO		
Punta Gorda, FL	0.9373	0.9566
Charlotte		
Racine, WI	0.8379	0.8859
Racine, WI		
Raleigh-Durham-Chapel Hill, NC	0.9627	0.9743
Chatham, NC		
Durham, NC		
Franklin, NC		
Johnston, NC		
Orange, NC		
Wake, NC		
Rapid City, SD	0.8325	0.8820
Pennington, SD		
Reading, PA	0.9190	0.9438
Berks, PA		
Redding, CA	1.1831	1.1220
Shasta, CA		
Reno, NV	1.2163	1.1435
Washoe, NV		
Richland-Kennewick-Pasco, WA	0.9548	0.9688
Benton, WA		
Franklin, WA		
Richmond-Petersburg, VA	0.8768	0.9139

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Charles City County, 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	1.2089	1.1387
Riverside, CA		
San Bernardino, CA		
Roanoke, VA	0.8465	0.8922
Botetourt, VA		
Roanoke, VA		
Roanoke City, VA		
Salem City, VA		
Rochester, MN	1.0207	1.0141
Olmsted, MN		
*Rochester, NY	0.9735	0.9818
Genesee, NY		
Livingston, NY		
Monroe, NY		
Ontario, NY		
Orleans, NY		
Wayne, NY		
Rockford, IL	0.8820	0.9176
Boone, IL		
Ogle, IL		
Winnebago, IL		
Rocky Mount, NC	0.8889	0.9225
Edgecombe		
Nash		
*Sacramento, CA	1.2214	1.1468
El Dorado, CA		
Placer, CA		
Sacramento, CA		
Saginaw-Bay City-Midland, MI	0.9679	0.9779
Bay, MI		
Midland, MI		
Saginaw, MI		
St. Cloud, MN	0.9951	0.9966
Benton, MN		
Stearns, MN		
St. Joseph, MO	0.7862	0.8481
Andrews, MO		
Buchanan, MO		
*St. Louis, MO-IL	0.9232	0.9467
Clinton, IL		
Jersey, IL		
Madison, IL		
Monroe, IL		
St. Clair, IL		
Franklin, MO		
Jefferson, MO		
Lincoln, MO		
St. Charles, MO		
St. Louis, MO		
St. Louis City, MO		
Warren, MO		
Salem, OR	0.9586	0.9715
Marion, OR		
Polk, OR		
Salinas, CA	1.3217	1.2105
Monterey, CA		
*Salt Lake City-Ogden, UT	0.9738	0.9820

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage Index	GAF
Davis, UT		
Salt Lake, UT		
Weber, UT		
San Angelo, TX	0.7776	0.8418
Tom Green, TX		
*San Antonio, TX	0.7873	0.8489
Bexar, TX		
Comal, TX		
Guadalupe, TX		
Wilson, TX		
*San Diego, CA	1.2014	1.1339
San Diego, CA		
*San Francisco, CA	1.3950	1.2560
Marin, CA		
San Francisco, CA		
San Mateo, CA		
*San Jose, CA	1.4492	1.2893
Santa Clara, CA		
*San Juan-Bayamon, PR	0.5031	0.6247
Aguas Buenas, PR		
Barceloneta, PR		
Bayamon, PR		
Canovanas, PR		
Carolina, PR		
Catano, PR		
Ceiba, PR		
Comerio, 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		
Trujillo Alto, PR		
Vega Alta, PR		
Vega Baja, PR		
Yabucoa, PR		
San Luis Obispo-Atascadero-Paso Robles, CA	1.3442	1.2245
San Luis Obispo		
Santa Barbara-Santa Maria-Lompoc, CA	1.1904	1.1268
Santa Barbara, CA		
Santa Cruz-Watsonville, CA	0.9733	0.9816
Santa Cruz, CA		
Santa Fe, NM	0.9879	0.9917
Los Alamos, NM		
Santa Fe, NM		
Santa Rosa, CA	1.2874	1.1889
Sonoma, CA		
Sarasota-Bradenton, FL	0.9822	0.9878
Manatee, FL		
Sarasota, FL		
Savannah, GA	0.8253	0.8768
Bryan, GA		
Chatham, GA		
Effingham, GA		
Scranton—Wilkes-Barre—Hazleton, PA	0.8658	0.9060
Columbia, PA		
Lackawanna, PA		
Luzerne, PA		
Wyoming, PA		
*Seattle-Bellevue-Everett, WA	1 1033	1.0696

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Island, WA		
King, WA		
Snohomish, WA		
Sharon, PA	0.8910	0.9240
Mercer, PA		
Sheboygan, WI	0.8335	0.8827
Sheboygan, WI		
Sherman-Denison, TX	0.9022	0.9319
Grayson, TX		
Shreveport-Bossier City, LA	0.9182	0.9432
Bossier, LA		
Caddo, LA		
Webster, LA		
Sioux City, IA-NE	0.8589	0.9011
Woodbury, IA		
Dakota, NE		
Sioux Falls, SD	0.8831	0.9184
Lincoln, SD		
Minnehaha, SD		
South Bend, IN	0.9393	0.9580
St. Joseph, IN		
Spokane, WA	1.0287	1.0196
Spokane, WA		
Springfield, IL	0.8780	0.9148
Menard, IL		
Sangamon, IL		
Springfield, MO	0.7911	0.8517
Christian, MO		
Greene, MO		
Webster, MO		
Springfield, MA	0.9486	0.9645
Hampden, MA		
Hampshire, MA		
State College, PA	0.9568	0.9702
Centre, PA		
Steubenville-Weirton, OH-WV	0.8070	0.8634
Jefferson, OH		
Brooke, WV		
Hancock, WV		
Stockton-Lodi, CA	1.1199	1.0806
San Joaquin, CA		
Sumter, SC	0.7828	0.8456
Sumter, SC		
Syracuse, NY	0.9329	0.9535
Cayuga, NY		
Madison, NY		
Onondaga, NY		
Oswego, NY		
Tacoma, WA	1.0077	1.0053
Pierce, WA		
Tallahassee, FL	0.9138	0.9401
Gadsden, FL		
Leon, FL		
*Tampa-St. Petersburg-Clearwater, FL	0.9299	0.9514
Hernando, FL		
Hillsborough, FL		
Pasco, FL		
Pinellas, FL		
Terre Haute, IN	0.8617	0.9031
Clay, IN		
Vermillion, IN		
Vigo, IN		
Texarkana, AR-Texarkana, TX	0.8177	0.8713
Miller, AR		
Bowie, TX		
Toledo, OH	1.0089	1.0061
Fulton, OH		
Lucas, OH		
Wood, OH		
Topeka, KS	0.9328	0.9535
Shawnee, KS		
Trenton, NJ	1.0240	1.0164

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage Index	GAF
Mercer, NJ		
Tucson, AZ	0.9969	0.9979
Pima, AZ		
Tulsa, OK	0.8346	0.8835
Creek, OK		
Osage, OK		
Rogers, OK		
Tulsa, OK		
Wagoner, OK		
Tuscaloosa, AL	0.8620	0.9033
Tuscaloosa, AL		
Tyler, TX	0.9162	0.9418
Smith, TX		
Utica-Rome, NY	0.8470	0.8925
Herkimer, NY		
Oneida, NY		
Vallejo-Fairfield-Napa, CA	1.2083	1.1383
Napa, CA		
Solano, CA		
Ventura, CA	1.2321	1.1537
Ventura, CA		
Victoria, TX	0.9042	0.9334
Victoria, TX		
Vineland-Millville-Bridgeton, NJ	0.9914	0.9941
Cumberland, NJ		
Visalia-Tulare-Porterville, CA	1.1056	1.0712
Tulare, CA		
Waco, TX	0.7848	0.8471
McLennan, TX		
*Washington, DC-MD-VA-WV	1.0591	1.0401
District of Columbia, DC		
Calvert, MD		
Charles, MD		
Frederick, MD		
Montgomery, MD		
Prince Georges, MD		
Alexandria City, VA		
Arlington, VA		
Clarke, VA		
Culpepper, VA		
Fairfax, VA		
Fairfax City, VA		
Falls Church City, VA		
Fauquier, VA		
Fredericksburg City, VA		
King George, VA		
Loudoun, VA		
Manassas City, VA		
Manassas Park City, VA		
Prince William, VA		
Spotsylvania, VA		
Stafford, VA		
Warren, VA		
Berkeley, WV		
Jefferson, WV		
Waterloo-Cedar Falls, IA	0.8755	0.9130
Black Hawk, IA		
Wausau, WI	0.9899	0.9931
Marathon, WI		
West Palm Beach-Boca Raton, FL	0.9922	0.9947
Palm Beach, FL		
Wheeling, OH-WV	0.7583	0.8274
Belmont, OH		
Marshall, WV		
Ohio, WV		
Wichita, KS	0.9801	0.9863
Butler, KS		
Harvey, KS		
Sedgwick, KS		
Wichita Falls, TX	0.8034	0.8608
Archer, TX		
Wichita, TX		
Williamsport, PA	0.8612	0.9027

TABLE 4a.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR URBAN AREAS—Continued

Urban area (constituent counties or county equivalents)	Wage index	GAF
Lycoming, PA		
Wilmington-Newark, DE-MD	1.0683	1.0463
New Castle, DE		
Cecil, MD		
Wilmington, NC	0.9230	0.9466
New Hanover, NC		
Yakima, WA	0.9514	0.9665
Yakima, WA		
Yolo, CA	1.1708	1.1140
Yolo, CA		
York, PA	0.9196	0.9442
York, PA		
Youngstown-Warren, OH	0.9396	0.9582
Columbiana, OH		
Mahoning, OH		
Trumbull, OH		
Yuba City, CA	1.0720	1.0488
Sutter, CA		
Yuba, CA		
Yuma, AZ	0.9740	0.9821
Yuma, AZ		

TABLE 4B.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR RURAL AREAS

Nonurban area	Wage index	GAF
Alabama	0.6911	0.7765
Alaska	1.3161	1.2069
Arizona	0.8698	0.9089
Arkansas	0.6964	0.7805
California	0.9733	0.9816
Colorado	0.8346	0.8835
Connecticut	1.2891	1.1899
Delaware	0.8532	0.8970
Florida	0.8391	0.8868
Georgia	0.7167	0.7960
Hawaii	1.0980	1.0661
Idaho	0.8444	0.8906
Illinois	0.7341	0.8092
Indiana	0.7770	0.8413
Iowa	0.7402	0.8138
Kansas	0.7094	0.7905
Kentucky	0.7590	0.8279
Louisiana	0.7079	0.7893
Maine	0.8573	0.8999
Maryland	0.8508	0.8953
Massachusetts	1.0840	1.0568
Michigan	0.8661	0.9062
Minnesota	0.8215	0.8740
Mississippi	0.6736	0.7629
Missouri	0.7270	0.8039
Montana	0.8177	0.8713
Nebraska	0.7208	0.7992
Nevada	0.9295	0.9512
New Hampshire	0.9808	0.9868
New Jersey [1]	.....	.....
New Mexico	0.7586	0.8276
New York	0.8575	0.9001
North Carolina	0.7817	0.8448
North Dakota	0.7283	0.8048
Ohio	0.8035	0.8609
Oklahoma	0.6771	0.7657
Oregon	0.9309	0.9521
Pennsylvania	0.8763	0.9135
Puerto Rico	0.5325	0.6495
Rhode Island [1]	.....	.....
South Carolina	0.7828	0.8456
South Dakota	0.6999	0.7832
Tennessee	0.7471	0.8190
Texas	0.7323	0.8019
Utah	0.8966	0.9280

TABLE 4B.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR RURAL AREAS—Continued

Nonurban area	Wage index	GAF
Vermont	0.8878	0.9217
Virginia	0.7754	0.8401
Washington	0.9593	0.9719
West Virginia	0.8239	0.8758
Wisconsin	0.8379	0.8859
Wyoming	0.7907	0.8514

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

TABLE 4C.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR HOSPITALS THAT A'RE RECLASSIFIED

Area reclassified to	Wage index	GAF
Albany, GA	0.8485	0.8936
Albany-Schenectady-Troy, NY	0.9138	0.9401
Albuquerque, NM	0.9988	0.9992
Alexandria, LA	0.9208	0.9451
Amarillo, TX	0.7852	0.8474
Anchorage, AK	1.2998	1.1967
Anchorage, AK (Rural Alaska Hospitals)	1.3161	1.2069
Atlanta, GA	0.9577	0.9708
Augusta-Aiken, GA-SC	1.0043	1.0029
Baltimore, MD	0.9590	0.9717
Baton Rouge, LA	0.8731	0.9113
Benton Harbor, MI	0.7846	0.8469
Benton Harbor, MI (Rural Michigan Hosp.)	0.8661	0.9062
Billings, MT	0.9107	0.9380
Biloxi-Gulfport, MS	0.7751	0.8399
Binghamton, NY	0.8924	0.9250
Birmingham, AL	0.9082	0.9362
Bismarck, ND	0.8580	0.9004
Boston-Brockton-Nashua, MA-NH	1.1450	1.0972
Brazoria, TX	0.8368	0.8851
Bryan-College Station, TX	0.8954	0.9271
Caguas, PR	0.5104	0.6309
Caguas, PR (Rural Puerto Rico Hospitals)	0.5325	0.6495
Charleston-North Charleston, SC	0.8869	0.9211
Charleston, WV	0.8802	0.9163
Charlotte-Gastonia-Rock Hill, NC-SC	0.9826	0.9881
Chattanooga, TN-GA	0.8799	0.9161
Chicago, IL	1.0651	1.0441
Chico-Paradise, CA	1.0444	1.0302
Cincinnati, OH-KY-IN	0.9313	0.9524
Cleveland-Lorain-Elyria, OH	0.9803	0.9865
Columbia, MO	0.8864	0.9207
Columbus, OH	0.9576	0.9708
Dallas, TX	0.9755	0.9832
Davenport-Rock Island-Moline, IA-IL	0.8458	0.8916
Dayton-Springfield, OH	0.9393	0.9580
Daytona Beach, FL	0.8525	0.8965
Denver, CO	1.0838	1.0567
Des Moines, IA	0.8800	0.9162
Detroit, MI	1.0632	1.0429
Dothan, AL	0.7893	0.8504
Dubuque, IA	0.8012	0.8592
Duluth-Superior, MN-WI	0.9250	0.9480
Dutchess County, NY	1.0742	1.0502
Elkhart-Goshen, IN	0.8498	0.8945
Eugene-Springfield, OR	0.9602	0.9726
Fargo-Moorhead, ND-MN	0.9225	0.9463
Fayetteville, NC	0.8288	0.8793
Flint, MI	1.0826	1.0559
Florence, AL	0.7666	0.8336
Florence, SC	0.8594	0.9014
Fort Lauderdale, FL	1.0491	1.0334
Fort Pierce-Port St. Lucie, FL	1.0023	1.0016
Fort Smith, AR	0.7469	0.8189
Fort Walton Beach, FL	0.8531	0.8969
Fort Wayne, IN	0.8879	0.9218
Fort Worth-Arlington, TX	0.9399	0.9584
Fresno, CA	1.0246	1.0168

TABLE 4C.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR HOSPITALS THAT A'RE RECLASSIFIED—Continued

Area reclassified to	Wage index	GAF
Gadsden, AL	0.7847	0.8470
Glens Falls, NY	0.9514	0.9665
Great Falls, MT	0.9021	0.9319
Green Bay, WI	0.8966	0.9280
Greenville-Spartanburg-Anderson, SC	0.8992	0.9298
Harrisburg-Lebanon-Carlisle, PA	1.0048	1.0033
Hartford, CT	1.2096	1.1392
Honolulu, HI	1.1068	1.0720
Houston, TX	0.9823	0.9878
Huntington-Ashland, WV-KY-OH	0.8848	0.9196
Huntsville, AL	0.7865	0.8483
Indianapolis, IN	0.9945	0.9962
Jackson, MS	0.7615	0.8298
Johnson City-Kingsport-Bristol, TN-VA	0.8463	0.8920
Joplin, MO	0.7742	0.8392
Kalamazoo-Battlecreek, MI	1.0915	1.0618
Kansas City, KS-MO	0.9334	0.9539
Kokomo, IN	0.8548	0.8981
Lafayette, LA	0.7893	0.8504
Lafayette, IN	0.8680	0.9076
Lansing-East Lansing, MI	1.0063	1.0043
Lexington, KY	0.8397	0.8872
Lima, OH	0.7445	0.8171
Lima, OH (Rural OH Hospitals)	0.8035	0.8609
Lincoln, NE	0.8504	0.8950
Little Rock-North Little Rock, AR	0.8363	0.8848
Los Angeles-Long Beach, CA	1.2797	1.1840
Macon, GA	0.7319	0.8076
Mansfield, OH	0.8263	0.8775
Medford-Ashland, OR	0.9799	0.9862
Memphis, TN-AR-MS	0.8405	0.8878
Miami, FL	0.7803	0.8438
Miami, FL (Rural Florida Only)	0.8391	0.8868
Milwaukee, WI	0.9366	0.9561
Minneapolis-St. Paul, MN-WI	1.0609	1.0413
Modesto, CA	1.1597	1.1068
Monroe, LA	0.7937	0.8537
Montgomery, AL	0.7676	0.8343
Myrtle Beach, SC	0.7898	0.8508
Nashville, TN	0.9072	0.9355
New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT	1.2279	1.1510
New London-Norwich, CT	1.1738	1.1160
New Orleans, LA	0.9253	0.9482
New York-Newark, NY-NJ-PA	1.3235	1.2116
Oakland, CA	1.4083	1.2642
Odessa-Midland, TX	0.8538	0.8974
Oklahoma City, OK	0.8075	0.8638
Olympia, WA	1.0094	1.0064
Omaha, NE-IA	0.9752	0.9829
Orange County, CA	1.4736	1.3041
Orange County, NY	1.0035	1.0024
Owensboro, KY	0.7752	0.8400
Peoria-Pekin, IL	0.8340	0.8831
Philadelphia, PA-NJ	1.1150	1.0774
Pittsburgh, PA	0.9885	0.9921
Portland-Vancouver, OR-WA	1.1057	1.0712
Provo-Orem, UT	0.9681	0.9780
Pueblo, CO	0.8035	0.8609
Pueblo, CO (Rural CO Hospitals)	0.8346	0.8835
Raleigh-Durham-Chapel Hill, NC	0.9627	0.9743
Reno, NV	1.2163	1.1435
Roanoke, VA	0.8465	0.8922
Saginaw-Bay City-Midland, MI	0.9679	0.9779
St. Cloud, MN	0.9836	0.9887
St. Louis, MO-IL	0.9232	0.9467
Salinas, CA	1.3217	1.2105
Salt Lake City-Ogden, UT	0.9738	0.9820
San Francisco, CA	1.3950	1.2560
San Juan, PR	0.5031	0.6247
Santa Barbara-Santa Maria-Lompoc, CA	1.1904	1.1268
Santa Fe, NM	0.9470	0.9634

TABLE 4C.—WAGE INDEX AND CAPITAL GEOGRAPHIC ADJUSTMENT FACTOR (GAF) FOR HOSPITALS THAT A'RF RECLASSIFIED—Continued

Area reclassified to	Wage index	GAF
Santa Rosa, CA	1.2645	1.1743
Seattle-Bellevue-Everett, WA	1.1033	1.0696
Sherman-Denison, TX	0.9022	0.9319
South Bend, IN	0.9393	0.9580
Springfield, IL	0.8780	0.9148
Stockton-Lodi, CA	1.0821	1.0555
Syracuse, NY	0.9329	0.9535
Tampa-St. Petersburg-Clearwater, FL	0.9299	0.9514
Texarkana, TX-Texarkana, AR	0.8177	0.8713
Topeka, KS	0.9328	0.9535
Tucson, AZ	0.9969	0.9979
Tulsa, OK	0.8346	0.8835
Tyler, TX	0.9052	0.9341
Victoria, TX	0.8754	0.9129
Waterloo-Cedar Falls, IA	0.8755	0.9130
Wausau, WI	0.9377	0.9569
Wichita, KS	0.9357	0.9555
Wilmington, NC	0.9230	0.9466
Rural Alabama	0.6911	0.7765
Rural Georgia	0.7167	0.7960
Rural Kentucky	0.7590	0.8279
Rural Louisiana	0.7079	0.7893
Rural Michigan	0.8661	0.9062
Rural Minnesota	0.8215	0.8740
Rural North Carolina	0.7817	0.8448
Rural North Carolina (Rural SC Hospitals)	0.7828	0.8456
Rural South Dakota	0.6999	0.7832
Rural South Dakota (Rural ND Hospitals)	0.7208	0.7992
Rural Utah	0.8966	0.9280
Rural Virginia	0.7754	0.8401
Rural West Virginia	0.8239	0.8758

TABLE 4D.—AVERAGE HOURLY WAGE FOR URBAN AREAS

Urban area	Average hourly wage
Abilene, TX	14.6221
Aguadilla, PR	9.5376
Akron, OH	15.5414
Albany, GA	14.4616
Albany-Schenectady-Troy, NY	15.5740
Albuquerque, NM	16.9473
Alexandria, LA	15.6932
Allentown-Bethlehem-Easton, PA-NJ	17.2233
Altoona, PA	16.0769
Amarillo, TX	13.1146
Anchorage, AK	22.1534
Ann Arbor, MI	21.2903
Anniston, AL	13.6748
Appleton-Oshkosh-Neenah, WI	15.0263
Arecibo, PR	5.7909
Asheville, NC	15.8812
Athens, GA	14.3693
Atlanta, GA	16.3224
Atlantic City-Cape May, NJ	17.7828
Augusta-Aiken, GA-SC	17.1168
Austin-San Marcos, TX	15.6376
Bakersfield, CA	16.8549
Baltimore, MD	16.3450
Bangor, ME	15.8649
Barnstable-Yarmouth, MA	23.0949
Baton Rouge, LA	14.8809
Beaumont-Port Arthur, TX	14.8923
Bellingham, WA	15.7282
Benton Harbor, MI	13.6739
Billings, MT	15.5216
Biloxi-Gulfport-Pascagoula, MS	13.5807
Binghamton, NY	15.6756
Birmingham, AL	15.4785

TABLE 4D.—AVERAGE HOURLY WAGE FOR URBAN AREAS—Continued

Urban area	Average hourly wage
Bismarck, ND	15.1194
Bloomington, IN	14.6995
Bloomington-Normal, IL	14.6080
Boise City, ID	15.2988
Boston-Boston-Nashua, MA-NH	19.5141
Boulder-Longmont, CO	15.2224
Brazoria, TX	15.8292
Bremerton, WA	16.4697
Brownsville-Harlingen-San Benito, TX	14.0819
Bryan-College Station, TX	15.5812
Buffalo-Niagara Falls, NY	15.7378
Burlington, VT	16.3272
Caguas, PR	8.1607
Canton-Massillon, OH	14.8079
Casper, WY	14.3490
Cedar Rapids, IA	14.0936
Champaign-Urbana, IL	14.7184
Charleston-North Charleston, SC	15.1152
Charleston, WV	15.2012
Charlotte-Gastonia-Rock Hill, NC-SC	16.7467
Charlottesville, VA	16.4722
Chattanooga, TN-GA	15.3400
Cheyenne, WY	13.0128
Chicago, IL	18.1534
Chico-Paradise, CA	17.8008
Cincinnati, OH - KY - IN	15.8719
Clarksville-Hopkinsville, TN-KY	11.6689
Cleveland-Lorain-Elyria, OH	17.0885
Colorado Springs, CO	16.3362
Columbia MO	15.7697
Columbia, SC	15.2795
Columbus, GA-AL	12.4342
Columbus, OH	16.2684
Corpus Christi, TX	14.1795
Cumberland, MD-WV	13.8415
Dallas, TX	16.6258
Danville, VA	13.6045
Davenport-Moline-Rock Island, IA-IL	14.4160
Dayton-Springfield, OH	15.9957
Daytona Beach, FL	14.5298
Decatur, AL	13.6387
Decatur, IL	13.5840
Denver, CO	18.8373
Des Moines, IA	14.9987
Detroit, MI	18.1204
Dothan, AL	13.4521
Dover, DE	15.0658
Dubuque, IA	13.6546
Duluth-Superior, MN-WI	15.7647
Dutchess County, NY	18.3082
Eau Claire, WI	14.6319
El Paso, TX	16.1294
Elkhart-Goshen, IN	14.7770
Elmira, NY	14.7734
Enid, OK	13.8007
Erie, PA	15.8276
Eugene-Springfield, OR	16.3648
Evansville, Henderson, IN-KY	15.2943
Fargo-Moorhead, ND-MN	16.4892
Fayetteville, NC	14.4873
Fayetteville-Springdale-Rogers, AR	12.5094
Flint, MI	18.4508
Florence, AL	12.7310
Florence, SC	14.6026
Fort Collins-Loveland, CO	17.2306
Fort Lauderdale, FL	17.6556
Fort Myers-Cape Coral, FL	16.0225
Fort Pierce-Fort St. Lucie, FL	18.1402
Fort Smith, AR-OK	12.7033
Fort Walton Beach, FL	14.7244
Fort Wayne, IN	15.0571

TABLE 4D.—AVERAGE HOURLY WAGE FOR URBAN AREAS—Continued

Urban area	Average hourly wage
Fort Worth-Arlington, TX	16.0008
Fresno, CA	17.4634
Gadsden, AL	13.3587
Gainesville, FL	15.3554
Galveston-Texas City, TX	17.0328
Gary, IN	16.5622
Glens Falls, NY	16.0572
Goldsboro, NC	14.4976
Grand Forks, ND-MN	15.1824
Grand Rapids-Muskegon-Holland, MI	16.8201
Great Falls, MT	15.2809
Greeley, CO	15.0424
Green Bay, WI	15.2804
Greensboro-Winston-Salem-High Point, NC	15.9987
Greenville, NC	16.1067
Greenville-Spartanburg-Anderson, SC	15.3257
Hagerstown, MD	12.2702
Hamilton-Middletown, OH	15.3402
Harrisburg-Lebanon-Carlisle, PA	17.0899
Hartford, CT	20.8969
Hickory-Morganton, NC	16.0403
Honolulu, HI	18.8644
Houma, LA	13.4719
Houston, TX	16.7418
Huntington-Ashland, WV-KY-OH	15.3168
Huntsville, AL	14.0828
Indianapolis, IN	16.9493
Iowa City, IA	16.7544
Jackson, MI	16.0144
Jackson, MS	12.8639
Jacksonville, FL	14.9683
Jacksonville, NC	12.3319
Jamestown, NY	13.2714
Janesville-Beloit, WI	14.8756
Johnson City-Kingsport-Bristol, TN-VA	14.4230
Johnstown, PA	15.1544
Joplin, MO	13.3792
Kalamazoo-Battle Creek, MI	18.7919
Kankakee, IL	14.5998
Kansas City, KS-MO	15.9075
Kenosha, WI	15.2968
Killeen-Temple, TX	17.4119
Knoxville, TN	15.9627
Kokomo, IN	14.8730
LaCrosse, WI	14.5581
Lafayette, LA	14.0573
Lafayette, IN	14.7939
Lake Charles, LA	13.8410
Lakeland-Winter Haven, FL	14.0457
Lancaster, PA	16.3947
Lansing-East Lansing, MI	17.1502
Laredo, TX	10.4705
Las Cruces, NM	15.3965
Las Vegas, NV-AZ	19.0688
Lawrence, KS	14.5899
Lawton, OK	14.5916
Lewiston-Auburn, ME	16.6482
Lexington, KY	14.2745
Lima, OH	12.5692
Lincoln, NE	15.3702
Little Rock-North Little Rock, AR	14.2529
Longview-Marshall, TX	15.0533
Los Angeles-Long Beach, CA	21.8106
Louisville, KY-IN	16.1562
Lubbock, TX	14.8266
Lynchburg, VA	14.0130
Macon, GA	16.8325
Madison, WI	16.4697
Mansfield, OH	14.0825
Mayaguez, PR	8.6649
McAllen-Edinburg-Mission, TX	13.7821

TABLE 4D.—AVERAGE HOURLY WAGE FOR URBAN AREAS—Continued

Urban area	Average hourly wage
Medford-Ashland, OR	15.8907
Melbourne-Titusville-Palm Bay, FL	14.9078
Memphis, TN-AR-MS	14.7228
Merced, CA	17.2521
Miami, FL	17.9610
Milwaukee-Waukesha, WI	15.9620
Minneapolis-St. Paul, MN-WI	18.0811
Mobile, AL	12.5800
Modesto, CA	18.7213
Monroe, LA	13.7538
Montgomery, AL	12.9554
Muncie, IN	14.2619
Myrtle Beach, SC	14.0612
Naples, FL	16.6512
Nashville, TN	15.6534
New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT	21.2015
New London-Norwich, CT	19.8762
New Orleans, LA	15.7525
New York-Newark, NY-NJ-PA	22.5483
Norfolk-Virginia Beach-Newport News, VA	14.7428
Oakland, CA	23.8445
Ocala, FL	14.6604
Odessa-Midland, TX	14.5458
Oklahoma City, OK	13.7620
Olympia, WA	17.2030
Omaha, NE-IA	16.6210
Orange County, CA	21.5788
Orange County, NY	17.5274
Orlando, FL	16.7743
Owensboro, KY	13.2122
Panama City, FL	13.3606
Parkersburg-Marietta, WV-OH	13.2314
Pensacola, FL	14.0475
Peoria-Pekin, IL	14.4336
Philadelphia, PA-NJ	19.0033
Phoenix-Mesa, AZ	17.0719
Pine Bluff, AR	15.0421
Pittsburgh, PA	17.1531
Pittsfield, MA	17.9217
Ponce, PR	8.7680
Portland, ME	16.2826
Portland-Vancouver, OR-WA	18.8443
Providence-Warwick, RI	18.4898
Provo-Orem, UT	17.0725
Pueblo, CO	13.6531
Punta Gorda, FL	15.9740
Racine, WI	15.4227
Raleigh-Durham-Chapel Hill, NC	16.4069
Rapid City, SD	14.1890
Reading, PA	15.6630
Redding, CA	20.1638
Reno, NV	22.7293
Richland-Kennewick-Pasco, WA	16.2736
Richmond-Petersburg, VA	14.9439
Riverside-San Bernardino, CA	20.7834
Roanoke, VA	14.3877
Rochester, MN	17.3966
Rochester, NY	16.5923
Rockford, IL	15.0320
Rocky Mount, NC	14.9071
Sacramento, CA	20.8169
Saginaw-Bay City-Midland, MI	16.4582
St. Cloud, MN	16.9596
St. Joseph, MO	13.4003
St. Louis, MO-IL	15.7159
Salem, OR	16.2824
Salinas, CA	22.5268
Salt Lake City-Ogden, UT	16.5079
San Angelo, TX	13.2522
San Antonio, TX	13.4183
San Diego, CA	20.4760

TABLE 4D.—AVERAGE HOURLY WAGE FOR URBAN AREAS—Continued

Urban area	Average hourly wage
San Francisco, CA	23.9329
San Jose, CA	24.6996
San Juan-Bayamon, PR	8.5751
San Luis Obispo-Atascadero-Paso Robles, CA	21.2555
Santa Barbara-Santa Maria-Lompoc, CA	20.1152
Santa Cruz-Watsonville, CA	21.8552
Santa Fe, NM	16.8366
Santa Rosa, CA	21.9409
Sarasota-Bradenton, FL	16.7408
Savannah, GA	14.0654
Scranton-Wilkes Barre-Hazleton, PA	14.7561
Seattle-Bellevue-Everett, WA	18.7844
Sharon, PA	15.1849
Sheboygan, WI	14.2050
Sherman-Denison, TX	15.3671
Shreveport-Bossier City, LA	15.6500
Sioux City, IA-NE	14.6392
Sioux Falls, SD	15.0515
South Bend, IN	16.0083
Spokane, WA	17.5324
Springfield, IL	14.9648
Springfield, MO	13.4835
Springfield, MA	17.5618
State College, PA	16.3064
Steubenville-Weirton, OH-WV	12.9603
Stockton-Lodi, CA	19.0864
Sumter, SC	13.4801
Syracuse, NY	15.9004
Tacoma, WA	17.1754
Tallahassee, FL	15.5739
Tampa-St. Petersburg-Clearwater, FL	15.8146
Terre Haute, IN	14.6858
Texarkana-TX-Texarkana, AR	13.6656
Toledo, OH	17.1943
Topeka, KS	15.8989
Trenton, NJ	17.4528
Tucson, AZ	16.9839
Tulsa, OK	14.2242
Tuscaloosa, AL	14.6920
Tyler, TX	15.6154
Utica-Rome, NY	14.4089
Vallejo-Fairfield-Napa, CA	21.5673
Ventura, CA	21.5758
Victoria, TX	15.4109
Vineland-Millville-Bridgeton, NJ	16.8969
Visalia-Tulare-Porterville, CA	18.8433
Waco, TX	13.3752
Washington, DC-MD-VA-WV	18.0509
Waterloo-Cedar Falls, IA	14.6886
Wausau, WI	16.8715
West Palm Beach-Boca Raton, FL	16.9110
Wheeling, WV-OH	12.9246
Wichita, KS	16.7044
Wichita Falls, TX	13.6923
Williamsport, PA	14.6785
Wilmington-Newark, DE-MD	18.2073
Wilmington, NC	15.7304
Yakima, WA	16.2150
Yolo, CA	19.9546
York, PA	15.6734
Youngstown-Warren, OH	16.0132
Yuba City, CA	18.2712
Yuma, AZ	16.6005

TABLE 4E.—AVERAGE HOURLY WAGE FOR RURAL AREAS

Nonurban area	Average hourly wage
Alabama	11.7595
Alaska	22.3813

TABLE 4E.—AVERAGE HOURLY WAGE FOR RURAL AREAS—Continued

Nonurban area	Average hourly wage
Arizona	14.8240
Arkansas	11.8682
California	16.5875
Colorado	14.2250
Connecticut	21.9705
Delaware	14.5411
Florida	14.3011
Georgia	12.0061
Hawaii	18.4419
Idaho	14.3907
Illinois	12.5114
Indiana	13.2426
Iowa	12.6162
Kansas	12.0903
Kentucky	12.9366
Louisiana	12.0242
Maine	14.6113
Maryland	14.5005
Massachusetts	18.4752
Michigan	14.7617
Minnesota	14.0011
Mississippi	11.4800
Missouri	12.3900
Montana	13.9365
Nebraska	12.2850
Nevada	15.8424
New Hampshire	16.7167
New Jersey [1].	
New Mexico	12.9291
New York	14.6147
North Carolina	13.3005
North Dakota	12.4135
Ohio	13.6949
Oklahoma	11.5409
Oregon	15.8655
Pennsylvania	14.8254
Puerto Rico	9.0379
Rhode Island [1].	
South Carolina	13.3412
South Dakota	11.9281
Tennessee	12.7323
Texas	12.4812
Utah	15.2820
Vermont	15.1308
Virginia	13.2151
Washington	16.3498
West Virginia	13.9665
Wisconsin	14.2804
Wyoming	13.4763

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

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM

				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
1	01	SURG	CRANIOTOMY AGE >17 EXCEPT FOR TRAUMA	3.1546	10.5	14.6	34
2	01	SURG	CRANIOTOMY FOR TRAUMA AGE >17	3.1284	10.4	14.5	33
3	01	SURG [1]	CRANIOTOMY AGE 0–17	3.0144	12.7	12.7	36
4	01	SURG	SPINAL PROCEDURES	2.3788	8.2	12.0	31
5	01	SURG	EXTRACRANIAL VASCULAR PROCEDURES	1.5374	4.8	6.1	28
6	01	SURG	CARPAL TUNNEL RELEASE	.6271	2.1	3.4	25
7	01	SURG	PERIPH AND CRANIAL NERVE AND OTHER NERV SYST PROC WITH CC.	2.4882	10.7	18.4	34
8	01	SURG	PERIPH AND CRANIAL NERVE AND OTHER NERV SYST PROC W/O CC.	.8485	2.9	4.5	26

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
9	01	MED	SPINAL DISORDERS AND INJURIES	1.3277	6.7	10.4	30
10	01	MED	NERVOUS SYSTEM NEOPLASMS WITH CC	1.2822	7.1	10.5	30
11	01	MED	NERVOUS SYSTEM NEOPLASMS W/O CC	.7668	4.2	5.9	27
12	01	MED	DEGENERATIVE NERVOUS SYSTEM DISORDERS	.9447	6.6	9.3	30
13	01	MED	MULTIPLE SCLEROSIS AND CEREBELLAR ATAXIA	.8101	6.2	7.8	29
14	01	MED	SPECIFIC CEREBROVASCULAR DISORDERS EXCEPT TIA.	1.2050	6.7	9.3	30
15	01	MED	TRANSIENT ISCHEMIC ATTACK AND PRECEREBRAL OCCLUSIONS.	.6762	4.0	5.1	27
16	01	MED	NONSPECIFIC CEREBROVASCULAR DISORDERS W CC.	1.1021	6.4	8.6	29
17	01	MED	NONSPECIFIC CEREBROVASCULAR DISORDERS W/O CC.	.6580	4.3	5.6	27
18	01	MED	CRANIAL AND PERIPHERAL NERVE DISORDERS WITH CC.	.9156	5.6	7.4	29
19	01	MED	CRANIAL AND PERIPHERAL NERVE DISORDERS W/O CC.	.5878	3.8	5.1	27
20	01	MED	NERVOUS SYSTEM INFECTION EXCEPT VIRAL MENINGITIS.	2.0618	8.4	12.1	31
21	01	MED	VIRAL MENINGITIS	1.4443	6.8	9.1	30
22	01	MED	HYPERTENSIVE ENCEPHALOPATHY	.7307	4.1	5.1	27
23	01	MED	NONTRAUMATIC STUPOR AND COMA	.8418	4.1	6.0	27
24	01	MED	SEIZURE AND HEADACHE AGE >17 WITH CC	.9717	5.0	7.0	28
25	01	MED	SEIZURE AND HEADACHE AGE >17 W/O CC	.5389	3.3	4.2	26
26	01	MED	SEIZURE AND HEADACHE AGE 0–17	1.0112	3.7	6.0	27
27	01	MED	TRAUMATIC STUPOR AND COMA, COMA >1 HR	1.3313	4.0	7.5	27
28	01	MED	TRAUMATIC STUPOR AND COMA, COMA <1 HR AGE >17 WITH CC.	1.2070	5.8	8.8	29
29	01	MED	TRAUMATIC STUPOR AND COMA, COMA <1 HR AGE >17 W/O CC.	.5916	3.2	4.8	26
30	01	MED[1]	TRAUMATIC STUPOR AND COMA, COMA <1 HR AGE 0–17.	.3656	2.0	2.0	17
31	01	MED	CONCUSSION AGE >17 WITH CC	.7261	4.2	6.0	27
32	01	MED	CONCUSSION AGE >17 W/O CC	.4405	2.5	3.3	22
33	01	MED[1]	CONCUSSION AGE 0–17	.2538	1.6	1.6	9
34	01	MED	OTHER DISORDERS OF NERVOUS SYSTEM WITH CC	1.1075	5.6	7.9	29
35	01	MED	OTHER DISORDERS OF NERVOUS SYSTEM W/O CC	.5598	3.6	4.9	27
36	02	SURG	RETINAL PROCEDURES	.6088	1.7	2.1	9
37	02	SURG	ORBITAL PROCEDURES	.7860	2.6	3.9	26
38	02	SURG	PRIMARY IRIS PROCEDURES	.3744	2.1	2.6	15
39	02	SURG	LENS PROCEDURES WITH OR WITHOUT VITRECTOMY.	.4745	1.5	1.9	8
40	02	SURG	EXTRAOCULAR PROCEDURES EXCEPT ORBIT AGE >17.	.5604	2.1	3.2	25
41	02	SURG[1]	EXTRAOCULAR PROCEDURES EXCEPT ORBIT AGE 0–17.	.3778	1.6	1.6	7
42	02	SURG	INTRAOCULAR PROCEDURES EXCEPT RETINA, IRIS AND LENS.	.5784	1.8	2.4	13
43	02	MED	HYPHEMA	.3679	3.4	4.2	24
44	02	MED	ACUTE MAJOR EYE INFECTIONS	.5984	5.2	6.3	28
45	02	MED	NEUROLOGICAL EYE DISORDERS	.6054	3.4	4.3	26
46	02	MED	OTHER DISORDERS OF THE EYE AGE >17 W CC	.7305	4.3	6.1	27
47	02	MED	OTHER DISORDERS OF THE EYE AGE >17 W/O CC	.4004	2.8	3.8	26
48	02	MED[1]	OTHER DISORDERS OF THE EYE AGE 0–17	.4150	2.9	2.9	26
49	03	SURG	MAJOR HEAD AND NECK PROCEDURES	1.7902	5.3	7.6	28
50	03	SURG	SIALOADENECTOMY	.6752	2.0	2.4	12
51	03	SURG	SALIVARY GLAND PROCEDURES EXCEPT SIALOADENECTOMY.	.6494	2.0	2.8	18
52	03	SURG	CLEFT LIP AND PALATE REPAIR	.7803	2.3	3.0	19
53	03	SURG	SINUS AND MASTOID PROCEDURES AGE >17	.7638	2.0	3.2	25
54	03	SURG[1]	SINUS AND MASTOID PROCEDURES AGE 0–17	.7116	3.2	3.2	22
55	03	SURG	MISCELLANEOUS EAR, NOSE, MOUTH AND THROAT PROCEDURES.	.5773	1.7	2.6	17
56	03	SURG	RHINOPLASTY	.6433	1.9	2.7	19
57	03	SURG	T&A PROC, EXCEPT TONSILLECTOMY AND/OR ADENOIDECTOMY ONLY, AGE >17.	.9183	3.3	5.2	26

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
58	03	SURG[1]	T&A PROC, EXCEPT TONSILLECTOMY AND/OR ADENOIDECTOMY ONLY, AGE 0–17.	.3200	1.5	1.5	4
59	03	SURG	TONSILLECTOMY AND/OR ADENOIDECTOMY ONLY, AGE >17.	.4226	1.6	2.0	9
60	03	SURG[1]	TONSILLECTOMY AND/OR ADENOIDECTOMY ONLY, AGE 0–17.	.2701	1.5	1.5	4
61	03	SURG	MYRINGOTOMY W TUBE INSERTION AGE >17	1.0310	2.8	5.4	26
62	03	SURG[1]	MYRINGOTOMY W TUBE INSERTION AGE 0–17	.3191	1.3	1.3	5
63	03	SURG	OTHER EAR, NOSE, MOUTH AND THROAT O.R. PROCEDURES.	1.0545	3.6	5.4	27
64	03	MED	EAR, NOSE, MOUTH AND THROAT MALIGNANCY	1.1603	5.4	8.9	28
65	03	MED	DYSEQUILIBRIUM	.4945	3.1	4.0	23
66	03	MED	EPISTAXIS	.4896	3.2	4.1	25
67	03	MED	EPIGLOTTITIS	.8484	3.9	4.8	27
68	03	MED	OTITIS MEDIA AND URI AGE >17 WITH CC	.7150	4.6	5.7	28
69	03	MED	OTITIS MEDIA AND URI AGE >17 W/O CC	.5110	3.5	4.3	22
70	03	MED	OTITIS MEDIA AND URI AGE 0–17	.4033	2.6	3.5	26
71	03	MED	LARYNGOTRACHEITIS	.6868	3.8	4.7	27
72	03	MED	NASAL TRAUMA AND DEFORMITY	.6066	3.5	4.9	26
73	03	MED	OTHER EAR, NOSE, MOUTH AND THROAT DIAGNOSES AGE >17.	.7598	4.2	5.7	27
74	03	MED[1]	OTHER EAR, NOSE, MOUTH AND THROAT DIAGNOSES AGE 0–17.	.3541	2.1	2.1	20
75	04	SURG	MAJOR CHEST PROCEDURES	3.0392	10.6	13.0	34
76	04	SURG	OTHER RESP SYSTEM O.R. PROCEDURES W CC	2.4694	10.4	14.3	33
77	04	SURG	OTHER RESP SYSTEM O.R. PROCEDURES W/O CC	1.0449	4.1	6.4	27
78	04	MED	PULMONARY EMBOLISM	1.4312	8.2	9.7	31
79	04	MED	RESPIRATORY INFECTIONS AND INFLAMMATIONS AGE >17 WITH CC.	1.7378	8.7	11.3	32
80	04	MED	RESPIRATORY INFECTIONS AND INFLAMMATIONS AGE >17 W/O CC.	.9288	6.1	7.5	29
81	04	MED[1]	RESPIRATORY INFECTIONS AND INFLAMMATIONS AGE 0–17.	1.1395	6.1	6.1	29
82	04	MED	RESPIRATORY NEOPLASMS	1.3120	6.6	9.3	30
83	04	MED	MAJOR CHEST TRAUMA WITH CC	.9333	5.8	7.5	29
84	04	MED	MAJOR CHEST TRAUMA W/O CC	.4915	3.3	4.2	26
85	04	MED	PLEURAL EFFUSION WITH CC	1.1883	6.5	8.6	30
86	04	MED	PLEURAL EFFUSION W/O CC	.6695	3.9	5.1	27
87	04	MED	PULMONARY EDEMA AND RESPIRATORY FAILURE	1.3523	5.6	7.8	29
88	04	MED	CHRONIC OBSTRUCTIVE PULMONARY DISEASE	1.0077	5.8	7.1	29
89	04	MED	SIMPLE PNEUMONIA AND PLEURISY AGE >17 WITH CC.	1.1464	6.8	8.4	30
90	04	MED	SIMPLE PNEUMONIA AND PLEURISY AGE >17 W/O CC.	.6998	5.1	5.9	27
91	04	MED	SIMPLE PNEUMONIA AND PLEURISY AGE 0–17	.8010	3.8	5.3	27
92	04	MED	INTERSTITIAL LUNG DISEASE WITH CC	1.2089	6.6	8.4	30
93	04	MED	INTERSTITIAL LUNG DISEASE W/O CC	.7592	4.6	5.9	28
94	04	MED	PNEUMOTHORAX WITH CC	1.2436	6.7	8.8	30
95	04	MED	PNEUMOTHORAX W/O CC	.6034	4.1	5.1	27
96	04	MED	BRONCHITIS AND ASTHMA AGE >17 WITH CC	.8788	5.5	6.6	29
97	04	MED	BRONCHITIS AND ASTHMA AGE >17 W/O CC	.6077	4.2	4.9	24
98	04	MED	BRONCHITIS AND ASTHMA AGE 0–17	.6989	3.6	4.8	27
99	04	MED	RESPIRATORY SIGNS AND SYMPTOMS WITH CC	.7157	3.4	4.5	26
100 ..	04	MED	RESPIRATORY SIGNS AND SYMPTOMS W/O CC	.4994	2.4	2.9	16
101 ..	04	MED	OTHER RESPIRATORY SYSTEM DIAGNOSES WITH CC.	.9038	4.8	6.5	28
102 ..	04	MED	OTHER RESPIRATORY SYSTEM DIAGNOSES W/O CC	.5286	3.1	4.1	26
103 ..	05	SURG	HEART TRANSPLANT	13.6523	25.2	34.8	48
104 ..	05	SURG	CARDIAC VALVE PROCEDURES W CARDIAC CATH	7.6560	16.5	19.3	39
105 ..	05	SURG	CARDIAC VALVE PROCEDURES W/O CARDIAC CATH	5.8081	11.6	13.7	35
106 ..	05	SURG	CORONARY BYPASS W CARDIAC CATH	5.6839	12.9	14.5	36
107 ..	05	SURG	CORONARY BYPASS W/O CARDIAC CATH	4.2074	9.8	10.9	33
108 ..	05	SURG	OTHER CARDIOTHORACIC PROCEDURES	5.8686	11.7	15.0	35
109 ..	05	SURG	NO LONGER VALID	.0000	.0	.0	0
110 ..	05	SURG	MAJOR CARDIOVASCULAR PROCEDURES WITH CC	4.0486	9.5	12.7	33
111 ..	05	SURG	MAJOR CARDIOVASCULAR PROCEDURES W/O CC	2.3114	6.9	8.0	30
112 ..	05	SURG	PERCUTANEOUS CARDIOVASCULAR PROCEDURES	1.9759	4.2	5.7	27

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
113 ..	05	SURG	AMPUTATION FOR CIRC SYSTEM DISORDERS EXCEPT UPPER LIMB AND TOE.	2.7893	13.5	18.2	36
114 ..	05	SURG	UPPER LIMB AND TOE AMPUTATION FOR CIRC SYSTEM DISORDERS.	1.5720	8.3	11.7	31
115 ..	05	SURG	PERM CARDIAC PACEMAKER IMPLANT W AMI, HEART FAILURE OR SHOCK.	3.5820	10.9	13.3	34
116 ..	05	SURG	OTH PERM CARDIAC PACEMAKER IMPLANT OR AICD LEAD OR GEN PROC.	2.4239	5.0	6.8	28
117 ..	05	SURG	CARDIAC PACEMAKER REVISION EXCEPT DEVICE REPLACEMENT.	1.1356	3.3	4.8	26
118 ..	05	SURG	CARDIAC PACEMAKER DEVICE REPLACEMENT	1.5446	2.4	3.7	25
119 ..	05	SURG	VEIN LIGATION AND STRIPPING	.9774	3.5	5.9	26
120 ..	05	SURG	OTHER CIRCULATORY SYSTEM O.R. PROCEDURES	1.9590	6.6	11.4	30
121 ..	05	MED	CIRCULATORY DISORDERS W AMI AND C.V. COMP DISCH ALIVE.	1.6034	7.4	9.1	30
122 ..	05	MED	CIRCULATORY DISORDERS W AMI W/O C.V. COMP DISCH ALIVE.	1.1344	5.3	6.4	28
123 ..	05	MED	CIRCULATORY DISORDERS W AMI, EXPIRED	1.4109	2.9	5.2	26
124 ..	05	MED	CIRCULATORY DISORDERS EXCEPT AMI, W CARD CATH AND COMPLEX DIAG.	1.2325	4.2	5.6	27
125 ..	05	MED	CIRCULATORY DISORDERS EXCEPT AMI, W CARD CATH W/O COMPLEX DIAG.	.7957	2.3	3.2	23
126 ..	05	MED	ACUTE AND SUBACUTE ENDOCARDITIS	2.7350	14.6	19.4	38
127 ..	05	MED	HEART FAILURE AND SHOCK	1.0241	5.7	7.4	29
128 ..	05	MED	DEEP VEIN THROMBOPHLEBITIS	.7822	7.0	8.0	30
129 ..	05	MED	CARDIAC ARREST, UNEXPLAINED	1.2057	2.2	4.1	25
130 ..	05	MED	PERIPHERAL VASCULAR DISORDERS WITH CC	.9042	6.0	7.7	29
131 ..	05	MED	PERIPHERAL VASCULAR DISORDERS W/O CC	.5834	4.6	5.8	28
132 ..	05	MED	ATHEROSCLEROSIS WITH CC	.7608	3.8	5.2	27
133 ..	05	MED	ATHEROSCLEROSIS W/O CC	.5234	2.8	3.6	22
134 ..	05	MED	HYPERTENSION	.5613	3.6	4.6	27
135 ..	05	MED	CARDIAC CONGENITAL AND VALVULAR DISORDERS AGE > 17 WITH CC.	.8562	4.5	6.1	28
136 ..	05	MED	CARDIAC CONGENITAL AND VALVULAR DISORDERS AGE > 17 W/O CC.	.5452	3.0	3.9	24
137 ..	05	MED[1]	CARDIAC CONGENITAL AND VALVULAR DISORDERS AGE 0–17.	.6523	3.3	3.3	26
138 ..	05	MED	CARDIAC ARRHYTHMIA AND CONDUCTION DISORDERS WITH CC.	.8031	4.2	5.5	27
139 ..	05	MED	CARDIAC ARRHYTHMIA AND CONDUCTION DISORDERS W/O CC.	.4914	2.8	3.5	20
140 ..	05	MED	ANGINA PECTORIS	.6246	3.4	4.2	24
141 ..	05	MED	SYNCOPE AND COLLAPSE WITH CC	.7040	4.1	5.3	27
142 ..	05	MED	SYNCOPE AND COLLAPSE W/O CC	.5070	3.0	3.7	21
143 ..	05	MED	CHEST PAIN	.5194	2.6	3.2	17
144 ..	05	MED	OTHER CIRCULATORY SYSTEM DIAGNOSES W CC	1.0658	4.7	6.7	28
145 ..	05	MED	OTHER CIRCULATORY SYSTEM DIAGNOSES W/O CC	.6109	3.0	3.9	26
146 ..	06	SURG	RECTAL RESECTION WITH CC	2.4936	11.3	12.7	34
147 ..	06	SURG	RECTAL RESECTION W/O CC	1.5331	7.9	8.9	30
148 ..	06	SURG	MAJOR SMALL AND LARGE BOWEL PROCEDURES WITH CC.	3.1709	12.6	15.2	36
149 ..	06	SURG	MAJOR SMALL AND LARGE BOWEL PROCEDURES W/O CC.	1.5149	8.0	8.7	27
150 ..	06	SURG	PERITONEAL ADHESIOLYSIS WITH CC	2.5517	10.9	13.3	34
151 ..	06	SURG	PERITONEAL ADHESIOLYSIS W/O CC	1.1739	5.7	7.1	29
152 ..	06	SURG	MINOR SMALL AND LARGE BOWEL PROCEDURES WITH CC.	1.7986	8.6	10.2	32
153 ..	06	SURG	MINOR SMALL AND LARGE BOWEL PROCEDURES W/O CC.	1.0815	6.3	7.0	25
154 ..	06	SURG	STOMACH, ESOPHAGEAL AND DUODENAL PROCEDURES AGE > 17 WITH CC.	4.1366	13.9	17.6	37
155 ..	06	SURG	STOMACH, ESOPHAGEAL AND DUODENAL PROCEDURES AGE > 17 W/O CC.	1.3801	6.5	7.9	30
156 ..	06	SURG[1]	STOMACH, ESOPHAGEAL AND DUODENAL PROCEDURES AGE 0–17.	.8659	6.0	6.0	29
157 ..	06	SURG	ANAL AND STOMAL PROCEDURES WITH CC	1.0046	4.5	6.3	28
158 ..	06	SURG	ANAL AND STOMAL PROCEDURES W/O CC	.5100	2.3	2.9	17

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
159 ..	06	SURG	HERNIA PROCEDURES EXCEPT INGUINAL AND FEMORAL AGE >17 WITH CC.	1.0897	4.5	5.9	28
160 ..	06	SURG	HERNIA PROCEDURES EXCEPT INGUINAL AND FEMORAL AGE >17 W/O CC.	.6390	2.6	3.3	18
161 ..	06	SURG	INGUINAL AND FEMORAL HERNIA PROCEDURES AGE >17 WITH CC.	.8249	3.2	4.5	26
162 ..	06	SURG	INGUINAL AND FEMORAL HERNIA PROCEDURES AGE >17 W/O CC.	.4820	1.7	2.2	11
163 ..	06	SURG	HERNIA PROCEDURES AGE 0–17	.9236	3.8	7.1	27
164 ..	06	SURG	APPENDECTOMY W COMPLICATED PRINCIPAL DIAG WITH CC.	2.1710	9.2	10.6	32
165 ..	06	SURG	APPENDECTOMY W COMPLICATED PRINCIPAL DIAG W/O CC.	1.2101	6.0	6.6	24
166 ..	06	SURG	APPENDECTOMY W/O COMPLICATED PRINCIPAL DIAG WITH CC.	1.3377	5.5	6.6	28
167 ..	06	SURG	APPENDECTOMY W/O COMPLICATED PRINCIPAL DIAG W/O CC.	.7808	3.4	3.9	16
168 ..	03	SURG	MOUTH PROCEDURES WITH CC	1.0382	3.5	5.5	27
169 ..	03	SURG	MOUTH PROCEDURES W/O CC	.5815	2.0	2.6	16
170 ..	06	SURG	OTHER DIGESTIVE SYSTEM O.R. PROCEDURES WITH CC.	2.7492	10.5	15.2	33
171 ..	06	SURG	OTHER DIGESTIVE SYSTEM O.R. PROCEDURES W/O CC.	1.0940	4.6	6.2	28
172 ..	06	MED	DIGESTIVE MALIGNANCY WITH CC	1.3049	6.8	10.0	30
173 ..	06	MED	DIGESTIVE MALIGNANCY W/O CC	.6358	3.4	5.0	26
174 ..	06	MED	G.I. HEMORRHAGE WITH CC	.9667	5.2	6.5	28
175 ..	06	MED	G.I. HEMORRHAGE W/O CC	.5361	3.5	4.1	20
176 ..	06	MED	COMPLICATED PEPTIC ULCER	1.0450	5.6	7.3	29
177 ..	06	MED	UNCOMPLICATED PEPTIC ULCER WITH CC	.7995	4.8	5.9	28
178 ..	06	MED	UNCOMPLICATED PEPTIC ULCER W/O CC	.5806	3.5	4.2	20
179 ..	06	MED	INFLAMMATORY BOWEL DISEASE	1.1068	6.8	8.8	30
180 ..	06	MED	G.I. OBSTRUCTION WITH CC	.9176	5.5	7.1	28
181 .	06	MED	G.I. OBSTRUCTION W/O CC	.4976	3.6	4.4	24
182 ..	06	MED	ESOPHAGITIS, GASTROENT AND MISC DIGEST DISORDERS AGE >17 WITH CC.	.7610	4.6	5.9	28
183 ..	06	MED	ESOPHAGITIS, GASTROENT AND MISC DIGEST DISORDERS AGE >17 W/O CC.	.5283	3.2	4.0	23
184 ..	06	MED	ESOPHAGITIS, GASTROENT AND MISC DIGEST DISORDERS AGE 0–17.	.4600	2.7	3.6	26
185 ..	03	MED	DENTAL AND ORAL DIS EXCEPT EXTRACTIONS AND RESTORATIONS, AGE >17.	.8240	4.2	5.8	27
186 ..	03	MED[1]	DENTAL AND ORAL DIS EXCEPT EXTRACTIONS AND RESTORATIONS, AGE 0–17.	.4247	2.9	2.9	23
187 ..	03	MED	DENTAL EXTRACTIONS AND RESTORATIONS	.5964	2.6	3.7	26
188 ..	06	MED	OTHER DIGESTIVE SYSTEM DIAGNOSES AGE >17 WITH CC.	1.0037	5.1	7.1	28
189 ..	06	MED	OTHER DIGESTIVE SYSTEM DIAGNOSES AGE >17 W/O CC.	.4770	2.7	3.7	26
190 ..	06	MED	OTHER DIGESTIVE SYSTEM DIAGNOSES AGE 0–17	.7245	4.0	5.4	27
191 ..	07	SURG	PANCREAS, LIVER AND SHUNT PROCEDURES WITH CC..	4.3195	14.3	18.7	37
192 ..	07	SURG	PANCREAS, LIVER AND SHUNT PROCEDURES W/O CC.	1.6544	7.4	9.3	30
193 ..	07	SURG	BILIARY TRACT PROC W CC EXCEPT ONLY CHOLECYST W OR W/O C.D.E..	3.0861	13.1	15.7	36
194 ..	07	SURG	BILIARY TRACT PROC W/O CC EXCEPT ONLY CHOLECYST W OR W/O C.D.E..	1.6018	7.6	9.3	31
195 ..	07	SURG	CHOLECYSTECTOMY W C.D.E. WITH CC	2.4026	10.2	11.9	33
196 ..	07	SURG	CHOLECYSTECTOMY W C.D.E. W/O CC	1.5098	6.9	8.1	30
197 ..	07	SURG	CHOLECYSTECTOMY EXCEPT BY LAPAROSCOPE WO C.D.E. WITH CC.	2.0083	8.2	10.0	31
198 ..	07	SURG	CHOLECYSTECTOMY EXCEPT BY LAPAROSCOPE WO C.D.E. W/O CC.	1.0435	4.5	5.4	27
199 ..	07	SURG	HEPATOBILIARY DIAGNOSTIC PROCEDURE FOR MALIGNANCY.	2.3602	10.3	13.7	33
200 ..	07	SURG	HEPATOBILIARY DIAGNOSTIC PROCEDURE FOR NON-MALIGNANCY.	2.7664	8.6	13.2	32

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
201 ..	07	SURG	OTHER HEPATOBILIARY OR PANCREAS O.R. PROCEDURES.	3.1125	12.2	17.4	35
202 ..	07	MED	CIRRHOSIS AND ALCOHOLIC HEPATITIS	1.3171	6.7	9.2	30
203 ..	07	MED	MALIGNANCY OF HEPATOBILIARY SYSTEM OR PANCREAS.	1.2188	6.6	9.4	30
204 ..	07	MED	DISORDERS OF PANCREAS EXCEPT MALIGNANCY	1.1314	5.9	7.7	29
205 ..	07	MED	DISORDERS OF LIVER EXCEPT MALIG, CIRR, ALC HEPA WITH CC.	1.2451	6.4	8.9	29
206 ..	07	MED	DISORDERS OF LIVER EXCEPT MALIG, CIRR, ALC HEPA W/O CC.	.6161	3.6	5.2	27
207 ..	07	MED	DISORDERS OF THE BILIARY TRACT WITH CC	.9906	5.1	6.7	28
208 ..	07	MED	DISORDERS OF THE BILIARY TRACT W/O CC	.5505	2.9	3.7	24
209 ..	08	SURG	MAJOR JOINT AND LIMB REATTACHMENT PROCEDURES—LOWER EXTREMITY.	2.3517	8.6	9.6	31
210 ..	08	SURG	HIP AND FEMUR PROCEDURES EXCEPT MAJOR JOINT AGE >17 WITH CC.	1.8703	10.0	11.7	33
211 ..	08	SURG	HIP AND FEMUR PROCEDURES EXCEPT MAJOR JOINT AGE >17 W/O CC.	1.3049	7.6	8.6	31
212 ..	08	SURG	HIP AND FEMUR PROCEDURES EXCEPT MAJOR JOINT AGE 0–17.	1.4493	4.3	6.0	27
213 ..	08	SURG	AMPUTATION FOR MUSCULOSKELETAL SYSTEM AND CONN TISSUE DISORDERS.	1.7494	8.9	12.3	32
214 ..	08	SURG	BACK AND NECK PROCEDURES WITH CC	1.8832	7.3	9.1	30
215 ..	08	SURG	BACK AND NECK PROCEDURES W/O CC	1.0917	4.4	5.3	26
216 ..	08	SURG	BIOPSIES OF MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE.	2.0531	9.6	13.8	33
217 ..	08	SURG	WND DEBRID AND SKN GRFT EXCEPT HAND, FOR MUSCSKELET AND CONN TISS DIS.	3.0475	13.1	20.3	36
218 ..	08	SURG	LOWER EXTREM AND HUMER PROC EXCEPT HIP, FOOT, FEMUR AGE >17 WITH CC.	1.4136	6.3	8.1	29
219 ..	08	SURG	LOWER EXTREM AND HUMER PROC EXCEPT HIP, FOOT, FEMUR AGE >17 W/O CC.	.9000	3.9	4.8	24
220 ..	08	SURG[1]	LOWER EXTREM AND HUMER PROC EXCEPT HIP, FOOT, FEMUR AGE 0–17.	.9546	5.3	5.3	28
221 ..	08	SURG	KNEE PROCEDURES WITH CC	1.8027	7.0	10.1	30
222 ..	08	SURG	KNEE PROCEDURES W/O CC	.9916	3.7	5.0	27
223 ..	08	SURG	MAJOR SHOULDER/ELBOW PROC, OR OTHER UPPER EXTREMITY PROC W CC.	.8146	2.8	3.5	20
224 ..	08	SURG	SHOULDER, ELBOW OR FOREARM PROC, EXC MAJOR JOINT PROC, W/O CC.	.6691	2.3	2.8	14
225 ..	08	SURG	FOOT PROCEDURES	.8557	3.3	5.0	26
226 ..	08	SURG	SOFT TISSUE PROCEDURES WITH CC	1.3123	5.4	8.0	28
227 ..	08	SURG	SOFT TISSUE PROCEDURES W/O CC	.6867	2.6	3.4	22
228 ..	08	SURG	MAJOR THUMB OR JOINT PROC, OR OTH HAND OR WRIST PROC W CC.	.8257	2.4	3.6	25
229 ..	08	SURG	HAND OR WRIST PROC, EXCEPT MAJOR JOINT PROC, W/O CC.	.5650	1.8	2.3	13
230 ..	08	SURG	LOCAL EXCISION AND REMOVAL OF INT FIX DEVICES OF HIP AND FEMUR.	.9377	3.8	5.8	27
231 ..	08	SURG	LOCAL EXCISION AND REMOVAL OF INT FIX DEVICES EXCEPT HIP AND FEMUR.	1.1168	3.7	5.9	27
232 ..	08	SURG	ARTHROSCOPY	1.1097	3.1	5.4	26
233 ..	08	SURG	OTHER MUSCULOSKELET SYS AND CONN TISS O.R. PROC WITH CC.	1.8352	7.9	11.1	31
234 ..	08	SURG	OTHER MUSCULOSKELET SYS AND CONN TISS O.R. PROC W/O CC.	.9311	3.7	5.2	27
235 ..	08	MED	FRACTURES OF FEMUR	.9702	6.4	10.2	29
236 ..	08	MED	FRACTURES OF HIP AND PELVIS	.7915	5.9	8.0	29
237 ..	08	MED	SPRAINS, STRAINS, AND DISLOCATIONS OF HIP, PELVIS AND THIGH.	.5493	4.0	5.3	27
238 ..	08	MED	OSTEOMYELITIS	1.5066	9.6	12.9	33
239 ..	08	MED	PATHOLOGICAL FRACTURES AND MUSCULOSKELETAL AND CONN TISS MALIGNANCY.	1.0364	7.2	9.5	30
240 ..	08	MED	CONNECTIVE TISSUE DISORDERS WITH CC	1.1461	6.5	8.8	30
241 ..	08	MED	CONNECTIVE TISSUE DISORDERS W/O CC	.5652	4.1	5.3	27
242 ..	08	MED	SEPTIC ARTHRITIS	1.1388	7.5	10.0	31
243 ..	08	MED	MEDICAL BACK PROBLEMS	.7000	5.0	6.6	28

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geo-metric mean LOS	Arithmetic mean LOS	Outlier threshold
244 ..	08	MED	BONE DISEASES AND SPECIFIC ARTHROPATHIES WITH CC.	.7426	5.2	7.0	28
245 ..	08	MED	BONE DISEASES AND SPECIFIC ARTHROPATHIES W/O CC.	.4795	3.6	4.8	27
246 ..	08	MED	NON-SPECIFIC ARTHROPATHIES	.5957	4.2	5.8	27
247 ..	08	MED	SIGNS AND SYMPTOMS OF MUSCULOSKELETAL SYSTEM AND CONN TISSUE.	.5538	3.4	4.7	26
248 ..	08	MED	TENDONITIS, MYOSITIS AND BURSITIS	.6969	4.5	6.0	27
249 ..	08	MED	AFTERCARE, MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE.	.6635	3.7	5.5	27
250 ..	08	MED	FX, SPRN, STRN AND DISL OF FOREARM, HAND, FOOT AGE >17 WITH CC.	.7140	4.4	6.3	27
251 ..	08	MED	FX, SPRN, STRN AND DISL OF FOREARM, HAND, FOOT AGE >17 W/O CC.	.4441	2.7	3.7	26
252 ..	08	MED[1]	FX, SPRN, STRN AND DISL OF FOREARM, HAND, FOOT AGE 0–17.	.3611	1.8	1.8	15
253 ..	08	MED	FX, SPRN, STRN AND DISL OF UPARM, LOWLEG EX FOOT AGE >17 WITH CC.	.7675	5.4	7.5	28
254 ..	08	MED	FX, SPRN, STRN AND DISL OF UPARM, LOWLEG EX FOOT AGE >17 W/O CC.	.4239	3.3	4.4	26
255 ..	08	MED[1]	FX, SPRN, STRN AND DISL OF UPARM, LOWLEG EX FOOT AGE 0–17.	.4791	2.9	2.9	26
256 ..	08	MED	OTHER MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE DIAGNOSES.	.6342	3.5	4.9	27
257 ..	09	SURG	TOTAL MASTECTOMY FOR MALIGNANCY WITH CC	.8861	3.8	4.6	21
258 ..	09	SURG	TOTAL MASTECTOMY FOR MALIGNANCY W/O CC	.6963	3.0	3.4	13
259 ..	09	SURG	SUBTOTAL MASTECTOMY FOR MALIGNANCY WITH CC.	.8395	3.2	4.7	26
260 ..	09	SURG	SUBTOTAL MASTECTOMY FOR MALIGNANCY W/O CC.	.5748	2.0	2.5	11
261 ..	09	SURG	BREAST PROC FOR NON-MALIGNANCY EXCEPT BIOPSY AND LOCAL EXCISION.	.7334	2.1	2.6	14
262 ..	09	SURG	BREAST BIOPSY AND LOCAL EXCISION FOR NON-MALIGNANCY.	.6069	2.3	3.5	25
263 ..	09	SURG	SKIN GRAFT AND/OR DEBRID FOR SKN ULCER OR CELLULITIS WITH CC.	2.4444	13.5	18.9	36
264 ..	09	SURG	SKIN GRAFT AND/OR DEBRID FOR SKN ULCER OR CELLULITIS W/O CC.	1.2364	7.8	10.7	31
265 ..	09	SURG	SKIN GRAFT AND/OR DEBRID EXCEPT FOR SKIN ULCER OR CELLULITIS W CC.	1.4058	5.8	8.9	29
266 ..	09	SURG	SKIN GRAFT AND/OR DEBRID EXCEPT FOR SKIN ULCER OR CELLULITIS W/O CC.	.7080	2.9	4.2	26
267 ..	09	SURG	PERIANAL AND PILONIDAL PROCEDURES	.6719	2.7	4.5	26
268 ..	09	SURG	SKIN, SUBCUTANEOUS TISSUE AND BREAST PLASTIC PROCEDURES.	.8117	2.7	4.3	26
269 ..	09	SURG	OTHER SKIN, SUBCUT TISS AND BREAST PROCEDURE WITH CC.	1.7181	7.8	11.6	31
270 ..	09	SURG	OTHER SKIN, SUBCUT TISS AND BREAST PROCEDURE W/O CC.	.6450	2.7	3.9	26
271 ..	09	MED	SKIN ULCERS	1.1767	8.1	10.7	31
272 ..	09	MED	MAJOR SKIN DISORDERS WITH CC	1.0208	6.8	8.8	30
273 ..	09	MED	MAJOR SKIN DISORDERS W/O CC	.6495	4.7	6.3	28
274 ..	09	MED	MALIGNANT BREAST DISORDERS WITH CC	1.1063	6.2	9.5	29
275 ..	09	MED	MALIGNANT BREAST DISORDERS W/O CC	.5042	2.7	3.9	26
276 ..	09	MED	NON-MALIGANT BREAST DISORDERS	.6411	4.5	5.9	27
277 ..	09	MED	CELLULITIS AGE >17 WITH CC	.8931	6.6	8.0	30
278 ..	09	MED	CELLULITIS AGE >17 W/O CC	.5827	5.0	5.9	28
279 ..	09	MED[1]	CELLULITIS AGE 0–17	.7610	4.2	4.2	24
280 ..	09	MED	TRAUMA TO THE SKIN, SUBCUT TISS AND BREAST AGE >17 WITH CC.	.6698	4.4	6.0	27
281 ..	09	MED	TRAUMA TO THE SKIN, SUBCUT TISS AND BREAST AGE >17 W/O CC.	.4172	3.0	4.0	26
282 ..	09	MED[1]	TRAUMA TO THE SKIN, SUBCUT TISS AND BREAST AGE 0–17.	.3537	2.2	2.2	19
283 ..	09	MED	MINOR SKIN DISORDERS WITH CC	.7237	5.0	6.6	28
284 ..	09	MED	MINOR SKIN DISORDERS W/O CC	.4470	3.4	4.5	26

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				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
285 ..	10	SURG	AMPUTAT OF LOWER LIMB FOR ENDOCRINE, NUTRIT, AND METABOL DISORDERS.	2.5651	13.2	18.1	36
286 ..	10	SURG	ADRENAL AND PITUITARY PROCEDURES	2.2900	8.2	10.1	31
287 ..	10	SURG	SKIN GRAFTS AND WOUND DEBRID FOR ENDOC, NUTRIT AND METAB DISORDERS.	2.1784	12.4	18.1	35
288 ..	10	SURG	O.R. PROCEDURES FOR OBESITY	2.1102	7.0	10.7	30
289 ..	10	SURG	PARATHYROID PROCEDURES	.9984	3.5	4.9	26
290 ..	10	SURG	THYROID PROCEDURES	.7657	2.5	3.1	16
291 ..	10	SURG	THYROGLOSSAL PROCEDURES	.5028	1.7	2.0	9
292 ..	10	SURG	OTHER ENDOCRINE, NUTRIT AND METAB O.R. PROC WITH CC.	2.7636	11.1	16.1	34
293 ..	10	SURG	OTHER ENDOCRINE, NUTRIT AND METAB O.R. PROC W/O CC.	1.0596	4.6	7.0	28
294 ..	10	MED	DIABETES AGE >35	.7474	5.4	6.9	28
295 ..	10	MED	DIABETES AGE 0–35	.7604	4.2	5.6	27
296 ..	10	MED	NUTRITIONAL AND MISC METABOLIC DISORDERS AGE >17 WITH CC.	.9309	5.6	7.8	29
297 ..	10	MED	NUTRITIONAL AND MISC METABOLIC DISORDERS AGE >17 W/O CC.	.5224	3.8	4.8	27
298 ..	10	MED	NUTRITIONAL AND MISC METABOLIC DISORDERS AGE 0–17.	.5476	3.1	4.5	26
299 ..	10	MED	INBORN ERRORS OF METABOLISM	.8109	4.4	6.3	27
300 ..	10	MED	ENDOCRINE DISORDERS WITH CC	1.0963	6.5	8.7	30
301 ..	10	MED	ENDOCRINE DISORDERS W/O CC	.5731	3.8	5.1	27
302 ..	11	SURG	KIDNEY TRANSPLANT	3.9181	12.9	14.9	36
303 ..	11	SURG	KIDNEY, URETER AND MAJOR BLADDER PROCEDURES FOR NEOPLASM.	2.5958	10.3	12.3	33
304 ..	11	SURG	KIDNEY, URETER AND MAJOR BLADDER PROC FOR NON-NEOPL WITH CC.	2.3776	9.4	12.6	32
305 ..	11	SURG	KIDNEY, URETER AND MAJOR BLADDER PROC FOR NON-NEOPL W/O CC.	1.1175	4.7	6.0	28
306 ..	11	SURG	PROSTATECTOMY WITH CC	1.2526	6.1	8.2	29
307 ..	11	SURG	PROSTATECTOMY W/O CC	.6637	3.4	4.0	18
308 ..	11	SURG	MINOR BLADDER PROCEDURES WITH CC	1.4452	5.7	8.5	29
309 ..	11	SURG	MINOR BLADDER PROCEDURES W/O CC	.7570	2.8	3.7	26
310 ..	11	SURG	TRANSURETHRAL PROCEDURES WITH CC	.8998	3.7	5.2	27
311 ..	11	SURG	TRANSURETHRAL PROCEDURES W/O CC	.5210	2.0	2.5	13
312 ..	11	SURG	URETHRAL PROCEDURES, AGE >17 WITH CC	.8368	3.7	5.4	27
313 ..	11	SURG	URETHRAL PROCEDURES, AGE >17 W/O CC	.4564	2.0	2.6	15
314 ..	11	SURG[1]	URETHRAL PROCEDURES, AGE 0–17	.4466	2.3	2.3	25
315 ..	11	SURG	OTHER KIDNEY AND URINARY TRACT O.R. PROCEDURES.	2.0395	6.5	11.5	29
316 ..	11	MED	RENAL FAILURE	1.2939	6.2	8.9	29
317 ..	11	MED	ADMIT FOR RENAL DIALYSIS	.5250	2.8	4.0	26
318 ..	11	MED	KIDNEY AND URINARY TRACT NEOPLASMS WITH CC	1.1273	5.8	8.6	29
319 ..	11	MED	KIDNEY AND URINARY TRACT NEOPLASMS W/O CC	.5363	2.5	3.5	25
320 ..	11	MED	KIDNEY AND URINARY TRACT INFECTIONS AGE >17 WITH CC.	.9696	6.3	7.9	29
321 ..	11	MED	KIDNEY AND URINARY TRACT INFECTIONS AGE >17 W/O CC.	.6121	4.6	5.4	26
322 ..	11	MED	KIDNEY AND URINARY TRACT INFECTIONS AGE 0–17	.4974	3.8	4.5	21
323 ..	11	MED	URINARY STONES WITH CC, AND/OR ESW LITHOTRIPSY.	.7291	3.0	4.1	26
324 ..	11	MED	URINARY STONES W/O CC	.3862	2.0	2.4	12
325 ..	11	MED	KIDNEY AND URINARY TRACT SIGNS AND SYMPTOMS AGE >17 WITH CC.	.6597	4.1	5.6	27
326 ..	11	MED	KIDNEY AND URINARY TRACT SIGNS AND SYMPTOMS AGE >17 W/O CC.	.4029	2.7	3.4	21
327 ..	11	MED[1]	KIDNEY AND URINARY TRACT SIGNS AND SYMPTOMS AGE 0–17.	.7161	3.1	3.1	26
328 ..	11	MED	URETHRAL STRICTURE AGE >17 WITH CC	.6621	3.6	5.0	27
329 ..	11	MED	URETHRAL STRICTURE AGE >17 W/O CC	.3956	1.9	2.4	14
330 ..	11	MED[1]	URETHRAL STRICTURE AGE 0–17	.2879	1.6	1.6	9
331 ..	11	MED	OTHER KIDNEY AND URINARY TRACT DIAGNOSES AGE >17 WITH CC.	.9822	5.2	7.2	28
332 ..	11	MED	OTHER KIDNEY AND URINARY TRACT DIAGNOSES AGE >17 W/O CC.	.5426	2.9	4.1	26

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
333 ..	11	MED	OTHER KIDNEY AND URINARY TRACT DIAGNOSES AGE 0–17.	.9635	5.1	7.2	28
334 ..	12	SURG	MAJOR MALE PELVIC PROCEDURES W CC	1.7574	7.4	8.1	25
335 ..	12	SURG	MAJOR MALE PELVIC PROCEDURES W/O CC	1.3666	6.2	6.6	19
336 ..	12	SURG	TRANSURETHRAL PROSTATECTOMY WITH CC	.8549	4.3	5.2	23
337 ..	12	SURG	TRANSURETHRAL PROSTATECTOMY W/O CC	.6057	3.2	3.6	11
338 ..	12	SURG	TESTES PROCEDURES, FOR MALIGNANCY	.9400	3.8	5.8	27
339 ..	12	SURG	TESTES PROCEDURES, NON-MALIGNANCY AGE >17	.8143	3.1	4.6	26
340 ..	12	SURG[1]	TESTES PROCEDURES, NON-MALIGNANCY AGE 0–17	.4478	2.4	2.4	13
341 ..	12	SURG	PENIS PROCEDURES	.9631	3.1	4.0	25
342 ..	12	SURG	CIRCUMCISION AGE >17	.5848	2.6	3.8	26
343 ..	12	SURG[1]	CIRCUMCISION AGE 0–17	.3912	1.7	1.7	6
344 ..	12	SURG	OTHER MALE REPRODUCTIVE SYSTEM O.R. PROCEDURES FOR MALIGNANCY.	1.0181	3.1	4.3	26
345 ..	12	SURG	OTHER MALE REPRODUCTIVE SYSTEM O.R. PROC EXCEPT FOR MALIGNANCY.	.7345	3.2	4.6	26
346 ..	12	MED	MALIGNANCY, MALE REPRODUCTIVE SYSTEM, WITH CC.	.9358	5.3	7.9	28
347 ..	12	MED	MALIGNANCY, MALE REPRODUCTIVE SYSTEM, W/O CC.	.4888	2.5	3.9	26
348 ..	12	MED	BENIGN PROSTATIC HYPERTROPHY WITH CC	.6848	3.9	5.5	27
349 ..	12	MED	BENIGN PROSTATIC HYPERTROPHY W/O CC	.3888	2.3	3.3	22
350 ..	12	MED	INFLAMMATION OF THE MALE REPRODUCTIVE SYSTEM.	.6672	4.6	5.5	27
351 ..	12	MED[1]	STERILIZATION, MALE	.3443	1.3	1.3	5
352 ..	12	MED	OTHER MALE REPRODUCTIVE SYSTEM DIAGNOSES	.5328	3.1	4.3	26
353 ..	13	SURG	PELVIC EVISCERATION, RADICAL HYSTERECTOMY AND RADICAL VULVECTOMY.	1.9705	8.8	10.7	32
354 ..	13	SURG	UTERINE, ADNEXA PROC FOR NON-OVARIAN/ ADNEXAL MALIG WITH CC.	1.3837	6.5	7.6	29
355 ..	13	SURG	UTERINE, ADNEXA PROC FOR NON-OVARIAN/ ADNEXAL MALIG W/O CC.	.8731	4.4	4.7	13
356 ..	13	SURG	FEMALE REPRODUCTIVE SYSTEM RECONSTRUCTIVE PROCEDURES.	.7112	3.5	4.0	15
357 ..	13	SURG	UTERINE AND ADNEXA PROC FOR OVARIAN OR ADNEXAL MALIG.	2.3166	9.3	11.5	32
358 ..	13	SURG	UTERINE AND ADNEXA PROC FOR NON-MALIGNANCY WITH CC.	1.1056	5.2	5.9	21
359 ..	13	SURG	UTERINE AND ADNEXA PROC FOR NON-MALIGNANCY W/O CC.	.7850	3.9	4.1	11
360 ..	13	SURG	VAGINA, CERVIX AND VULVA PROCEDURES	.8146	3.8	4.7	25
361 ..	13	SURG	LAPAROSCOPY AND INCISIONAL TUBAL INTERRUPTION.	1.0099	3.2	5.0	26
362 ..	13	SURG[1]	ENDOSCOPIC TUBAL INTERRUPTION	.5145	1.4	1.4	5
363 ..	13	SURG	D&C, CONIZATION AND RADIO-IMPLANT, FOR MALIGNANCY.	.6350	2.9	3.9	23
364 ..	13	SURG	D&C, CONIZATION EXCEPT FOR MALIGNANCY	.5962	2.6	3.8	26
365 ..	13	SURG	OTHER FEMALE REPRODUCTIVE SYSTEM O.R. PROCEDURES.	1.6991	6.6	9.6	30
366 ..	13	MED	MALIGNANCY, FEMALE REPRODUCTIVE SYSTEM WITH CC.	1.1959	6.2	9.4	29
367 ..	13	MED	MALIGNANCY, FEMALE REPRODUCTIVE SYSTEM W/O CC.	.4774	2.6	3.6	26
368 ..	13	MED	INFECTIONS, FEMALE REPRODUCTIVE SYSTEM	.9485	5.8	7.5	29
369 ..	13	MED	MENSTRUAL AND OTHER FEMALE REPRODUCTIVE SYSTEM DISORDERS.	.5220	3.0	4.4	26
370 ..	14	SURG	CESAREAN SECTION W CC	.8765	4.9	5.9	24
371 ..	14	SURG	CESAREAN SECTION W/O CC	.6318	3.8	4.0	10
372 ..	14	MED	VAGINAL DELIVERY W COMPLICATING DIAGNOSES	.5119	3.1	4.3	26
373 ..	14	MED	VAGINAL DELIVERY W/O COMPLICATING DIAGNOSES.	.3219	2.0	2.2	7
374 ..	14	SURG	VAGINAL DELIVERY W STERILIZATION AND/OR D&C	.5927	2.6	3.2	16
375 ..	14	SURG[1]	VAGINAL DELIVERY W O.R. PROC EXCEPT STERIL AND/OR D&C.	.7042	4.4	4.4	27
376 ..	14	MED	POSTPARTUM AND POST ABORTION DIAGNOSES W/O O.R. PROCEDURE.	.3877	2.5	3.4	22

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
377 ..	14	SURG	POSTPARTUM AND POST ABORTION DIAGNOSES W O.R. PROCEDURE.	.8208	2.9	4.4	26
378 ..	14	MED	ECTOPIC PREGNANCY	.7600	3.1	3.6	16
379 ..	14	MED	THREATENED ABORTION	.3340	2.3	3.4	25
380 ..	14	MED	ABORTION W/O D&C	.2876	1.6	2.1	10
381 ..	14	SURG	ABORTION W D&C, ASPIRATION CURETTAGE OR HYSTEROTOMY.	.3917	1.6	1.9	9
382 ..	14	MED	FALSE LABOR	.1198	1.1	1.3	3
383 ..	14	MED	OTHER ANTEPARTUM DIAGNOSES W MEDICAL COMPLICATIONS.	.4085	3.1	4.3	26
384 ..	14	MED	OTHER ANTEPARTUM DIAGNOSES W/O MEDICAL COMPLICATIONS.	.2681	2.1	2.9	20
385 ..	15	MED[1]	NEONATES, DIED OR TRANSFERRED TO ANOTHER ACUTE CARE FACILITY.	1.2635	1.8	1.8	25
386 ..	15	MED[1]	EXTREME IMMATURITY OR RESPIRATORY DISTRESS SYNDROME, NEONATE.	3.7681	17.9	17.9	41
387 ..	15	MED[1]	PREMATURITY W MAJOR PROBLEMS	1.8869	13.3	13.3	36
388 ..	15	MED[1]	PREMATURITY W/O MAJOR PROBLEMS	1.1952	8.6	8.6	32
389 ..	15	MED	FULL TERM NEONATE W MAJOR PROBLEMS	1.4778	4.7	10.1	28
390 ..	15	MED	NEONATE W OTHER SIGNIFICANT PROBLEMS	.9020	4.2	6.9	27
391 ..	15	MED[1]	NORMAL NEWBORN	.2291	3.1	3.1	11
392 ..	16	SURG	SPLENECTOMY AGE >17	3.2631	10.6	13.9	34
393 ..	16	SURG[1]	SPLENECTOMY AGE 0–17	1.5706	9.1	9.1	32
394 ..	16	SURG	OTHER O.R. PROCEDURES OF THE BLOOD AND BLOOD FORMING ORGANS.	1.6796	5.3	9.8	28
395 ..	16	MED	RED BLOOD CELL DISORDERS AGE >17	.8073	4.5	6.2	27
396 ..	16	MED	RED BLOOD CELL DISORDERS AGE 0–17	.3303	1.9	2.4	17
397 ..	16	MED	COAGULATION DISORDERS	1.2331	5.3	7.3	28
398 ..	16	MED	RETICULOENDOTHELIAL AND IMMUNITY DISORDERS WITH CC.	1.2443	6.1	7.8	29
399 ..	16	MED	RETICULOENDOTHELIAL AND IMMUNITY DISORDERS W/O CC.	.6844	4.0	5.1	27
400 ..	17	SURG	LYMPHOMA AND LEUKEMIA W MAJOR O.R. PROCEDURE.	2.5268	8.1	12.4	31
401 ..	17	SURG	LYMPHOMA AND NON-ACUTE LEUKEMIA W OTHER O.R. PROC W CC.	2.3759	10.0	14.6	33
402 ..	17	SURG	LYMPHOMA AND NON-ACUTE LEUKEMIA W OTHER O.R. PROC W/O CC.	.8814	3.3	5.1	26
403 ..	17	MED	LYMPHOMA AND NON-ACUTE LEUKEMIA W CC	1.6720	7.8	11.2	31
404 ..	17	MED	LYMPHOMA AND NON-ACUTE LEUKEMIA W/O CC	.7382	3.8	5.4	27
405 ..	17	MED[1]	ACUTE LEUKEMIA W/O MAJOR O.R. PROCEDURE AGE 0–17.	1.0749	4.9	4.9	28
406 ..	17	SURG	MYELOPROLIF DISORD OR POORLY DIFF NEOPL W MAJ O.R. PROC W CC.	2.6043	9.9	13.4	33
407 ..	17	SURG	MYELOPROLIF DISORD OR POORLY DIFF NEOPL W MAJ O.R. PROC W/O CC.	1.1233	4.5	5.9	28
408 ..	17	SURG	MYELOPROLIF DISORD OR POORLY DIFF NEOPL W OTHER O.R. PROC.	1.4262	4.9	8.4	28
409 ..	17	MED	RADIOTHERAPY	.9901	5.8	8.5	29
410 ..	17	MED	CHEMOTHERAPY WITHOUT ACUTE LEUKEMIA AS SECONDARY DIAGNOSIS.	.6680	2.9	3.6	20
411 ..	17	MED	HISTORY OF MALIGNANCY W/O ENDOSCOPY	.4297	2.2	3.0	21
412 ..	17	MED	HISTORY OF MALIGNANCY W ENDOSCOPY	.4836	2.1	3.3	25
413 ..	17	MED	OTHER MYELOPROLIF DIS OR POORLY DIFF NEOPL DIAG WITH CC.	1.3852	7.2	10.6	30
414 ..	17	MED	OTHER MYELOPROLIF DIS OR POORLY DIFF NEOPL DIAG W/O CC.	.7095	4.1	6.0	27
415 ..	18	SURG	O.R. PROCEDURE FOR INFECTIOUS AND PARASITIC DISEASES.	3.5565	14.1	19.6	37
416 ..	18	MED	SEPTECEMIA AGE >17	1.5145	7.2	9.9	30
417 ..	18	MED	SEPTECEMIA AGE 0–17	.6682	5.0	5.9	28
418 ..	18	MED	POSTOPERATIVE AND POST-TRAUMATIC INFECTIONS.	.9674	6.2	7.9	29
419 ..	18	MED	FEVER OF UNKNOWN ORIGIN AGE >17 WITH CC	.9525	5.5	7.0	28
420 ..	18	MED	FEVER OF UNKNOWN ORIGIN AGE >17 W/O CC	.6343	4.2	5.1	27
421 ..	18	MED	VIRAL ILLNESS AGE >17	.6746	4.2	5.3	27

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geo-metric mean LOS	Arithmetic mean LOS	Outlier threshold
422 ..	18	MED	VIRAL ILLNESS AND FEVER OF UNKNOWN ORIGIN AGE 0–17.	.6417	3.7	4.9	27
423 ..	18	MED	OTHER INFECTIOUS AND PARASITIC DISEASES DIAGNOSES.	1.6236	7.7	10.7	31
424 ..	19	SURG	O.R. PROCEDURE W PRINCIPAL DIAGNOSES OF MENTAL ILLNESS.	2.4352	13.9	22.8	37
425 ..	19	MED	ACUTE ADJUST REACT AND DISTURBANCES OF PSYCHOSOCIAL DYSFUNCTION.	.7098	4.3	6.0	27
426 ..	19	MED	DEPRESSIVE NEUROSES	.6107	5.0	7.1	28
427 ..	19	MED	NEUROSES EXCEPT DEPRESSIVE	.6127	4.9	7.3	28
428 ..	19	MED	DISORDERS OF PERSONALITY AND IMPULSE CONTROL.	.7005	5.7	9.2	29
429 ..	19	MED	ORGANIC DISTURBANCES AND MENTAL RETARDATION.	.9325	7.4	10.9	30
430 ..	19	MED	PSYCHOSES	.9110	8.4	12.0	31
431 ..	19	MED	CHILDHOOD MENTAL DISORDERS	.7070	5.9	8.8	29
432 ..	19	MED	OTHER MENTAL DISORDER DIAGNOSES	.7276	4.4	7.1	27
433 ..	20	MED	ALCOHOL/DRUG ABUSE OR DEPENDENCE, LEFT AMA.	.3534	2.8	4.2	26
434 ..	20	MED	ALC/DRUG ABUSE OR DEPENDENCE, DETOX OR OTHER SYMPT TRT WITH CC.	.7307	5.1	6.9	28
435 ..	20	MED	ALC/DRUG ABUSE OR DEPENDENCE, DETOX OR OTHER SYMPT TRT W/O CC.	.4531	4.2	5.8	27
436 ..	20	MED	ALC/DRUG DEPENDENCE W REHABILITATION THERAPY.	.9758	15.1	17.8	38
437 ..	20	MED	ALC/DRUG DEPENDENCE, COMBINED REHAB AND DETOX THERAPY.	1.0013	12.8	15.1	36
438 ..	.....		NO LONGER VALID	.0000	.0	.0	0
439 ..	21	SURG	SKIN GRAFTS FOR INJURIES	1.3752	6.0	9.8	29
440 ..	21	SURG	WOUND DEBRIDEMENTS FOR INJURIES	1.7029	7.6	11.8	31
441 ..	21	SURG	HAND PROCEDURES FOR INJURIES	.7123	2.2	3.6	25
442 ..	21	SURG	OTHER O.R. PROCEDURES FOR INJURIES WITH CC	1.9249	5.8	9.2	29
443 ..	21	SURG	OTHER O.R. PROCEDURES FOR INJURIES W/O CC	.7348	2.4	3.4	25
444 ..	21	MED	TRAUMATIC INJURY AGE > 17 W CC	.7418	4.9	6.5	28
445 ..	21	MED	TRAUMATIC INJURY AGE > 17 W/O CC	.4658	3.2	4.2	26
446 ..	21	MED [1]	TRAUMATIC INJURY AGE 0–17	.4954	2.4	2.4	22
447 ..	21	MED	ALLERGIC REACTIONS AGE >17	.4840	2.5	3.3	22
448 ..	21	MED [1]	ALLERGIC REACTIONS AGE 0–17	.3584	2.9	2.9	17
449 ..	21	MED	POISONING AND TOXIC EFFECTS OF DRUGS AGE >17 WITH CC.	.7947	3.8	5.4	27
450 ..	21	MED	POISONING AND TOXIC EFFECTS OF DRUGS AGE >17 W/O CC.	.4211	2.2	2.9	19
451 ..	21	MED	POISONING AND TOXIC EFFECTS OF DRUGS AGE 0–17.	1.0260	4.2	6.0	27
452 ..	21	MED	COMPLICATIONS OF TREATMENT WITH CC	.8204	4.0	5.8	27
453 ..	21	MED	COMPLICATIONS OF TREATMENT W/O CC	.4165	2.6	3.5	23
454 ..	21	MED	OTHER INJURY, POISONING AND TOXIC EFF DIAG WITH CC.	.9104	4.2	6.6	27
455 ..	21	MED	OTHER INJURY, POISONING AND TOXIC EFF DIAG W/O CC.	.4150	2.3	3.3	23
456 ..	22	MED	BURNS, TRANSFERRED TO ANOTHER ACUTE CARE FACILITY.	2.1829	5.1	10.5	28
457 ..	22	MED	EXTENSIVE BURNS W/O O.R. PROCEDURE	1.6787	2.7	5.4	26
458 ..	22	SURG	NON-EXTENSIVE BURNS W SKIN GRAFT	3.7710	15.1	21.7	38
459 ..	22	SURG	NON-EXTENSIVE BURNS W WOUND DEBRIDEMENT OR OTHER O.R. PROC.	2.0719	10.6	15.2	34
460 ..	22	MED	NON-EXTENSIVE BURNS W/O O.R. PROCEDURE	1.0526	6.0	8.7	29
461 ..	23	SURG	O.R. PROC W DIAGNOSES OF OTHER CONTACT W HEALTH SERVICES.	.8715	2.4	5.0	25
462 ..	23	MED	REHABILITATION	1.7238	13.5	17.0	36
463 ..	23	MED	SIGNS AND SYMPTOMS W CC	.7228	4.7	6.4	28
464 ..	23	MED	SIGNS AND SYMPTOMS W/O CC	.4584	2.9	3.8	25
465 ..	23	MED	AFTERCARE W HISTORY OF MALIGNANCY AS SECONDARY DIAGNOSIS.	.3639	1.9	2.9	19
466 ..	23	MED	AFTERCARE W/O HISTORY OF MALIGNANCY AS SECONDARY DIAGNOSIS.	.5402	2.4	4.3	25
467 ..	23	MED	OTHER FACTORS INFLUENCING HEALTH STATUS	.4097	2.5	4.9	25

TABLE 5.—LIST OF DIAGNOSIS RELATED GROUPS (DRGS), RELATIVE WEIGHTING FACTORS, GEOMETRIC MEAN LENGTH OF STAY, AND LENGTH OF STAY OUTLIER CUTOFF POINTS USED IN THE PROSPECTIVE PAYMENT SYSTEM—Continued

				Relative weights	Geometric mean LOS	Arithmetic mean LOS	Outlier threshold
468 ..	.....		EXTENSIVE O.R. PROCEDURE UNRELATED TO PRINCIPAL DIAGNOSIS.	3.4738	12.9	18.4	36
469 ..	.....	(2)	PRINCIPAL DIAGNOSIS INVALID AS DISCHARGE DIAGNOSIS.	.0000	.0	.0	0
470 ..	.....	(2)	UNGROUPABLE	.0000	.0	.0	0
471 ..	08	SURG	BILATERAL OR MULTIPLE MAJOR JOINT PROCS OF LOWER EXTREMITY.	3.8676	10.6	12.4	34
472 ..	22	SURG	EXTENSIVE BURNS W O.R. PROCEDURE	11.7320	17.7	30.9	41
473 ..	17	MED	ACUTE LEUKEMIA W/O MAJOR O.R. PROCEDURE AGE >17.	3.5674	9.5	16.9	33
474 ..	04		NO LONGER VALID	.0000	.0	.0	0
475 ..	04	MED	RESPIRATORY SYSTEM DIAGNOSIS WITH VENTILATOR SUPPORT.	3.7201	9.8	14.2	33
476 ..	.....		PROSTATIC O.R. PROCEDURE UNRELATED TO PRINCIPAL DIAGNOSIS.	2.2246	13.4	16.6	36
477 ..	.....		NON-EXTENSIVE O.R. PROCEDURE UNRELATED TO PRINCIPAL DIAGNOSIS.	1.4653	6.0	9.9	29
478 ..	05	SURG	OTHER VASCULAR PROCEDURES W CC	2.1886	6.6	9.9	30
479 ..	05	SURG	OTHER VASCULAR PROCEDURES W/O CC	1.2715	3.9	5.2	27
480 ..	.....	SURG	LIVER TRANSPLANT	18.1690	27.0	36.3	50
481 ..	.....	SURG	BONE MARROW TRANSPLANT	13.7690	35.3	38.4	58
482 ..	.....	SURG	TRACHEOSTOMY FOR FACE, MOUTH AND NECK DIAGNOSES.	3.5092	13.3	17.4	36
483 ..	.....	SURG	TRACHEOSTOMY EXCEPT FOR FACE, MOUTH AND NECK DIAGNOSES.	16.7948	43.2	55.6	66
484 ..	24	SURG	CRANIOTOMY FOR MULTIPLE SIGNIFICANT TRAUMA	5.7234	13.7	21.2	37
485 ..	24	SURG	LIMB REATTACH., HIP AND FEMUR PROCS FOR MULTI SIGN TRAUMA.	3.1528	12.3	15.7	35
486 ..	24	SURG	OTHER O.R. PROCEDURES FOR MULTIPLE SIGNIFICANT TRAUMA.	4.6634	10.3	16.5	33
487 ..	24	MED	OTHER MULTIPLE SIGNIFICANT TRAUMA	1.9084	7.3	11.1	30
488 ..	25	SURG	HIV W EXTENSIVE O.R. PROCEDURE	4.4734	15.8	21.8	39
489 ..	25	MED	HIV W MAJOR RELATED CONDITION	1.8551	8.7	13.4	32
490 ..	25	MED	HIV W OR W/O OTHER RELATED CONDITION	1.1264	5.3	8.4	28
491 ..	08	SURG	MAJOR JOINT AND LIMB REATTACHMENT PROCEDURES—UPPER EXTREMITY.	1.6134	5.0	6.0	28
492 ..	17	MED	CHEMOTHERAPY WITH ACUTE LEUKEMIA AS SECONDARY DIAGNOSIS.	3.6142	11.0	17.2	34
493 ..	07	SURG	LAPAROSCOPIC CHOLECYSTECTOMY W/O C.D.E. WITH CC.	1.5282	4.3	6.2	27
494 ..	07	SURG	LAPAROSCOPIC CHOLECYSTECTOMY W/O C.D.E. W/O CC.	.8225	1.7	2.3	13

[1] Medicare data have been supplemented by data from Maryland and Michigan for low volume DRGS.
[2] DRGS 469 and 470 contain cases which could not be assigned to valid DRGS.
Note: Geometric mean is used only to determine payment for transfer cases.
Note: Arithmetic mean is used only to determine payment for outlier cases.
Note: Relative weights are based on Medicare patient data and may not be appropriate for other patients.

TABLE 6A.—NEW DIAGNOSIS CODES

Diagnosis code	Description	CC	MDC	DRG
077.98	Unspecified disease of conjunctiva due to Chlamydia	N	02	46, 47, 48
077.99	Unspecified diseases of conjunctiva due to viruses	N	02	46, 47, 48
078.10	Other diseases due to viruses and Chlamydiae, viral warts, unspecified	N	09	283, 284
078.11	Other diseases due to viruses and Chlamydiae, Condyloma acuminatum	N	09	283, 284
078.19	Other diseases due to viruses and Chlamydiae, other specified viral warts	N	09	283, 284
078.88	Other diseases due to Chlamydia	N	18	421, 422
079.4	Human papilloma virus	N	18	421, 422
079.50	Retrovirus, unspecified	N	18	421, 422
079.51	Human T-cell lymphotrophic virus, type I [HTLV-I]	N	18	421, 422
079.52	Human T-cell lymphotrophic virus, type II [HTLV-II]	N	18	421, 422
079.53	Human immunodeficiency virus, type 2 [HIV 2]	N	18	421, 422
079.59	Other specified retrovirus	N	18	421, 422
079.88	Other specified chlamydial infections	N	18	421, 422
079.89	Other specified viral infections	N	18	421, 422

TABLE 6A.—NEW DIAGNOSIS CODES—Continued

Diagnosis code	Description	CC	MDC	DRG
079.98	Unspecified chlamydial infections	N	18	421, 422
			25	490
079.99	Unspecified viral infections	N	18	421, 422
			25	490
088.82	Babesiosis	N	18	423
114.4	Chronic pulmonary coccidioidomycosis	N	04	79, 80, 81
			25	489
114.5	Pulmonary coccidioidomycosis, unspecified	N	04	79, 80, 81
			25	489
250.02	Diabetes mellitus without mention of complication, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	10	294, 295
250.03	Diabetes mellitus without mention of complication, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	10	294, 295
250.12	Diabetes with ketoacidosis, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	10	294, 295
250.13	Diabetes with ketoacidosis, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	10	294, 295
250.22	Diabetes with hyperosmolarity coma, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	10	294, 295
250.23	Diabetes with hyperosmolarity coma, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	10	294, 295
250.32	Diabetes with other coma, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	10	294, 295
250.33	Diabetes with other coma, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	10	294, 295
250.42	Diabetes with renal manifestations, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	11	331, 332, 333
250.43	Diabetes with renal manifestations, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	11	331, 332, 333
250.52	Diabetes with ophthalmic manifestations, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	02	46, 47, 48
250.53	Diabetes with ophthalmic manifestations, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	02	46, 47, 48
250.62	Diabetes with neurological manifestations, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	01	18, 19
250.63	Diabetes with neurological manifestations, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	01	18, 19
250.72	Diabetes with peripheral circulatory disorders, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	05	130, 131
250.73	Diabetes with peripheral circulatory disorders, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	05	130, 131
250.82	Diabetes with other specified manifestations, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	10	294, 295
250.83	Diabetes with other specified manifestations, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	10	294, 295
250.92	Diabetes with unspecified complication, type II [non-insulin dependent type] [NIDDM type] [adult-onset type] or unspecified type, uncontrolled.	Y	10	294, 295
250.93	Diabetes with unspecified complication, type I [insulin dependent type] [IDDM] [juvenile type], uncontrolled.	Y	10	294, 295
283.10	Non-auto-immune hemolytic anemia, unspecified	Y	15	[1]387, 389, 395,
			16	396, 490
			25	
283.11	Hemolytic uremic syndrome	Y	15	[1]387, 389, 395,
			16	396, 490
			25	
283.19	Other non-autoimmune hemolytic anemias	Y	15	[1]387, 389, 395,
			16	396, 490
			25	
337.20	Reflex sympathetic dystrophy, unspecified	N	01	18, 19
337.21	Reflex sympathetic dystrophy of the upper limb	N	01	18, 19
337.22	Reflex sympathetic dystrophy of the lower limb	N	01	18, 19
337.29	Reflex sympathetic dystrophy of other specified site	N	01	18, 19
344.81	Other specified paralytic syndromes, locked-in state	N	01	34, 35
344.89	Other specified paralytic syndromes, other specified paralytic syndrome	N	01	34, 35
355.71	Causalgia of lower limb	N	01	18, 19
355.79	Other mononeuritis of lower limb	N	01	18, 19
433.00	Occlusion and stenosis of basilar artery, without mention of cerebral infarction	N	01	15
433.01	Occlusion and stenosis of basilar artery, with cerebral infarction	Y	01	14
			15	[1]387, 389
433.10	Occlusion and stenosis of carotid artery, without mention of cerebral infarction	N	01	15

TABLE 6A.—NEW DIAGNOSIS CODES—Continued

Diagnosis code	Description	CC	MDC	DRG
433.11	Occlusion and stenosis of carotid artery, with cerebral infarction	Y	01	14
			15	[1]387, 389
433.20	Occlusion and stenosis of vertebral artery, without mention of cerebral infarction	N	01	15
433.21	Occlusion and stenosis of vertebral artery, with cerebral infarction	Y	01	14
			15	[1]387, 389
433.30	Occlusion and stenosis of multiple and bilateral arteries, without mention of cerebral infarction.	N	01	15
433.31	Occlusion and stenosis of multiple and bilateral arteries, with cerebral infarction	Y	01	14
			15	[1]387, 389
433.80	Occlusion and stenosis of other specified precerebral artery, without mention of cerebral infarction.	N	01	15
433.81	Occlusion and stenosis of other specified precerebral artery, with cerebral infarction	Y	01	14
			15	[1]387, 389
433.90	Occlusion and stenosis of unspecified precerebral artery, without mention of cerebral infarction.	N	01	15
433.91	Occlusion and stenosis of unspecified precerebral artery, with cerebral infarction	Y	01	14
			15	[1]387, 389
434.00	Cerebral thrombosis without mention of cerebral infarction	N	01	15
			15	[1]387, 389
434.01	Cerebral thrombosis with cerebral infarction	Y	01	14
			15	[1]387, 389
434.10	Cerebral embolism without mention of cerebral infarction	N	01	15
			15	[1]387, 389
434.11	Cerebral embolism with cerebral infarction	Y	01	14
			15	[1]387, 389
434.90	Cerebral artery occlusion, unspecified, without mention of cerebral infarction	N	01	15
			15	[1]387, 389
434.91	Cerebral artery occlusion, unspecified, with cerebral infarction	Y	01	14
			15	[1]387, 389
440.23	Atherosclerosis of the extremities with ulceration	N	05	130, 131
440.24	Atherosclerosis of the extremities with gangrene	Y	05	130, 131
			15	[1]387, 389
440.29	Other atherosclerosis of the extremities	N	05	130, 131
441.6	Thoracoabdominal aneurysm, ruptured.	Y	05	130, 131
441.7	Thoracoabdominal aneurysm, without mention of rupture	N	05	130, 131
451.82	Phlebitis and thrombophlebitis of superficial veins of the upper extremities	N	05	130, 131
451.83	Phlebitis and thrombophlebitis of deep veins of the upper extremities	N	05	130, 131
451.84	Phlebitis and thrombophlebitis of the upper extremities, unspecified	N	05	130, 131
530.10	Esophagitis, unspecified	N	06	182, 183, 184
530.11	Reflux esophagitis	N	06	182, 183, 184
530.19	Other esophagitis	N	06	182, 183, 184
530.81	Esophageal reflux	N	06	182, 183, 184
530.82	Esophageal hemorrhage	Y	06	174, 175
530.83	Esophageal leukoplakia	N	06	182, 183, 184
530.84	Tracheoesophageal fistula	Y	06	182, 183, 184
			15	[1]387, 389
530.89	Other specified disorders of the esophagus	N	06	182, 183, 184
704.02	Telogen effluvim	N	09	283, 284
733.10	Pathologic fracture, unspecified site	Y	08	239
			15	[1]387, 389
733.11	Pathologic fracture of the humerus	Y	08	239
			15	[1]387, 389
733.12	Pathologic fracture of distal radius and ulna	Y	08	239
			15	[1]387, 389
733.13	Pathologic fracture of vertebrae	Y	08	239
			15	[1]387, 389
733.14	Pathologic fracture of neck of femur	Y	08	239
			15	[1]387, 389
733.15	Pathologic fracture of other specified part of femur	Y	08	239
			15	[1]387, 389
733.16	Pathologic fracture of tibia or fibula	Y	08	239
			15	[1]387, 389
733.19	Pathologic fracture of other specified site	Y	08	239
			15	[1]387, 389
747.60	Anomaly of the peripheral vascular system, unspecified site	N	05	130, 131
747.61	Gastrointestinal vessel anomaly	N	05	130, 131
747.62	Renal vessel anomaly	N	05	130, 131
747.63	Upper limb vessel anomaly	N	05	130, 131
747.64	Lower limb vessel anomaly	N	05	130, 131
747.69	Anomalies of other specified sites of peripheral vascular system	N	05	130, 131
747.82	Spinal vessel anomaly	N	01	34, 35

TABLE 6A.—NEW DIAGNOSIS CODES—Continued

Diagnosis code	Description	CC	MDC	DRG
780.03	Persistent vegetative state	Y	01	23
			15	[1]387, 389
788.20	Retention of urine, unspecified	Y	11	325, 326, 327
			15	[1]387, 389
788.21	Incomplete bladder emptying	N	11	325, 326, 327
			15	[1]387, 389
788.29	Other specified retention of urine	Y	11	325, 326, 327
			15	[1]387, 389
788.41	Urinary frequency	N	11	325, 326, 327
788.42	Polyuria	N	11	325, 326, 327
788.43	Nocturia	N	11	325, 326, 327
788.61	Splitting of urinary stream	N	11	325, 326, 327
788.62	Slowing of urinary stream	N	11	325, 326, 327
788.69	Other abnormality of urination	N	11	325, 326, 327
790.91	Abnormal arterial blood gases	N	23	463, 464
790.92	Abnormal coagulation profile	N	23	463, 464
790.93	Elevated prostate specific antigen	N	23	463, 464
790.99	Other nonspecific findings on examination of blood	N	23	463, 464
925.1	Crushing injury of face and scalp	Y	21	444, 445, 446
			24	[2]487
				482
925.2	Crushing injury of neck	Y	21	444, 445, 446
			24	[2]487
				482
995.60	Anaphylactic shock due to unspecified food	N	21	447, 448
995.61	Anaphylactic shock due to peanuts	N	21	447, 448
995.62	Anaphylactic shock due to crustaceans	N	21	447, 448
995.63	Anaphylactic shock due to fruits and vegetables	N	21	447, 448
995.64	Anaphylactic shock due to tree nuts and seeds	N	21	447, 448
995.65	Anaphylactic shock due to fish	N	21	447, 448
995.66	Anaphylactic shock due to food additives	N	21	447, 448
995.67	Anaphylactic shock due to milk products	N	21	447, 448
995.68	Anaphylactic shock due to eggs	N	21	447, 448
995.69	Anaphylactic shock due to other specified food	N	21	447, 448
V05.3	[Need for] inoculation against viral hepatitis	N	23	467
V05.4	[Need for] inoculation against varicella	N	23	467
V09.0	Infection with microorganisms resistant to penicillins	N	18	423
V09.1	Infection with microorganisms resistant to cephalosporins and other B-lactam antibiotics.	N	18	423
V09.2	Infection with microorganisms resistant to macrolides	N	18	423
V09.3	Infection with microorganisms resistant to tetracyclines	N	18	423
V09.4	Infection with microorganisms resistant to aminoglycosides	N	18	423
V09.50	Infection with microorganisms resistant to quinolones and fluoroquinolones, without mention of resistance to multiple quinolones and fluoroquinolones.	N	18	423
V09.51	Infection with microorganisms resistant to quinolones and fluoroquinolones, with resistance to multiple quinolones and fluoroquinolones.	N	18	423
V09.6	Infection with microorganisms resistant to sulfonamides	N	18	423
V09.70	Infection with microorganisms resistant to other specified antimicrobial agents, without mention of resistance to multiple antimycobacterial agents.	N	18	423
V09.71	Infection with microorganisms resistant to other specified antimicrobial agents, with resistance to multiple antimycobacterial agents.	N	18	423
V09.80	Infection with microorganisms resistant to other specified drugs, without mention of resistance to multiple drugs.	N	18	423
V09.81	Infection with microorganisms resistant to other specified drugs, with resistance to multiple drugs.	N	18	423
V09.90	Infection with drug-resistant microorganisms, unspecified, without mention of multiple drug resistance.	N	18	423
V09.91	Infection with drug-resistant microorganisms, unspecified, with multiple drug resistance	N	18	423
V72.81	Pre-operative cardiovascular examination	N	23	467
V72.82	Pre-operative respiratory examination	N	23	467
V72.83	Other specified pre-operative examination	N	23	467
V72.84	Pre-operative examination, unspecified	N	23	467
V72.85	Other specified examination	N	23	467
V73.88	Special screening examination for other specified chamydial diseases	N	23	467
V73.89	Special screening examination for other specified viral diseases	N	23	467
V73.98	Special screening examination for unspecified chamydial disease	N	23	467
V73.99	Special screening examination for unspecified viral disease	N	23	467

[1] Diagnosis code is classified as a "major problem" in these DRGs.
[2] Diagnosis code is assigned to the "significant head trauma" body site category.

TABLE 6B.—NEW PROCEDURE CODES

Procedure code	Description	OR	MDC	DRG
54.25	Peritoneal lavage	N		

TABLE 6C.—INVALID DIAGNOSIS CODES[1]

Diagnosis code	Description	CC	MDC	DRG
077.9	Unspecified diseases of conjunctiva due to viruses and Chlamydiae	N	02	46, 47, 48.
078.1	Other diseases due to viruses and Chlamydiae, viral warts	N	09	283, 284.
079.8	Other specified viral and Chlamydial infections	N	18	421, 422.
079.9	Unspecified viral and Chlamydial infections	N	18	421, 422,
			25	490.
283.1	Non-autoimmune hemolytic anemias	Y	15	[2]387, 389.
			16	395, 396.
			25	490.
344.8	Other specified paralytic syndromes	N	01	34, 35.
355.7	Other mononeuritis of lower limb	N	01	18, 19.
433.0	Occlusion and stenosis of the basilar artery	Y	01	15.
433.1	Occlusion and stenosis of the carotid artery	Y	01	15.
433.2	Occlusion and stenosis of the vertebral artery	Y	01	15.
433.3	Occlusion and stenosis of multiple and bilateral precerebral arteries	Y	01	15.
433.8	Occlusion and stenosis of other specified precerebral artery	N	01	15.
433.9	Occlusion and stenosis of unspecified precerebral artery	N	01	15.
434.0	Cerebral thrombosis	Y	01	14.
			15	[2]387, 389.
434.1	Cerebral embolism	Y	01	14.
			15	[2]387, 389.
434.9	Cerebral artery occlusion, unspecified	Y	01	14
			15	[2]387, 389.
530.1	Esophagitis	N	06	182, 183, 184.
530.8	Other specified disorders of esophagus	N	06	182, 183, 184.
665.12	Rupture of uterus during labor, delivered, with mention of postpartum complication	Y	14	370, 371, 372,
				373, 374, 375.
665.14	Rupture of uterus during labor, postpartum condition or complication	Y	14	376, 377.
733.1	Pathological fracture	Y	08	239.
			15	[2]387, 389
747.6	Other anomalies of peripheral vascular system	N	05	130, 131
788.2	Retention of urine	Y	11	325, 326, 327.
			15	[2]387, 389.
788.4	Frequency of urination and polyuria	N	11	325, 326, 327.
788.6	Other abnormality of urination	N	11	325, 326, 327.
790.9	Other nonspecific findings on examination of blood	N	23	463, 464.
925	Crushing injury of face, scalp and neck	Y	21	444, 445, 446,
			24	487.
V72.8	Other special examinations	N	23	467.
V73.8	Special screening examination for other specified viral and Chlamydial diseases	N	23	467.
V73.9	Special screening examination for unspecified viral disease	N	23	467.

[1] See Table 6a for new diagnosis codes (4- or 5-digits) that will be considered valid by the FY 1993 GROUPER.
[2] Diagnosis code is classified as a "major problem" in these DRGs.

TABLE 6d.—REVISED DIAGNOSIS CODE TITLES

Diagnosis code	Description	CC	MDC	DRG
078.5	Cytomegaloviral disease	N	18	421, 422.
078.89	Other specified diseases due to viruses	N	18	421, 422.
250.00	Diabetes mellitus without mention of complication, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	10	294, 295.
250.01	Diabetes mellitus without mention of complication, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	10	294, 295.
250.10	Diabetes with ketoacidosis, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	10	294, 295.
250.11	Diabetes with ketoacidosis, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	10	294, 295.
250.20	Diabetes with hyperosmolarity coma, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	10	294, 295.
250.21	Diabetes with hyperosmolarity coma, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	10	294, 295.

TABLE 6d.—REVISED DIAGNOSIS CODE TITLES—Continued

Diagnosis code	Description	CC	MDC	DRG
250.30	Diabetes with other coma, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	10	294, 295.
250.31	Diabetes with other coma, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	10	294, 295.
250.40	Diabetes with renal manifestations, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	11	331, 332, 333.
250.41	Diabetes with renal manifestations, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	11	331, 332, 333.
250.50	Diabetes with ophthalmic manifestations, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	02	46, 47, 48.
250.51	Diabetes with ophthalmic manifestations, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	02	46, 47, 48.
250.60	Diabetes with neurological manifestations, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	01	18, 19.
250.61	Diabetes with neurological manifestations, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	01	18, 19.
250.70	Diabetes with peripheral circulatory disorders, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	05	130, 131.
250.71	Diabetes with peripheral circulatory disorders, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	05	130, 131
250.80	Diabetes with other specified manifestations, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	10	294, 295.
250.81	Diabetes with other specified manifestations, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	10	294, 295.
250.90	Diabetes with unspecified complication, type II [non-insulin dependent type] [NIDDM] [adult-onset type] or unspecified type, not stated as controlled	N	10	294, 295.
250.91	Diabetes with unspecified complication, type I [insulin dependent type] [IDDM] [juvenile type], not stated as controlled	Y	10	294, 295.
251.1	Other specified hypoglycemia	N	10	300, 301.
302.0	Ego-dystonic homosexuality	N	19	432.
354.4	Causalgia of upper limb	N	01	18, 19.
451.11	Phlebitis and thrombophlebitis of femoral vein (deep) (superficial)	Y	05	128.
493.20	Chronic obstructive asthma, without mention of status asthmaticus	Y	04	88.
493.21	Chronic obstructive asthma, with status asthmaticus	Y	04	88.
788.33	Mixed incontinence (male) (female)	N	11	325, 326, 327.
790.7	Bacteremia	Y	18	416, 417.
795.5	Nonspecific reaction to tuberculin skin test without active tuberculosis	N	04	79, 80, 81.

TABLE 6E.—REVISED PROCEDURE CODE TITLES

Procedure code	Description	OR	MDC	DRG
33.26	Closed [percutaneous] [needle] biopsy of lung	N		
86.72	Advancement of pedicle graft	Y	01	7, 8.
			03	63.
			05	120.
			06	170, 171.
			08	217.
			09	263, 264, 265, 266.
			10	287.
			21	439.
			22	458, 472.
			24	486.

TABLE 6F.—ADDITIONS TO THE CC EXCLUSIONS LIST

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CCs that are added to the list are in Table 6f—Additions to the CC Exclusions List. Each of the principal diagnoses is shown with an asterisk, and the revisions to the CC Exclusions List are provided in an indented column immediately following the affected principal diagnosis.

*0700	05609	07030	07051	0720	07279	25012	25032
78003	05671	07031	07052	0721	0728	25013	25033
*0701	05679	07041	07053	0722	*1144	25020	25040
78003	0568	07042	07059	0723	1140	25021	25041
*07020	07020	07043	0706	07271	*1145	25022	25042
78003	07021	07049	0709	07272	1140	25023	25043
*07021	07030	07051	0720	07279	*25000	25030	25050
78003	07031	07052	0721	0728	25002	25031	25051
*07030	07041	07053	0722	*07999	25003	25032	25052
78003	07042	07059	0723	0520	25012	25033	25053
*07031	07043	0706	07271	0521	25013	25040	25060
78003	07049	0709	07272	0527	25022	25041	25061
*07041	07051	0720	07279	0528	25023	25042	25062
78003	07052	0721	0728	0529	25032	25043	25063
*07042	07053	0722	*07998	0530	25033	25050	25070
78003	07059	0723	0520	05310	25042	25051	25071
*07043	0706	07271	0521	05311	25043	25052	25072
78003	0709	07272	0527	05312	25052	25053	25073
*07049	0720	07279	0528	05313	25053	25060	25080
78003	0721	0728	0529	05319	25062	25061	25081
*07051	0722	*07989	0530	05379	25063	25062	25082
78003	0723	0520	05310	0538	25072	25063	25083
*07052	07271	0521	05311	05479	25073	25070	25090
78003	07272	0527	05312	0548	25082	25071	25091
*07053	07279	0528	05313	0550	25083	25072	25092
78003	0728	0529	05319	0551	25092	25073	25093
*07059	*07988	0530	05379	0552	25093	25080	2510
78003	0520	05310	0538	05571	78003	25081	2513
*0706	0521	05311	05479	05579	*25001	25082	2580
78003	0527	05312	0548	0558	25002	25083	2581
*0709	0528	05313	0550	05600	25003	25090	2588
78003	0529	05319	0551	05601	25012	25091	2589
*07888	0530	05379	0552	05609	25013	25092	78001
0520	05310	0538	05571	05671	25022	25093	78003
0521	05311	05479	05579	05679	25023	2510	*25010
0527	05312	0548	0558	0568	25032	2513	25002
0528	05313	0550	05600	07020	25033	2580	25003
0529	05319	0551	05601	07021	25042	2581	25012
0530	05379	0552	05609	07030	25043	2588	25013
05310	0538	05571	05671	07031	25052	2589	25022
05311	05479	05579	05679	07041	25053	78001	25023
05312	0548	0558	0568	07042	25062	78003	25032
05313	0550	05600	07020	07043	25063	*25003	25033
05319	0551	05601	07021	07049	25072	25001	25042
05379	0552	05609	07030	07051	25073	25002	25043
0538	05571	05671	07031	07052	25082	25003	25052
05479	05579	05679	07041	07053	25083	25010	25053
0548	0558	0568	07042	07059	25092	25011	25062
0550	05600	07020	07043	0706	25093	25012	25063
0551	05601	07021	07049	0709	78003	25013	25072
0552	05609	07030	07051	0720	*25002	25020	25073
05571	05671	07031	07052	0721	25001	25021	25082
05579	05679	07041	07053	0722	25002	25022	25083
0558	0568	07042	07059	0723	25003	25023	25092
05600	07020	07043	0706	07271	25010	25030	25093
05601	07021	07049	0709	07272	25011	25031	78003

*25011	25082	2580	25012	25032	*25031	25082	2580
25002	25083	2581	25013	25033	25002	25083	2581
25003	25090	2588	25020	25040	25003	25090	2588
25012	25091	2589	25021	25041	25012	25091	2589
25013	25092	78001	25022	25042	25013	25092	78001
25022	25093	78003	25023	25043	25022	25093	78003
25023	2510	*25020	25030	25050	25023	2510	*25040
25032	2513	25002	25031	25051	25032	2513	25002
25033	2580	25003	25032	25052	25033	2580	25003
25042	2581	25012	25033	25053	25042	2581	25012
25043	2588	25013	25040	25060	25043	2588	25013
25052	2589	25022	25041	25061	25052	2589	25022
25053	78001	25023	25042	25062	25053	78001	25023
25062	78003	25032	25043	25063	25062	78003	25032
25063	*25013	25033	25050	25070	25063	*25033	25033
25072	25001	25042	25051	25071	25072	25001	25042
25073	25002	25043	25052	25072	25073	25002	25043
25082	25003	25052	25053	25073	25082	25003	25052
25083	25010	25053	25060	25080	25083	25010	25053
25092	25011	25062	25061	25081	25092	25011	25062
25093	25012	25063	25062	25082	25093	25012	25063
78003	25013	25072	25063	25083	78003	25013	25072
*25012	25020	25073	25070	25090	*25032	25020	25073
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25002	25022	25083	25072	25092	25002	25022	25083
25003	25023	25092	25073	25093	25003	25023	25092
25010	25030	25093	25080	2510	25010	25030	25093
25011	25031	78003	25081	2513	25011	25031	78003
25012	25032	*25021	25082	2580	25012	25032	*25041
25013	25033	25002	25083	2581	25013	25033	25002
25020	25040	25003	25090	2588	25020	25040	25003
25021	25041	25012	25091	2589	25021	25041	25012
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25042	25062	25053	78001	25023	25042	25062	25053
25043	25063	25062	78003	25032	25043	25063	25062
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25073	25093	25003	25023	25092	25073	25093	25003
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25061	25030	78003	25023	25040	78003	25081	34541
25062	25031	*25050	25030	25041	*25061	25082	34551
25063	25032	25002	25031	25042	25002	25083	34561
25070	25033	25003	25032	25043	25003	25090	34571
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25072	25041	25013	25040	25051	25013	25092	34591
25073	25042	25022	25041	25052	25022	25093	3481
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28262	*2832	3359	78003	43321	43411	4512	45620
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53220	5781	53082	53082	53082	78820	*73310	80669
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80072	80142	80229	80349	80419	80489	85150	85220
80073	80143	80230	80350	80420	80490	85151	85221
80074	80144	80231	80351	80421	80491	85152	85222
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80076	80146	80233	80353	80423	80493	85154	85224
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80081	80151	80236	80356	80426	80496	85159	85229
80082	80152	80237	80359	80429	80499	85160	85230
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80085	80155	8024	80362	80432	8502	85163	85233
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80103	80173	80310	80380	80450	85111	85181	85251
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80115	80185	80322	80392	80462	85123	85193	85303
80116	80186	80323	80393	80463	85124	85194	85304
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80120	80190	80325	80395	80465	85126	85196	85306

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85315	80042	80112	80182	80319	80389	80459	85120
85316	80043	80113	80183	80320	80390	80460	85121
85319	80044	80114	80184	80321	80391	80461	85122
85400	80045	80115	80185	80322	80392	80462	85123
85401	80046	80116	80186	80323	80393	80463	85124
85402	80049	80119	80189	80324	80394	80464	85125
85403	80050	80120	80190	80325	80395	80465	85126
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85409	80054	80124	80194	80331	80401	80471	85132
85410	80055	80125	80195	80332	80402	80472	85133
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85419	80064	80134	80223	80341	80411	80481	85142
9251	80065	80135	80224	80342	80412	80482	85143
9252	80066	80136	80225	80343	80413	80483	85144
*9252	80069	80139	80226	80344	80414	80484	85145
80000	80070	80140	80227	80345	80415	80485	85146
80001	80071	80141	80228	80346	80416	80486	85149
80002	80072	80142	80229	80349	80419	80489	85150
80003	80073	80143	80230	80350	80420	80490	85151
80004	80074	80144	80231	80351	80421	80491	85152
80005	80075	80145	80232	80352	80422	80492	85153
80006	80076	80146	80233	80353	80423	80493	85154
80009	80079	80149	80234	80354	80424	80494	85155
80010	80080	80150	80235	80355	80425	80495	85156
80011	80081	80151	80236	80356	80426	80496	85159
80012	80082	80152	80237	80359	80429	80499	85160
80013	80083	80153	80238	80360	80430	8500	85161
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80016	80086	80156	8025	80363	80433	8503	85164
80019	80089	80159	8026	80364	80434	8504	85165
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80021	80091	80161	8028	80366	80436	8509	85169
80022	80092	80162	8029	80369	80439	85100	85170
80023	80093	80163	80300	80370	80440	85101	85171
80024	80094	80164	80301	80371	80441	85102	85172
80025	80095	80165	80302	80372	80442	85103	85173
80026	80096	80166	80303	80373	80443	85104	85174
80029	80099	80169	80304	80374	80444	85105	85175
80030	80100	80170	80305	80375	80445	85106	85176
80031	80101	80171	80306	80376	80446	85109	85179
80032	80102	80172	80309	80379	80449	85110	85180
80033	80103	80173	80310	80380	80450	85111	85181

85182	85252	9251	6809	6801	03841	6828	6809
85183	85253	9252	6820	6802	03842	6829	6820
85184	85254	*V090	6821	6803	03843	*V096	6821
85185	85255	0380	6822	6804	03844	0380	6822
85186	85256	0381	6823	6805	03849	0381	6823
85189	85259	0382	6825	6806	0388	0382	6825
85190	85300	0383	6826	6807	0389	0383	6826
85191	85301	03840	6827	6808	6800	03840	6827
85192	85302	03841	6828	6809	6801	03841	6828
85193	85303	03842	6829	6820	6802	03842	6829
85194	85304	03843	*V092	6821	6803	03843	*V0971
85195	85305	03844	0380	6822	6804	03844	0380
85196	85306	03849	0381	6823	6805	03849	0381
85199	85309	0388	0382	6825	6806	0388	0382
85200	85310	0389	0383	6826	6807	0389	0383
85201	85311	6800	03840	6827	6808	6800	03840
85202	85312	6801	03841	6828	6809	6801	03841
85203	85313	6802	03842	6829	6820	6802	03842
85204	85314	6803	03843	*V094	6821	6803	03843
85205	85315	6804	03844	0380	6822	6804	03844
85206	85316	6805	03849	0381	6823	6805	03849
85209	85319	6806	0388	0382	6825	6806	0388
85210	85400	6807	0389	0383	6826	6807	0389
85211	85401	6808	6800	03840	6827	6808	6800
85212	85402	6809	6801	03841	6828	6809	6801
85213	85403	6820	6802	03842	6829	6820	6802
85214	85404	6821	6803	03843	*V0951	6821	6803
85215	85405	6822	6804	03844	0380	6822	6804
85216	85406	6823	6805	03849	0381	6823	6805
85219	85409	6825	6806	0388	0382	6825	6806
85220	85410	6826	6807	0389	0383	6826	6807
85221	85411	6827	6808	6800	03840	6827	6808
85222	85412	6828	6809	6801	03841	6828	6809
85223	85413	6829	6820	6802	03842	6829	6820
85224	85414	*V091	6821	6803	03843	*V0970	6821
85225	85415	0380	6822	6804	03844	0380	6822
85226	85416	0381	6823	6805	03849	0381	6823
85229	85419	0382	6825	6806	0388	0382	6825
85230	9251	0383	6826	6807	0389	0383	6826
85231	9252	03840	6827	6808	6800	03840	6827
85232	*9290	03841	6828	6809	6801	03841	6828
85233	9251	03842	6829	6820	6802	03842	6829
85234	9252	03843	*V093	6821	6803	03843	*V0980
85235	*9299	03844	0380	6822	6804	03844	0380
85236	9251	03849	0381	6823	6805	03849	0381
85239	9252	0388	0382	6825	6806	0388	0382
85240	*9588	0389	0383	6826	6807	0389	0383
85241	9251	6800	03840	6827	6808	6800	03840
85242	9252	6801	03841	6828	6809	6801	03841
85243	*9590	6802	03842	6829	6820	6802	03842
85244	9251	6803	03843	*V0950	6821	6803	03843
85245	9252	6804	03844	0380	6822	6804	03844
85246	*9598	6805	03849	0381	6823	6805	03849
85249	9251	6806	0388	0382	6825	6806	0388
85250	9252	6807	0389	0383	6826	6807	0389
85251	*9599	6808	6800	03840	6827	6808	6800

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*V0990	6821	
0380	6822	
0381	6823	
0382	6825	
0383	6826	
03840	6827	

TABLE 6g.—DELETIONS TO THE CC EXCLUSIONS LIST
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CCs that are deleted from the list are in Table 6g—Deletions to the CC Exclusions List. Each of the principal diagnoses is shown with an asterisk, and the revisions to the CC Exclusions List are provided in an indented column immediately following the affected principal diagnosis.

*0798	0530	4333	*2818	2831	4341	7882	66514
0520	05310	4340	2831	*2840	4349	*59654	*64691
0521	05311	4341	*2819	2831	436	7882	66512
0527	05312	4349	2831	*2848	*4341	*59655	66514
0528	05313	*25080	*2820	2831	4340	7882	*64693
0529	05319	4330	2831	*2849	4341	*59659	66512
0530	05379	4331	*2821	2831	4349	7882	66514
05310	0538	4332	2831	*2850	436	*5968	*64890
05311	05479	4333	*2822	2831	*4349	7882	66512
05312	0548	4340	2831	*2851	4340	*5969	66514
05313	0550	4341	*2823	2831	4341	7882	*64891
05319	0551	4349	2831	*2858	4349	*5996	66512
05379	0552	*25081	*2824	2831	436	7882	66514
0538	05571	4330	2831	*2859	*4350	*600	*64892
05479	05579	4331	*2825	2831	4330	7882	66512
0548	0558	4332	2831	*2898	*4351	*6010	66514
0550	05600	4333	*28260	2831	4332	7882	*64893
0551	05601	4340	2831	*2899	*436	*6011	66512
0552	05609	4341	*28261	2831	4340	7882	66514
05571	05671	4349	2831	*34461	4341	*6012	*64894
05579	05679	*25090	*28262	7882	4349	7882	66512
0558	0568	4330	2831	*3448	*45989	*6013	66514
05600	07020	4331	*28263	3432	4330	7882	*650
05601	07021	4332	2831	3440	4331	*6014	66512
05609	07030	4333	*28269	*4330	4332	7882	66514
05671	07031	4340	2831	4330	4333	*6018	*66500
05679	07041	4341	*2827	4331	4340	7882	66512
0568	07042	4349	2831	4332	4341	*6019	66514
07020	07043	*25091	*2828	4333	4349	7882	*66501
07021	07049	4330	2831	*4331	*4599	*6020	66512
07030	07051	4331	*2829	4330	4330	7882	66514
07031	07052	4332	2831	4331	4331	*6021	*66503
07041	07053	4333	*2830	4332	4332	7882	66512
07042	07059	4340	2831	4333	4333	*6022	66514
07043	0706	4341	*2831	*4332	4340	7882	*66510
07049	0709	4349	2800	4330	4341	*6028	66512
07051	0720	*27411	2814	4331	4349	7882	66514
07052	0721	7882	2818	4332	*5308	*6029	*66511
07053	0722	*2800	2824	4333	5304	7882	66512
07059	0723	2831	28260	*4333	5307	*64680	66514
0706	07271	*2801	28261	4330	9981	66512	*66512
0709	07272	2831	28262	4331	*5933	66514	66500
0720	07279	*2808	28263	4332	7882	*64681	66501
0721	0728	2831	28269	4333	*5934	66512	66503
0722	*25070	*2809	2830	*4338	7882	66514	66510
0723	4330	2831	2831	4330	*5935	*64682	66511
0727	4331	*2810	2832	4331	7882	66512	66512
0727	4332	2831	2839	4332	*5960	66514	66514
0727	4333	*2811	2840	4333	7882	*64683	*66514
0728	4340	2831	2848	*4339	*5964	66512	66500
*0799	4341	*2812	2849	4330	7882	66514	66501
0520	4349	2831	2850	4331	*59651	*64684	66503
0521	*25071	*2813	2851	4332	7882	66512	66510
0527	4330	2831	*2832	4333	*59652	66514	66511
0528	4331	*2814	2831	*4340	7882	*64690	66512
0529	4332	2831	*2839	4340	*59653	66512	66514

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80351	80421	80491	85152	85222	85412
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80354	80424	80494	85155	85225	85415
80355	80425	80495	85156	85226	85416
80356	80426	80496	85159	85229	85419
80359	80429	80499	85160	85230	925
80360	80430	8500	85161	85231	*9290
80361	80431	8501	85162	85232	925
80362	80432	8502	85163	85233	*9299
80363	80433	8503	85164	85234	925
80364	80434	8504	85165	85235	*9588
80365	80435	8505	85166	85236	925
80366	80436	8509	85169	85239	*9590
80369	80439	85100	85170	85240	925
80370	80440	85101	85171	85241	*9598
80371	80441	85102	85172	85242	925
80372	80442	85103	85173	85243	*9599
80373	80443	85104	85174	85244	925
80374	80444	85105	85175	85245	
80375	80445	85106	85176	85246	
80376	80446	85109	85179	85249	
80379	80449	85110	85180	85250	
80380	80450	85111	85181	85251	
80381	80451	85112	85182	85252	
80382	80452	85113	85183	85253	
80383	80453	85114	85184	85254	
80384	80454	85115	85185	85255	
80385	80455	85116	85186	85256	
80386	80456	85119	85189	85259	
80389	80459	85120	85190	85300	
80390	80460	85121	85191	85301	
80391	80461	85122	85192	85302	
80392	80462	85123	85193	85303	
80393	80463	85124	85194	85304	
80394	80464	85125	85195	85305	
80395	80465	85126	85196	85306	
80396	80466	85129	85199	85309	
80399	80469	85130	85200	85310	
80400	80470	85131	85201	85311	
80401	80471	85132	85202	85312	
80402	80472	85133	85203	85313	
80403	80473	85134	85204	85314	
80404	80474	85135	85205	85315	
80405	80475	85136	85206	85316	
80406	80476	85139	85209	85319	
80409	80479	85140	85210	85400	
80410	80480	85141	85211	85401	
80411	80481	85142	85212	85402	
80412	80482	85143	85213	85403	
80413	80483	85144	85214	85404	

TABLE 6H.—ADDITIONAL OR PROCEDURES THAT GROUP TO DRG 477

Code	Description
19.11	Stapedectomy with incus replacement.
19.19	Other stapedectomy.
19.9	Other repair of middle ear.
20.21	Incision of mastoid.
20.22	Incision of petrous pyramid air cells.
20.23	Incision of middle ear.
20.32	Biopsy of middle and inner ear.
20.39	Other diagnostic procedures on middle and inner ear.
21.62	Fracture of the turbinates.
21.72	Open reduction of nasal fracture.
21.82	Closure of nasal fistula.
21.83	Total nasal reconstruction.
27.21	Biopsy of bony palate.
27.22	Biopsy of uvula and soft palate.
27.31	Local excision or destruction of lesion or tissue of bony palate.
27.32	Wide excision or destruction of lesion or tissue of bony palate.
27.42	Wide excision of lesion of lip.
27.49	Other excision of mouth.
27.53	Closure of fistula of mouth.
27.54	Repair of cleft lip.
27.55	Full-thickness skin graft to lip and mouth.
27.56	Other skin graft to lip and mouth.
27.57	Attachment of pedicle or flap graft to lip and mouth.
27.59	Other plastic repair of mouth.
27.71	Incision of uvula.
27.72	Excision of uvula.
27.73	Repair of uvula.
27.79	Other operations on uvula.
27.92	Incision of mouth, unspecified structure.
27.99	Other operations on oral cavity.
38.59	Ligation and stripping of varicose veins, lower limb veins.
49.51	Left lateral anal sphincterotomy.
49.52	Posterior anal sphincterotomy.
49.6	Excision of anus.
54.29	Other diagnostic procedures on abdominal region.
64.49	Other repair of penis.
64.92	Incision of penis.
64.93	Division of penile adhesions.
71.22	Incision of Bartholin's gland (cyst).
71.24	Excision or other destruction of Bartholin's gland (cyst).
71.29	Other operations on Bartholin's gland.
77.56	Repair of hammer toe.
77.57	Repair of claw toe.
77.60	Local excision of lesion or tissue of bone, unspecified site.
77.61	Local excision of lesion or tissue of bone, scapula, clavicle, and thorax (ribs and sternum).
77.62	Local excision of lesion or tissue of bone, humerus.
77.63	Local excision of lesion or tissue of bone, radius and ulna.
77.64	Local excision of lesion or tissue of bone, carpals and metacarpals.
77.65	Local excision of lesion or tissue of bone, femur.
77.67	Local excision of lesion or tissue of bone, tibia and fibula.
77.98	Total ostectomy, tarsals and metatarsals.
78.60	Removal of implanted devices from bone, unspecified site.
78.61	Removal of implanted devices from bone, scapula, clavicle, and thorax (ribs and sternum).
78.63	Removal of implanted devices from bone, radius and ulna.
78.64	Removal of implanted devices from bone, carpals and metacarpals.
78.65	Removal of implanted devices from bone, femur.
78.68	Removal of implanted devices from bone, tarsals and metatarsals.
80.70	Synovectomy, unspecified site.
80.71	Synovectomy, shoulder.
80.72	Synovectomy, elbow.
80.73	Synovectomy, wrist.
80.74	Synovectomy, hand and finger.
80.75	Synovectomy, hip.
80.77	Synovectomy, ankle.
80.78	Synovectomy, foot and toe.
80.79	Synovectomy, other specified sites.
83.02	Myotomy.
83.19	Other division of soft tissue.
83.32	Excision of lesion of muscle.
83.5	Bursectomy.
83.62	Delayed suture of tendon.
83.63	Rotator cuff repair.

TABLE 6H.—ADDITIONAL OR PROCEDURES THAT GROUP TO DRG 477—Continued

Code	Description
83.64	Other suture of tendon.
83.65	Other suture of muscle or fascia.
85.93	Revision of implant of breast.
85.94	Removal of implant of breast.
85.95	Insertion of breast tissue expander.
85.96	Removal of breast tissue expander(s).
85.99	Other operations on the breast.
86.3	Other local excision or destruction of lesion or tissue of skin and subcutaneous tissue.
86.4	Radical excision of skin lesion.
86.62	Other skin graft to hand.

TABLE 7A.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY

[FY92 Medpar Update 12/92 Grouper V10.0]

DRG	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
001	30164	14.7300	4	6	11	18	30
002	5826	14.5872	4	6	10	18	29
003	1	7.0000	7	7	7	7	7
004	5478	12.2094	3	5	8	15	25
005	64109	6.3154	2	3	4	7	12
006	680	3.8029	1	1	2	3	8
007	6583	18.6301	3	6	11	21	39
008	2512	4.5414	1	1	3	6	10
009	1697	10.8326	2	4	7	12	21
010	20779	10.5049	2	4	7	13	22
011	3369	5.9074	1	2	4	8	12
012	20738	10.0572	2	4	7	11	18
013	5761	8.0415	3	4	6	10	14
014	348566	9.5224	2	4	7	11	18
015	134376	5.2610	2	3	4	6	9
016	10770	9.0028	2	4	6	10	17
017	2529	5.7564	2	3	4	7	11
018	16053	7.6719	2	3	6	9	14
019	6464	5.0922	1	2	4	6	10
020	7337	12.0695	3	5	9	15	24
021	1029	9.2099	3	4	7	12	18
022	9079	5.2816	2	3	4	6	10
023	3282	6.5491	1	2	4	7	13
024	56620	7.2607	2	3	5	8	14
025	21510	4.3325	1	2	3	5	8
026	41	6.0488	1	2	3	8	12
027	2880	7.5132	1	1	4	9	17
028	8691	8.9695	2	3	6	11	18
029	3310	5.0127	1	2	3	6	9
030	2	16.5000	1	1	32	32	32
031	3573	6.3375	1	2	4	7	12
032	2213	3.5712	1	1	2	4	7
034	14368	8.1714	2	3	6	10	16
035	3435	5.0160	1	2	4	6	10
036	18642	2.1138	1	1	2	2	4
037	2592	4.0995	1	1	2	5	9
038	606	2.7360	1	1	2	3	6
039	7551	1.9392	1	1	1	2	3
040	2707	3.3136	1	1	2	4	8
042	17808	2.4541	1	1	2	3	5
043	171	4.3333	1	2	4	5	7
044	1897	6.4760	3	4	5	8	11
045	2611	4.3118	1	2	4	5	8
046	2850	6.3316	1	2	4	7	12
047	1546	3.8868	1	1	3	5	7
049	2833	7.0798	1	3	5	8	14
050	4564	2.5502	1	1	2	3	4
051	485	2.9567	1	1	2	3	6
052	184	3.0761	1	1	2	3	7
053	5461	3.4177	1	1	2	3	8
054	3	2.6667	1	1	1	6	6
055	3192	2.8418	1	1	1	3	6
056	939	2.9904	1	1	2	3	6
057	647	5.2550	1	2	3	6	12

TABLE 7A.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V10.0]

DRG	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
058	1	1.0000	1	1	1	1	1
059	140	2.0143	1	1	1	2	3
060	1	5.0000	5	5	5	5	5
061	325	5.8000	1	1	2	6	14
063	4696	5.5138	1	2	3	6	11
064	3988	8.9814	1	3	6	11	19
065	33004	4.0100	1	2	3	5	7
066	7722	4.2107	1	2	3	5	7
067	471	4.8344	2	2	4	6	9
068	14674	5.7929	2	3	5	7	10
069	4502	4.3712	2	2	4	5	7
070	32	3.4688	1	1	3	4	9
071	155	4.6581	1	2	4	6	8
072	614	5.5179	1	2	3	6	10
073	6709	5.8457	1	2	4	7	11
075	34750	13.1138	5	7	10	16	25
076	42294	14.4704	4	7	11	18	28
077	3352	6.4010	1	2	4	9	13
078	26898	9.6811	4	7	9	12	16
079	159913	11.3796	4	6	9	14	21
080	8806	7.5603	3	4	6	9	13
081	6	13.6667	4	5	13	15	15
082	68854	9.3082	2	4	7	12	19
083	7203	7.5977	2	4	6	9	14
084	1715	4.3644	1	2	3	5	8
085	16799	8.6900	2	4	7	11	17
086	1566	5.1245	1	2	4	7	10
087	54092	7.8555	1	4	6	10	15
088	282168	7.2643	3	4	6	9	13
089	405858	8.4717	3	5	7	10	15
090	42868	5.9691	3	4	5	7	10
091	39	5.2564	1	2	4	6	10
092	9700	8.5081	3	4	7	11	16
093	1378	5.9340	2	3	5	7	11
094	9707	8.8675	3	4	7	11	17
095	1185	5.1342	2	3	4	6	9
096	103589	6.7235	3	4	6	8	12
097	28701	4.9460	2	3	4	6	8
098	21	4.8095	1	2	3	6	11
099	28237	4.5797	1	2	3	6	9
100	10910	2.9334	1	2	2	4	5
101	18776	6.5697	2	3	5	8	12
102	3309	4.1106	1	2	3	5	8
103	335	34.8985	11	16	22	42	75
104	19779	19.5386	9	12	16	24	34
105	18175	14.0078	7	9	11	16	24
106	84493	14.7382	8	10	13	17	24
107	59171	11.2233	7	8	9	12	17
108	7074	15.1261	6	8	12	18	27
110	54380	12.8613	3	7	10	15	24
111	5650	7.9772	3	6	8	9	12
112	155117	5.6986	2	2	4	7	11
113	38509	18.4420	5	8	13	22	36
114	7946	11.7727	3	5	9	15	23
115	9211	13.4147	5	7	11	16	24
116	70465	6.8301	2	3	5	9	13
117	3675	4.9271	1	2	3	6	10
118	7848	3.7157	1	1	2	4	8
119	2788	6.1549	1	2	3	7	15
120	36173	11.5878	1	3	7	15	26
121	156496	9.2035	3	6	8	11	16
122	97673	6.4677	2	4	6	8	11
123	55971	5.2599	1	1	3	6	13
124	137373	5.6997	1	2	5	7	11
125	82170	3.1767	1	1	2	4	7
126	4390	19.3360	5	9	15	28	40
127	653524	7.5398	2	4	6	9	14
128	23487	8.1065	4	5	7	9	13
129	5746	4.1685	1	1	1	5	11
130	75289	7.7964	2	4	7	9	14

TABLE 7A.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V10.0]

DRG	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
131	24690	5.8381	1	3	6	8	10
132	12242	5.3805	1	2	4	6	10
133	3612	3.6836	1	2	3	5	7
134	28104	4.7557	2	2	4	6	9
135	6507	6.3081	2	3	5	8	12
136	1299	3.9769	1	2	3	5	7
138	195225	5.6539	2	3	4	7	11
139	69036	3.5044	1	2	3	4	7
140	335841	4.3353	1	2	3	5	8
141	79405	5.5245	2	3	4	6	10
142	34987	3.8154	1	2	3	5	7
143	127252	3.2717	1	2	3	4	6
144	58428	6.8589	1	3	5	8	14
145	7546	3.9465	1	2	3	5	8
146	8109	12.9729	7	8	11	15	21
147	1652	8.7893	5	7	8	10	12
148	147100	15.4911	7	9	12	18	28
149	16667	8.7482	5	7	8	10	13
150	22573	13.3902	5	8	11	16	23
151	4589	7.1297	2	4	6	9	13
152	4808	10.3213	5	6	9	12	17
153	1960	6.9260	4	5	7	8	10
154	36940	17.7449	6	9	14	21	33
155	3803	8.0021	3	5	7	9	13
156	1	59.0000	59	59	59	59	59
157	13318	6.5237	2	3	5	8	13
158	8351	2.9017	1	1	2	4	6
159	16978	6.1202	2	3	5	7	12
160	11527	3.2825	1	2	3	4	6
161	21371	4.7534	1	2	3	6	10
162	15845	2.2543	1	1	2	3	4
163	16	7.0625	1	2	4	5	7
164	5196	10.7538	5	7	9	13	18
165	1695	6.6242	3	5	6	8	10
166	3002	6.8827	3	4	6	8	12
167	2244	3.8913	2	2	3	5	6
168	1703	5.7681	1	2	3	7	12
169	1225	2.6220	1	1	2	3	5
170	13158	15.4478	3	7	11	19	31
171	1326	6.3333	1	3	5	8	12
172	30730	10.1029	2	4	7	13	21
173	2769	5.0195	1	2	4	6	10
174	217102	6.6683	2	3	5	8	12
175	27324	4.1532	2	2	4	5	7
176	14010	7.3877	2	4	6	9	14
177	13514	5.9808	2	3	5	7	11
178	5338	4.1967	2	2	4	5	7
179	9318	9.0127	3	4	7	11	17
180	76865	7.3004	2	4	6	9	14
181	21224	4.4050	2	2	4	6	8
182	231518	6.0263	2	3	5	7	11
183	73120	4.0082	1	2	3	5	7
184	52	4.5192	1	2	2	5	7
185	3744	5.8582	1	2	4	7	12
186	5	3.0000	1	1	2	3	7
187	952	3.8204	1	1	2	5	8
188	50448	7.2279	2	3	5	9	14
189	8456	3.7219	1	1	3	5	8
190	75	5.3733	2	3	4	6	10
191	10557	18.8262	6	9	14	23	37
192	885	9.3718	3	5	8	11	16
193	11592	15.8778	7	9	13	19	28
194	1133	9.3045	3	6	8	12	16
195	14506	12.1970	5	7	10	14	20
196	1343	8.0901	4	5	7	9	13
197	85278	8.1156	2	4	7	10	15
198	47951	3.1938	1	1	2	4	7
199	2915	13.7554	4	6	11	18	27
200	1859	13.3335	2	5	10	17	27
201	1693	17.5381	4	7	12	22	36

TABLE 7A.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V10.0]

DRG	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
202	19082	9.2704	2	4	7	11	18
203	30050	9.3812	2	4	7	12	19
204	42423	7.8529	2	4	6	9	15
205	23060	9.0291	2	4	7	11	18
206	2027	5.2378	1	2	4	6	10
207	38151	6.8103	2	3	5	8	13
208	12575	3.7388	1	2	3	5	7
209	293381	9.7312	5	7	8	11	15
210	125323	12.0809	5	7	10	14	20
211	26388	8.6686	4	6	8	10	13
212	12	6.0000	2	3	3	5	8
213	5914	12.5279	3	5	9	15	25
214	47757	9.3239	3	5	7	11	17
215	38892	5.3554	2	3	4	7	9
216	6909	13.8713	3	6	10	18	28
217	17119	20.4133	4	7	14	25	44
218	20020	8.4274	3	4	6	10	15
219	17566	4.8400	2	3	4	6	8
220	1	5.0000	5	5	5	5	5
221	5007	10.2718	2	4	7	12	21
222	4734	5.1003	1	2	4	7	10
223	17561	3.6701	1	2	3	4	7
224	8473	2.8442	1	2	2	3	5
225	8941	5.2510	1	2	3	6	2
226	5969	8.3166	2	3	5	10	8
227	5981	3.5051	1	2	2	4	7
228	4154	3.8445	1	1	2	4	8
229	2166	2.3546	1	1	2	3	5
230	3081	6.3875	1	2	4	7	13
231	10706	6.1437	1	2	3	7	14
232	881	5.6073	1	2	3	6	14
233	5251	11.2678	3	5	8	14	22
234	2791	5.1759	1	2	4	7	10
235	6049	10.3308	2	4	6	11	21
236	38538	8.2639	2	4	6	10	16
237	1620	5.5043	1	2	4	7	11
238	6516	12.9764	4	6	9	15	27
239	61987	9.6960	3	4	7	12	19
240	11299	8.9935	2	4	7	11	18
241	3611	5.3406	1	3	4	7	10
242	2307	10.1812	3	5	7	13	20
243	96496	6.7503	2	3	5	8	13
244	11588	7.2673	2	3	5	8	14
245	5173	4.9020	1	2	4	6	9
246	1579	6.1697	2	3	4	7	11
247	9981	4.8046	1	2	3	6	9
248	6597	6.3617	2	3	4	7	12
249	9261	5.7093	1	2	4	7	12
250	3438	6.6966	2	3	4	8	13
251	2669	3.7516	1	1	3	4	7
253	17187	7.8630	2	3	5	9	15
254	10926	4.5652	1	2	3	6	9
256	9481	5.0603	1	2	3	6	10
257	28917	4.7407	2	3	4	5	8
258	24847	3.3687	2	2	3	4	5
259	4332	5.0277	1	2	3	5	10
260	5486	2.5417	1	1	2	3	4
261	2720	2.7213	1	1	2	3	5
262	1067	3.5754	1	1	2	4	8
263	30069	19.2845	5	8	14	23	38
264	3770	10.9851	3	5	8	14	23
265	5027	9.2584	2	3	6	11	19
266	3784	4.3258	1	1	3	6	9
267	336	4.6667	1	1	2	5	10
268	1219	4.8638	1	1	2	5	10
269	11439	11.7620	2	4	8	15	24
270	4700	4.0419	1	1	2	5	8
271	20057	11.0194	3	5	8	13	20
272	6773	9.0267	3	4	7	11	17
273	1949	6.3648	2	3	5	8	13

TABLE 7A.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V10.0]

DRG	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
274	2753	9.7156	2	3	7	12	20
275	311	3.9486	1	1	3	5	8
276	808	6.1250	1	3	5	7	11
277	75038	8.1959	3	4	7	10	14
278	24694	5.9828	2	3	5	7	10
279	4	4.2500	3	3	3	4	7
280	13123	6.3879	2	3	5	7	12
281	6646	4.1900	1	2	3	5	8
282	2	4.0000	1	1	7	7	7
283	5687	6.8432	2	3	5	8	13
284	2129	4.7280	1	2	3	6	9
285	5945	18.6155	5	8	14	22	36
286	1888	10.7352	4	6	8	12	20
287	6735	18.4383	4	7	12	21	37
288	571	10.8039	3	4	6	10	23
289	4149	5.1950	2	2	3	5	11
290	9685	3.3089	1	2	2	3	6
291	130	2.2385	1	1	2	3	4
292	5364	16.2047	3	7	12	20	32
293	425	6.9694	1	2	5	9	14
294	88598	7.0643	2	4	5	8	13
295	3343	5.7299	2	3	4	7	10
296	221171	8.0091	2	3	6	9	15
297	39748	5.0035	2	2	4	6	9
298	77	4.5455	1	2	3	6	10
299	889	6.3836	1	2	4	8	13
300	12093	8.8211	3	4	7	11	17
301	1962	5.1794	1	2	4	6	9
302	6847	15.3644	7	9	12	18	26
303	18484	12.5502	6	7	10	14	22
304	13856	12.8490	4	6	9	16	25
305	3030	5.9455	2	3	5	8	11
306	12221	8.4129	2	3	6	11	17
307	3691	4.0507	2	2	3	4	7
308	10109	8.7427	2	3	6	11	18
309	3922	3.7473	1	2	3	5	8
310	34508	5.3608	1	2	4	6	11
311	16394	2.5672	1	1	2	3	5
312	2849	5.7680	1	2	4	7	11
313	1533	2.5864	1	1	2	3	5
314	1	14.0000	14	14	14	14	14
315	28572	11.7995	1	3	7	14	26
316	53374	9.0056	2	4	7	11	18
317	696	4.0445	1	2	3	4	8
318	6496	8.7231	2	3	6	11	18
319	692	3.4798	1	1	2	4	7
320	167632	8.1163	3	4	6	9	14
321	26079	5.5231	2	3	5	7	9
322	68	4.4706	2	2	4	6	8
323	20045	4.1997	1	2	3	5	8
324	11733	2.4519	1	1	2	3	5
325	9273	5.8085	2	3	4	7	11
326	3139	3.4546	1	2	3	4	6
327	4	3.5000	2	2	3	4	5
328	1103	5.0544	1	2	4	6	10
329	230	2.4739	1	1	2	3	5
331	31569	7.3314	2	3	5	9	15
332	5069	4.1823	1	2	3	5	9
333	305	7.2131	2	3	5	10	14
334	32645	8.2748	5	6	7	9	12
335	15295	6.6242	4	5	6	8	9
336	96253	5.3874	2	3	4	6	9
337	76273	3.5909	2	3	3	4	5
338	12422	5.9095	1	2	4	7	13
339	3951	4.7980	1	2	3	5	10
340	2	1.5000	1	1	2	2	2
341	11052	4.1829	1	2	3	5	7
342	353	3.9688	1	1	2	5	9
344	7117	4.4894	1	2	3	5	8
345	2166	4.9552	1	2	3	5	10

TABLE 7A.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V10.0]

DRG	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
346	7248	7.9222	2	3	6	10	16
347	835	4.2299	1	1	2	5	8
348	3902	5.5818	1	2	4	7	11
349	1275	3.3051	1	1	2	4	6
350	7772	5.6702	2	3	5	7	10
352	716	4.4497	1	2	3	5	9
353	2445	11.0802	4	6	8	13	20
354	9848	7.9479	4	5	6	9	14
355	5856	4.7348	3	4	4	5	7
356	33809	4.0356	2	3	4	5	6
357	7098	11.6750	4	6	9	14	22
358	26551	6.1374	3	4	5	7	10
359	27695	4.1346	3	3	4	5	6
360	9654	4.9108	2	3	4	5	8
361	485	5.3258	1	2	3	6	12
362	3	1.0000	1	1	1	1	1
363	5613	4.1315	1	2	3	4	8
364	2356	3.8336	1	1	2	5	8
365	2936	9.7371	2	4	6	12	21
366	4804	9.4665	2	3	6	12	21
367	734	3.5790	1	1	2	4	7
368	1516	7.6247	3	4	6	9	14
369	2455	4.5165	1	2	3	5	9
370	788	6.4340	3	4	4	6	11
371	758	4.2032	3	3	4	4	5
372	520	4.6731	1	2	3	4	8
373	2633	2.4083	1	2	2	3	3
374	120	3.2417	1	2	2	3	5
375	6	5.8333	2	2	3	6	6
376	134	3.4403	1	2	2	4	7
377	31	4.3548	1	2	2	5	8
378	162	3.5370	1	2	3	4	5
379	310	3.5774	1	1	2	4	7
380	73	2.0685	1	1	1	2	4
381	212	1.9811	1	1	1	2	3
382	62	1.2581	1	1	1	1	2
383	987	4.4032	1	2	3	5	9
384	125	3.3680	1	1	2	3	7
385	1	2.0000	2	2	2	2	2
387	1	50.0000	50	50	50	50	50
389	15	10.0667	1	2	5	6	15
390	23	6.8696	1	2	4	7	13
392	2479	13.9814	5	7	10	17	28
393	1	6.0000	6	6	6	6	6
394	1936	10.1183	1	2	6	11	24
395	69702	6.3368	2	3	5	8	12
396	12	2.4167	1	1	1	3	5
397	13968	7.3923	2	3	5	9	15
398	15182	7.9187	3	4	6	10	15
399	1395	5.1785	2	3	4	7	10
400	8241	12.5149	2	4	8	16	27
401	6866	14.7297	3	6	11	19	30
402	2153	5.0678	1	2	3	7	11
403	30106	11.2708	2	4	8	14	24
404	4581	5.3687	1	2	4	7	11
406	3712	13.6818	3	6	10	17	27
407	922	5.9067	2	3	5	7	10
408	4299	8.5780	1	2	5	10	20
409	7504	8.6131	2	4	5	10	19
410	115524	3.6498	1	2	3	5	6
411	144	2.9583	1	1	2	4	5
412	119	3.2437	1	1	2	4	6
413	9157	10.6496	2	4	8	14	22
414	1378	6.0145	1	2	4	8	13
415	32201	19.7502	5	9	14	24	39
416	152221	10.0358	2	5	8	12	19
417	36	5.7778	2	3	5	8	10
418	15393	8.0615	3	4	6	10	15
419	17266	7.2664	2	4	5	8	13
420	3304	5.1777	2	3	4	6	9

TABLE 7A.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V10.0]

DRG	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
421	13770	5.4773	2	3	4	7	10
422	108	4.9259	2	2	4	6	8
423	8486	10.7618	3	5	7	13	22
424	2679	22.9518	3	8	15	26	44
425	18620	6.2255	2	3	4	7	12
426	5629	7.2725	2	3	5	9	15
427	2031	7.3624	1	3	5	9	15
428	1108	9.7852	1	3	6	11	20
429	32490	11.7217	3	4	7	13	22
430	57158	12.1083	2	5	9	15	24
431	254	8.8228	2	3	6	10	15
432	503	7.3598	1	2	4	8	15
433	6444	4.2241	1	1	3	5	10
434	18927	7.1618	2	3	5	8	14
435	12874	5.8046	1	3	4	7	11
436	2447	17.5705	6	11	17	25	28
437	11617	15.0838	5	9	14	21	28
439	986	10.5538	1	3	6	13	22
440	4304	12.0611	2	4	8	15	26
441	732	3.7022	1	1	2	4	7
442	12771	9.5187	1	3	6	11	20
443	5116	3.4394	1	1	2	4	7
444	3469	6.8363	2	3	5	8	13
445	1639	4.2727	1	2	3	5	8
447	3255	3.3699	1	1	2	4	7
448	2	3.0000	1	1	5	5	5
449	29079	5.6624	1	2	4	7	11
450	7006	3.0114	1	1	2	4	6
451	10	6.0000	1	2	6	7	8
452	18717	5.9203	1	2	4	7	12
453	5122	3.6125	1	2	3	4	7
454	3551	6.8637	1	2	4	8	14
455	948	3.3892	1	1	2	4	7
456	224	10.5045	1	2	5	13	25
457	142	5.4225	1	1	1	8	12
458	1659	21.7812	5	9	17	27	43
459	513	15.2203	4	6	11	20	35
460	2318	8.7261	2	4	6	11	17
461	4725	5.2337	1	1	2	4	13
462	8340	16.8517	5	8	15	22	31
463	9515	6.5870	2	3	5	8	13
464	2810	4.1861	1	2	3	5	7
465	341	3.3372	1	1	2	3	6
466	3281	4.8961	1	1	2	4	9
467	3354	4.9917	1	1	2	4	9
468	66507	18.2957	4	8	14	23	36
471	8296	12.6941	6	8	10	14	21
472	174	30.8908	3	8	24	48	68
473	8519	16.8609	2	4	10	26	40
475	75836	14.1576	2	6	11	18	28
476	10096	16.7820	6	10	14	20	29
477	36262	10.1037	1	3	7	13	21
478	111578	10.0400	2	4	7	13	21
479	16130	5.1997	1	2	4	7	10
480	182	36.0604	12	16	25	39	79
481	83	38.6627	21	27	33	46	62
482	6985	17.8185	6	9	13	21	34
483	36056	54.8909	17	27	43	67	102
484	300	20.9033	2	8	16	28	44
485	2616	15.9377	6	8	12	18	29
486	1905	16.4373	1	7	12	21	33
487	3215	11.1602	2	4	8	14	22
488	717	21.9149	6	9	17	28	43
489	6891	13.4008	3	5	9	16	28
490	2269	8.4636	2	3	5	10	17
491	7511	6.0446	2	3	5	7	10
492	1379	17.2487	3	5	9	27	37
	10574469						

TABLE 7B.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY

[FY92 Medpar Update 12/92 Grouper V11.0]

DGR	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
001	30164	14.7300	4	6	11	18	30
002	5826	14.5872	4	6	10	18	29
003	1	7.0000	7	7	7	7	7
004	5478	12.2094	3	5	8	15	25
005	64109	6.3154	2	3	4	7	12
006	680	3.8029	1	1	2	3	8
007	6583	18.6301	3	6	11	21	39
008	2512	4.5414	1	1	3	6	10
009	1697	10.8326	2	4	7	12	21
010	20779	10.5049	2	4	7	13	22
011	3369	5.9074	1	2	4	8	12
012	20738	10.0572	2	4	7	11	18
013	5761	8.0415	3	4	6	10	14
014	348566	9.5224	2	4	7	11	18
015	134376	5.2610	2	3	4	6	9
016	10770	9.0028	2	4	6	10	17
017	2529	5.7564	2	3	4	7	11
018	16053	7.6719	2	3	6	9	14
019	6464	5.0922	1	2	4	6	10
020	7337	12.0695	3	5	9	15	24
021	1029	9.2099	3	4	7	12	18
022	9079	5.2816	2	3	4	6	10
023	3282	6.5491	1	2	4	7	13
024	56620	7.2607	2	3	5	8	14
025	21510	4.3325	1	2	3	5	8
026	41	6.0488	1	2	3	8	12
027	2880	7.5132	1	1	4	9	17
028	8691	8.9695	2	3	6	11	18
029	3310	5.0127	1	2	3	6	9
030	2	16.5000	1	1	32	32	32
031	3573	6.3375	1	2	4	7	12
032	2213	3.5712	1	1	2	4	7
034	14368	8.1714	2	3	6	10	16
035	3435	5.0160	1	2	4	6	10
036	18642	2.1138	1	1	2	2	4
037	2592	4.0995	1	1	2	5	9
038	606	2.7360	1	1	2	3	6
039	7551	1.9392	1	1	1	2	3
040	2707	3.3136	1	1	2	4	8
042	17808	2.4541	1	1	2	3	5
043	171	4.3333	1	2	4	5	7
044	1897	6.4760	3	4	5	8	11
045	2611	4.3118	1	2	4	5	8
046	2850	6.3316	1	2	4	7	12
047	1546	3.8868	1	1	3	5	7
049	2253	7.7918	2	3	5	9	15
050	4564	2.5502	1	1	2	3	4
051	485	2.9567	1	1	2	3	6
052	185	3.0973	1	1	2	3	7
053	5461	3.4177	1	1	2	3	8
054	3	2.6667	1	1	1	6	6
055	3192	2.8418	1	1	1	3	6
056	939	2.9904	1	1	2	3	6
057	661	5.2708	1	2	3	6	12
058	1	1.0000	1	1	1	1	1
059	140	2.0143	1	1	1	2	3
060	1	5.0000	5	5	5	5	5
061	325	5.8000	1	1	2	6	14
063	4696	5.5138	1	2	3	6	11
064	3988	8.9814	1	3	6	11	19
065	33004	4.0100	1	2	3	5	7
066	7722	4.2107	1	2	3	5	7
067	471	4.8344	2	2	4	6	9
068	14674	5.7929	2	3	5	7	10
069	4502	4.3712	2	2	4	5	7
070	32	3.4688	1	1	3	4	9
071	155	4.6581	1	2	4	6	8
072	614	5.5179	1	2	3	6	10
073	6709	5.8457	1	2	4	7	11
075	34750	13.1138	5	7	10	16	25

TABLE 7B.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V11.0]

DGR	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
076	42294	14.4704	4	7	11	18	28
077	3352	6.4010	1	2	4	9	13
078	26898	9.6811	4	7	9	12	16
079	159913	11.3796	4	6	9	14	21
080	8806	7.5603	3	4	6	9	13
081	6	13.6667	4	5	13	15	15
082	68854	9.3082	2	4	7	12	19
083	7203	7.5977	2	4	6	9	14
084	1715	4.3644	1	2	3	5	8
085	16799	8.6900	2	4	7	11	17
086	1566	5.1245	1	2	4	7	10
087	54092	7.8555	1	4	6	10	15
088	282168	7.2643	3	4	6	9	13
089	405858	8.4717	3	5	7	10	15
090	42868	5.9691	3	4	5	7	10
091	39	5.2564	1	2	4	6	10
092	9700	8.5081	3	4	7	11	16
093	1378	5.9340	2	3	5	7	11
094	9707	8.8675	3	4	7	11	17
095	1185	5.1342	2	3	4	6	9
096	103589	6.7235	3	4	6	8	12
097	28701	4.9460	2	3	4	6	8
098	21	4.8095	1	2	3	6	11
099	28237	4.5797	1	2	3	6	9
100	10910	2.9334	1	2	2	4	5
101	18776	6.5697	2	3	5	8	12
102	3309	4.1106	1	2	3	5	8
103	335	34.8985	11	16	22	42	75
104	19779	19.5386	9	12	16	24	34
105	18175	14.0078	7	9	11	16	24
106	84493	14.7382	8	10	13	17	24
107	59171	11.2233	7	8	9	12	17
108	7074	15.1261	6	8	12	18	27
110	54380	12.8613	3	7	10	15	24
111	5650	7.9772	3	6	8	9	12
112	155117	5.6986	2	2	4	7	11
113	38509	18.4420	5	8	13	22	36
114	7946	11.7727	3	5	9	15	23
115	9211	13.4147	5	7	11	16	24
116	70465	6.8301	2	3	5	9	13
117	3675	4.9271	1	2	3	6	10
118	7848	3.7157	1	1	2	4	6
119	2788	6.1549	1	2	3	7	15
120	36173	11.5878	1	3	7	15	26
121	156496	9.2035	3	6	8	11	16
122	97673	6.4677	2	4	6	8	11
123	55971	5.2599	1	1	3	6	13
124	137373	5.6997	1	2	5	7	11
125	82170	3.1767	1	1	2	4	7
126	4390	19.3360	5	9	15	28	40
127	653524	7.5398	2	4	6	9	14
128	23487	8.1065	4	5	7	9	13
129	5746	4.1685	1	1	1	5	11
130	75289	7.7964	2	4	7	9	14
131	24690	5.8381	1	3	6	8	10
132	12242	5.3805	1	2	4	6	10
133	3612	3.6836	1	2	3	5	7
134	28104	4.7557	2	2	4	6	9
135	6507	6.3081	2	3	5	8	12
136	1299	3.9769	1	2	3	5	7
138	195225	5.6539	2	3	4	7	11
139	69036	3.5044	1	2	3	4	7
140	335841	4.3353	1	2	3	5	8
141	79405	5.5245	2	3	4	6	10
142	34987	3.8154	1	2	3	5	7
143	127252	3.2717	1	2	3	4	6
144	58428	6.8589	1	3	5	8	14
145	7546	3.9465	1	2	3	5	8
146	8109	12.9729	7	8	11	15	21
147	1652	8.7893	5	7	8	10	12

TABLE 7B.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V11.0]

DGR	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
148	147100	15.4911	7	9	12	18	28
149	16667	8.7482	5	7	8	10	13
150	22573	13.3902	5	8	11	16	23
151	4589	7.1297	2	4	6	9	13
152	4808	10.3213	5	6	9	12	17
153	1960	6.9260	4	5	7	8	10
154	36940	17.7449	6	9	14	21	33
155	3803	8.0021	3	5	7	9	13
156	1	59.0000	59	59	59	59	59
157	13318	6.5237	2	3	5	8	13
158	8351	2.9017	1	1	2	4	6
159	16978	6.1202	2	3	5	7	12
160	11527	3.2825	1	2	3	4	6
161	21371	4.7534	1	2	3	6	10
162	15845	2.2543	1	1	2	3	4
163	16	7.0625	1	2	4	5	7
164	5196	10.7538	5	7	9	13	18
165	1695	6.6242	3	5	6	8	10
166	3002	6.8827	3	4	6	8	12
167	2244	3.8913	2	2	3	5	6
168	1967	5.7570	1	2	4	7	12
169	1526	2.7012	1	1	2	3	5
170	13158	15.4478	3	7	11	19	31
171	1326	6.3333	1	3	5	8	12
172	30730	10.1029	2	4	7	13	21
173	2769	5.0195	1	2	4	6	10
174	217102	6.6683	2	3	5	8	12
175	27324	4.1532	2	2	4	5	7
176	14010	7.3877	2	4	6	9	14
177	13514	5.9808	2	3	5	7	11
178	5338	4.1967	2	2	4	5	7
179	9318	9.0127	3	4	7	11	17
180	76865	7.3004	2	4	6	9	14
181	21224	4.4050	2	2	4	6	8
182	231518	6.0263	2	3	5	7	11
183	73120	4.0082	1	2	3	5	7
184	52	4.5192	1	2	2	5	7
185	3744	5.8582	1	2	4	7	12
186	5	3.0000	1	1	2	3	7
187	952	3.8204	1	1	2	5	8
188	50448	7.2279	2	3	5	9	14
189	8456	3.7219	1	1	3	5	8
190	75	5.3733	2	3	4	6	10
191	10557	18.8262	6	9	14	23	37
192	885	9.3718	3	5	8	11	16
193	11592	15.8778	7	9	13	19	28
194	1133	9.3045	3	6	8	12	16
195	14506	12.1970	5	7	10	14	20
196	1343	8.0901	4	5	7	9	13
197	39153	10.1952	4	6	8	12	18
198	13552	5.3706	2	3	5	7	9
199	2915	13.7554	4	6	11	18	27
200	1859	13.3335	2	5	10	17	27
201	1693	17.5381	4	7	12	22	36
202	19082	9.2704	2	4	7	11	18
203	30050	9.3812	2	4	7	12	19
204	42423	7.8529	2	4	6	9	15
205	23060	9.0291	2	4	7	11	18
206	2027	5.2378	1	2	4	6	10
207	38151	6.8103	2	3	5	8	13
208	12575	3.7388	1	2	3	5	7
209	293381	9.7312	5	7	8	11	15
210	125323	12.0809	5	7	10	14	20
211	26388	8.6686	4	6	8	10	13
212	12	6.0000	2	3	3	5	8
213	5914	12.5279	3	5	9	15	25
214	47757	9.3239	3	5	7	11	17
215	38892	5.3554	2	3	4	7	9
216	6909	13.8713	3	6	10	18	28
217	17119	20.4133	4	7	14	25	44

TABLE 7B.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V11.0]

DGR	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
218	20020	8.4274	3	4	6	10	15
219	17566	4.8400	2	3	4	6	8
220	1	5.0000	5	5	5	5	5
221	5007	10.2718	2	4	7	12	21
222	4734	5.1003	1	2	4	7	10
223	17561	3.6701	1	2	3	4	7
224	8473	2.8442	1	2	2	3	5
225	8941	5.2510	1	2	3	6	12
226	5969	8.3166	2	3	5	10	18
227	5981	3.5051	1	2	2	4	7
228	4154	3.8445	1	1	2	4	8
229	2166	2.3546	1	1	2	3	5
230	3081	6.3875	1	2	4	7	13
231	10706	6.1437	1	2	3	7	14
232	881	5.6073	1	2	3	6	14
233	5251	11.2678	3	5	8	14	22
234	2791	5.1759	1	2	4	7	10
235	6049	10.3308	2	4	6	11	21
236	38538	8.2639	2	4	6	10	16
237	1620	5.5043	1	2	4	7	11
238	6516	12.9764	4	6	9	15	27
239	61987	9.6960	3	4	7	12	19
240	11299	8.9935	2	4	7	11	18
241	3611	5.3406	1	3	4	7	10
242	2307	10.1812	3	5	7	13	20
243	96496	6.7503	2	3	5	8	13
244	11588	7.2673	2	3	5	8	14
245	5173	4.9020	1	2	4	6	9
246	1579	6.1697	2	3	4	7	11
247	9981	4.8046	1	2	3	6	9
248	6597	6.3617	2	3	4	7	12
249	9261	5.7093	1	2	4	7	12
250	3438	6.6966	2	3	4	8	13
251	2669	3.7516	1	1	3	4	7
253	17187	7.8630	2	3	5	9	15
254	10926	4.5652	1	2	3	6	9
256	9481	5.0603	1	2	3	6	10
257	28917	4.7407	2	3	4	5	8
258	24847	3.3687	2	2	3	4	5
259	4332	5.0277	1	2	3	5	10
260	5486	2.5417	1	1	2	3	4
261	2720	2.7213	1	1	2	3	5
262	1067	3.5754	1	1	2	4	8
263	30069	19.2845	5	8	14	23	38
264	3770	10.9851	3	5	8	14	23
265	5027	9.2584	2	3	6	11	19
266	3784	4.3258	1	1	3	6	9
267	336	4.6667	1	1	2	5	10
268	1219	4.8638	1	1	2	5	10
269	11439	11.7620	2	4	8	15	24
270	4700	4.0419	1	1	2	5	8
271	20057	11.0194	3	5	8	13	20
272	6773	9.0267	3	4	7	11	17
273	1949	6.3648	2	3	5	8	13
274	2753	9.7156	2	3	7	12	20
275	311	3.9486	1	1	3	5	8
276	808	6.1250	1	3	5	7	11
277	75038	8.1959	3	4	7	10	14
278	24694	5.9828	2	3	5	7	10
279	4	4.2500	3	3	3	4	7
280	13123	6.3879	2	3	5	7	12
281	6646	4.1900	1	2	3	5	8
282	2	4.0000	1	1	7	7	7
283	5687	6.8432	2	3	5	8	13
284	2129	4.7280	1	2	3	6	9
285	5945	18.6155	5	8	14	22	36
286	1888	10.7352	4	6	8	12	20
287	6735	18.4383	4	7	12	21	37
288	571	10.8039	3	4	6	10	23
289	4149	5.1950	2	2	3	5	11

TABLE 7B.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V11.0]

DGR	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
290	9685	3.3089	1	2	2	3	6
291	130	2.2385	1	1	2	3	4
292	5364	16.2047	3	7	12	20	32
293	425	6.9694	1	2	5	9	14
294	88598	7.0643	2	4	5	8	13
295	3343	5.7299	2	3	4	7	10
296	221171	8.0091	2	3	6	9	15
297	39748	5.0035	2	2	4	6	9
298	77	4.5455	1	2	3	6	10
299	889	6.3836	1	2	4	8	13
300	12093	8.8211	3	4	7	11	17
301	1962	5.1794	1	2	4	6	9
302	6847	15.3644	7	9	12	18	26
303	18484	12.5502	6	7	10	14	22
304	13856	12.8490	4	6	9	16	25
305	3030	5.9455	2	3	5	8	11
306	12221	8.4129	2	3	6	11	17
307	3691	4.0507	2	2	3	4	7
308	10109	8.7427	2	3	6	11	18
309	3922	3.7473	1	2	3	5	8
310	34508	5.3608	1	2	4	6	11
311	16394	2.5672	1	1	2	3	5
312	2849	5.7680	1	2	4	7	11
313	1533	2.5864	1	1	2	3	5
314	1	14.0000	14	14	14	14	14
315	28572	11.7995	1	3	7	14	26
316	53374	9.0056	2	4	7	11	18
317	696	4.0445	1	2	3	4	8
318	6496	8.7231	2	3	6	11	18
319	692	3.4798	1	1	2	4	7
320	167632	8.1163	3	4	6	9	14
321	26079	5.5231	2	3	5	7	9
322	68	4.4706	2	2	4	6	8
323	20045	4.1997	1	2	3	5	8
324	11733	2.4519	1	1	2	3	5
325	9273	5.8085	2	3	4	7	11
326	3139	3.4546	1	2	3	4	6
327	4	3.5000	2	2	3	4	5
328	1103	5.0544	1	2	4	6	10
329	230	2.4739	1	1	2	3	5
331	31569	7.3314	2	3	5	9	15
332	5069	4.1823	1	2	3	5	9
333	305	7.2131	2	3	5	10	14
334	32645	8.2748	5	6	7	9	12
335	15295	6.6242	4	5	6	8	9
336	96253	5.3874	2	3	4	6	9
337	76273	3.5909	2	3	3	4	5
338	12422	5.9095	1	2	4	7	13
339	3951	4.7980	1	2	3	5	10
340	2	1.5000	1	1	2	2	2
341	11052	4.1829	1	2	3	5	7
342	353	3.9688	1	1	2	5	9
344	7117	4.4894	1	2	3	5	8
345	2166	4.9552	1	2	3	5	10
346	7248	7.9222	2	3	6	10	16
347	835	4.2299	1	1	2	5	8
348	3902	5.5818	1	2	4	7	11
349	1275	3.3051	1	1	2	4	6
350	7772	5.6702	2	3	5	7	10
352	716	4.4497	1	2	3	5	9
353	2445	11.0802	4	6	8	13	20
354	9848	7.9479	4	5	6	9	14
355	5856	4.7348	3	4	4	5	7
356	33809	4.0356	2	3	4	5	6
357	7098	11.6750	4	6	9	14	22
358	26551	6.1374	3	4	5	7	10
359	27695	4.1346	3	3	4	5	6
360	9654	4.9108	2	3	4	5	8
361	485	5.3258	1	2	3	6	12
362	3	1.0000	1	1	1	1	1

TABLE 7B.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued
[FY92 Medpar Update 12/92 Grouper V11.0]

DGR	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
363	5613	4.1315	1	2	3	4	8
364	2356	3.8336	1	1	2	5	8
365	2936	9.7371	2	4	6	12	21
366	4804	9.4665	2	3	6	12	21
367	734	3.5790	1	1	2	4	7
368	1516	7.6247	3	4	6	9	14
369	2455	4.5165	1	2	3	5	9
370	788	6.4340	3	4	4	6	11
371	758	4.2032	3	3	4	4	5
372	520	4.6731	1	2	3	4	8
373	2633	2.4083	1	2	2	3	3
374	120	3.2417	1	2	2	3	5
375	6	5.8333	2	2	3	6	6
376	134	3.4403	1	2	2	4	7
377	31	4.3548	1	2	2	5	8
378	162	3.5370	1	2	3	4	5
379	310	3.5774	1	1	2	4	7
380	73	2.0685	1	1	1	2	4
381	212	1.9811	1	1	1	2	3
382	62	1.2581	1	1	1	1	2
383	987	4.4032	1	2	3	5	9
384	125	3.3680	1	1	2	3	7
385	1	2.0000	2	2	2	2	2
387	1	50.0000	50	50	50	50	50
389	15	10.0667	1	2	5	6	15
390	23	6.8696	1	2	4	7	13
392	2479	13.9814	5	7	10	17	28
393	1	6.0000	6	6	6	6	6
394	1936	10.1183	1	2	6	11	24
395	69702	6.3368	2	3	5	8	12
396	12	2.4167	1	1	1	3	5
397	13968	7.3923	2	3	5	9	15
398	15182	7.9187	3	4	6	10	15
399	1395	5.1785	2	3	4	7	10
400	8241	12.5149	2	4	8	16	27
401	6866	14.7297	3	6	11	19	30
402	2153	5.0678	1	2	3	7	11
403	30106	11.2708	2	4	8	14	24
404	4581	5.3687	1	2	4	7	11
406	3712	13.6818	3	6	10	17	27
407	922	5.9067	2	3	5	7	10
408	4299	8.5780	1	2	5	10	20
409	7504	8.6131	2	4	5	10	19
410	115524	3.6498	1	2	3	5	6
411	144	2.9583	1	1	2	4	5
412	119	3.2437	1	1	2	4	6
413	9157	10.6496	2	4	8	14	22
414	1378	6.0145	1	2	4	8	13
415	32201	19.7502	5	9	14	24	39
416	152221	10.0358	2	5	8	12	19
417	36	5.7778	2	3	5	8	10
418	15393	8.0615	3	4	6	10	15
419	17266	7.2664	2	4	5	8	13
420	3304	5.1777	2	3	4	6	9
421	13770	5.4773	2	3	4	7	10
422	108	4.9259	2	2	4	6	8
423	8486	10.7618	3	5	7	13	22
424	2679	22.9518	3	8	15	26	44
425	18620	6.2255	2	3	4	7	12
426	5629	7.2725	2	3	5	9	15
427	2031	7.3624	1	3	5	9	15
428	1108	9.7852	1	3	6	11	20
429	32490	11.7217	3	4	7	13	22
430	57158	12.1083	2	5	9	15	24
431	254	8.8228	2	3	6	10	15
432	503	7.3598	1	2	4	8	15
433	6444	4.2241	1	1	3	5	10
434	18927	7.1618	2	3	5	8	14
435	12874	5.8046	1	3	4	7	11
436	2447	17.5705	6	11	17	25	28

TABLE 7B.—MEDICARE PROSPECTIVE PAYMENT SYSTEM SELECTED PERCENTILE LENGTHS OF STAY—Continued

[FY92 Medpar Update 12/92 Grouper V11.0]

DGR	Number discharges	Arithmetic mean LOS	10th percentile	25th percentile	50th percentile	75th percentile	90th percentile
437	11617	15.0838	5	9	14	21	28
439	986	10.5538	1	3	6	13	22
440	4304	12.0611	2	4	8	15	26
441	732	3.7022	1	1	2	4	7
442	12771	9.5187	1	3	6	11	20
443	5116	3.4394	1	1	2	4	7
444	3469	6.8363	2	3	5	8	13
445	1639	4.2727	1	2	3	5	8
447	3255	3.3699	1	1	2	4	7
448	2	3.0000	1	1	5	5	5
449	29079	5.6624	1	2	4	7	11
450	7006	3.0114	1	1	2	4	6
451	10	6.0000	1	2	6	7	8
452	18717	5.9203	1	2	4	7	12
453	5122	3.6125	1	2	3	4	7
454	3551	6.8637	1	2	4	8	14
455	948	3.3892	1	1	2	4	7
456	224	10.5045	1	2	5	13	25
457	142	5.4225	1	1	1	8	12
458	1659	21.7812	5	9	17	27	43
459	513	15.2203	4	6	11	20	35
460	2318	8.7261	2	4	6	11	17
461	4725	5.2337	1	1	2	4	13
462	8340	16.8517	5	8	15	22	31
463	9515	6.5870	2	3	5	8	13
464	2810	4.1861	1	2	3	5	7
465	341	3.3372	1	1	2	3	6
466	3281	4.8961	1	1	2	4	9
467	3354	4.9917	1	1	2	4	9
468	64709	18.5178	4	8	14	23	36
471	8296	12.6941	6	8	10	14	21
472	174	30.8908	3	8	24	48	68
473	8519	16.8609	2	4	10	26	40
475	75836	14.1576	2	6	11	18	28
476	10121	16.7637	6	10	14	20	29
477	38035	10.1135	1	3	7	13	21
478	111578	10.0400	2	4	7	13	21
479	16130	5.1997	1	2	4	7	10
480	182	36.0604	12	16	25	39	79
481	83	38.6627	21	27	33	46	62
482	7136	17.8471	6	9	13	21	34
483	35905	55.0411	17	28	43	67	102
484	300	20.9033	2	8	16	28	44
485	2616	15.9377	6	8	12	18	29
486	1905	16.4373	1	7	12	21	33
487	3215	11.1602	2	4	8	14	22
488	717	21.9149	6	9	17	28	43
489	6891	13.4008	3	5	9	16	28
490	2269	8.4636	2	3	5	10	17
491	7511	6.0446	2	3	5	7	10
492	1379	17.2487	3	5	9	27	37
493	46125	6.3504	1	2	5	8	13
494	34399	2.3361	1	1	1	3	5
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TABLE 8A—STATEWIDE AVERAGE OPERATING COST-TO-CHARGE RATIOS FOR URBAN AND RURAL HOSPITALS (CASE WEIGHTED) APRIL 1993

State	Urban	Rural
Alabama	0.463	0.515
Alaska	0.570	0.864
Arizona	0.537	0.605
Arkansas	0.587	0.539
California	0.490	0.531
Colorado	0.570	0.609
Connecticut	0.603	0.600
Delaware	0.602	0.550

TABLE 8A—STATEWIDE AVERAGE OPERATING COST-TO-CHARGE RATIOS FOR URBAN AND RURAL HOSPITALS (CASE WEIGHTED) APRIL 1993—Continued

State	Urban	Rural
District of Columbia	0.555	.....
Florida	0.478	0.466
Georgia	0.573	0.555
Hawaii	0.617	0.601
Idaho	0.657	0.646
Illinois	0.551	0.618
Indiana	0.655	0.669
Iowa	0.605	0.730
Kansas	0.557	0.694
Kentucky	0.574	0.572
Louisiana	0.521	0.568
Maine	0.701	0.607
Massachusetts	0.671	0.895
Michigan	0.556	0.661
Minnesota	0.632	0.702
Mississippi	0.603	0.556
Missouri	0.543	0.563
Montana	0.614	0.697
Nebraska	0.575	0.701
Nevada	0.468	0.658
New Hampshire	0.636	0.671
New Jersey	0.791	.....
New Mexico	0.562	0.551
New York	0.646	0.733
North Carolina	0.620	0.559
North Dakota	0.660	0.693
Ohio	0.622	0.657
Oklahoma	0.544	0.594
Oregon	0.611	0.678
Pennsylvania	0.501	0.595
Puerto Rico	0.542	0.668
Rhode Island	.....	0.765
South Carolina	0.556	0.541
South Dakota	0.630	0.687
Tennessee	0.567	0.574
Texas	0.534	0.633
Utah	0.610	0.649
Vermont	0.675	0.635
Virginia	0.566	0.590
Washington	0.690	0.734
West Virginia	0.586	0.548
Wisconsin	0.706	0.723
Wyoming	0.634	0.796

TABLE 8B.—STATEWIDE AVERAGE CAPITAL COST-TO-CHARGE RATIOS FOR URBAN AND RURAL HOSPITALS (CASE WEIGHTED) APRIL 1993

State	Ratio
Alabama	0.059
Alaska	0.115
Arizona	0.066
Arkansas	0.067
California	0.047
Colorado	0.057
Connecticut	0.037
Delaware	0.054
District of Columbia	0.040
Florida	0.061
Georgia	0.055
Hawaii	0.072
Idaho	0.063
Illinois	0.051
Indiana	0.070
Iowa	0.065
Kansas	0.067
Kentucky	0.065
Louisiana	0.080
Maine	0.043

TABLE 8B.—STATEWIDE AVERAGE CAPITAL COST-TO-CHARGE RATIOS FOR URBAN AND RURAL HOSPITALS (CASE WEIGHTED) APRIL 1993—Continued

State	Ratio
Massachusetts	0.063
Michigan	0.054
Minnesota	0.060
Mississippi	0.059
Missouri	0.061
Montana	0.078
Nebraska	0.061
Nevada	0.046
New Hampshire	0.057
New Jersey	0.072
New Mexico	0.063
New York	0.064
North Carolina	0.051
North Dakota	0.073
Ohio	0.063
Oklahoma	0.065
Oregon	0.056
Pennsylvania	0.054
Puerto Rico	0.078
Rhode Island	0.042
South Carolina	0.071
South Dakota	0.076
Tennessee	0.064
Texas	0.071
Utah	0.057
Vermont	0.060
Virginia	0.064
Washington	0.084
West Virginia	0.067
Wisconsin	0.048
Wyoming	0.073

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
010006	07/01/91	06/29/92	1.3655	0.9947
010011	07/01/91	06/30/92	1.3997	0.9973
010012	07/01/91	06/30/92	1.2275	0.9697
010015	04/01/91	03/31/92	1.0113	0.9423
010018	07/01/91	06/30/92	0.8772	0.9929
010022	07/01/91	06/30/92	0.9671	0.9662
010023	07/01/91	06/30/92	1.3609	0.9889
010024	07/01/91	06/30/92	1.2732	0.9888
010025	07/01/91	06/30/92	1.2189	0.9679
010031	07/01/91	06/30/92	1.2261	0.9941
010034	07/01/91	06/30/92	1.0126	0.9742
010036	04/01/91	03/31/92	1.1390	0.9655
010038	07/01/91	06/30/92	1.2552	0.9844
010039	07/01/91	06/30/92	1.6150	0.9973
010046	07/01/90	06/30/92	1.3407	0.9931
010050	07/01/91	06/30/92	0.9326	0.9604
010054	07/01/91	06/30/92	1.2295	0.9729
010055	07/01/90	05/31/92	1.3480	0.9986
010056	07/01/91	06/30/92	1.3491	0.9982
010058	07/01/91	06/30/92	0.9467	0.9517
010064	07/01/91	06/29/92	1.6444	0.9985
010066	07/01/91	06/30/92	0.8635	0.9355
010068	07/01/91	06/29/92	1.2052	0.9782
010072	07/01/91	06/30/92	1.1732	0.9644
010078	07/01/91	06/30/92	1.2138	0.9879
010080	04/01/91	03/31/92	0.9711	0.9466
010085	07/01/91	06/30/92	1.2551	0.9726
010086	07/01/91	06/30/92	1.0077	0.9658
010089	07/01/91	06/30/92	1.1373	0.9877
010090	07/01/91	06/30/92	1.5318	0.9902
010091	07/01/91	06/30/92	1.0022	0.9693

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
010098	07/01/91	06/30/92	0.9775	0.9720
010101	07/01/91	06/29/92	1.0458	0.9646
010103	07/01/91	06/30/92	1.5952	0.9988
010104	07/01/91	06/30/92	1.5624	0.9992
010113	04/01/91	03/31/92	1.6282	0.9990
010114	07/01/91	06/30/92	1.2544	0.9837
010118	07/01/91	06/29/92	1.1881	0.9790
010121	07/01/91	06/30/92	1.1076	0.9834
010128	07/01/91	06/30/92	0.8790	0.9498
010131	07/01/91	06/30/92	1.2638	0.9845
010136	05/01/91	04/30/92	0.9787	1.0000
010138	07/01/91	06/30/92	0.9359	0.9630
010145	02/01/91	01/31/92	1.2271	0.9976
010148	07/01/91	06/30/92	0.9708	0.9605
010150	04/01/91	03/31/92	1.0136	0.9862
020002	07/01/91	06/30/92	0.9855	0.9375
020004	07/01/91	06/30/92	1.1052	0.9652
020007	07/01/91	06/30/92	0.7907	0.9559
020008	07/01/91	06/30/92	0.9901	0.9705
020009	07/01/91	06/30/92	0.8906	0.9394
020010	07/01/91	06/29/92	0.8616	0.9364
020011	07/01/91	06/30/92	0.9246	0.9547
020014	07/01/91	06/30/92	1.1117	0.9955
020024	07/01/91	06/30/92	1.0676	0.9503
030003	07/01/91	06/29/92	1.2900	0.9864
030006	07/01/91	06/29/92	1.6234	0.9978
030007	07/01/91	06/29/92	1.2712	0.9742
030009	07/01/91	06/29/92	1.2137	0.9858
030010	07/01/91	06/30/92	1.4797	0.9965
030011	07/01/91	06/30/92	1.4102	0.9963
030016	07/01/91	06/29/92	1.2663	0.9828
030017	07/01/91	06/29/92	1.3924	0.9982
030019	07/01/91	06/29/92	1.2455	0.9949
030022	07/01/91	06/29/92	1.4980	0.9949
030024	07/01/91	06/29/92	1.6397	0.9987
030027	07/01/91	06/29/92	1.0809	0.9852
030033	07/01/91	06/29/92	1.2763	0.9703
030034	04/01/91	03/30/92	1.0797	0.9698
030037	07/01/91	06/29/92	1.8685	0.9978
030040	07/01/91	06/29/92	0.9769	0.9376
030043	07/01/91	06/29/92	1.2000	0.9678
030055	07/01/91	06/29/92	1.1810	0.9811
030059	07/01/91	06/29/92	1.4310	0.9810
030064	07/01/91	06/29/92	1.5100	0.9926
030080	04/01/91	03/30/92	1.6130	0.9991
030091	07/01/91	06/29/92	1.0869	1.0000
040001	04/01/91	03/31/92	1.0784	0.9608
040002	07/01/91	06/30/92	1.1725	0.9663
040003	07/01/91	06/30/92	1.0166	0.9663
040008	07/01/91	06/30/92	1.1726	0.9774
040011	07/01/91	06/30/92	0.9590	0.9466
040016	07/01/91	06/30/92	1.5733	0.9971
040017	04/01/91	03/31/92	1.2997	0.9749
040019	07/01/91	06/30/92	1.1779	0.9622
040022	07/01/91	06/30/92	1.7225	0.9976
040025	07/01/91	06/30/92	0.9717	0.9603
040026	07/01/91	06/30/92	1.5140	0.9973
040030	07/01/91	06/30/92	0.8782	0.9535
040032	07/01/91	06/30/92	0.9468	0.9803
040035	07/01/91	06/30/92	0.9347	0.9702
040039	07/01/91	06/30/92	1.1635	0.9809
040040	07/01/91	06/30/92	1.0211	0.9693
040048	07/01/91	06/30/92	1.1595	0.9656
040051	04/01/91	03/31/92	1.0386	0.9436
040053	07/01/91	06/30/92	1.0708	0.9324
040054	07/01/91	06/30/92	0.9418	0.9766
040055	07/01/91	06/30/92	1.4092	0.9991
040058	07/01/91	06/30/92	0.9801	0.9713
040060	02/01/91	01/31/92	0.9630	0.9409

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
040062	07/01/91	06/30/92	1.4575	0.9941
040063	07/01/91	06/30/92	1.4650	0.9973
040071	07/01/91	06/30/92	1.4528	0.9977
040074	07/01/91	06/29/92	1.1851	0.9878
040076	07/01/91	06/30/92	1.1553	0.9645
040077	07/01/91	06/30/92	0.9157	0.9582
040080	07/01/91	06/30/92	1.1112	0.9302
040082	07/01/90	03/31/92	1.2386	0.9624
040084	07/01/91	06/30/92	1.1320	0.9810
040088	07/01/91	06/30/92	1.2782	0.9855
040090	07/01/91	06/30/92	0.9140	0.9271
040091	07/01/91	06/30/92	1.2929	0.9591
040093	07/01/91	06/30/92	1.0374	0.9631
040095	07/01/91	06/30/92	0.8428	0.9551
040109	07/01/91	06/30/92	1.0688	0.9674
040116	03/01/91	02/29/92	1.3703	0.9960
040124	07/01/91	06/30/92	1.0970	0.9611
040126	07/01/91	06/30/92	0.9809	0.9511
050006	07/01/91	06/30/92	1.3178	0.9944
050009	07/01/91	06/30/92	1.5997	0.9948
050014	07/01/91	06/30/92	1.1215	0.9609
050015	07/01/91	06/30/92	1.4550	0.9802
050017	04/01/91	03/30/92	1.9811	0.9992
050019	07/01/91	06/29/92	0.8353	0.9856
050025	07/01/91	06/29/92	1.6030	0.9957
050026	05/29/91	06/30/92	1.4622	0.9923
050028	07/01/91	06/29/92	1.2531	0.9921
050029	07/01/91	06/30/92	1.3155	0.9789
050033	07/01/91	06/30/92	1.4279	0.9964
050036	07/01/91	06/30/92	1.6775	0.9909
050038	07/01/91	06/30/92	1.3299	0.9869
050039	07/01/91	06/30/92	1.6691	0.9958
050040	07/01/91	06/30/92	1.1549	0.9589
050041	06/01/91	05/31/92	1.2408	0.9607
050042	07/01/91	06/30/92	1.2330	0.9738
050043	09/01/90	02/29/92	1.5738	0.9984
050045	07/01/91	06/30/92	1.2376	0.9745
050046	05/01/91	04/30/92	1.2481	0.9729
050051	07/01/91	06/30/92	1.1000	0.9777
050054	07/01/91	06/30/92	1.3099	0.9881
050055	07/01/91	06/30/92	1.2482	0.9920
050056	07/01/91	06/30/92	1.3679	0.9961
050057	07/01/91	06/30/92	1.4596	0.9942
050063	07/01/91	06/30/92	1.4086	0.9929
050065	04/01/91	03/31/92	1.4837	0.9853
050066	04/01/91	03/31/92	1.2523	0.9982
050067	07/01/91	06/30/92	1.3366	0.9872
050068	07/01/91	06/30/92	1.0370	0.9894
050069	07/01/91	06/30/92	1.6521	0.9975
050077	07/01/91	06/30/92	1.6353	0.9979
050079	07/01/91	06/29/92	1.5069	0.9968
050082	07/01/91	06/30/92	1.4397	0.9979
050088	07/01/91	06/29/92	1.1037	0.9849
050089	07/01/91	06/30/92	1.3531	0.9877
050090	07/01/91	06/29/92	1.2494	0.9826
050092	07/01/91	06/30/92	0.9100	0.9577
050093	06/01/91	05/31/92	1.5225	0.9985
050095	07/01/91	06/29/92	1.8346	1.0000
050104	07/01/91	06/30/92	1.3414	0.9968
050110	07/01/91	06/30/92	1.1896	0.9572
050113	07/01/91	06/30/92	1.1597	0.9878
050114	05/01/91	04/30/92	1.4931	0.9834
050115	07/01/91	06/30/92	1.5233	0.9957
050116	07/01/91	06/30/92	1.4737	0.9952
050118	06/01/91	05/31/92	1.1664	0.9823
050124	07/01/91	06/29/92	1.1871	0.9893
050128	07/01/91	06/29/92	1.5638	0.9964
050129	07/01/91	06/30/92	1.4988	0.9947
050133	07/01/91	06/30/92	1.2047	0.9668

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
050136	07/01/91	06/30/92	1.3681	0.9828
050147	06/01/91	05/31/92	0.7341	0.9809
050148	07/01/91	06/30/92	1.1179	0.9612
050152	07/01/91	06/30/92	1.3992	0.9951
050153	07/01/91	06/29/92	1.6438	0.9970
050159	07/01/91	06/30/92	1.3387	0.9901
050161	05/01/91	05/17/92	1.3377	0.9628
050166	07/01/91	06/29/92	1.3771	1.0000
050167	07/01/91	06/30/92	1.3599	0.9942
050168	07/01/91	06/30/92	1.6651	0.9981
050170	07/01/91	06/30/92	1.4309	0.9902
050172	07/01/91	06/30/92	1.3146	0.9906
050174	07/01/91	06/30/92	1.6643	0.9975
050175	07/01/91	06/30/92	1.3469	0.9864
050177	04/01/91	03/31/92	1.2687	0.9935
050179	02/01/91	01/31/92	1.2575	0.9848
050181	07/01/91	06/29/92	1.2623	0.9652
050183	07/01/91	06/30/92	1.1899	0.9865
050188	06/01/91	05/31/92	1.4019	0.9901
050191	07/01/91	06/30/92	1.3953	0.9886
050192	07/01/91	06/30/92	1.2196	0.9771
050193	07/01/91	06/30/92	1.3502	0.9848
050194	07/01/91	06/30/92	1.2817	0.9909
050195	07/01/91	06/29/92	1.5758	0.9953
050197	07/01/91	06/29/92	1.9140	0.9965
050199	07/01/91	06/30/92	1.3316	0.9947
050207	07/01/91	06/30/92	1.3197	0.9918
050213	07/01/91	06/30/92	1.3266	0.9948
050215	07/01/91	06/30/92	1.4109	0.9949
050220	04/01/91	03/31/92	1.2860	0.9851
050228	07/01/91	06/29/92	1.3196	0.9750
050230	03/01/91	02/29/92	1.3717	0.9783
050232	07/01/91	06/30/92	1.8147	0.9942
050240	07/01/91	06/30/92	1.4477	0.9926
050242	07/01/91	06/30/92	1.4066	0.9965
050243	07/01/91	06/29/92	1.4985	0.9960
050245	07/01/91	06/30/92	1.3485	0.9862
050248	07/01/91	06/29/92	1.0984	0.9789
050258	07/01/91	06/30/92	1.3115	0.9956
050260	07/01/91	06/30/92	0.9930	0.9207
050261	07/01/91	06/30/92	1.1681	0.9876
050262	07/01/91	06/30/92	1.7975	0.9951
050263	03/31/91	04/30/92	1.2105	0.9852
050267	07/01/91	06/30/92	1.5275	0.9956
050274	07/01/91	06/30/92	1.0762	0.9672
050276	07/01/91	06/30/92	1.1044	0.9854
050277	07/01/91	06/30/92	1.4111	0.9952
050278	06/01/91	05/31/92	1.3792	0.9831
050279	07/01/91	06/30/92	1.2317	0.9854
050280	07/01/91	06/29/92	1.4058	0.9912
050283	07/01/91	06/30/92	1.3987	0.9854
050289	07/01/91	06/30/92	1.6797	0.9965
050290	06/01/91	05/31/92	1.5089	0.9981
050291	07/01/91	06/29/92	1.1976	0.9895
050292	07/01/91	06/30/92	1.1936	0.9869
050293	07/01/91	06/30/92	1.1903	0.9703
050295	07/01/91	06/29/92	1.3493	0.9946
050296	07/01/91	06/30/92	1.1599	0.9695
050299	04/01/91	03/31/92	1.2397	0.9893
050307	06/01/91	05/31/92	1.5304	0.9895
050308	07/01/91	06/30/92	1.5636	0.9973
050312	06/01/91	05/31/92	1.8073	0.9944
050315	07/01/91	06/30/92	1.2914	0.9887
050320	07/01/91	06/30/92	1.4065	0.9909
050325	07/01/91	06/30/92	1.2840	0.9701
050331	03/03/91	02/29/92	1.3254	0.9841
050333	07/01/91	06/30/92	0.9859	0.9360
050334	07/01/91	06/30/92	1.4942	0.9983
050337	05/01/91	04/30/92	1.3024	0.9727

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
050342	07/01/91	06/30/92	1.2824	0.9844
050343	07/01/91	06/30/92	1.0560	0.9968
050348	07/01/91	06/30/92	1.8558	0.9945
050349	07/01/91	06/30/92	1.0123	0.9728
050350	07/01/91	06/29/92	1.3823	0.9964
050353	07/01/91	06/30/92	1.6308	0.9982
050355	07/01/91	06/30/92	0.9835	0.8649
050359	07/01/91	06/30/92	1.1399	0.9954
050373	07/01/91	06/30/92	1.3415	0.9736
050376	07/01/91	06/30/92	1.3786	0.9810
050377	07/01/91	06/29/92	0.9549	0.9900
050378	05/01/91	04/30/92	1.1229	0.9937
050379	07/01/91	06/30/92	1.0740	0.9672
050380	07/01/91	06/30/92	1.5905	0.9958
050382	07/01/91	06/30/92	1.4094	0.9990
050387	07/01/91	06/30/92	0.9219	0.9733
050388	07/01/91	06/30/92	0.9209	0.9460
050390	07/01/91	06/30/92	1.2777	0.9922
050392	07/01/91	06/30/92	0.9328	0.9747
050393	07/01/91	06/30/92	1.5118	0.9983
050397	07/01/91	06/29/92	0.9306	0.9638
050401	05/01/91	04/30/92	1.2015	0.9946
050406	07/01/91	06/30/92	1.0932	0.9840
050414	04/01/91	03/31/92	1.2595	0.9714
050418	06/01/91	05/31/92	1.2804	0.9857
050419	07/01/91	06/29/92	1.2607	0.9720
050423	04/01/91	03/31/92	0.9753	0.9451
050430	07/01/91	06/30/92	1.0354	0.9718
050432	06/01/91	05/31/92	1.6048	0.9955
050433	07/01/91	06/30/92	1.0293	0.9733
050434	04/01/91	03/31/92	1.0784	0.9573
050435	07/01/91	06/30/92	1.2329	0.9714
050436	07/01/91	06/30/92	1.0317	0.9751
050443	07/01/91	06/30/92	0.8963	0.9238
050444	07/01/91	06/30/92	1.2579	0.9927
050446	07/01/91	06/29/92	0.9267	0.9002
050448	02/01/91	01/31/92	1.1228	0.9755
050449	07/01/90	06/30/92	1.2607	0.9891
050450	07/01/91	06/30/92	0.5399	1.0000
050451	07/01/91	06/30/92	0.9701	0.9180
050454	07/01/91	06/30/92	1.7941	0.9974
050457	07/01/91	06/30/92	1.8674	0.9969
050459	07/01/91	06/30/92	1.2790	0.9742
050464	06/01/91	05/31/92	1.8031	0.9982
050467	01/01/91	01/14/92	1.2550	0.9871
050468	01/01/90	06/30/92	1.5014	0.9838
050470	07/01/91	06/29/92	1.1381	0.9631
050476	07/01/91	06/30/92	1.2477	0.9793
050477	07/01/91	06/30/92	1.3881	0.9874
050482	07/01/91	06/30/92	0.9756	0.9344
050485	07/01/91	06/30/92	1.6769	0.9990
050488	07/01/91	06/30/92	1.2107	0.9909
050491	07/01/91	06/30/92	1.4451	0.9969
050494	07/01/91	06/30/92	1.0229	0.9665
050496	07/01/91	06/29/92	1.8359	0.9967
050497	07/01/91	06/29/92	0.9526	0.8757
050502	07/01/91	06/30/92	1.6880	0.9996
050516	04/01/91	03/31/92	1.4280	0.9860
050522	06/01/91	05/31/92	1.3936	0.9907
050528	07/01/91	06/30/92	1.2875	0.9846
050534	06/01/91	05/31/92	1.3267	0.9815
050539	07/01/91	06/30/92	1.1990	0.9592
050542	07/01/91	06/30/92	1.1017	0.9427
050545	07/01/91	06/29/92	0.9955	0.9979
050546	07/01/91	06/29/92	1.0307	1.0000
050547	07/01/91	06/29/92	0.9807	0.9968
050548	07/01/91	06/29/92	0.5777	1.0000
050551	06/01/91	05/31/92	1.2755	0.9867
050559	07/01/91	06/30/92	1.3228	0.9707

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
050560	05/01/91	04/30/92	1.3070	0.9908
050564	05/01/91	04/30/92	1.2715	0.9875
050565	07/01/91	06/30/92	1.2540	0.9878
050566	07/01/91	06/30/92	0.9963	0.9368
050568	07/01/91	06/30/92	1.3458	0.9897
050569	07/01/91	06/29/92	1.2678	0.9751
050573	07/01/91	06/30/92	1.6242	0.9986
050577	07/01/91	06/30/92	1.2453	0.9919
050578	07/01/91	06/30/92	1.3630	0.9764
050579	06/01/91	05/31/92	1.4755	0.9843
050581	06/01/91	05/31/92	1.4172	0.9789
050583	06/01/91	05/31/92	1.6875	0.9983
050584	06/01/91	05/31/92	1.2270	0.9786
050589	06/01/91	05/31/92	1.2914	0.9785
050594	07/01/91	06/30/92	1.9043	0.9826
050599	07/01/91	06/30/92	1.6295	0.9953
050601	04/01/91	03/31/92	1.3639	0.9839
050603	07/01/91	06/30/92	1.4299	0.9939
050608	02/01/91	01/31/92	1.1794	0.9915
050613	07/01/91	06/30/92	1.0914	0.9899
050615	05/01/91	04/30/92	1.2840	0.9848
050616	07/01/91	06/30/92	1.3227	0.9869
050623	07/01/91	06/30/92	1.3088	0.9905
050625	04/01/91	03/31/92	1.4801	0.9972
050633	06/01/91	05/31/92	1.1720	0.9886
050636	07/01/91	06/30/92	1.3613	0.9746
050637	05/01/91	04/30/92	1.1907	0.9989
050638	07/01/91	06/30/92	1.0195	0.9783
050641	07/01/91	06/30/92	1.1130	0.9966
050651	02/01/91	01/31/92	1.2014	0.9866
050660	07/01/91	06/30/92	1.1186	0.9974
050661	02/01/91	01/31/92	0.8956	0.9958
050662	07/01/91	06/29/92	0.8883	0.9934
050666	07/01/91	06/29/92	0.9029	1.0000
050667	07/01/91	06/30/92	0.9695	0.9297
050668	07/01/91	06/29/92	1.1526	0.9551
050671	07/01/91	06/30/92	1.0818	0.9729
050672	07/01/91	06/30/92	0.6531	0.9941
050675	02/01/91	01/31/92	1.4343	0.9971
050676	07/01/91	06/30/92	0.8661	0.9352
050678	07/01/91	06/30/92	1.1525	0.9886
050682	07/01/91	06/30/92	0.8830	0.9733
050684	07/01/91	06/30/92	1.2369	0.9832
050685	07/01/91	06/30/92	1.1292	0.9872
050688	07/01/91	06/30/92	1.1708	0.9766
050689	06/01/91	05/31/92	1.4432	0.9735
060008	07/01/91	06/29/92	1.0673	0.9637
060012	07/01/91	06/30/92	1.4410	0.9979
060013	07/01/91	06/29/92	1.1585	0.9838
060016	07/01/91	06/30/92	1.1905	0.9839
060020	07/01/91	06/30/92	1.4750	0.9929
060023	06/01/91	05/30/92	1.4695	0.9982
060026	07/01/91	06/30/92	1.4274	0.9974
060028	06/01/91	05/31/92	1.3788	0.9981
060031	07/01/91	06/30/92	1.5240	0.9934
060032	07/01/91	06/30/92	1.3598	0.9979
060036	04/01/91	03/31/92	1.1509	0.9770
060054	05/01/91	04/30/92	1.2532	0.9935
080001	07/01/91	06/30/92	1.6186	0.9992
080002	07/01/91	06/29/92	1.1532	0.9877
080003	07/01/91	06/30/92	1.2690	0.9911
080006	07/01/91	06/30/92	1.1607	0.9864
080007	07/01/91	06/30/92	1.2796	0.9873
090001	07/01/91	06/30/92	1.4494	0.9983
090003	07/01/91	06/30/92	1.3911	0.9989
090004	07/01/91	06/30/92	1.5650	0.9996
090010	07/01/91	06/29/92	0.9799	0.9928
090011	07/01/91	06/30/92	1.8794	0.9984
100010	07/01/91	06/30/92	1.3817	0.9965

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
100027	06/01/91	05/31/92	0.8634	0.9689
100032	07/01/91	06/30/92	1.8625	0.9972
100038	05/01/91	04/30/92	1.6271	0.9982
100039	07/01/91	06/30/92	1.6571	0.9951
100059	07/01/90	01/06/92	1.4983	0.9960
100067	07/01/91	06/30/92	1.3899	0.9969
100068	04/01/91	03/31/92	1.4553	0.9961
100070	07/01/91	06/30/92	1.3535	0.9850
100073	07/01/91	06/30/92	1.8134	0.9988
100075	07/01/91	06/30/92	1.7059	0.9988
100076	04/01/91	03/31/92	1.3847	0.9967
100079	06/01/91	05/31/92	1.0086	0.9768
100084	07/01/91	06/30/92	1.4047	0.9742
100086	07/01/91	06/30/92	1.3117	0.9920
100113	07/01/91	06/30/92	2.0017	0.9972
100114	04/01/91	03/31/92	1.4936	0.9935
100122	07/01/91	06/30/92	1.3767	0.9843
100126	06/01/91	05/31/92	1.4951	0.9939
100145	07/01/90	01/31/92	1.3713	0.9916
100152	08/01/90	01/06/92	1.2175	0.9984
100160	07/01/91	06/30/92	1.1971	0.9672
100161	06/01/91	05/31/92	1.4796	0.9874
100168	07/01/91	06/30/92	1.2905	0.9834
100172	06/01/91	05/31/92	1.3103	0.9990
100179	05/01/91	04/30/92	1.6810	0.9989
100191	07/01/91	06/30/92	1.3559	0.9878
100200	07/01/91	06/30/92	1.3141	0.9907
100204	03/01/91	02/29/92	1.5937	0.9987
100207	04/01/91	03/31/92	1.4472	0.9942
100213	05/01/91	04/30/92	1.5889	0.9978
100218	07/01/91	06/29/92	0.9075	0.9962
100225	06/01/91	05/31/92	1.3162	0.9949
100231	06/01/91	05/31/92	1.7322	0.9988
100240	06/01/91	05/31/92	0.8159	0.9965
100242	02/01/91	01/31/92	1.3223	0.9915
100244	07/01/91	06/29/92	1.3624	0.9851
100249	06/01/91	05/31/92	1.2755	0.9764
100252	02/01/91	01/31/92	1.3340	0.9853
100254	05/01/91	04/30/92	1.6307	0.9998
100256	03/01/91	02/29/92	1.8166	0.9969
100258	06/01/91	05/31/92	1.6908	0.9938
100264	03/01/91	02/29/92	1.3842	0.9771
100268	06/01/91	05/31/92	1.2191	0.9719
100270	06/01/91	05/31/92	0.9087	0.9714
100271	07/01/91	06/30/92	1.5477	0.9993
100276	07/01/91	06/30/92	1.3286	0.9893
100277	07/01/91	06/30/92	0.9737	0.9725
110003	03/01/91	02/29/92	1.3041	0.9811
110008	04/01/91	03/31/92	1.1326	0.9810
110011	07/01/91	06/30/92	1.1271	0.9872
110015	07/01/91	06/30/92	1.0567	0.9697
110017	07/01/91	06/29/92	0.9843	0.9772
110026	07/01/91	06/30/92	1.0914	0.9653
110027	07/01/91	06/30/92	1.0460	0.9861
110031	04/01/91	03/31/92	1.2913	0.9900
110034	07/01/91	06/30/92	1.4358	0.9964
110035	07/01/91	06/30/92	1.3183	0.9880
110039	07/01/91	06/30/92	1.3051	0.9916
110040	07/01/91	06/30/92	0.9919	0.9845
110041	07/01/91	06/30/92	1.0294	0.9652
110042	07/01/91	06/30/92	1.0197	0.9729
110043	07/01/91	06/30/92	1.5650	0.9993
110051	05/01/91	04/30/92	0.9986	0.9656
110052	07/01/91	06/30/92	0.9095	0.9753
110054	07/01/91	06/30/92	1.2777	0.9932
110055	03/01/91	02/29/92	0.9030	0.9696
110056	07/01/91	06/30/92	0.9458	0.9715
110062	04/01/91	03/31/92	0.9069	0.9695
110064	07/01/91	06/30/92	1.2607	0.9932

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
110066	07/01/91	06/30/92	1.3061	0.9893
110069	03/01/91	02/29/92	1.1688	0.9848
110071	07/01/91	06/30/92	0.9880	0.9561
110085	01/01/91	01/31/92	1.1626	0.9562
110093	07/01/91	06/30/92	0.9256	0.9767
110094	07/01/91	06/30/92	1.0585	0.9789
110101	07/01/91	06/30/92	1.0299	0.9745
110103	07/01/91	06/30/92	0.9008	0.9571
110104	07/01/91	06/30/92	1.1243	0.9795
110108	07/01/91	06/30/92	0.9155	0.9204
110109	07/01/91	06/30/92	1.0714	0.9731
110113	06/01/91	05/31/92	0.9723	0.9673
110124	07/01/91	06/30/92	1.0628	0.9834
110125	05/01/91	04/30/92	1.1455	0.9814
110127	07/01/91	06/30/92	0.8761	0.9073
110128	07/01/91	06/30/92	1.1520	0.9868
110132	04/01/91	03/31/92	1.1735	0.9751
110134	07/01/91	06/30/92	0.8588	0.9614
110135	05/01/91	04/30/92	1.1265	0.9821
110136	07/01/91	06/30/92	1.2064	0.9871
110141	07/01/91	06/30/92	0.9418	0.9641
110143	06/01/91	05/31/92	1.2788	0.9899
110152	07/01/91	06/30/92	1.0427	0.9529
110153	03/01/91	02/29/92	1.0326	0.9746
110154	07/01/91	06/30/92	0.9352	0.9643
110155	04/01/91	03/31/92	0.9869	0.9823
110156	07/01/91	06/30/92	0.8897	0.9577
110157	04/01/91	03/31/92	1.1193	0.9736
110163	05/01/91	04/30/92	1.3918	0.9962
110164	04/01/91	03/31/92	1.3233	0.9961
110168	07/01/91	06/30/92	1.5996	0.9986
110169	07/01/91	06/30/92	0.7570	0.9956
110174	07/01/91	06/30/92	1.0079	0.9422
110176	07/01/91	06/30/92	1.1105	0.9855
110178	07/01/91	06/30/92	1.1557	0.9862
110181	04/01/91	03/31/92	1.0095	0.9506
110183	02/01/91	01/31/92	1.3452	0.9897
110184	04/01/91	03/31/92	1.2054	0.9717
110185	07/01/91	06/30/92	1.1047	0.9697
110186	05/01/91	04/30/92	1.2595	0.9949
110188	04/01/91	03/31/92	1.3166	0.9897
110191	07/01/91	06/30/92	1.2489	0.9884
110194	07/01/91	06/30/92	0.9526	0.9490
110204	07/01/91	06/30/92	0.7133	1.0000
120001	06/30/91	06/27/92	1.6824	0.9904
120002	07/01/91	06/30/92	1.1748	0.9723
120003	07/01/91	06/30/92	1.0652	0.9605
120004	07/01/91	06/30/92	1.2774	0.9870
120005	07/01/91	06/30/92	1.2563	0.9891
120007	07/01/91	06/30/92	1.5725	0.9994
120009	06/30/91	06/27/92	0.8673	0.9323
120010	07/01/91	06/29/92	1.6756	0.9989
120012	07/01/91	06/30/92	0.9662	0.9469
120014	07/01/91	06/30/92	1.1705	0.9815
120015	07/01/91	06/30/92	1.0088	0.8086
120016	07/01/91	06/30/92	0.9398	0.9388
120018	07/01/91	06/30/92	0.8642	1.0000
120019	07/01/91	06/30/92	1.1511	0.9761
120021	07/01/91	06/30/92	0.8928	0.9590
120024	07/01/91	06/30/92	1.0500	1.0000
120026	07/01/91	06/30/92	1.2439	0.9827
120027	07/01/91	06/30/92	1.4386	0.9868
130003	07/01/91	06/29/92	1.2056	0.9819
130007	06/01/91	05/31/92	1.4869	0.9904
130008	07/01/91	06/29/92	1.0130	0.9726
130013	07/01/91	06/29/92	1.2729	0.9846
130017	07/01/91	06/29/92	1.0461	0.8926
130022	07/01/91	06/29/92	1.1866	0.9667
130029	07/01/91	06/29/92	1.0339	0.9508

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
130035	07/01/91	06/29/92	0.9416	0.9326
130048	07/01/91	06/29/92	1.0851	0.9613
140001	07/01/91	06/30/92	1.2786	0.9789
140003	03/01/91	02/29/92	0.9939	0.9587
140005	04/01/91	03/31/92	0.9230	0.9764
140011	04/01/91	03/31/92	1.0733	0.9808
140014	07/01/91	06/30/92	1.0710	0.9739
140016	03/01/91	02/29/92	0.9800	0.9567
140018	07/01/91	06/30/92	1.4604	0.9938
140024	07/01/91	06/30/92	1.0241	0.9837
140025	04/01/91	03/31/92	1.1298	0.9653
140026	07/01/91	06/30/92	1.1303	0.9848
140027	05/01/91	04/30/92	1.0809	0.9840
140030	05/01/91	04/30/92	1.5439	0.9959
140032	07/01/91	06/30/92	1.2619	0.9739
140035	07/01/91	06/30/92	1.0510	0.9688
140037	07/01/91	06/30/92	0.9750	0.9610
140038	05/01/91	04/30/92	1.1665	0.9708
140040	05/01/91	04/30/92	1.2723	0.9820
140041	06/01/91	05/31/92	1.0825	0.9692
140042	04/01/91	03/31/92	1.0611	0.9801
140043	05/01/91	04/30/92	1.2316	0.9815
140045	07/01/91	06/30/92	0.9908	0.9670
140047	05/01/91	04/30/92	1.0278	0.9699
140053	07/01/91	06/30/92	1.7779	0.9985
140055	05/01/91	04/30/92	0.9744	0.9687
140059	07/01/91	06/30/92	1.0940	0.9730
140061	07/01/91	06/30/92	1.0860	0.9634
140068	04/01/91	03/31/92	1.2117	0.9922
140069	05/01/91	04/30/92	1.0642	0.9516
140070	05/01/91	04/29/92	1.1727	0.9750
140077	05/01/91	04/30/92	1.1879	0.9803
140081	07/01/91	06/30/92	1.1755	0.9707
140082	07/01/91	06/30/92	1.2872	0.9964
140083	07/01/91	06/30/92	1.2771	0.9939
140086	07/01/91	06/30/92	1.1116	0.9537
140088	07/01/91	06/30/92	1.4568	0.9972
140089	07/01/91	06/30/92	1.2476	0.9722
140091	07/01/91	06/29/92	1.6187	0.9946
140100	07/01/91	06/30/92	1.3736	0.9903
140102	07/01/91	06/30/92	1.0260	0.9620
140109	07/01/91	06/30/92	1.1105	0.9664
140110	05/01/91	04/30/92	1.3259	0.9803
140114	02/01/91	01/31/92	1.2613	0.9925
140115	07/01/91	06/30/92	1.2111	0.9983
140116	07/01/91	06/30/92	1.2926	0.9881
140117	07/01/91	06/30/92	1.2702	0.9904
140119	07/01/91	06/29/92	1.6399	0.9976
140120	05/01/91	04/30/92	1.1872	0.9830
140121	07/01/91	06/30/92	1.0635	0.9761
140127	07/01/91	06/30/92	1.2824	0.9899
140133	07/01/91	06/30/92	1.3237	0.9867
140138	07/01/91	06/30/92	1.0320	0.9694
140140	07/01/91	06/30/92	1.0174	0.9787
140144	04/01/91	03/31/92	0.9820	0.9680
140145	07/01/91	06/29/92	1.0804	0.9826
140146	05/01/91	04/30/92	0.9897	0.9502
140150	07/01/91	06/30/92	1.3621	0.9949
140151	07/01/91	06/30/92	1.1758	0.9999
140158	07/01/91	06/30/92	1.3954	0.9990
140159	07/01/91	06/30/92	1.1768	0.9885
140164	04/01/91	03/31/92	1.2199	0.9857
140165	04/01/91	03/31/92	1.1022	0.9597
140166	07/01/91	06/30/92	1.2216	0.9845
140168	07/01/91	06/30/92	1.1805	0.9716
140170	07/01/91	06/30/92	0.9378	0.9802
140171	07/01/91	06/29/92	0.9744	0.9675
140172	07/01/91	06/30/92	1.5323	0.9915
140173	07/01/91	06/30/92	1.0349	0.9546

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
140174	07/01/91	06/30/92	1.4156	0.9960
140177	04/01/91	03/31/92	1.2483	0.9958
140179	07/01/91	06/30/92	1.2696	0.9942
140184	05/01/91	04/30/92	1.1504	0.9752
140187	07/01/91	06/30/92	1.3913	0.9904
140189	07/01/91	06/30/92	1.1411	0.9807
140190	05/01/91	04/30/92	1.1408	0.9572
140193	07/01/91	06/30/92	0.9796	0.9553
140199	07/01/91	06/30/92	0.9980	0.9666
140200	07/01/91	06/30/92	1.4287	0.9968
140205	06/01/91	05/31/92	0.9635	0.9672
140210	05/01/91	04/30/92	1.0222	0.9780
140213	04/01/91	03/31/92	1.2050	0.9900
140215	07/01/91	06/30/92	1.1071	0.9779
140218	07/01/91	06/30/92	0.9718	0.9692
140223	07/01/91	06/30/92	1.5347	0.9969
140224	07/01/91	06/30/92	1.3421	0.9984
140228	06/01/91	05/31/92	1.5042	0.9986
140229	05/01/91	04/30/92	0.9269	0.9518
140230	07/01/91	06/30/92	0.9340	0.9589
140231	07/01/91	06/30/92	1.5996	0.9932
140234	07/01/91	06/30/92	1.1363	0.9788
140239	03/01/91	02/29/92	1.5615	0.9986
140242	07/01/91	06/30/92	1.5192	0.9950
140245	07/01/91	06/30/92	0.9952	0.9628
140246	07/01/91	06/30/92	1.0575	0.9683
140250	05/01/91	04/30/92	1.2174	0.9919
140251	07/01/91	06/30/92	1.3563	0.9916
140275	04/01/91	03/31/92	1.1877	0.9926
140276	07/01/91	06/29/92	2.0231	0.9990
140280	06/01/91	05/31/92	1.1867	0.9848
140286	05/01/91	04/30/92	1.1203	0.9758
140297	06/01/91	05/31/92	1.4372	0.9907
140299	07/01/91	06/30/92	0.9959	0.9718
150011	07/01/91	06/30/92	1.2872	0.9908
150012	06/01/91	05/31/92	1.6241	0.9966
150019	07/01/91	06/30/92	1.1196	0.9868
150025	07/01/91	06/30/92	1.5769	0.9964
150032	07/01/91	06/30/92	1.6532	0.9950
150043	07/01/91	06/30/92	1.0475	0.9668
150056	03/01/91	02/29/92	1.7029	0.9992
150076	06/01/91	05/31/92	1.0920	0.9860
150077	07/01/91	06/30/92	1.2759	0.9883
150082	05/01/91	04/30/92	1.4158	0.9989
150084	07/01/91	06/30/92	1.7850	0.9998
150085	06/01/91	05/31/92	0.9873	0.9774
150088	06/01/91	05/31/92	1.1663	0.9809
150089	07/01/91	06/29/92	1.3318	0.9993
150099	07/01/91	06/30/92	1.2864	0.9990
150100	07/01/91	06/30/92	1.6246	0.9938
150103	07/01/91	06/30/92	1.0995	0.9606
150110	05/01/91	04/30/92	0.9173	0.9875
150115	07/01/91	06/30/92	1.3142	0.9880
150125	07/01/91	06/30/92	1.4025	0.9984
150126	07/01/91	06/30/92	1.5309	0.9876
150130	07/01/91	06/30/92	1.0793	0.9818
150135	07/01/91	06/30/92	0.9387	0.9723
160005	07/01/91	06/30/92	1.0054	0.9719
160007	07/01/91	06/30/92	0.9895	0.9398
160009	07/01/91	06/30/92	1.2244	0.9725
160012	07/01/91	06/30/92	1.1198	0.9753
160013	07/01/91	06/30/92	1.3128	0.9793
160014	07/01/91	06/30/92	0.9505	0.9465
160016	07/01/91	06/30/92	1.2704	0.9741
160018	07/01/91	06/30/92	1.0145	0.9504
160020	07/01/91	06/30/92	1.0952	0.9844
160021	07/01/91	06/30/92	1.1798	0.9664
160023	07/01/91	06/30/92	1.0521	0.9696
160025	07/01/91	06/30/92	1.8467	0.9965

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
160026	07/01/91	06/30/92	1.0883	0.9710
160027	07/01/91	06/30/92	1.1675	0.9469
160028	07/01/91	06/30/92	1.2321	0.9847
160029	07/01/91	06/30/92	1.4532	0.9982
160030	07/01/91	06/30/92	1.2917	0.9863
160031	07/01/91	06/30/92	1.0540	0.9521
160032	07/01/91	06/30/92	1.1221	0.9719
160033	07/01/91	06/30/92	1.3689	0.9893
160034	07/01/91	06/30/92	0.9814	0.9463
160035	07/01/91	06/30/92	0.9727	0.9389
160036	07/01/91	06/30/92	1.0612	0.9707
160037	07/01/91	06/30/92	1.0728	0.9692
160039	07/01/91	06/30/92	1.0173	0.9535
160040	07/01/91	06/30/92	1.2723	0.9784
160041	07/01/91	06/30/92	1.0977	0.9459
160043	07/01/91	06/30/92	1.0168	0.9437
160046	07/01/91	06/30/92	1.0521	0.9884
160048	07/01/91	06/29/92	1.1043	0.9601
160049	07/01/91	06/30/92	0.9511	0.9408
160050	07/01/91	06/30/92	1.0184	0.9644
160052	07/01/91	06/30/92	1.0070	0.9564
160054	07/01/91	06/30/92	1.0195	0.9704
160055	07/01/91	06/30/92	0.9555	0.9571
160056	07/01/91	06/30/92	1.0474	0.9604
160057	07/01/91	06/30/92	1.3544	0.9748
160058	07/01/91	06/29/92	1.6815	0.9993
160059	07/01/91	06/30/92	1.2669	0.9847
160060	07/01/91	06/30/92	1.0622	0.9588
160061	07/01/91	06/30/92	0.9895	0.9705
160062	07/01/91	06/30/92	1.0070	0.9670
160063	07/01/91	06/30/92	1.1474	0.9661
160064	07/01/91	06/30/92	1.5226	0.9948
160065	06/01/91	05/31/92	1.0560	0.9626
160066	07/01/91	06/30/92	1.1009	0.9489
160067	07/01/91	06/30/92	1.2720	0.9890
160068	07/01/91	06/30/92	1.0429	0.9615
160069	07/01/91	06/30/92	1.3524	0.9956
160070	07/01/91	06/30/92	1.0870	0.9899
160073	07/01/91	06/30/92	0.9218	0.9567
160074	07/01/91	06/30/92	1.0713	0.9764
160075	07/01/91	06/30/92	1.1107	0.9671
160076	07/01/91	06/30/92	0.9986	0.9779
160077	07/01/91	06/30/92	1.0872	0.9726
160079	07/01/91	06/30/92	1.2984	0.9934
160080	07/01/91	06/30/92	1.1610	0.9806
160081	07/01/91	06/30/92	1.1074	0.9646
160083	07/01/91	06/30/92	1.5269	0.9983
160085	07/01/91	06/30/92	1.1661	0.9280
160086	07/01/91	06/30/92	1.0098	0.9096
160088	07/01/91	06/30/92	1.0695	0.9668
160089	04/01/91	03/31/92	1.2133	0.9796
160090	07/01/91	06/30/92	1.0252	0.9685
160091	07/01/91	06/30/92	1.1624	0.9632
160093	07/01/91	06/30/92	1.1366	0.9411
160094	07/01/91	06/30/92	1.1312	0.9612
160095	07/01/91	06/30/92	1.0578	0.9409
160097	07/01/91	06/30/92	1.1653	0.9615
160098	07/01/91	06/30/92	0.9895	0.9475
160101	07/01/91	06/30/92	1.0806	0.9501
160102	07/01/91	06/30/92	1.3901	0.9968
160103	07/01/91	06/30/92	0.9583	0.9469
160106	07/01/91	06/30/92	1.0433	0.9454
160107	07/01/91	06/30/92	1.1544	0.9571
160108	07/01/91	06/30/92	1.0899	0.9599
160109	07/01/91	06/30/92	0.9452	0.9442
160112	07/01/91	06/30/92	1.4183	0.9704
160113	07/01/91	06/30/92	1.0133	0.9671
160114	07/01/91	06/30/92	0.9657	0.9639
160115	07/01/91	06/30/92	1.0329	0.9775

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
160116	07/01/91	06/30/92	1.2489	0.9755
160117	07/01/91	06/30/92	1.3052	0.9973
160118	07/01/91	06/30/92	0.9987	0.9662
160120	07/01/91	06/30/92	0.9864	0.8839
160123	07/01/91	06/30/92	1.1191	0.9616
160124	07/01/91	06/30/92	1.1371	0.9598
160134	07/01/91	06/30/92	0.9600	0.9471
160135	07/01/91	06/30/92	0.9907	0.9624
160140	07/01/91	06/30/92	1.0457	0.9648
160141	07/01/91	06/30/92	0.8697	0.9629
160142	07/01/91	06/30/92	1.1401	0.9546
160143	07/01/91	06/30/92	1.1084	0.9474
160145	07/01/91	06/30/92	1.0035	0.9330
160146	07/01/91	06/30/92	1.3492	0.9959
160151	07/01/91	06/30/92	1.1375	0.9712
160152	07/01/91	06/30/92	0.9685	0.9137
160153	07/01/91	06/30/92	1.5989	0.9971
170009	06/01/91	05/30/92	1.1330	0.9768
170010	07/01/91	06/29/92	1.1806	0.9678
170011	07/01/91	06/30/92	1.4427	0.9850
170013	07/01/91	06/30/92	1.2487	0.9863
170015	04/01/91	03/31/92	1.0627	0.9697
170016	06/01/91	05/31/92	1.5295	0.9973
170020	07/01/91	06/30/92	1.2354	0.9772
170025	07/01/91	06/30/92	1.3138	0.9666
170037	07/01/91	06/30/92	1.1003	0.9675
170040	07/01/91	06/29/92	1.4397	0.9944
170044	07/01/91	06/30/92	1.2102	0.9780
170045	07/01/91	06/30/92	1.0122	0.9861
170051	05/01/91	04/30/92	0.9548	0.9319
170052	05/01/91	04/30/92	1.0291	0.9727
170053	04/01/91	03/31/92	0.9008	0.9690
170056	04/01/91	03/31/92	0.9871	0.9679
170057	07/01/91	06/29/92	1.0230	0.9508
170058	07/01/91	06/30/92	1.0927	0.9823
170061	04/01/91	03/31/92	1.0500	0.9554
170067	07/01/91	06/30/92	1.0066	0.9257
170069	07/01/91	06/30/92	0.9138	0.9704
170072	04/01/91	03/31/92	0.8978	0.9729
170074	05/01/91	04/30/92	1.1218	0.9872
170084	07/01/91	06/30/92	0.9233	0.9711
170085	07/01/91	06/30/92	0.9187	0.9242
170089	07/01/91	06/30/92	1.0708	0.8886
170093	04/01/91	03/31/92	0.9634	0.9418
170095	07/01/91	06/29/92	1.1767	0.9856
170100	05/01/91	04/30/92	0.8618	0.9627
170103	07/01/91	06/30/92	1.2125	0.9731
170105	07/01/91	06/30/92	0.9990	0.9597
170115	07/01/91	06/30/92	1.0040	0.9579
170133	07/01/91	06/30/92	1.1167	0.9813
170140	07/01/91	06/30/92	1.1094	0.9667
170142	07/01/91	06/30/92	1.3300	0.9759
170159	07/01/90	01/31/92	0.9233	0.9568
170171	06/01/91	05/31/92	1.1463	0.9695
180002	07/01/91	06/30/92	1.0992	0.9801
180005	07/01/91	06/30/92	1.0517	0.9776
180006	05/01/91	04/30/92	0.9204	0.9855
180007	07/01/91	06/30/92	1.4477	0.9953
180012	07/01/91	06/30/92	1.2751	0.9928
180013	04/01/91	03/31/92	1.3032	0.9931
180018	07/01/91	06/30/92	1.1874	0.9825
180020	07/01/91	06/30/92	1.0671	0.9726
180021	07/01/91	06/30/92	0.9255	0.9861
180024	07/01/91	06/30/92	1.3204	0.9634
180027	04/01/91	03/31/92	1.2051	0.9870
180028	07/01/91	06/30/92	1.0019	0.9607
180029	07/01/91	06/30/92	1.3215	0.9853
180032	07/01/91	06/30/92	1.0366	0.9825
180033	05/01/91	04/30/92	1.0703	0.9358

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
180034	07/01/91	06/30/92	0.9936	0.9641
180038	06/01/91	05/31/92	1.3553	0.9955
180042	07/01/91	06/30/92	1.0935	0.9652
180046	07/01/91	06/30/92	1.1418	0.9751
180047	07/01/91	06/30/92	1.1510	0.8876
180049	07/01/91	06/30/92	1.3308	0.9771
180050	07/01/91	06/30/92	1.3047	0.9657
180053	07/01/91	06/30/92	1.2062	0.9858
180054	07/01/91	06/30/92	1.0533	0.9577
180055	07/01/91	06/30/92	1.0962	0.9701
180056	07/01/91	06/29/92	1.0435	0.9826
180065	07/01/91	06/30/92	1.0140	0.9613
180067	07/01/91	06/30/92	1.8616	0.9974
180069	07/01/91	06/30/92	1.1379	0.9799
180070	07/01/91	06/30/92	1.0805	0.9742
180075	05/01/91	04/30/92	0.9781	0.9798
180087	07/01/91	06/30/92	1.0335	0.9727
180092	07/01/91	06/30/92	1.1747	0.9820
180101	03/01/91	02/29/92	1.2952	0.9782
180105	03/01/91	02/29/92	0.9686	0.9736
180108	07/01/91	06/30/92	0.9059	0.9824
180117	06/01/90	05/19/92	1.2049	0.9719
180118	07/01/91	06/30/92	0.9700	0.9311
180122	07/01/91	06/30/92	0.9720	0.9574
180125	07/01/91	06/30/92	1.0325	0.9610
180129	05/01/91	04/30/92	1.0841	0.9596
180134	07/01/91	06/30/92	1.0491	0.9554
180139	07/01/90	05/31/92	1.0319	0.9710
190007	07/01/91	06/30/92	1.0604	0.9749
190008	04/01/91	03/31/92	1.4874	0.9991
190015	07/01/91	06/30/92	1.2006	0.9929
190017	07/01/91	06/30/92	1.2239	0.9880
190019	07/01/91	06/29/92	1.4416	0.9981
190020	07/01/91	06/30/92	1.1761	0.9828
190027	07/01/91	06/30/92	1.3995	0.9969
190029	07/01/91	06/30/92	1.2506	0.9476
190033	06/01/91	05/31/92	0.9634	0.9729
190035	07/01/91	06/30/92	1.4062	0.9993
190036	05/01/91	04/30/92	1.6537	0.9992
190037	07/01/91	06/30/92	1.0158	0.9027
190041	07/01/91	06/30/92	1.5474	0.9987
190045	07/01/91	06/30/92	1.2859	0.9872
190047	07/01/91	06/30/92	1.0949	0.9659
190048	07/01/91	06/30/92	1.0504	0.9699
190071	07/01/91	06/30/92	0.8947	0.9616
190075	07/01/91	06/30/92	1.4456	0.9979
190081	07/01/91	06/30/92	0.8993	0.9103
190086	05/01/91	04/30/92	1.2832	0.9842
190098	07/01/91	06/30/92	1.4551	0.9998
190103	05/01/91	04/30/92	0.8976	0.9763
190110	07/01/91	06/30/92	0.9460	0.9592
190112	06/01/91	05/31/92	1.2608	0.9886
190114	07/01/91	06/30/92	0.9475	0.9791
190124	07/01/91	06/30/92	1.3990	0.9986
190131	07/01/91	06/30/92	1.2552	0.9805
190132	07/01/90	01/31/92	1.0928	0.9648
190133	06/01/91	05/31/92	1.0097	0.9597
190138	05/01/91	04/30/92	0.7355	0.9964
190140	05/01/91	04/30/92	1.0291	0.9766
190148	06/01/91	05/31/92	0.9402	0.9717
190152	06/01/91	05/31/92	1.3479	0.9908
190155	07/01/91	06/30/92	0.9703	0.9775
190156	07/01/91	06/30/92	0.8674	0.9614
190158	06/01/91	05/31/92	1.2686	0.9991
190165	05/01/91	04/30/92	1.0915	0.9730
190166	07/01/91	06/30/92	1.0698	0.9689
190170	04/01/91	03/31/92	0.9732	0.9810
190173	06/01/91	05/31/92	1.4461	0.9933
190176	07/01/91	06/30/92	1.4461	0.9987

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
190182	03/01/91	02/29/92	1.0384	0.9925
190187	05/01/91	04/30/92	0.8206	0.9847
190196	05/01/91	04/30/92	0.8455	0.9936
190199	07/01/91	06/30/92	1.2106	0.9142
190204	06/01/91	05/31/92	1.4791	0.9974
200002	05/01/91	04/30/92	1.0742	0.9671
200003	07/01/91	06/30/92	1.1128	0.9835
200008	07/01/91	06/30/92	1.2361	0.9952
200012	07/01/91	06/29/92	1.1807	0.9820
200013	07/01/91	06/30/92	1.0801	0.9869
200015	07/01/91	06/30/92	1.2522	0.9902
200016	07/01/91	06/30/92	1.0210	0.9645
200019	05/01/91	04/30/92	1.2548	0.9915
200020	07/01/91	06/30/92	1.0761	0.9859
200023	04/01/91	03/31/92	0.7961	0.9847
200024	07/01/91	06/30/92	1.1964	0.9875
200037	07/01/91	06/30/92	1.1618	0.9609
200038	05/01/91	04/30/92	1.0072	0.9793
200039	04/01/91	03/31/92	1.2923	0.9929
200040	06/01/91	05/31/92	1.0368	0.9729
200050	07/01/91	06/30/92	1.1387	0.9875
200051	07/01/91	06/29/92	1.0085	0.9768
200063	04/01/91	03/31/92	1.1933	0.9820
210001	07/01/91	06/30/92	1.3166	0.9959
210002	07/01/91	06/30/92	1.9088	0.9978
210003	07/01/91	06/30/92	1.4267	0.9959
210004	07/01/91	06/30/92	1.3033	0.9914
210005	07/01/91	06/30/92	1.2118	0.9828
210007	07/01/91	06/30/92	1.4827	0.9991
210008	07/01/91	06/30/92	1.2847	0.9953
210009	07/01/91	06/30/92	1.7652	0.9971
210010	07/01/91	06/30/92	1.1397	0.9732
210012	07/01/91	06/30/92	1.5649	0.9974
210013	07/01/91	06/30/92	1.3214	0.9976
210015	07/01/91	06/30/92	1.1873	0.9945
210016	07/01/91	06/30/92	1.8391	0.9963
210017	07/01/91	06/30/92	1.0900	0.9841
210018	07/01/91	06/30/92	1.2506	0.9937
210019	07/01/91	06/30/92	1.3822	0.9961
210022	07/01/91	06/30/92	1.3680	0.9915
210023	07/01/91	06/30/92	1.3032	0.9870
210024	07/01/91	06/30/92	1.2686	0.9985
210025	07/01/91	06/30/92	1.2990	0.9951
210026	07/01/91	06/30/92	1.3363	0.9941
210027	07/01/91	06/30/92	1.2115	0.9944
210028	07/01/91	06/30/92	1.0806	0.9741
210029	07/01/91	06/30/92	1.3669	0.9845
210030	07/01/91	06/30/92	1.0483	0.9844
210031	07/01/91	06/30/92	1.7248	0.9957
210032	07/01/91	06/30/92	1.2263	0.9943
210033	07/01/91	06/30/92	1.1048	0.9990
210034	07/01/91	06/30/92	1.2028	0.9962
210035	07/01/91	06/30/92	1.1519	0.9936
210036	07/01/91	06/30/92	1.2762	0.9897
210037	07/01/91	06/30/92	1.2166	0.9923
210038	07/01/91	06/30/92	1.3674	0.9966
210039	07/01/91	06/29/92	1.2361	0.9862
210040	07/01/91	06/30/92	1.3625	0.9916
210043	07/01/91	06/30/92	1.2176	0.9992
210044	07/01/91	06/30/92	1.2051	0.9954
210045	07/01/91	06/30/92	0.9619	0.9823
210048	07/01/91	06/30/92	1.1808	0.9819
210051	07/01/91	06/30/92	1.3202	0.9953
210054	07/01/91	06/30/92	1.2497	0.9894
210055	07/01/91	06/30/92	1.2097	0.9913
210056	07/01/91	06/30/92	1.3639	0.9890
210057	07/01/91	06/30/92	1.2339	0.9945
210058	07/01/91	06/30/92	1.8116	0.9808
210059	07/01/91	06/30/92	1.3065	0.9961

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
220011	07/01/91	06/30/92	1.1782	0.9952
220041	07/01/91	06/30/92	1.1554	0.9905
220083	07/01/91	06/30/92	1.1250	0.9940
220114	07/01/91	06/30/92	1.0909	0.9873
220131	07/01/91	06/30/92	1.1357	0.9802
220133	07/01/91	06/29/92	0.8389	0.9789
220153	07/01/91	06/30/92	0.9854	0.9849
220154	07/01/91	06/30/92	0.9322	0.9378
220163	07/01/91	06/30/92	1.8657	0.9992
230001	07/01/91	06/30/92	1.1204	0.9711
230002	07/01/91	06/30/92	1.2592	0.9874
230004	07/01/91	06/30/92	1.6696	0.9982
230005	07/01/91	06/30/92	1.2797	0.9747
230006	04/01/91	03/31/92	1.0888	0.9602
230019	07/01/91	06/30/92	1.5620	0.9994
230024	07/01/91	06/30/92	1.5182	0.9981
230027	07/01/91	06/30/92	1.0640	0.9883
230029	07/01/91	06/30/92	1.4928	0.9984
230030	07/01/91	06/30/92	1.2701	0.9757
230031	07/01/91	06/30/92	1.4031	0.9896
230032	07/01/91	06/29/92	1.7286	0.9992
230034	04/01/91	03/31/92	1.1901	0.9798
230035	07/01/91	06/30/92	1.1097	0.9796
230036	07/01/91	06/30/92	1.2981	0.9833
230037	07/01/91	06/30/92	1.1337	0.9828
230038	07/01/91	06/30/92	1.6274	0.9994
230041	07/01/91	06/30/92	1.1721	0.9961
230046	07/01/91	06/30/92	1.8250	0.9996
230054	07/01/91	06/29/92	1.6888	0.9975
230058	07/01/91	06/30/92	1.1469	0.9547
230059	07/01/91	06/30/92	1.4928	0.9963
230060	07/01/91	06/30/92	1.1492	0.9809
230062	07/01/91	06/30/92	1.0972	0.9534
230066	04/01/91	03/31/92	1.3084	0.9923
230068	07/01/91	06/30/92	1.4081	0.9972
230070	07/01/91	06/30/92	1.3395	0.9917
230072	04/01/91	03/31/92	1.1807	0.9909
230075	07/01/91	06/30/92	1.3190	0.9872
230077	07/01/91	06/30/92	2.1552	0.9977
230081	07/01/91	06/29/92	1.1985	0.9899
230082	07/01/91	06/30/92	1.1165	0.9735
230085	07/01/91	06/30/92	1.2257	0.9753
230086	07/01/91	06/30/92	0.9776	0.9658
230092	07/01/91	06/30/92	1.2540	0.9843
230093	07/01/91	06/30/92	1.2060	0.9738
230095	04/01/91	03/31/92	1.1794	0.9716
230097	07/01/91	06/30/92	1.5607	0.9984
230099	07/01/91	06/29/92	1.2763	0.9905
230100	07/01/91	06/29/92	1.1717	0.9646
230106	07/01/91	06/29/92	1.1523	0.9686
230108	07/01/91	06/30/92	1.1915	0.9769
230111	07/01/91	06/30/92	1.0212	0.9480
230113	07/01/91	06/30/92	1.0312	0.9308
230116	04/01/91	03/31/92	0.8894	0.9519
230117	07/01/91	06/30/92	1.8497	0.9982
230120	07/01/91	06/30/92	1.0577	0.9766
230124	04/01/91	03/31/92	1.1285	0.9733
230132	07/01/91	06/30/92	1.4261	0.9958
230133	07/01/91	06/30/92	1.1539	0.9691
230147	07/01/91	06/29/92	1.4522	0.9977
230153	07/01/91	06/30/92	1.0912	0.9807
230154	07/01/91	06/30/92	1.0338	0.9718
230156	07/01/91	06/30/92	1.6350	0.9996
230157	07/01/91	06/30/92	1.3956	0.9879
230159	04/01/91	03/31/92	1.2942	0.9920
230162	04/01/91	03/31/92	0.9476	0.9454
230172	04/01/91	03/31/92	1.2071	0.9781
230173	07/01/91	06/30/92	1.3701	0.9677
230174	07/01/91	06/30/92	1.2328	0.9921

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
230178	04/01/91	03/31/92	1.0462	0.9627
230180	07/01/91	06/30/92	1.0939	0.9925
230188	04/01/91	03/31/92	1.2466	0.9829
230189	07/01/91	06/30/92	0.9222	0.9697
230199	07/01/91	06/30/92	1.1819	0.9786
230201	07/01/91	06/30/92	1.0221	0.9716
230207	07/01/91	06/30/92	1.2591	0.9947
230219	04/01/91	03/30/92	1.0442	0.9257
230221	04/01/91	03/31/92	1.2470	0.9976
230222	07/01/91	06/30/92	1.3318	0.9940
230232	07/01/91	06/30/92	1.0101	0.9473
230241	04/01/91	03/31/92	1.2001	0.9747
230264	07/01/91	06/30/92	1.2222	0.9976
240002	07/01/91	06/30/92	1.6665	0.9948
240005	07/01/91	06/30/92	0.9144	0.8993
240009	07/01/91	06/30/92	1.0701	0.9649
240017	05/01/91	04/30/92	1.1090	0.9675
240036	07/01/91	06/29/92	1.4712	0.9950
240037	07/01/91	06/30/92	1.0952	0.9669
240040	07/01/91	06/29/92	1.2791	0.9732
240044	05/01/91	04/30/92	1.1587	0.9633
240049	07/01/91	06/30/92	1.7243	0.9976
240075	07/01/91	06/30/92	1.2218	0.9758
240077	07/01/91	06/30/92	0.9494	0.9656
240089	04/01/91	03/31/92	1.0904	0.9519
240099	06/01/91	05/31/92	0.9627	0.9732
240101	07/01/91	06/30/92	1.3027	0.9676
240104	07/01/91	06/30/92	1.2053	0.9808
240110	07/01/91	06/30/92	1.0222	0.9643
240125	06/01/91	05/31/92	0.9130	0.9753
240129	06/01/91	05/31/92	1.0037	0.9622
240137	04/01/91	03/31/92	1.2046	0.9626
240145	03/01/91	02/29/92	1.0061	0.9673
240160	07/01/91	06/30/92	0.9781	0.9863
240171	05/01/91	04/30/92	1.0217	0.9302
240175	06/01/91	05/31/92	0.8640	1.0000
250001	07/01/91	06/30/92	1.5480	0.9950
250006	07/01/91	06/30/92	0.9839	0.9830
250031	05/01/91	05/31/92	1.2515	0.9938
250033	04/01/91	03/31/92	1.0030	0.9505
250034	07/01/91	06/30/92	1.4578	0.9955
250044	07/01/91	06/30/92	1.0500	0.9830
250046	04/01/91	03/31/92	1.0450	0.9295
250094	04/01/91	03/31/92	1.2680	0.9945
250102	07/01/91	06/30/92	1.5002	0.9991
250123	03/01/91	02/29/92	1.1864	0.9932
250126	04/01/91	03/31/92	1.0358	0.9599
250128	05/01/91	04/30/92	0.9402	0.9519
250134	07/01/91	06/30/92	0.9499	0.9944
250138	05/01/91	04/30/92	1.2777	0.9934
250141	07/01/91	06/30/92	1.1860	0.9835
260001	07/01/91	06/30/92	1.5657	0.9989
260002	06/01/91	05/31/92	1.3617	0.9933
260006	07/01/91	06/30/92	1.4539	0.9937
260007	04/01/91	03/31/92	1.3009	0.9931
260008	07/01/91	06/29/92	1.2595	0.9941
260009	06/01/91	05/31/92	1.2566	0.9800
260013	05/01/91	04/30/92	1.2041	0.9961
260016	07/01/90	01/16/92	1.2440	0.9918
260020	07/01/91	06/30/92	1.7015	0.9981
260022	06/01/91	05/31/92	1.3850	0.9883
260033	05/01/91	04/29/92	1.3276	0.9928
260037	02/01/91	01/31/92	1.2634	0.9922
260042	07/01/91	06/29/92	1.1694	0.9827
260047	07/01/91	06/29/92	1.3776	0.9894
260048	05/01/91	04/29/92	1.4138	0.9977
260051	06/01/91	05/30/92	1.1621	0.9994
260052	07/01/91	06/30/92	1.2715	0.9856
260055	07/01/91	06/30/92	1.1107	0.9567

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
260059	07/01/91	06/30/92	1.1274	0.9527
260061	07/01/91	06/30/92	1.0695	0.9804
260065	07/01/91	06/30/92	1.6780	0.9991
260066	07/01/91	06/30/92	1.1135	0.9495
260067	07/01/91	06/30/92	0.8935	0.9395
260077	07/01/91	06/30/92	1.4625	0.9940
260079	07/01/91	06/30/92	0.9970	0.9514
260081	07/01/91	06/30/92	1.4173	0.9983
260082	04/01/91	03/31/92	1.1420	0.9825
260085	07/01/91	06/29/92	1.4886	0.9983
260086	04/01/91	03/31/92	1.1054	0.9674
260089	05/01/90	03/01/92	1.0803	0.9913
260090	07/01/91	06/29/92	1.0040	1.0000
260094	05/01/91	04/29/92	1.0768	0.9843
260095	07/01/91	06/30/92	1.3936	0.9969
260096	07/01/91	06/30/92	1.4616	0.9982
260104	07/01/91	06/30/92	1.6827	0.9978
260105	07/01/91	06/30/92	1.8997	0.9983
260108	07/01/91	06/29/92	1.6729	0.9987
260109	04/01/91	03/31/92	1.0205	0.9730
260112	05/01/91	04/29/92	1.4716	0.9994
260115	07/01/91	06/30/92	1.0590	0.9411
260127	07/01/91	06/30/92	1.0506	0.9591
260128	07/01/91	06/30/92	0.9577	0.9781
260129	06/01/91	05/31/92	1.0748	0.9862
260131	04/01/91	03/31/92	1.2974	0.9762
260137	06/01/91	05/31/92	1.1952	0.9895
260141	07/01/91	06/30/92	2.1057	0.9832
260142	05/01/91	04/30/92	1.1793	0.9818
260143	07/01/91	06/30/92	0.9911	0.9651
260147	07/01/91	06/30/92	1.0141	0.9723
260148	07/01/91	06/30/92	0.9898	0.9706
260163	04/01/91	03/31/92	1.2239	0.9596
260164	05/01/91	04/30/92	1.1010	0.9801
260172	07/01/91	06/30/92	0.9911	0.9865
260173	07/01/91	06/30/92	1.0350	0.9340
260175	04/01/91	03/31/92	1.1263	0.9827
260176	05/01/91	04/29/92	1.6465	0.9975
260177	07/01/91	06/30/92	1.3058	0.9899
260183	07/01/91	06/30/92	1.5499	0.9953
260186	05/01/91	04/30/92	1.1531	0.9590
260189	07/01/91	06/30/92	0.8934	0.9566
260197	02/01/91	01/31/92	1.1978	0.9922
270003	06/01/91	05/31/92	1.2071	0.9875
270004	07/01/91	06/30/92	1.6337	0.9978
270009	06/01/91	05/31/92	1.0510	0.9697
270011	07/01/91	06/30/92	1.0943	0.9587
270012	07/01/91	06/30/92	1.4692	0.9981
270016	07/01/91	06/30/92	0.8665	0.9489
270017	06/01/91	05/31/92	1.2158	0.9816
270023	07/01/91	06/30/92	1.3150	0.9948
270024	07/01/91	06/30/92	0.9732	0.9772
270026	07/01/91	06/30/92	0.9589	0.9613
270027	07/01/91	06/30/92	1.0049	0.9672
270028	07/01/91	06/30/92	1.0307	0.9816
270029	07/01/91	06/30/92	1.1128	0.9416
270031	07/01/91	06/30/92	0.9219	0.9528
270032	07/01/91	06/30/92	1.1356	0.9662
270036	07/01/91	06/30/92	1.0541	0.9739
270040	07/01/91	06/30/92	1.0155	0.9774
270044	07/01/91	06/30/92	1.1732	0.9664
270046	05/01/91	04/30/92	0.9664	0.9301
270047	07/01/91	06/30/92	1.0298	0.9713
270049	06/01/91	05/31/92	1.6337	0.9994
270050	07/01/91	06/30/92	1.0300	0.9611
270051	04/01/91	03/31/92	1.2079	0.9783
270052	07/01/91	06/30/92	1.0436	0.9782
270053	07/01/91	06/30/92	0.9628	0.9397
270055	07/01/91	06/30/92	0.7138	0.9967

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
270058	07/01/91	06/30/92	0.8964	0.9941
270060	07/01/91	06/30/92	0.8642	0.9290
270067	05/01/91	04/30/92	0.8902	0.9661
270068	07/01/91	06/30/92	0.8358	0.8743
270072	07/01/91	06/30/92	0.7964	0.9413
270073	07/01/91	06/30/92	1.1985	0.9403
270079	07/01/91	06/30/92	0.8768	0.9485
270080	07/01/91	06/30/92	1.1167	0.9731
270081	07/01/91	06/30/92	0.9369	0.9308
270082	07/01/91	06/30/92	0.9811	0.9653
280003	06/01/91	05/31/92	1.9003	0.9982
280009	07/01/91	06/30/92	1.5481	0.9921
280010	07/01/91	06/30/92	3.4238	1.0000
280011	07/01/91	06/29/92	0.9881	0.9929
280013	07/01/91	06/29/92	1.9226	0.9940
280014	07/01/91	06/30/92	1.0344	0.9597
280018	07/01/91	06/30/92	0.9693	0.9689
280020	07/01/91	06/30/92	1.4263	0.9918
280021	07/01/91	06/30/92	1.1420	0.9676
280022	07/01/91	06/30/92	1.0523	0.9673
280023	07/01/91	06/30/92	1.3212	0.9815
280024	07/01/91	06/30/92	0.8383	0.9821
280026	07/01/91	06/30/92	1.1388	0.9609
280028	05/01/91	04/30/92	0.9129	0.9478
280029	07/01/91	06/30/92	0.9982	0.9909
280033	07/01/91	06/30/92	1.0119	0.9714
280035	07/01/91	06/30/92	0.9282	0.9541
280037	07/01/91	06/30/92	0.9799	0.9399
280042	05/01/91	04/30/92	0.9526	0.9742
280043	07/01/91	06/30/92	1.0969	0.9636
280045	07/01/91	06/30/92	1.0720	0.9624
280049	05/01/91	04/30/92	1.0545	0.9775
280050	07/01/91	06/30/92	0.9819	0.9594
280051	07/01/91	06/30/92	0.9432	0.9906
280052	07/01/91	06/30/92	1.0119	0.9598
280055	07/01/91	06/30/92	0.8980	0.9742
280056	07/01/91	06/30/92	0.9510	0.9863
280060	07/01/91	06/30/92	1.5195	0.9992
280062	07/01/91	06/30/92	1.1668	0.9549
280064	05/01/91	04/30/92	1.0459	0.9664
280066	07/01/91	06/30/92	1.1301	0.9124
280068	04/01/91	03/31/92	0.9614	0.9597
280070	05/01/91	04/30/92	1.1090	0.9502
280073	07/01/91	06/30/92	0.9577	0.9268
280075	07/01/91	06/30/92	1.3331	0.9690
280077	07/01/91	06/30/92	1.2341	0.9799
280080	07/01/91	06/30/92	1.0892	0.9399
280082	03/01/91	02/29/92	1.3775	0.9685
280084	07/01/91	06/30/92	0.9836	0.9399
280090	07/01/91	06/30/92	0.9163	0.9816
280091	07/01/91	06/30/92	1.0442	0.9748
280092	07/01/91	06/30/92	0.9397	0.9415
280094	04/01/91	03/31/92	1.0917	0.9689
280097	07/01/91	06/30/92	0.8194	0.9525
280098	07/01/91	06/30/92	0.9456	0.9647
280104	07/01/91	06/30/92	0.9738	0.9103
280105	07/01/91	06/30/92	1.2131	0.9897
280110	07/01/91	06/29/92	0.8378	0.9531
280111	05/01/91	04/30/92	1.2233	0.9815
280117	07/01/91	06/30/92	1.1271	0.9617
280118	07/01/91	06/30/92	1.0668	0.9727
280123	07/01/91	06/29/92	0.7776	1.0000
290001	07/01/91	06/30/92	1.5967	0.9990
290002	04/01/91	03/31/92	0.9411	0.9129
290007	07/01/91	06/30/92	1.7528	0.9963
290008	07/01/91	06/30/92	1.2766	0.9758
290011	07/01/91	06/30/92	0.9373	0.9653
290012	07/01/91	06/30/92	1.3579	0.9839
290013	07/01/91	06/30/92	1.0132	0.9466

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
290014	07/01/91	06/30/92	1.0074	0.9480
290015	07/01/91	06/30/92	0.8421	0.9774
290016	07/01/91	06/30/92	1.1584	0.9655
290019	07/01/91	06/30/92	1.2111	0.9870
290020	07/01/91	06/30/92	1.1795	0.9444
290027	07/01/91	06/30/92	1.0258	0.9908
300003	07/01/91	06/30/92	1.8876	0.9978
300010	07/01/91	06/30/92	1.1761	0.9520
300015	07/01/91	06/30/92	1.1161	0.9526
300019	07/01/91	06/30/92	1.2767	0.9911
300029	03/01/91	02/29/92	1.2944	0.9809
300034	07/01/91	06/30/92	1.8446	0.9964
310119	07/01/91	06/30/92	1.5148	0.9992
320001	07/01/91	06/30/92	1.4292	0.9931
320002	07/01/91	06/30/92	1.2779	0.9900
320003	07/01/91	06/30/92	1.1574	0.9821
320004	07/01/91	06/30/92	1.2458	0.9858
320005	07/01/91	06/30/92	1.2194	0.9831
320006	07/01/91	06/30/92	1.2736	0.9899
320009	07/01/91	06/30/92	1.4468	0.9963
320011	04/01/91	03/31/92	0.9789	0.9722
320012	04/01/91	03/31/92	1.0101	0.9462
320013	06/01/91	05/31/92	1.0844	0.9553
320014	07/01/91	06/30/92	0.8907	0.9389
320016	07/01/91	06/30/92	1.1262	0.9755
320017	07/01/91	06/30/92	1.2263	0.9911
320018	07/01/91	06/30/92	1.3304	0.9934
320021	04/01/91	03/31/92	1.6467	0.9952
320022	04/01/91	03/31/92	1.2084	0.9815
320023	05/01/91	04/30/92	1.1141	0.9599
320030	07/01/91	06/30/92	0.9964	0.9612
320031	07/01/91	06/30/92	0.9603	0.9895
320032	04/01/91	03/31/92	0.9282	0.9459
320033	07/01/91	06/30/92	1.1519	0.9847
320037	07/01/91	06/30/92	1.1683	0.8740
320046	04/01/91	03/31/92	1.0465	0.9581
320065	04/01/91	03/31/92	1.1845	0.9644
320068	07/01/91	06/30/92	0.9703	0.9508
320069	07/01/91	06/30/92	1.1143	0.9660
320074	07/01/91	06/30/92	1.0854	0.9858
320076	04/01/91	03/31/92	1.2079	0.9873
320079	04/01/91	03/31/92	1.0915	0.9879
320080	06/01/91	05/31/92	0.7915	0.8717
330080	07/01/91	06/29/92	1.2795	0.9836
330127	07/01/91	06/29/92	1.2648	0.9781
330128	07/01/91	06/29/92	1.4299	0.9942
330142	01/01/91	01/26/92	1.3411	0.9972
330196	07/01/91	06/29/92	1.3076	0.9967
330199	07/01/91	06/29/92	1.3340	0.9954
330202	07/01/91	06/29/92	1.4234	0.9673
330204	07/01/91	06/29/92	1.3521	0.9963
330240	07/01/91	06/29/92	1.2533	0.9971
330244	01/01/91	01/31/92	1.0878	0.9988
330354	04/01/91	03/31/92	1.2356	1.0000
330385	07/01/91	06/29/92	1.2374	0.9861
330396	07/01/91	06/29/92	1.1674	0.9937
340014	07/01/91	06/30/92	1.6553	0.9991
340019	07/01/91	06/30/92	1.1136	0.9818
340020	06/01/91	05/31/92	1.2416	0.9682
340030	07/01/91	06/29/92	1.9212	0.9982
340032	07/01/91	06/30/92	1.3033	0.9873
340047	07/01/91	06/29/92	1.8217	0.9988
340061	07/01/91	06/30/92	1.6336	0.9966
340073	07/01/91	06/30/92	1.3866	0.9877
340116	05/01/91	04/30/92	1.8144	0.9954
340135	07/01/91	06/29/92	0.9275	0.7674
340136	07/01/91	06/30/92	0.9247	0.9816
340137	07/01/91	06/30/92	1.2156	0.9994
340138	07/01/91	06/30/92	1.1759	0.9860

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
340143	07/01/91	06/30/92	1.3404	0.9868
340144	03/01/91	02/29/92	1.2761	0.9850
340148	07/01/91	06/30/92	1.3843	0.9930
340153	03/01/91	02/29/92	1.8518	0.9983
340154	07/01/91	06/30/92	0.8547	0.9854
340155	07/01/91	06/30/92	1.5018	0.9977
340158	07/01/91	06/30/92	1.1040	0.9664
340160	07/01/91	06/30/92	1.0693	0.9663
340164	06/01/91	05/30/92	1.3690	0.9936
350001	07/01/91	06/30/92	1.0469	0.9852
350002	07/01/91	06/30/92	1.6533	0.9984
350003	07/01/91	06/30/92	1.1444	0.9804
350005	07/01/91	06/30/92	1.1952	0.9443
350006	07/01/91	06/30/92	1.3609	0.9896
350008	07/01/91	06/30/92	0.9806	0.9484
350009	07/01/91	06/30/92	1.2005	0.9858
350010	04/01/91	03/30/92	1.0977	0.9880
350011	07/01/91	06/30/92	1.7620	0.9999
350012	07/01/91	06/30/92	1.0341	0.9900
350013	07/01/91	06/30/92	1.0836	0.9729
350014	07/01/91	06/30/92	1.0477	0.9927
350017	07/01/91	06/30/92	1.3481	0.9889
350021	07/01/91	06/30/92	1.0970	0.9664
350025	07/01/91	06/30/92	0.9848	0.9711
350029	07/01/91	06/30/92	0.9585	0.9349
350030	07/01/91	06/30/92	1.0450	0.9797
350034	07/01/91	06/30/92	0.9058	0.9846
350035	07/01/91	06/30/92	0.9269	0.9847
350036	07/01/91	06/30/92	0.9169	0.9431
350039	07/01/91	06/30/92	0.9492	0.9514
350043	07/01/91	06/30/92	1.5927	0.9976
350044	07/01/91	06/30/92	0.8380	0.9772
350047	07/01/91	06/30/92	1.2603	0.9597
350049	07/01/91	06/30/92	1.1291	0.9738
350050	07/01/91	06/30/92	0.9660	0.9707
350053	07/01/91	06/30/92	0.9646	1.0000
350056	07/01/91	06/30/92	0.8631	0.9697
350058	04/01/91	03/30/92	0.9884	0.9502
350060	07/01/91	06/30/92	0.8718	0.9421
350061	04/01/91	03/30/92	0.9771	0.9805
350065	03/01/91	02/29/92	0.9522	0.9478
360003	07/01/91	06/30/92	1.6556	0.9968
360006	07/01/91	06/30/92	1.7915	0.9988
360008	07/01/91	06/30/92	1.2178	0.9731
360011	07/01/91	06/30/92	1.2538	0.9898
360014	07/01/91	06/30/92	1.1809	0.9712
360017	07/01/91	06/30/92	1.7223	0.9979
360028	07/01/91	06/30/92	1.3235	0.9877
360029	07/01/90	06/30/92	1.1011	0.9899
360035	06/01/91	05/31/92	1.4442	0.9987
360040	07/01/91	06/30/92	1.2970	0.9686
360048	07/01/91	06/30/92	1.7720	0.9962
360052	07/01/91	06/30/92	1.6634	0.9985
360054	07/01/91	06/30/92	1.3107	0.9832
360058	04/01/91	03/31/92	1.1248	0.9783
360062	01/01/91	01/31/92	1.6096	0.9959
360085	07/01/91	06/30/92	1.6652	0.9937
360090	07/01/91	06/30/92	1.2199	0.9951
360134	07/01/91	06/30/92	1.5145	0.9996
360161	07/01/91	06/30/92	1.2172	0.9844
360178	07/01/91	06/30/92	1.2641	0.9864
360185	07/01/91	06/30/92	1.1979	0.9881
360187	07/01/91	06/30/92	1.2805	0.9867
360238	07/01/91	06/30/92	0.8968	0.9869
360243	07/01/91	06/30/92	0.9507	0.9784
360244	06/01/91	05/31/92	0.6446	1.0000
370004	07/01/91	06/30/92	1.2339	0.9766
370005	07/01/91	06/30/92	0.9317	0.9756
370008	07/01/91	06/30/92	1.3768	0.9966

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
370011	07/01/91	06/30/92	0.9391	0.9749
370012	07/01/91	06/30/92	0.8928	0.9546
370013	07/01/91	06/30/92	1.6340	0.9992
370015	07/01/91	06/30/92	1.1116	0.9779
370016	07/01/91	06/30/92	1.2852	0.9967
370019	07/01/91	06/30/92	1.1790	0.9801
370022	07/01/91	06/30/92	1.3316	0.9762
370023	07/01/91	06/30/92	1.3857	0.9744
370026	07/01/91	06/30/92	1.3809	0.9918
370028	07/01/91	06/30/92	1.6983	0.9988
370029	07/01/91	06/30/92	1.2198	0.9449
370030	07/01/91	06/30/92	1.2428	0.9704
370034	07/01/91	06/30/92	1.1413	0.9839
370035	07/01/91	06/30/92	1.4719	0.9975
370036	07/01/91	06/29/92	1.0319	0.9410
370038	07/01/91	06/30/92	1.0214	0.9572
370041	07/01/91	06/30/92	1.0399	0.9490
370042	07/01/91	06/30/92	0.8769	0.9613
370043	07/01/91	06/30/92	1.0133	0.9475
370045	07/01/91	06/30/92	1.0030	0.9540
370046	07/01/91	06/30/92	0.9409	0.9398
370047	07/01/91	06/30/92	1.2298	0.9683
370048	07/01/91	06/30/92	1.2193	0.9574
370056	07/01/91	06/30/92	1.4391	0.9967
370059	07/01/91	06/30/92	1.1841	0.9677
370060	07/01/91	06/30/92	1.0248	0.9636
370063	07/01/91	06/30/92	1.1989	0.9857
370064	05/01/91	04/30/92	0.9691	0.9501
370065	07/01/91	06/30/92	1.0717	0.9612
370069	07/01/91	06/30/92	1.1242	0.9603
370072	07/01/91	06/30/92	0.9603	0.9620
370076	07/01/91	06/30/92	1.1187	0.9856
370079	07/01/91	06/30/92	0.8899	0.9610
370080	07/01/91	06/30/92	0.9328	0.9495
370082	07/01/91	06/30/92	0.9646	0.9311
370083	04/01/91	03/31/92	0.9598	0.9760
370084	07/01/91	06/30/92	0.9346	0.9558
370085	04/01/91	03/31/92	0.8735	0.9521
370086	07/01/91	06/30/92	1.1829	0.9876
370089	07/01/91	06/30/92	1.2916	0.9842
370091	07/01/91	06/30/92	1.5695	0.9991
370097	04/01/91	03/31/92	1.2238	0.9950
370099	07/01/91	06/30/92	1.2033	0.9767
370100	07/01/91	06/30/92	1.0065	0.9575
370103	07/01/91	06/30/92	0.8934	0.9577
370110	07/01/91	06/30/92	0.9851	0.9767
370112	04/01/91	03/31/92	0.9382	0.9612
370113	07/01/91	06/30/92	1.1097	0.9827
370122	04/01/91	03/31/92	1.0317	0.9230
370123	07/01/91	06/30/92	1.1982	0.9926
370125	07/01/91	06/30/92	1.0277	0.9774
370126	07/01/91	06/30/92	1.0426	0.9578
370131	05/01/91	04/30/92	1.0165	0.9938
370133	07/01/91	06/30/92	1.0988	0.9160
370138	07/01/91	06/30/92	1.2006	0.9648
370139	07/01/91	06/30/92	1.0156	0.9796
370140	07/01/91	06/30/92	1.0827	0.9714
370153	07/01/91	06/30/92	1.1258	0.9715
370154	07/01/91	06/30/92	0.9649	0.9592
370156	07/01/91	06/30/92	1.0687	0.9534
370158	07/01/91	06/30/92	1.1040	0.9558
370159	07/01/91	06/30/92	1.2097	0.9899
370163	07/01/91	06/30/92	0.8825	0.9767
370166	02/01/91	01/31/92	1.1324	0.9558
370178	07/01/91	06/30/92	1.0072	0.9630
370183	07/01/91	06/30/92	1.1329	0.9601
370186	07/01/91	06/30/92	0.9428	0.9657
380001	07/01/91	06/29/92	1.3608	0.9783
380002	07/01/91	06/29/92	1.2034	0.9767

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
380003	07/01/91	06/29/92	1.2001	0.9771
380005	07/01/91	06/29/92	1.1759	0.9828
380007	04/01/91	03/31/92	1.7759	0.9961
380008	04/01/91	03/31/92	1.0526	0.9775
380009	07/01/91	06/29/92	1.6927	0.9953
380011	07/01/91	06/29/92	1.1547	0.9735
380013	07/01/91	06/30/92	1.1672	0.9547
380017	04/01/91	03/31/92	1.7766	0.9981
380023	07/01/91	06/30/92	1.1911	0.9619
380024	04/01/91	03/31/92	1.3036	0.9874
380025	04/01/91	03/31/92	1.2502	0.9847
380027	07/01/91	06/30/92	1.2196	0.9833
380031	07/01/91	06/29/92	0.9635	0.9720
380033	07/01/91	06/29/92	1.6847	0.9978
380035	05/01/91	04/30/92	1.2219	0.9652
380037	07/01/91	06/29/92	1.2725	0.9612
380040	07/01/91	06/29/92	1.3093	0.9790
380048	07/01/91	06/29/92	1.0387	0.9597
380062	07/01/91	06/29/92	0.9641	0.9325
380063	07/01/91	06/29/92	1.2252	0.9887
380065	07/01/91	06/29/92	0.9969	0.9495
380066	07/01/91	06/29/92	1.1773	0.9701
380069	07/01/91	06/29/92	1.1904	0.9815
380071	05/01/91	04/29/92	1.2426	0.9666
380072	07/01/91	06/29/92	0.8997	0.9439
380078	07/01/91	06/29/92	1.0765	0.9441
380081	07/01/91	06/29/92	1.1000	0.9326
380083	07/01/91	06/29/92	1.1677	0.9674
380084	05/01/91	04/30/92	1.2209	0.9704
380087	07/01/91	06/29/92	1.0757	0.9408
380088	07/01/91	06/29/92	0.9219	0.9701
380089	04/01/91	03/31/92	1.2889	0.9858
380090	06/30/91	06/27/92	1.3213	0.9826
380094	07/01/91	06/29/92	1.0145	0.9956
390001	07/01/91	06/30/92	1.2582	0.9939
390002	07/01/91	06/30/92	1.2442	0.9970
390003	07/01/91	06/30/92	1.1596	0.9902
390004	07/01/91	06/30/92	1.2566	0.9971
390005	07/01/91	06/30/92	1.0283	0.9750
390006	07/01/91	06/30/92	1.7173	0.9988
390007	07/01/91	06/30/92	1.2002	0.9905
390008	07/01/91	06/30/92	1.1643	0.9741
390009	07/01/91	06/30/92	1.5665	0.9984
390010	07/01/91	06/30/92	1.1691	0.9865
390011	07/01/91	06/30/92	1.1804	0.9928
390012	07/01/91	06/30/92	1.2279	0.9855
390013	07/01/91	06/30/92	1.2064	0.9903
390014	07/01/91	06/29/92	0.7333	1.0000
390015	07/01/91	06/30/92	1.0933	0.9733
390016	07/01/91	06/30/92	1.1833	0.9901
390017	07/01/91	06/30/92	1.1657	0.9820
390018	07/01/91	06/30/92	1.2207	0.9890
390019	07/01/91	06/30/92	1.0647	0.9816
390021	07/01/90	03/31/92	1.0463	0.9833
390022	07/01/91	06/29/92	1.3228	0.9891
390023	07/01/91	06/30/92	1.1937	0.9926
390024	07/01/91	06/30/92	0.7979	0.9958
390025	07/01/91	06/30/92	0.7797	0.9973
390026	07/01/91	06/30/92	1.2335	0.9908
390027	07/01/91	06/30/92	1.7913	0.9966
390029	07/01/91	06/30/92	1.7469	0.9988
390030	07/01/91	06/30/92	1.1451	0.9880
390031	07/01/91	06/30/92	1.1622	0.9848
390032	07/01/91	06/30/92	1.2075	0.9907
390035	07/01/91	06/30/92	1.2468	0.9911
390036	07/01/91	06/30/92	1.2320	0.9915
390037	07/01/91	06/30/92	1.2181	0.9831
390039	07/01/91	06/30/92	1.1043	0.9712
390040	07/01/91	06/30/92	1.0016	0.9784

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
390041	07/01/91	06/30/92	1.2398	0.9759
390042	07/01/91	06/30/92	1.3073	0.9882
390043	07/01/91	06/30/92	1.0726	0.9841
390044	07/01/91	06/30/92	1.5490	0.9990
390045	07/01/91	06/30/92	1.3443	0.9920
390046	07/01/91	06/30/92	1.4612	0.9990
390047	07/01/91	06/30/92	1.4455	0.9941
390048	07/01/91	06/30/92	1.1250	0.9908
390049	07/01/91	06/30/92	1.5529	0.9983
390050	07/01/91	06/30/92	1.9401	0.9977
390051	07/01/91	06/30/92	2.1316	0.9989
390052	07/01/91	06/30/92	1.1487	0.9754
390055	07/01/91	06/30/92	1.7237	0.9993
390056	07/01/91	06/30/92	1.0773	0.9829
390057	07/01/91	06/30/92	1.2584	0.9907
390058	07/01/91	06/30/92	1.3428	0.9830
390061	07/01/91	06/30/92	1.2376	0.9925
390062	07/01/91	06/30/92	1.1629	0.9886
390063	07/01/91	06/30/92	1.6820	0.9980
390064	07/01/91	06/30/92	1.4260	0.9989
390065	07/01/91	06/30/92	1.2015	0.9849
390066	07/01/91	06/29/92	1.2555	0.9899
390067	07/01/91	06/30/92	1.5925	0.9984
390068	07/01/91	06/30/92	1.2783	0.9877
390069	07/01/91	06/30/92	1.2367	0.9904
390070	07/01/91	06/30/92	1.2297	0.9892
390071	07/01/91	06/29/92	1.0686	0.9732
390072	07/01/91	06/30/92	0.9912	0.9770
390073	07/01/91	06/30/92	1.4574	0.9959
390074	07/01/91	06/30/92	1.2077	0.9908
390075	07/01/91	06/30/92	1.2804	0.9938
390076	07/01/91	06/30/92	1.2552	0.9928
390078	07/01/91	06/29/92	1.0152	0.9850
390079	07/01/91	06/29/92	1.6670	0.9988
390080	07/01/91	06/30/92	1.1930	0.9879
390081	07/01/91	06/30/92	1.2308	0.9924
390083	07/01/91	06/30/92	1.1407	0.9870
390084	07/01/91	06/30/92	1.1536	0.9934
390086	07/01/91	06/30/92	1.0913	0.9751
390088	07/01/91	06/30/92	1.3053	0.9957
390090	07/01/91	06/30/92	1.7373	0.9980
390091	07/01/91	06/30/92	1.1230	0.9909
390092	07/01/91	06/30/92	1.1957	0.9860
390093	07/01/91	06/30/92	1.2451	0.9848
390095	07/01/91	06/30/92	1.2404	0.9905
390096	07/01/91	06/30/92	1.2386	0.9955
390097	07/01/91	06/30/92	1.3077	0.9840
390098	07/01/91	06/30/92	1.6203	0.9989
390100	07/01/91	06/30/92	1.6726	0.9986
390101	07/01/91	06/30/92	1.2001	0.9939
390102	07/01/91	06/30/92	1.2636	0.9939
390103	07/01/91	06/30/92	1.0871	0.9954
390104	07/01/91	06/30/92	1.0790	0.9613
390106	07/01/91	06/30/92	1.0416	0.9802
390107	07/01/91	06/30/92	1.1874	0.9898
390108	07/01/91	06/29/92	1.2653	0.9898
390109	07/01/91	06/30/92	1.1935	0.9884
390110	07/01/91	06/30/92	1.4750	0.9949
390111	07/01/91	06/30/92	1.7350	0.9981
390112	07/01/91	06/30/92	1.1986	0.9822
390113	07/01/91	06/30/92	1.2202	0.9852
390114	07/01/91	06/30/92	1.0799	0.9970
390115	07/01/91	06/30/92	1.2856	0.9862
390116	07/01/91	06/30/92	1.1799	0.9842
390117	07/01/91	06/30/92	1.1935	0.9766
390118	07/01/91	06/30/92	1.1410	0.9903
390119	07/01/91	06/30/92	1.3141	0.9969
390121	07/01/91	06/30/92	1.1742	0.9941
390122	07/01/91	06/30/92	1.0383	0.9620

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
390123	07/01/91	06/30/92	1.2516	0.9903
390125	07/01/91	06/30/92	1.2090	0.9931
390126	07/01/91	06/30/92	1.2078	0.9892
390127	07/01/91	06/30/92	1.1292	0.9878
390130	07/01/91	06/30/92	1.1160	0.9664
390131	07/01/91	06/30/92	1.1942	0.9940
390132	07/01/91	06/30/92	1.0877	0.9912
390133	07/01/91	06/30/92	1.3537	0.9944
390135	07/01/91	06/30/92	1.2325	0.9947
390136	07/01/91	06/30/92	1.2126	0.9953
390137	07/01/91	06/30/92	1.1928	0.9943
390138	07/01/91	06/30/92	1.2334	0.9828
390139	07/01/91	06/30/92	1.4597	0.9972
390142	07/01/91	06/30/92	1.7085	0.9989
390145	07/01/91	06/30/92	1.1856	0.9873
390146	07/01/91	06/30/92	1.1965	0.9837
390147	07/01/91	06/30/92	1.2101	0.9912
390148	07/01/91	06/30/92	1.1602	0.9871
390149	07/01/91	06/29/92	1.2118	0.9828
390150	07/01/91	06/30/92	1.1753	0.9749
390151	07/01/91	06/30/92	1.2576	0.9902
390152	07/01/91	06/30/92	1.0415	0.9868
390153	07/01/91	06/30/92	1.2137	0.9879
390154	07/01/91	06/30/92	1.1254	0.9745
390155	07/01/91	06/30/92	1.2651	0.9931
390156	07/01/91	06/30/92	1.3420	0.9941
390157	07/01/91	06/30/92	1.1498	0.9944
390158	07/01/91	06/30/92	1.2788	0.9891
390159	07/01/91	06/30/92	1.2875	0.9840
390160	07/01/91	06/30/92	1.1550	0.9823
390161	07/01/91	06/30/92	1.1280	0.9792
390162	07/01/91	06/30/92	1.2145	0.9948
390163	07/01/91	06/30/92	1.1569	0.9906
390164	07/01/91	06/30/92	2.0835	0.9936
390165	07/01/90	04/11/92	1.0863	0.9895
390166	07/01/91	06/30/92	1.0862	0.9704
390167	07/01/91	06/30/92	1.2314	0.9907
390168	07/01/91	06/30/92	1.1640	0.9872
390170	07/01/91	06/30/92	1.6957	0.9971
390171	07/01/91	06/30/92	1.1003	0.9834
390172	07/01/91	06/30/92	1.1655	0.9852
390173	07/01/91	06/30/92	1.1135	0.9793
390174	07/01/91	06/30/92	1.5899	0.9983
390176	07/01/91	06/30/92	1.1522	0.9880
390178	07/01/91	06/29/92	1.3173	0.9907
390179	07/01/91	06/30/92	1.2705	0.9948
390180	07/01/91	06/29/92	1.3847	0.9876
390181	07/01/91	06/29/92	1.0516	0.9790
390183	07/01/91	06/29/92	1.0758	0.9713
390184	07/01/91	06/30/92	1.1268	0.9751
390185	07/01/91	06/30/92	1.1374	0.9793
390189	07/01/91	06/29/92	1.0617	0.9669
390191	07/01/91	06/30/92	1.1213	0.9789
390192	07/01/91	06/30/92	1.1008	0.9781
390193	07/01/91	06/30/92	1.2026	0.9943
390194	07/01/91	06/30/92	1.0904	0.9812
390195	07/01/91	06/30/92	1.6119	0.9988
390196	07/01/91	06/30/92	1.3091	0.9994
390197	07/01/91	06/30/92	1.2954	0.9928
390198	07/01/91	06/30/92	1.2311	0.9921
390199	07/01/91	06/30/92	1.2530	0.9834
390200	07/01/91	06/30/92	1.0565	0.9638
390201	07/01/91	06/29/92	1.3078	0.9855
390203	07/01/91	06/30/92	1.2752	0.9910
390204	07/01/91	06/29/92	1.2351	0.9886
390205	07/01/91	06/30/92	1.2265	0.9874
390206	07/01/91	06/30/92	1.2681	0.9962
390209	07/01/91	06/30/92	0.9142	0.9540
390211	07/01/91	06/29/92	1.1468	0.9821

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
390213	07/01/91	06/30/92	1.1883	0.9905
390215	07/01/91	06/29/92	1.1772	0.9897
390217	07/01/91	06/30/92	1.1281	0.9905
390219	07/01/91	06/30/92	1.2244	0.9757
390220	07/01/91	06/30/92	1.1180	0.9864
390222	07/01/91	06/30/92	1.1995	0.9907
390223	07/01/91	06/30/92	1.6709	0.9963
390225	07/01/91	06/30/92	1.2164	0.9805
390226	07/01/91	06/30/92	1.6220	0.9984
390228	07/01/91	06/30/92	1.2197	0.9937
390229	07/01/91	06/30/92	1.4932	0.9955
390231	07/01/91	06/30/92	1.3308	0.9945
390232	07/01/91	06/29/92	1.6627	0.9168
390233	07/01/91	06/30/92	1.2806	0.9935
390235	07/01/91	06/30/92	1.8091	0.9980
390236	07/01/91	06/30/92	1.2205	0.9911
390238	07/01/91	06/30/92	0.9451	0.9548
390242	07/01/91	06/29/92	1.1781	0.9948
390244	07/01/91	06/30/92	0.8796	0.9530
390245	07/01/91	06/30/92	1.3514	0.9933
390246	07/01/91	06/30/92	1.1685	0.9886
390247	07/01/91	06/30/92	1.0504	0.9896
390249	04/01/91	03/31/92	1.1179	0.9718
390252	07/01/91	06/30/92	1.0227	1.0000
390256	07/01/91	06/30/92	1.7146	0.9986
390258	07/01/91	06/30/92	1.2850	0.9886
390260	07/01/91	06/30/92	1.2855	0.9916
390261	07/01/91	06/30/92	1.8505	0.9974
390262	07/01/91	06/30/92	1.7449	0.9918
390263	07/01/91	06/29/92	1.4166	0.9887
390265	07/01/91	06/30/92	1.2576	0.9920
390266	07/01/91	06/30/92	1.1124	0.9872
390267	07/01/91	06/30/92	1.2030	0.9916
390268	07/01/91	06/30/92	1.2491	0.9884
390270	07/01/91	06/30/92	1.3069	0.9914
390275	07/01/91	06/30/92	0.5334	0.9642
390277	07/01/91	06/30/92	0.6836	0.9867
390278	07/01/91	06/30/92	0.8832	0.9932
400001	07/01/91	06/30/92	1.2280	0.9987
400003	07/01/91	06/30/92	1.1939	0.9985
400004	07/01/91	06/30/92	1.1778	0.9998
400006	07/01/91	06/30/92	1.2432	0.9975
400009	07/01/91	06/30/92	0.9721	0.9987
400012	07/01/91	06/30/92	0.9768	0.9986
400013	04/01/91	03/31/92	1.0423	0.9961
400015	07/01/91	06/29/92	1.2471	0.9980
400018	04/01/91	03/31/92	1.2423	0.9966
400021	06/01/91	05/31/92	1.3262	0.9990
400026	07/01/91	06/30/92	0.8763	0.9918
400028	07/01/91	06/30/92	1.0914	0.9984
400031	07/01/91	06/29/92	1.1221	0.9794
400044	07/01/91	06/29/92	1.2665	0.9895
400048	07/01/91	06/29/92	1.0908	0.9952
400061	07/01/91	06/29/92	1.7954	0.9981
400079	07/01/91	06/29/92	1.1535	0.9931
400088	05/01/91	04/30/92	0.6057	1.0000
400102	07/01/91	06/30/92	1.1565	0.9949
400103	07/01/91	06/29/92	1.3978	0.9985
400104	07/01/91	06/29/92	1.2390	0.9980
400105	07/01/91	06/29/92	1.2830	0.9992
400110	07/01/91	06/29/92	1.1706	0.9926
400114	07/01/91	06/30/92	1.0525	0.9964
400121	07/01/91	06/30/92	1.2183	0.8246
420002	05/01/91	04/30/92	1.3843	0.9879
420004	07/01/91	06/30/92	2.0012	0.9969
420006	07/01/91	06/30/92	1.4967	0.9758
420035	07/01/91	06/29/92	0.7437	0.9725
420053	07/01/91	06/30/92	1.0755	0.9767
420062	03/01/91	02/28/92	1.3580	0.9770

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
420079	04/01/91	03/31/92	1.5698	0.9983
420080	07/01/91	06/30/92	1.2604	0.9676
420082	03/01/91	02/29/92	1.3436	0.9920
420083	07/01/91	06/30/92	1.1920	0.9920
420084	07/01/91	06/29/92	0.8380	0.9190
420085	05/01/91	04/30/92	1.2770	0.9694
430004	03/01/91	02/29/92	1.0603	0.9625
430005	06/01/91	05/31/92	1.2431	0.9724
430007	07/01/91	06/30/92	1.1171	0.9556
430010	07/01/91	06/30/92	1.1173	0.9810
430011	07/01/91	06/30/92	1.3330	0.9759
430012	07/01/91	06/29/92	1.2876	0.9836
430018	07/01/91	06/30/92	0.9614	0.9360
430022	03/01/91	02/29/92	0.9578	0.9601
430025	03/01/91	02/29/92	1.0541	0.9667
430027	05/01/91	04/30/92	1.7032	0.9988
430029	09/01/90	04/30/92	1.0038	0.9709
430033	07/01/91	06/30/92	1.0164	0.9844
430037	07/01/91	06/30/92	0.9275	0.9805
430039	06/01/91	05/31/92	1.0033	0.9584
430042	02/01/91	01/31/92	0.9982	0.9809
430054	07/01/90	04/30/92	0.9409	0.9682
430062	06/01/91	05/31/92	0.8305	0.9883
430066	07/01/91	06/30/92	0.9952	0.9640
430077	07/01/91	06/30/92	1.3853	0.9976
440001	07/01/91	06/30/92	1.0057	0.9842
440002	07/01/91	06/30/92	1.5573	0.9976
440003	06/01/91	05/31/92	1.1573	0.9795
440006	07/01/91	06/30/92	1.3761	0.9984
440007	07/01/91	06/30/92	1.0064	0.9772
440009	07/01/91	06/30/92	1.0312	0.9726
440010	07/01/91	06/30/92	0.9060	0.9572
440011	07/01/91	06/30/92	1.2112	0.9896
440012	07/01/91	06/30/92	1.3501	0.9990
440014	07/01/91	06/30/92	0.8781	0.9788
440015	07/01/91	06/30/92	1.5558	0.9990
440016	07/01/91	06/30/92	0.9399	0.9845
440017	07/01/91	06/30/92	1.5009	0.9989
440019	07/01/91	06/30/92	1.4367	0.9991
440022	07/01/91	06/30/92	1.0625	0.9721
440023	07/01/91	06/30/92	1.0065	0.9700
440024	07/01/91	06/29/92	1.2872	0.9844
440025	07/01/91	06/30/92	1.2461	0.9848
440029	07/01/91	06/29/92	1.2317	0.9892
440030	07/01/91	06/29/92	1.1192	0.9626
440031	07/01/91	06/29/92	1.0350	0.9748
440032	07/01/91	06/30/92	0.9932	0.9670
440033	07/01/91	06/30/92	1.0563	0.9666
440035	07/01/91	06/30/92	1.2115	0.9823
440038	07/01/91	06/30/92	1.0115	0.9716
440039	07/01/91	06/30/92	1.5937	0.9961
440040	07/01/91	06/30/92	0.8897	0.9582
440051	07/01/91	06/30/92	0.9195	0.9847
440052	07/01/91	06/30/92	1.1877	0.9668
440053	07/01/91	06/30/92	1.1722	0.9862
440054	07/01/91	06/29/92	0.9695	0.9754
440056	07/01/91	06/30/92	1.0131	0.9713
440057	07/01/91	06/29/92	0.9512	0.9803
440059	07/01/91	06/30/92	1.1933	0.9750
440060	07/01/91	06/30/92	1.2360	0.9740
440063	07/01/91	06/30/92	1.4047	0.9969
440069	07/01/91	06/29/92	1.1219	0.9958
440070	07/01/91	06/29/92	0.9285	0.9486
440073	07/01/91	06/30/92	1.3200	0.9866
440074	07/01/91	06/30/92	0.8525	0.9555
440082	07/01/91	06/30/92	1.8416	0.9993
440084	07/01/91	06/30/92	1.2313	0.9709
440090	07/01/91	06/30/92	1.0130	0.9622
440102	07/01/91	06/29/92	1.0143	0.9661

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
440103	07/01/91	06/30/92	1.2468	0.9882
440104	07/01/91	06/30/92	1.4859	0.9975
440109	07/01/91	06/30/92	1.0890	0.9537
440111	07/01/91	06/30/92	1.2385	0.9902
440114	07/01/91	06/30/92	1.0019	0.9682
440115	07/01/91	06/30/92	1.1089	0.9721
440121	07/01/91	06/30/92	0.9771	0.9904
440130	07/01/91	06/30/92	1.1180	0.9848
440131	07/01/91	06/30/92	1.0695	0.9790
440132	07/01/91	06/30/92	1.0911	0.9733
440133	07/01/91	06/30/92	1.4761	0.9991
440135	07/01/91	06/30/92	1.4200	0.9948
440137	07/01/91	06/30/92	1.0503	0.9724
440141	07/01/91	06/30/92	1.0831	0.9713
440143	06/01/91	05/31/92	0.9993	0.9579
440144	06/01/91	05/31/92	1.2129	0.9660
440147	07/01/91	06/30/92	0.7470	0.9806
440151	05/01/91	04/30/92	1.2392	0.9615
440152	07/01/91	06/30/92	1.4752	0.9923
440153	07/01/91	06/30/92	1.0689	0.9785
440156	04/01/91	03/31/92	1.4821	0.9977
440160	07/01/91	06/29/92	1.0767	0.9755
440162	02/01/91	01/31/92	1.8435	1.0000
440166	07/01/91	06/30/92	1.3369	0.9980
440170	06/01/91	05/31/92	1.3365	0.9955
440175	03/01/91	02/29/92	1.1768	0.9544
440176	03/01/91	02/29/92	1.2800	0.9949
440180	07/01/91	06/30/92	1.0927	0.9643
440183	03/01/91	02/29/92	1.4415	0.9991
440187	06/01/91	05/31/92	1.1051	0.9743
440192	05/01/91	04/30/92	1.0556	0.9350
440193	06/01/91	05/31/92	1.1632	0.9849
440197	06/01/91	05/31/92	1.3511	0.9895
450004	07/01/91	06/30/92	1.0748	0.9779
450007	07/01/91	06/30/92	1.3043	0.9841
450008	04/01/91	03/31/92	1.2788	0.9870
450021	07/01/91	06/30/92	1.8279	0.9991
450023	07/01/91	06/30/92	1.4296	0.9979
450027	05/01/91	04/30/92	1.2710	0.9857
450029	07/01/91	06/30/92	1.3948	0.9931
450034	07/01/91	06/30/92	1.5331	0.9984
450035	07/01/91	06/30/92	1.4881	0.9981
450040	07/01/91	06/30/92	1.6019	0.9992
450042	07/01/91	06/30/92	1.6085	0.9964
450044	07/01/91	06/30/92	1.5382	0.9996
450051	07/01/91	06/30/92	1.5873	0.9989
450052	07/01/91	06/30/92	1.0574	0.9831
450056	07/01/91	06/30/92	1.5998	0.9993
450060	07/01/91	06/30/92	1.4376	0.9926
450064	06/01/91	05/31/92	1.4456	0.9979
450070	07/01/91	06/30/92	1.1781	0.9794
450078	04/01/91	03/31/92	0.9927	0.9847
450079	07/01/91	06/30/92	1.4825	0.9974
450090	07/01/91	06/30/92	1.1555	0.9775
450092	07/01/91	06/30/92	1.2668	0.9623
450096	07/01/91	06/30/92	1.4230	0.9965
450099	05/01/91	04/30/92	1.2398	0.9874
450102	07/01/91	06/30/92	1.6700	0.9971
450109	07/01/91	06/30/92	1.0257	0.9744
450113	06/01/91	05/31/92	1.2878	0.9861
450115	04/01/91	03/31/92	1.0467	0.9626
450126	03/01/91	02/29/92	1.3327	0.9761
450128	07/01/91	06/30/92	1.1860	0.9772
450143	07/01/91	06/30/92	1.0228	0.9582
450147	07/01/91	06/30/92	1.3386	0.9945
450157	03/01/91	02/29/92	1.0141	0.9750
450170	07/01/91	06/30/92	1.1218	0.9947
450177	07/01/91	06/30/92	1.0776	0.9666
450179	07/01/91	06/30/92	0.8982	0.9889

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
450184	07/01/91	06/30/92	1.4105	0.9973
450188	04/01/91	03/31/92	0.9835	0.9594
450190	07/01/91	06/30/92	1.1959	0.9844
450192	09/01/90	05/31/92	1.1040	0.9784
450217	07/01/91	06/30/92	1.0514	0.9649
450219	06/01/91	05/31/92	1.1424	0.9487
450221	07/01/91	06/30/92	1.0518	0.9845
450222	04/01/91	03/31/92	1.6645	0.9948
450233	07/01/91	06/30/92	1.0587	0.9526
450235	07/01/91	06/30/92	0.9825	0.9789
450241	06/01/91	05/31/92	0.8752	0.9416
450249	07/01/90	01/18/92	0.9205	0.9643
450258	06/01/91	05/31/92	1.1126	0.9173
450269	05/01/91	04/30/92	1.0000	0.9384
450270	04/01/91	03/31/92	1.1502	0.9480
450278	07/01/91	06/30/92	0.9989	0.9624
450288	04/01/91	03/31/92	1.1744	0.9847
450289	04/01/91	03/31/92	1.4138	0.9914
450307	05/01/91	04/30/92	1.0790	0.9668
450309	06/01/91	05/31/92	1.0167	0.9409
450324	07/01/91	06/30/92	1.4968	0.9962
450325	07/01/91	06/30/92	1.2133	0.9868
450341	04/01/91	03/31/92	0.9590	0.9811
450349	07/01/91	06/30/92	1.1898	0.9541
450351	06/01/91	05/31/92	1.2710	0.9896
450362	07/01/91	06/30/92	0.9332	0.9535
450370	05/01/90	04/30/92	1.1682	0.9780
450372	07/01/91	06/30/92	1.2771	0.9666
450379	06/01/91	05/31/92	1.5416	0.9932
450381	04/01/91	03/31/92	0.8646	0.9544
450393	03/01/91	02/29/92	1.2820	0.9961
450395	07/01/91	06/30/92	1.0645	0.9697
450400	07/01/90	01/31/92	1.0739	0.9483
450411	07/01/91	06/30/92	0.9973	0.9652
450418	04/01/91	04/30/92	1.4818	0.9826
450447	05/01/91	04/30/92	1.2543	0.9770
450451	07/01/91	06/30/92	1.0350	0.9522
450457	06/01/91	05/31/92	1.6779	0.9994
450460	07/01/91	06/30/92	1.0152	0.9745
450467	07/01/91	06/30/92	1.0374	0.9722
450469	07/01/91	06/30/92	1.2435	0.9947
450473	06/01/91	05/31/92	1.1167	0.9603
450489	04/01/91	03/31/92	1.0640	0.9325
450497	07/01/91	06/30/92	1.1301	0.9730
450498	07/01/91	06/30/92	1.0115	0.9634
450508	07/01/91	06/30/92	1.4380	0.9973
450517	07/01/91	06/30/92	0.9683	0.9655
450537	06/01/91	05/31/92	1.3694	0.9826
450545	07/01/91	06/29/92	1.0746	0.9918
450546	06/01/91	05/30/92	1.3674	0.9898
450551	04/01/91	03/31/92	1.0351	0.9730
450563	07/01/91	06/30/92	1.1802	0.9835
450573	07/01/91	06/30/92	1.0034	0.9578
450586	07/01/91	06/30/92	1.0775	0.9844
450603	04/01/91	03/31/92	0.9219	0.9589
450610	04/01/91	03/31/92	1.4285	0.9984
450630	05/01/91	04/30/92	1.6072	0.9970
450638	06/01/91	05/31/92	1.4668	0.9975
450641	07/01/91	06/30/92	0.9450	0.9847
450649	07/01/91	06/30/92	1.0211	0.9369
450651	04/01/91	03/31/92	1.9031	0.9941
450653	08/01/90	04/30/92	1.2705	0.9805
450658	07/01/91	06/30/92	0.9621	0.9739
450660	03/01/91	02/29/92	1.6234	0.9926
450665	07/01/91	06/30/92	1.0084	0.9878
450668	06/01/91	05/31/92	1.5499	0.9972
450669	07/01/91	06/30/92	1.2997	0.9869
450670	07/01/91	06/30/92	1.2535	0.9969
450674	08/01/90	02/29/92	0.8685	0.9978

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
450675	04/01/91	03/31/92	1.3764	0.9961
450678	06/01/91	05/31/92	1.5011	0.9966
450681	07/01/91	06/30/92	1.5872	0.9973
450682	07/01/91	06/30/92	1.2774	0.9853
450684	07/01/91	06/30/92	1.2973	0.9840
450688	06/01/91	05/31/92	1.3170	0.9861
450691	07/01/91	06/30/92	1.3182	0.9802
450694	07/01/91	06/30/92	1.1882	0.9699
450704	07/01/91	06/30/92	1.2896	0.9773
450709	07/01/91	06/30/92	1.1983	0.9931
450723	07/01/91	06/30/92	1.2794	0.9931
450730	06/01/91	05/31/92	1.3854	0.9773
450732	08/01/90	06/30/92	1.1444	0.9581
450743	07/01/91	06/30/92	1.3603	0.9888
450749	07/01/91	06/30/92	1.0624	0.9766
450750	07/01/91	06/30/92	1.0184	0.9851
450755	06/01/91	05/31/92	1.0539	0.9622
450758	06/01/91	05/31/92	1.8165	0.9563
450768	02/01/91	01/31/92	1.0778	0.9596
460003	06/01/91	05/31/92	1.4405	0.9960
460005	06/01/91	05/31/92	1.2662	0.9866
460008	03/01/91	02/29/92	1.3047	0.9704
460009	07/01/91	06/30/92	1.7723	0.9993
460030	02/01/91	01/31/92	1.0611	0.9737
460032	07/01/91	06/30/92	0.9844	0.9744
460035	07/01/91	06/30/92	0.8846	0.9717
460037	07/01/91	06/30/92	0.9659	0.9681
490007	05/01/91	04/30/92	1.9734	0.9986
490009	07/01/91	06/29/92	1.6259	0.9974
490010	07/01/91	06/30/92	1.1653	0.9690
490022	07/01/91	06/30/92	1.2144	0.9832
490028	04/01/91	03/31/92	1.2663	0.9924
490032	07/01/91	06/30/92	1.6987	0.9979
490035	07/01/91	06/30/92	1.1312	0.9835
490043	07/01/91	06/30/92	1.2409	0.9908
490046	05/01/91	04/30/92	1.3542	0.9891
490053	07/01/91	06/30/92	1.2359	0.9794
490090	07/01/91	06/30/92	1.1672	0.9804
490093	05/01/91	04/30/92	1.2625	0.9947
490094	05/01/91	04/30/92	1.0828	0.9947
490098	07/01/91	06/30/92	1.2911	0.9876
490104	07/01/91	06/30/92	0.8986	0.9862
490105	07/01/91	06/30/92	0.7528	0.9756
490106	07/01/91	06/30/92	0.8491	0.9918
490108	07/01/91	06/30/92	0.9040	0.9978
490109	07/01/91	06/30/92	0.9226	0.9676
490111	07/01/91	06/30/92	1.1583	0.9706
490114	07/01/91	06/30/92	1.0306	0.9873
490118	04/01/91	03/31/92	1.6908	0.9991
490119	09/01/90	04/30/92	1.3410	0.9870
490120	07/01/91	06/30/92	1.3043	0.9901
490123	04/01/91	03/31/92	1.1416	0.9704
490124	07/01/91	06/30/92	1.1473	0.9985
490127	07/01/91	06/30/92	1.0565	0.9828
490131	07/01/91	06/30/92	0.9544	0.9658
500008	07/01/91	06/30/92	1.8428	0.9958
500021	07/01/91	06/29/92	1.4493	0.9804
500023	07/01/91	06/30/92	1.2605	0.9767
500030	07/01/91	06/30/92	1.3076	0.9905
500039	05/01/91	04/30/92	1.3242	0.9942
500041	07/01/91	06/30/92	1.2217	0.9843
500064	07/01/91	06/30/92	1.5165	0.9877
500076	04/01/91	03/31/92	1.2916	0.9894
500086	07/01/91	06/30/92	1.3215	0.9836
500104	04/01/91	03/31/92	1.1888	0.9700
500108	07/01/91	06/30/92	1.6291	0.9980
500127	07/01/91	06/30/92	1.0599	1.0000
500135	07/01/90	05/07/92	1.0812	0.9833
500137	06/01/91	05/31/92	0.7969	0.9884

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
500138	07/01/91	06/30/92	8.3389	1.0000
500139	02/01/91	01/31/92	1.3496	0.9793
500141	07/01/91	06/29/92	1.2068	0.9784
510015	07/01/91	06/30/92	0.9693	0.9678
510020	07/01/91	06/30/92	1.0617	0.9776
510023	07/01/91	06/30/92	1.0523	0.9858
510024	07/01/91	06/30/92	1.3716	0.9971
510025	07/01/91	06/30/92	0.9018	0.9493
510026	07/01/91	06/30/92	0.9709	0.9802
510027	07/01/91	06/30/92	1.0249	0.9621
510035	07/01/91	06/30/92	1.0564	0.9508
510036	07/01/91	06/30/92	1.0542	0.9724
510043	07/01/91	06/30/92	1.0021	0.9621
510046	07/01/91	06/30/92	1.2237	0.9920
510058	07/01/91	06/30/92	1.2107	0.9952
510061	07/01/91	06/30/92	1.0259	0.9638
510062	07/01/91	06/30/92	1.1696	0.9945
510070	06/01/91	05/31/92	1.1908	0.9907
510071	07/01/91	06/30/92	1.2402	0.9909
510072	07/01/91	06/30/92	1.0558	0.9777
510080	07/01/91	06/30/92	1.0436	0.9747
510086	07/01/91	06/30/92	1.0859	0.9797
520004	07/01/91	06/30/92	1.2448	0.9968
520006	03/01/91	02/29/92	1.0478	0.9522
520007	07/01/91	06/30/92	1.1026	0.9746
520009	07/01/91	06/30/92	1.5714	0.9948
520011	04/01/91	03/30/92	1.1197	0.9727
520013	07/01/91	06/30/92	1.3455	0.9898
520015	07/01/91	06/30/92	1.1618	0.9753
520016	07/01/91	06/30/92	1.0412	0.9492
520017	07/01/91	06/30/92	1.1907	0.9848
520025	07/01/91	06/30/92	1.1236	0.9870
520027	07/01/91	06/30/92	1.1257	0.9815
520028	07/01/91	06/30/92	1.4084	0.9867
520030	07/01/91	06/29/92	1.5513	0.9966
520033	07/01/91	06/29/92	1.2403	0.9607
520040	07/01/91	06/30/92	1.3741	0.9922
520041	07/01/91	06/30/92	1.0977	0.9619
520044	07/01/91	06/30/92	1.3641	0.9874
520047	04/01/91	03/30/92	1.0010	0.9457
520051	07/01/91	06/30/92	2.0205	0.9996
520063	07/01/91	06/30/92	1.1831	0.9733
520066	07/01/91	06/30/92	1.2451	0.9894
520068	07/01/91	06/30/92	1.0016	0.9707
520074	07/01/91	06/29/92	1.0172	0.9677
520075	07/01/91	06/30/92	1.3991	0.9965
520076	07/01/91	06/29/92	1.1321	0.9808
520087	04/15/91	04/12/92	1.5135	0.9987
520088	07/01/91	06/30/92	1.2254	0.9820
520091	04/01/91	03/31/92	1.2090	0.9693
520092	05/01/91	04/30/92	1.1869	0.9672
520094	07/01/91	06/30/92	1.1666	0.9882
520096	07/01/91	06/30/92	1.4267	0.9956
520097	07/01/91	06/30/92	1.3170	0.9872
520098	07/01/91	06/30/92	1.7215	0.9956
520111	07/01/91	06/30/92	0.9935	0.9868
520112	07/01/91	06/29/92	1.1375	0.9633
520114	07/01/91	06/30/92	1.0511	0.9875
520117	07/01/91	06/29/92	1.0899	0.9553
520120	07/01/91	06/29/92	1.0348	0.9760
520121	07/01/91	06/30/92	0.9967	0.9572
520122	07/01/91	06/30/92	0.9942	0.9564
520124	04/01/91	03/30/92	1.1390	0.9654
520132	05/01/91	04/29/92	1.1746	0.9697
520134	07/01/91	06/30/92	1.1481	0.9684
520136	07/01/91	06/30/92	1.4675	0.9984
520141	07/01/91	06/30/92	1.1103	0.9657
520142	07/01/91	06/30/92	0.9345	0.9613
520151	03/01/91	02/29/92	1.0813	0.9632

TABLE 9.—1992 TRANSFER ADJUSTED CASE MIX INDEX AND TRANSFER ADJUSTMENT TO DISCHARGES FOR CAPITAL HOSPITAL—SPECIFIC RATE REDETERMINATIONS—Continued

Provider No.	Cost reporting period		Transfer adjusted case mix index	Transfer adjustment to discharges
	Begin	End		
520159	04/01/91	03/31/92	0.8655	0.9514
520161	04/01/91	03/30/92	1.0355	0.9706
520170	07/01/91	06/29/92	1.2825	0.9773
520176	07/01/91	06/30/92	0.8234	0.9843
520178	07/01/91	06/30/92	1.1237	0.9733
520180	07/01/91	06/29/92	0.6253	0.9804
530001	06/01/91	05/31/92	1.3423	0.9928
530002	07/01/91	06/30/92	1.2389	0.9559
530003	07/01/91	06/30/92	0.8774	0.9490
530004	07/01/91	06/30/92	0.9448	0.9508
530005	07/01/91	06/30/92	1.1552	0.9731
530006	07/01/91	06/30/92	1.1221	0.9777
530007	07/01/91	06/29/92	1.0583	0.9446
530009	07/01/91	06/30/92	0.9904	0.9753
530011	07/01/91	06/30/92	1.1409	0.9710
530012	07/01/91	06/30/92	1.6069	0.9971
530014	07/01/91	06/30/92	1.1949	0.9923
530015	07/01/91	06/30/92	1.1046	0.9757
530016	07/01/91	06/30/92	1.1449	0.9915
530017	07/01/91	06/30/92	0.9570	0.9526
530018	07/01/91	06/30/92	1.0273	0.9658
530019	07/01/91	06/30/92	0.9773	0.9793
530022	07/01/91	06/30/92	1.1038	0.9500
530025	07/01/91	06/30/92	1.2785	0.9822
530026	07/01/91	06/29/92	1.0179	0.9389
530027	07/01/91	06/30/92	0.8963	0.9330
530029	07/01/91	06/30/92	0.9236	0.9240
530031	07/01/91	06/30/92	0.9529	0.9518

TABLE 10.—PERCENTAGE DIFFERENCE IN WAGE INDEXES FOR AREAS THAT QUALIFY FOR A WAGE INDEX EXCEPTION FOR EXCLUDED HOSPITALS AND UNITS

Area	1982–1990 percentage difference	1984–1990 percentage difference	1988–1990 percentage difference
Rural Connecticut	24.140	26.604	8.107
Rural Hawaii	9.824	25.192	14.958
Rural Massachusetts	18.089	21.934	.....
Rural New Hampshire	.....	9.716	.....
Rural New York	.....	15.529	10.857
Rural Puerto Rico	.....	.....	25.455
Rural South Carolina	.....	13.630	.....
Aguadilla, PR	.....	21.934	22.441
Albany, GA	.....	8.728	.....
Alexandria, LA	.....	9.979	12.435
Ann Arbor, MI	.....	11.520	13.340
Athens, GA	.....	8.265	.....
Augusta, GA-SC	.....	15.438	.....
Bergen-Passaic, NJ	10.776	12.667	14.624
Boston-Lowell-Brockton-Lawrence-Salem, MA	.....	8.943	.....
Brazoria, TX	8.740	.....	.....
Bridgeport-Stamford-Norwalk-Danbury, CT	.....	11.658	.....
Burlington, NC	.....	9.248	.....
Caguas, PR	.....	20.463	.....
Charlotte-Gastonia-Rock Hill, NC-SC	9.798	16.971	.....
Charlottesville, VA	.....	8.050	.....
El Paso, TX	.....	.....	8.587
Galveston-Texas City, TX	.....	.....	10.425
Glens Falls, NY	.....	9.444	.....
Greensboro-Winston-Salem-High Point, NC	.....	10.949	.....
Hartford-Middletown-New Britain, CT	.....	11.205	.....
Hickory, NC	10.740	20.151	12.790
Houma-Thibodaux, LA	.....	.....	10.148
Knoxville, TN	.....	13.497	.....
Las Cruse, NM	.....	.....	14.060
Macon-Warner Robins, GA	.....	24.708	10.429
Manchester-Nashua, NH	13.218	14.618	.....

TABLE 10.—PERCENTAGE DIFFERENCE IN WAGE INDEXES FOR AREAS THAT QUALIFY FOR A WAGE INDEX EXCEPTION FOR EXCLUDED HOSPITALS AND UNITS—Continued

Area	1982–1990 percentage difference	1984–1990 percentage difference	1988–1990 percentage difference
Middlesex-Somerset-Hunterdon, NJ	9.058	12.771	.....
Monmouth-Ocean, NJ	.....	8.842	.....
Nassau-Suffolk, NY	.....	10.143	.....
New Bedford-Fall River-Attleboro, MA	10.496	13.282	.....
New Haven-West Haven-Waterbury, CT	.....	13.503	.....
New London-Norwich, CT	.....	8.923	.....
Newark, NJ	.....	8.227	.....
Orange County, NY	11.068	15.124	.....
Orlando, FL	.....	8.341	.....
Pine Bluff, AR	10.584	9.961	11.524
Ponce, PR	.....	.....	8.706
Portsmouth-Dover-Rochester, NH	10.055	8.884	.....
Poughkeepsie, NY	.....	10.064	.....
Providence-Pawtucket-Woonsocket, RI	.....	10.765	.....
Redding, CA	.....	21.695	14.111
Riverside-San Bernardino, CA	.....	8.113	9.284
Santa Rosa-Petaluma, CA	18.464	8.597	18.839
Sarasota, FL	.....	10.891	.....
Tallahassee, FL	.....	9.331	.....
Victoria, TX	11.044	9.577	.....
Wilmington, NC	.....	12.483	.....
Worcester-Fitchburg-Leominster, MA	.....	12.541	.....

Appendix A—Regulatory Impact Analysis

I. Introduction

Executive Order (E.O.) 12291 requires us to prepare and publish an initial regulatory impact analysis for any proposed rule that meets one of the E.O. 12291 criteria for a "major rule," that is, a rule that would 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 proposed rule would 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 proposed rule that may 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 603 of the RFA. With the exception of 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 100 beds that is located outside of a Metropolitan Statistical Area or New England County Metropolitan Area.

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 classified these hospitals as urban hospitals.

It is clear that the changes being implemented in this document would 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 proposed rule, constitutes a combined regulatory impact analysis and regulatory flexibility analysis in accordance with E.O. 12291 and the RFA.

II. Objectives

The primary objective of the prospective payment system is to create incentives for hospitals to operate efficiently and minimize unnecessary costs and at the same time ensure that payments are sufficient to adequately compensate hospitals for their legitimate costs. In addition, we share national goals of deficit reduction and restraints on government spending in general.

We believe the proposed changes would further each of these above goals while maintaining the financial viability of the hospital industry and ensuring access to high quality care for beneficiaries. We expect that these proposed changes would ensure that the outcomes of this payment system are, in general, reasonable and equitable while avoiding or minimizing unintended adverse consequences.

III. Limitations of Our Analysis

As has been the case in previously published regulatory impact analyses, our quantitative analysis is limited to presenting the projected effects of the proposed policy and rate changes on current and projected payment rates. In the analysis that follows, we examine the effects on hospital payments of changes required by statute and other changes we are proposing. We accomplish this by estimating the effects of a given policy change on payments while holding all other payment variables constant. Thus, we are not attempting to predict behavioral responses to our policy changes, and we do not make adjustments for future changes in such variables as admissions, lengths of stay, or case mix.

As we have done in previous proposed rules, we are soliciting comments and information about the anticipated effects of these changes on the prospective payment system.

IV. Hospitals Included In and Excluded From the Prospective Payment System

The prospective payment systems for hospital inpatient operating and capital-related costs encompass nearly all general, short-term, acute care hospitals that participate in the Medicare program. Only 55 short-term, acute care hospitals remain excluded from the prospective payment system under section 1814(b)(3) of the Act (in Maryland) or a demonstration project (in the Finger Lakes region of New York State). Thus, as of April 1993, approximately 5,300 hospitals were receiving prospectively based payments for furnishing inpatient services. This represents about 83 percent of all Medicare-participating hospitals. The majority of this impact analysis focuses on this set of hospitals.

The remaining 17 percent are specialty hospitals that are excluded by statute from the prospective payment system and continue to be paid on the basis of their reasonable costs, subject to a rate-of-increase ceiling on their inpatient operating costs per discharge. These hospitals include psychiatric, rehabilitation, long-term, children's, and cancer hospitals. The impacts of our proposed policy changes on these hospitals is discussed below.

V. Impact on Excluded Hospitals and Units

As of April 1993, approximately 1,029 specialty hospitals are excluded from the prospective payment system and are instead paid on a reasonable cost basis subject to the rate-of-increase ceiling under § 413.40. In addition, 1,932 psychiatric and rehabilitation units in hospitals that are subject to the prospective payment system and 9 hospitals extensively involved in either the treatment of cancer or cancer research are also excluded from the prospective payment system and paid in accordance with § 413.40.

In accordance with section 1886(b)(3)(B)(ii) of the Act, under this proposed rule the target amount for excluded hospitals and units for hospital cost reporting periods beginning on or after October 1, 1993, would be updated by the percentage increase in the excluded hospital market basket. We are projecting an increase in the excluded hospital market basket of 4.3 percent.

The impact on excluded hospitals and units of the proposed update in the target amount depends on the cumulative cost increases experienced by each hospital and excluded unit since its applicable base period. For excluded hospitals and units that have maintained their cost increases at a level below the percentage increases in the target amounts since their base period, the major effect would be on the level of incentive payments these hospitals and units receive. Conversely, for excluded hospitals and units with per-case cost increases above the cumulative update in their target amount, the major effect would be on the amount of excess costs that the hospitals would have to absorb.

In this context, we note that for cost reporting periods beginning on or after October 1, 1992, § 413.40(d)(3)(iii) allows an excluded hospital or unit whose costs exceed the rate-of-increase ceiling to receive the lower of its rate-of-increase ceiling plus 50 percent of reasonable costs in excess of the ceiling, or 110 percent of its ceiling. In addition, under the various provisions set forth in § 413.40, excluded hospitals and units can obtain substantial relief from the rate-of-increase ceiling for significant, yet justifiable, increases in operating costs that exceed the target amount. At the same time, however, by generally limiting payment increases to the growth rate in the hospital market basket, we continue to provide an incentive for excluded hospitals and units to restrain the growth in their spending for patient services.

VI. Quantitative Impact Analysis of the Proposed Policy Changes Under Prospective Payment System for Operating Costs

A. Basis and Methodology of Estimates

In this proposed rule, we are announcing policy changes and payment rate updates for the prospective payment systems for operating and capital-related costs. We have prepared separate analyses of the proposed changes to each system, beginning with changes to the operating prospective payment system.

The data used in developing the quantitative analyses presented below are taken from FY 1992 inpatient billing data and the most current hospital-specific data that are used for payment purposes. Although the analyses of the changes to the operating prospective payment system do not incorporate any actual cost data, the most recently available hospital cost report data were utilized to create some of the variables by which hospitals are categorized. Our analysis has several qualifications. First, we do not attempt to make adjustments for behavioral changes that hospitals may adopt in response to these proposed policy changes. Second, due to the interdependent nature of the prospective payment system, it is very difficult to precisely quantify the impact associated with a given proposed change. Third, we draw upon various sources for the data used to categorize hospitals in the tables. In some cases, particularly the number of beds, there is a fair degree of variation in the data from different sources. We have attempted to construct these variables with the best available source overall. For individual hospitals, however, some miscategorizations are possible.

The simulations estimate total payments under the operating prospective payment system given various combinations of payment parameters. Short-term acute care hospitals not paid under the prospective payment system (hospitals in the New York Finger Lakes demonstration project, and hospitals in Maryland) are excluded from the simulations. Payments under the capital prospective payment system, or payments for other than inpatient operating costs, are not estimated in this section. Estimated payment impacts of proposed FY 1994 changes to the capital prospective payment system are discussed later in this impact analysis. For purposes of determining which method of payment to apply for sole community hospitals or Medicare-dependent, small rural hospitals during FY 1993 (the Federal payment rate or the applicable hospital-specific payment rate as prescribed by section 1886(d)(5)(D)(i) of the Act), we assume that all such hospitals have a cost reporting period that coincides with the Federal fiscal year.

The proposed changes discussed separately below are the following:

- The effects of the annual reclassification of diagnoses and procedures and the recalibration of the DRG weights required by section 1886(d)(4)(C) of the Act.
- The effects of changes in the standardized payment amounts hospitals receive due to changes in MSA definitions.
- The effects of the new MSA definitions on the wage index.
- The effects of changes in wage index values reflecting the FY 1990 wage survey data.
- The combined effect of these changes relative to estimated FY 1993 payments without consideration of the effects of geographic reclassifications by the Medicare Geographic Classification Review Board that are effective in either FY 1993 or FY 1994.
- The total change in payments based on estimated FY 1994 total payments relative to estimated FY 1993 total payments (including the effects of the MGCRB reclassification decisions for both years).

Several policy changes that would occur during FY 1994 are not modeled separately but are shown as combined changes from FY 1993 to FY 1994. These changes are:

- The proposed update factor applied to the standardized amounts (4.2 percent for the urban amount and 5.7 percent for the rural amount).
- The increase in the disproportionate share (DSH) payment adjustment for urban hospitals with 100 or more beds and for rural hospitals with 500 or more beds, effective for discharges occurring on or after October 1, 1993, in accordance with section 1886(d)(5)(F)(vii) of the Act.
- Effective for discharges occurring on or after October 1, 1993, the regional floor provision is expired (section 1886(d)(1)(A)(iii) of the Act).
- The special payment protection for Medicare-dependent, small rural hospitals (MDH) is no longer applicable after March 31, 1993 (section 1886(d)(5)(G)(i) of the Act) and affects the comparison of estimated FY 1993 payments to FY 1994 payments.

Finally, when comparing our estimated FY 1993 payments to FY 1994 payments, another significant payment effect is the lower than expected level of outlier payments estimated to be made during FY 1993. As discussed in the preamble, we estimate that outlier payments during FY 1993 will be 4.5 percent of total DRG payments. When the FY 1993 final rule was published on September 1, 1992, (57 FR 39833) we estimated FY 1993 outlier payments would be 5.1 percent of total DRG payments. The effects of the lower than expected outlier payments during FY 1993 are reflected in the analyses below comparing our current estimates of FY 1993 total payments to estimated FY 1994 payments.

To illustrate the impacts of the FY 1994 DRG reclassifications and recalibration of the DRG weights, the new MSA definitions, and the new wage survey data. These changes are added one at a time to the FY 1994 baseline model. The FY 1994 baseline simulation modeled total payments using the FY 1993 GROUPER (version 10.0), standardized amounts updated to FY 1994 but assigned on the basis of the old MSA definitions, and the FY 1993 wage indexes assigned based on geographic location according to the old MSA definitions and without regard to geographic reclassifications by the MGCRB. The FY 1994 baseline includes, however, the higher DSH formula (although assigned based on old MSA definitions), and reflects the elimination of the regional floor and MDH provisions. Outlier payments are estimated to be 5.1 percent of total DRG payments.

Table I demonstrates the results of our analysis. The table categorizes hospitals by various geographic and special payment consideration groups to illustrate the varying impacts on different types of hospitals. The top row of the table shows the overall impact on the 5,302 hospitals included in the analysis. This is 84 fewer hospitals than were included in the impact analysis in the FY 1993 final rule (57 FR 39989). (Data for 117 hospitals that were included in last year's analysis were not available for analysis this year (primarily due to closures); however, data were available this year for 33 hospitals for which data were not available last year.) The next three rows of Table I contain hospitals categorized according to their geographic location (large urban, other urban or rural) based on the new MSA definitions. There are 1,654 hospitals located in large urban areas (populations over 1 million), 1,316 hospitals in other urban areas (populations of 1 million or fewer), and 2,332 hospitals in rural areas.

The next three rows categorize hospitals that changed their geographic location due to the new MSA definitions. The first row shows that 107 hospitals were located in counties with MSA designations that changed from rural to urban. It does not include 23 other hospitals that have been deemed urban under section 1886(d)(8)(B) of the Act and are located in counties that are now designated as MSAs under the revised MSA definitions. The next row contains hospitals located in counties that changed from urban to rural status under the new MSA definitions, and the third row contains hospitals located in counties that changed from other urban to large urban MSA designations. There were three hospitals in counties that changed from large urban to other urban. Due to the small cell size, this category is not shown. The next two groupings are by hospital bed size and urban or rural MSA designations. The final groupings by geographic location are by census divisions, determined on the basis of geographic location in either an urban or rural county under the new MSA definitions.

To illustrate the effects of hospital geographic reclassifications for FY 1994, the second part of Table I shows changes in payments based on a hospital's FY 1994 payment classification for purposes of the standardized amount under the prospective payment system after any reclassifications under sections 1886(d)(10) of the Act, rather than its actual geographic location. For example, as noted above, the number of hospitals included in our analysis that are actually located in large urban, other urban, and rural areas is 1,654, 1,316, and 2,332, respectively. After incorporating reclassifications, the number of large urban, other urban, and rural hospitals is 1,827, 1,431, and 2,044, respectively.

The next three groupings examine the impacts of the proposed changes on hospitals grouped by whether they have residency programs (teaching hospitals), whether they receive DSH payments, and whether they receive some combination of these two adjustments. We have changed our definition of major teaching hospitals in this analysis so that they are now defined according to whether the hospital has 100 or more residents working in it. In the past, we have defined major teaching hospitals based on whether they had resident-to-bed ratios of .25 or more. We believe that our new definition results in a more homogeneous grouping of those hospitals that are defined as having major teaching programs. Furthermore, since the indirect medical education adjustment for the capital prospective payment system is based on the resident-to-average daily census ratio, it is inconsistent to define major teaching hospitals based on resident-to-bed ratios. As a result of this change, 47 hospitals defined as major teaching hospitals for FY 1993 are defined as minor teaching hospitals for FY 1994. Conversely, 37 hospitals that were defined as minor teaching become major teaching under the new definition.

Hospitals are grouped according to their DSH payment status based on how they will be paid during FY 1994. That is, hospitals located in rural counties that have been reclassified as urban by the MGCRB for purposes of assigning the standardized amount are categorized here as urban, since they are considered urban in determining the amount of their DSH adjustment. The rural DSH hospitals, therefore, including those in the rural referral center and sole community hospital categories, represent hospitals that were not reclassified for the standardized amount. The next category groups hospitals paid on the basis of the urban standardized amount in terms of whether they receive the indirect medical education adjustment or the DSH adjustment, or both.

The next six rows categorize rural hospitals by special payment groups (sole community hospitals, rural referral centers, and MDHs). Rural hospitals reclassified for purposes of the standardized amount for FY 1994 are not included here, with the exception of

the MDH row. This row includes all hospitals that were paid under the MDH provision during FY 1993, in order to isolate the impact of ending this provision. Of the 164 hospitals shown in this row as having received payments as MDHs during FY 1993, 4 are located in counties now designated as urban under the new MSA definitions, and 22 others have been reclassified for purposes of either the standardized amount, the wage index, or both.

The rural referral centers (135), sole community hospitals (556), and rural referral center/sole community hospitals (37) shown here were not reclassified for purposes of the standardized amount. There are 23 rural referral centers and 21 sole community hospitals that would be reclassified for the standardized amount in FY 1994 and are therefore not included in these rows.

The next series of groupings concern the geographic reclassification status of hospitals. The first three rows display hospitals that were reclassified by the MGCRB in either FY 1993 or FY 1994, or in both years. A total of 702 hospitals that were reclassified for FY 1993 are not reclassified for FY 1994, and only 128 hospitals are reclassified for the first time for FY 1994. (The effects of the revised guidelines to qualify for wage index reclassifications (see § 412.230(e)) are evident here.) The next rows illustrate the overall number of reclassifications, as well as the numbers of reclassified hospitals grouped by urban and rural location.

The next two groupings are based on type of ownership and the hospital's Medicare utilization expressed as a percent of total patient days. Data needed to calculate Medicare utilization percentages were unavailable for 66 hospitals.

TABLE I.—IMPACT ANALYSIS OF PROPOSED OPERATING COST PROSPECTIVE PAYMENT SYSTEM CHANGES FOR FY 1994

	Number of hospitals [1]	DRG reclassification and recalibration [2] (1)	New MSA: stndrdzd. amounts [3] (2)	New MSA: wage index [4] (3)	New wage survey data [5] (4)	All changes prior to reclassification [6] (5)	All changes [7] (6)
(By geographic location):							
All hospitals	5,302	0.0	0.2	−0.1	0.1	5.2	5.3
Large urban areas (populations over 1 million)	1,654	0.1	0.3	−0.1	0.8	6.1	6.5
Other urban areas (populations of 1 million or fewer)	1,316	0.0	0.2	−0.1	−0.6	4.4	4.4
Rural areas	2,332	−0.1	−0.1	−0.4	−1.1	3.3	2.7
Hospitals changing MSA due to 1990 census							
Rural to urban	107	0.0	6.3	7.0	1.8	22.3	12.9
Urban to rural	20	0.0	−2.0	−6.4	−0.4	−4.0	−5.8
Other urban to large urban	161	0.1	1.7	3.2	1.1	11.2	10.0
Urban hospitals	2,970	0.1	0.2	−0.1	0.3	5.5	5.7
0–99 beds	741	−0.1	0.6	0.7	0.1	5.8	5.5
100–199 beds	899	0.0	0.3	0.0	0.2	5.4	5.5
200–299 beds	610	0.1	0.2	−0.1	0.0	5.0	5.2
300–499 beds	529	0.1	0.2	0.1	0.2	5.6	5.9
500 or more beds	191	0.1	0.3	−0.6	0.8	5.6	5.9
Rural hospitals	2,332	−0.1	−0.1	−0.4	−1.1	3.3	2.7
0–49 beds	1,179	−0.2	−0.2	−0.3	−1.2	3.3	2.4
50–99 beds	715	−0.1	−0.2	−0.4	−1.2	3.2	2.6
100–149 beds	225	0.0	−0.1	−0.3	−1.0	3.5	3.5
150–199 beds	106	0.0	−0.1	−0.2	−0.9	3.6	2.3
200 or more beds	107	0.0	−0.1	−0.4	−1.2	3.2	2.6
Urban by region							
New England	172	0.0	0.6	−0.2	1.2	5.5	4.7
Middle Atlantic	447	0.1	0.4	0.0	2.1	7.9	8.5
South Atlantic	450	0.0	0.4	−0.1	0.5	6.2	6.0
East North Central	498	0.1	0.1	−0.2	−1.0	3.0	3.3
East South Central	166	0.0	0.4	−0.1	−0.6	5.1	5.5
West North Central	187	0.0	0.0	−0.1	−0.9	3.9	3.9
West South Central	376	0.1	0.1	0.1	−1.4	4.3	4.7
Mountain	123	0.0	0.0	−0.3	0.0	4.7	5.0
Pacific	501	0.0	0.0	−0.2	0.3	5.6	6.0
Puerto Rico	50	0.3	0.3	−0.4	2.9	8.3	8.7
Rural by region							
New England	53	0.0	0.0	−0.6	1.7	5.3	5.2
Middle Atlantic	85	0.0	0.0	−0.2	0.7	5.0	4.1
South Atlantic	304	0.0	−0.1	−0.7	−1.8	2.8	2.6
East North Central	313	0.0	−0.1	−0.2	−1.8	2.0	1.3
East South Central	293	−0.1	−0.3	−0.4	−1.2	3.6	2.4
West North Central	542	−0.1	−0.1	−0.1	−0.7	3.9	3.9
West South Central	365	−0.1	−0.1	−0.3	−2.0	2.7	1.7
Mountain	226	−0.1	−0.1	−0.2	−0.8	3.7	2.3
Pacific	146	0.0	−0.1	−0.5	−0.6	4.0	3.2
Puerto Rico	5	−0.1	−0.2	0.8	12.6	19.5	26.4
(By payment classification):							
All hospitals	5,302	0.0	0.2	−0.1	0.1	5.2	5.3

TABLE I.—IMPACT ANALYSIS OF PROPOSED OPERATING COST PROSPECTIVE PAYMENT SYSTEM CHANGES FOR FY 1994—Continued

	Number of hospitals [1]	DRG reclassification and recalibration [2] (1)	New MSA: stndrdzd. amounts [3] (2)	New MSA: wage index [4] (3)	New wage survey data [5] (4)	All changes prior to reclassification [6] (5)	All changes [7] (6)
Large urban areas (populations over 1 million)	1,827	0.1	0.3	−0.1	0.7	5.9	6.4
Other urban areas (populations or 1 million or fewer)	1,431	0.0	0.2	−0.1	−0.6	4.4	4.4
Rural areas	2,044	−0.1	−0.1	−0.4	−1.1	3.3	2.2
Teaching status							
Non-teaching	4,276	0.0	0.2	0.1	−0.2	5.1	5.0
Fewer than 100 residents	817	0.1	0.2	−0.1	0.0	4.9	5.2
100 or more residents	218	0.1	0.3	−0.9	1.0	5.9	6.2
Disproportionate share hospitals (DSH)							
Non-DSH	3,550	0.0	0.1	0.1	−0.1	4.8	4.9
Urban DSH							
100 beds or more	1,258	0.1	0.3	−0.4	0.4	5.7	5.9
Fewer than 100 beds	114	−0.1	1.5	1.3	0.0	7.9	6.2
Rural DSH							
Sole community (SCH)	109	−0.1	−0.1	−0.2	−0.5	4.3	4.1
Referral Centers (RRC)	40	0.0	0.1	−0.2	−1.3	3.5	1.6
Other Rural DSH Hosp.							
100 Beds or more	69	0.0	−0.6	−1.3	−1.3	2.8	1.2
Fewer than 100 beds	162	−0.3	−0.3	−0.7	−2.3	2.2	1.7
Urban teaching and DSH							
Both teaching and DSH	583	0.1	0.3	−0.7	0.6	5.6	5.8
Teaching and no DSH	402	0.1	0.2	0.0	0.2	4.9	5.3
No teaching and DSH	789	0.0	0.4	0.2	0.0	6.0	6.1
No teaching and no DSH	1,484	0.0	0.2	0.3	0.1	5.2	5.4
Rural hospital types							
Nonspecial status Hospitals	1,155	−0.1	−0.3	−0.7	−1.4	3.3	1.9
RRC	135	0.0	0.1	−0.1	−1.3	3.1	1.8
SCH	556	−0.1	−0.1	−0.1	−0.3	4.2	3.7
Medicare-department hospitals (MDH)	164	−0.2	0.1	0.1	−1.6	−0.7	−1.3
SCH and RRC	37	0.0	0.0	−0.2	−0.3	3.8	2.8
SCH and MDH	757	−0.1	0.0	−0.1	−0.4	3.6	2.9
Hospitals reclassified by the medicare geographic review board:							
Reclassification status during FY93 and FY94							
Reclassified during both FY93 and FY94	541	0.0	0.2	−0.1	0.1	5.4	5.6
Reclassified during FY94 only	128	0.0	0.1	−0.2	−0.6	4.0	3.8
Reclassified during FY93 only	702	0.1	0.6	2.0	0.4	7.9	4.1
FY 94 Reclassifications							
All reclassified hosp.	672	0.0	0.2	−0.1	0.0	5.2	6.0
All nonreclassified hospitals	4,603	0.0	0.2	−0.2	0.1	5.2	5.2
All urban reclassified hospitals	207	0.1	0.4	−0.1	0.9	6.3	6.4
Urban nonreclassified hospitals	2,763	0.1	0.2	−0.1	0.2	5.4	5.6
All reclassified rural hospitals	465	0.0	−0.1	−0.2	−1.2	3.7	5.6
Rural nonreclassified hospitals	1,840	−0.1	−0.1	−0.5	−0.1	3.2	1.2
Other reclassified hospitals (section 1886(D)(8)(B))	27	−0.1	0.1	−0.3	−1.7	1.9	2.6
Type of ownership							
Voluntary	3,054	0.0	0.2	−0.1	0.1	5.1	5.3
Proprietary	780	0.0	0.1	−0.3	0.3	5.5	5.8
Government	1,468	0.0	0.2	−0.4	−0.1	5.2	4.8
Medicare utilization as percent of inpatient days							
0–25	313	0.0	0.1	−0.3	0.6	6.4	7.1
25–50	1,624	0.0	0.2	−0.5	0.4	5.3	5.5
50–65	2,296	0.0	0.2	0.1	−0.2	5.0	5.0
Over 65	1,003	0.0	0.2	0.3	0.0	5.1	4.8

[1] Because data necessary to classify some hospitals by category were missing, the total number of hospitals in each category may not equal the national total. Hospital-specific data and discharges data are from FY 1992, and hospital cost report data are from reporting periods beginning in FY 1991.

[2] Recalibration of the DRG weights and classification changes are based on FY 1992 MEDPAR data and are performed annually in accordance with section 1886(d)(4)(C) of the Act.

[3] This column reflects all of the payment impacts of the new MSA definitions based on the 1990 census except those related to the wage index.

[4] This column shows the effects of the new MSA definitions on the wage index.
[5] This column illustrates the payment changes attributable to incorporating the wage data collected by the 1990 wage survey.
[6] Shown here are the combined effects of all of the FY 1994 policy changes prior to geographic reclassification by the Medicare Geographic Classification Review Board (MGCRB), compared to FY 1993 payments prior to geographic reclassification. It includes the payment increase due to the FY 1994 update to the standardized amounts, the elimination of the regional floor and the special payment provision for Medicare-dependent, small rural hospitals, the increase in the disproportionate share adjustment for urban hospitals with 100 or more beds and rural hospitals with 500 or more beds, and different levels of outlier payments.
[7] This column shows the combined effects as described for the previous column, but compares FY 1994 total payments after MGCRB reclassifications to total FY 1993 payments after reclassification.

B. The Impact of the Proposed Changes to the DRG Weights (Column 1)

In column 1 of Table I, we present the combined effects of the revised DRG classification system, and the subsequent recalibration of the DRG weights incorporating these revised DRGs, as discussed in the preamble to this proposed rule. Section 1886(d)(4)(C)(i) of the Act requires us each year to make appropriate classification changes and to recalibrate the DRG weights in order to reflect changes in treatment patterns, technology, and any other factors that may change the relative use of hospital resources. The impact of DRG reclassification and recalibration on aggregate payments is required by section 1886(d)(4)(C)(iii) of the Act to be budget neutral.

The first column of Table I demonstrates that the overall effect of these proposed changes is budget neutral. That is, the percentage change when adding the version 11.0 GROUPER to the FY 1994 baseline is 0.0. The redistributional impact of the proposed DRG classification and recalibration changes across hospital groupings is small. Other than an increase of 0.3 percent for urban hospitals in Puerto Rico and a reduction of 0.3 percent for rural DSH hospitals with fewer than 100 beds, the impact of these changes is generally 0.1 percent or less. We project that most hospitals will experience essentially no effect. Where decreases occur, they are concentrated among small urban and rural hospitals. Payments to rural hospitals with fewer than 50 beds and rural hospitals with between 50 and 99 beds would be 0.2 percent and 0.1 percent lower, respectively, than they would be without the changes in DRG classifications and weights. Payments to urban hospitals with fewer than 100 beds would also, on average, be 0.1 percent lower. However, urban hospitals with 200 or more beds would experience an increase in payments of 0.1 percent.

C. The Impact of the New MSA Designations for Assigning the Standardized Amounts (Column 2)

As discussed throughout the preamble to this proposed rule, beginning October 1, 1993, we will adopt the revised MSA definitions based on 1990 census data that were announced by the Office of Management and Budget on December 28, 1992. Column 2 of Table I measures the change in payments attributable to hospitals changing from rural to urban (and vice versa) for purposes of the standardized amounts and DSH payments. It does not include the effect of the change in status on the hospital wage index. The overall effect on total payments of implementing the new MSA designations for purposes of the standardized amount and DSH payments is a 0.2 percent increase, due to the higher payments going to redesignated hospitals. This represents a $120 million increase in total payments.

Table I shows that 107 hospitals were located in counties that were formerly designated as rural but are now urban. These hospitals would begin to receive either the other urban or the large urban standardized amount, whichever is applicable (just under one-third of these hospitals will receive the large urban standardized amount during FY 1994). They would also be considered urban hospitals for other payment purposes as well, such as determining eligibility for DSH payments. This category does not include 23 hospitals that have been treated as urban hospitals under section 1886(d)(8)(B) of the Act and are located in counties now designated as MSAs under the revised OMB definitions.

To demonstrate the impacts of the MSA changes on standardized amount and DSH payments, Column 2 shows the percentage changes from the previous simulation—the FY 1994 baseline plus the DRG reclassification and recalibration effects—by assigning the standardized amounts and paying DSH on the basis of the new MSA definitions. The column indicates that these changes produce 6.3 percent higher payments to hospitals that have been paid on the basis of the rural standardized amount and would now be paid as urban hospitals. Hospitals in previously other urban areas that are now large urban areas receive payments that are 1.7 percent higher than they were previously (the difference between the other urban and large urban standardized amounts is about 1.6 percent).

Hospitals that are in counties previously designated urban but now designated rural will experience payments that are approximately 2.0 percent lower. Section 1886(d)(8)(A) of the Act provides for an adjustment to the payment amounts for these hospitals. In the first year that a hospital loses urban status, an eligible hospital will receive, in addition to its rural average standardized amount, two-thirds of the difference between its present rural standardized amount plus DSH payments and the urban standardized amount plus DSH payments that it would have received if it had retained its urban status. In the second year, the hospital's additional payment will be one third of the difference between the rural standardized amount plus DSH payments and the appropriate urban standardized amount plus DSH payments.

Because the urban/rural categories in Table I are based on the new MSAs, the payment increase for urban hospitals reflects the higher payments to rural hospitals in counties redesignated as urban and hospitals in other urban counties redesignated as large urban. The decrease in payments to rural hospitals reflects the lower payments to hospitals redesignated from urban to rural. Similarly, the urban/rural bed size and region categories demonstrate the positive impact of this change on urban hospitals and the negative impact on rural hospitals.

Urban hospitals with fewer than 100 beds and urban hospitals located in the New England census division experience 0.6 percent higher payments in this column. Among the 741 urban hospitals with fewer than 100 beds, 90 are located in counties that were previously rural but are now urban under the new MSA definitions, and 31 of these hospitals are in counties that were defined as other urban but are now large urban. Included in the row containing 172 urban hospitals in New England are 48 hospitals that were previously in other urban counties that are now large urban.

Among hospitals grouped by their payment status, the most notable impact is on the category of urban hospitals with fewer than 100 beds that receive DSH payments. Payments to these

hospitals increase 1.5 percent. Among the 114 hospitals in this category, 20 were in counties redesignated from rural to urban. Of these 20 hospitals, 6 are eligible under the urban DSH criteria but were not eligible as rural hospitals. This is because their DSH percentages are between 40 and 45 percent, the respective urban and rural qualifying thresholds for hospitals with fewer than 100 beds.

Among the 69 rural DSH hospitals with 100 or more beds, payments fall by 0.6 percent. Four hospitals in this category changed from urban to rural under the new MSA definitions. In addition to now receiving the lower rural standardized amount, these hospitals also now receive approximately 30 percent lower DSH adjustments under the rural DSH formula.

Among hospitals that were reclassified by the MGCRB for FY 1993 but not for FY 1994, 134 hospitals were in counties going either from rural to urban or from other urban to large urban. This explains the 0.6 percent higher payments for this group of hospitals.

D. The Impact of the New GSA Designations for Assigning the Wage Index (Column 3)

As discussed in the preamble to this proposed rule, we are also proposing to assign the wage index based on the new MSA definitions. Column 3 shows the impacts of this change. Beginning from a baseline using the new MSAs to assign the standardized amounts but using the old MSAs to assign the FY 1993 wage index values, we measure the payment impact of calculating and then assigning the wage indexes based on the new MSAs. The effect of the FY 1990 wage data is not shown here. Rather, for purposes of this column, we analyzed the effect of a wage index based on the new MSAs and 1988 survey data relative to a wage index based on the old MSAs and 1988 survey data.

Except for the categories identified in the previous column as benefitting from assigning the standardized amounts based on the new MSAs, the general effect of this change is to lower payments. Total payments are 0.1 percent less after this change. This does not mean, however, that actual total payments for FY 1994 will be less than they would be otherwise. As described in the addendum to this proposed rule, section 1886(d)(3)(E) of the Act requires that any updates or adjustments to the wage index must be made in a budget neutral manner. The new MSA assignments are only part of the changes being proposed for the wage index. We are also incorporating wage data for cost reporting periods beginning in FY 1990. The effects of the new wage data are shown in column 4 of Table I and are discussed below. The net change in total estimated FY 1994 payments due to the proposed revisions to the wage index is budget neutral (−0.1 due to the new MSAs and 0.1 due to the new wage survey data).

The reason for the −0.1 percent change overall in column 3 relates primarily to the hospitals moving to areas with higher wage index values and the characteristics of those hospitals relative to the areas they are leaving. The average hourly wage of hospitals in counties redesignated from rural to urban are generally higher than the average hourly wages of the hospitals in the rural areas to which they were previously designated, but are lower than the average hourly wages of the hospitals in the urban areas to which they are now designated. The percent increase in payments among this group of hospitals due to the new MSA wage index assignments is 7.0 percent. Among hospitals in counties previously designated as other urban that are now in large urban areas, the effect is 3.2 percent higher payments. The 20 hospitals that change from urban to rural experience a 6.4 percent decrease in payments as a result of receiving the rural wage index.

Payments to major teaching hospitals are 0.9 percent lower as a result of this change. A notable cause was the effect on the New York City wage index of hospitals in counties now designated to the New York City MSA that were not previously in this MSA. Most of the categories of hospitals noted previously as benefitting from the new MSA definitions benefit here as well: Urban DSH hospitals with fewer than 100 beds (1.3 percent increase), hospitals reclassified for FY 1993 but not FY 1994 (2.0 percent), and urban hospitals with fewer than 100 beds (0.7 percent).

Significant impacts occur among other hospital groups as well. Payments to urban hospitals with 500 or more beds fall by 0.6 percent, and payments to rural hospitals in the New England and South Atlantic census divisions are 0.6 percent and 0.7 percent lower, respectively, after determining the wage indexes based on the new MSAs. Payments to the 5 rural Puerto Rico hospitals increase by 0.8 percent, however. Among rural DSH hospitals, payments fall by 1.3 percent to those with 100 or more beds and by 0.7 percent to rural DSH hospitals with fewer than 100 beds. Also experiencing 0.7 percent declines here are urban teaching and DSH hospitals, and rural hospitals that do not receive any special payment treatment.

E. The Impact of the FY 1990 Wage Survey Data (Column 4)

The second major change to the FY 1994 wage index is that it is based on data submitted for hospital cost reporting periods beginning on or after October 1, 1989 and before September 30, 1990. The FY 1993 wage index is 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. Column 4 displays the effects of the updated data. As noted in the previous discussion, the overall effect of this change is a 0.1 percent rise in payments, offsetting the −0.1 percent change attributable to the effects of the new MSA designations, so that the combined impact of the proposed changes to the wage index is 0.0.

The results illustrate that, relative to the 1988 data, the new survey data lead to higher wage index values for hospitals in large urban areas and lower wage index values for hospitals in rural areas. Also, among the hospitals changing their MSA status, hospitals moving from rural to urban and from other urban to large urban have 1.8 percent and 1.1 percent higher payments, respectively, when the new wage data are included. The 20 hospitals redesignated from urban to rural lose another 0.4 percent in payments under this column.

The negative impact on rural hospitals is consistent across various bed size categories, although there is some variation among rural hospitals by region. Puerto Rico, with only 5 rural hospitals, is helped considerably by the new survey data, showing a 12.6 percent rise in payments. We believe this is largely attributable to the inclusion of the contract wage data reported on the FY 1990 cost reports. Payments to urban hospitals in Puerto Rico also increased, by 2.9 percent. Rural hospitals in the South Atlantic, East North Central, and West South Central census divisions experience the biggest declines among rural hospitals: −1.8 percent, −1.8 percent, and −2.0 percent, respectively.

Among urban hospitals by numbers of beds, those with 500 or more beds experience the greatest increases due to the new survey data (0.8 percent). Examining urban hospitals by region, the higher wage indexes among Puerto Rico's urban hospitals were noted above. Other urban regions benefitting from the new data are the New England and the Middle Atlantic census divisions, with 1.2 percent and 2.1

percent higher payments, respectively. On tne other hand, payments fall for urban hospitals in the East North Central (1.0 percent), East South Central (0.6 percent), West North Central (0.9 percent), and the West South Central (1.4 percent).

Among special payment categories, the largest decreases are experienced by rural DSH hospitals with fewer than 100 beds (−2.3 percent), rural hospitals not eligible for any of the special rural hospital classifications (−1.4 percent), rural referral centers (−1.3 percent), and hospitals paid as Medicare-dependent, small rural hospitals during FY 1993 (−1.6 percent). The trend of urban hospitals experiencing increases and rural hospitals experiencing decreases continues within hospitals grouped by their FY 1994 reclassification status.

F. All Changes Prior to Geographic Reclassification (Column 5)

In column 5 of Table I, we present the expected effects of all proposed changes for FY 1994 prior to incorporating the effects of the FY 1994 geographic reclassification decisions by the MGCRB, by comparing estimated FY 1993 payments prior to the effects of FY 1993 geographic reclassification to estimated FY 1994 payments prior to the effects of FY 1994 geographic reclassification. As discussed in the preamble, the new MSA definitions have considerable effect on the geographic reclassifications of hospitals, and it is not possible to isolate directly the effects of year-to-year changes in reclassification status.

Column 5 incorporates all of the proposed changes discussed up to this point. It also includes the impacts of statutory differences from FY 1993 to FY 1994. These differences were noted in the introduction to this analysis. Specifically, they are: An increase in DSH payments to urban hospitals with 100 or more beds and to rural hospitals with 500 or more beds; the expiration of the regional floor; and the phase-out of the MDH provision. This column also incorporates the impact of the 0.6 percent lower than estimated outlier payments during FY 1993 and the increase in the budget neutrality adjustment for retroactive wage index corrections. There may also be interactive effects among the various factors comprising the payment system that we are not able to isolate. For these reasons, the values in column 5 may not equal the sum of the previous columns plus the other variables we are able to identify.

In total, the impact on all hospitals of all changes prior to reclassification would be a 5.2 percent increase in payments from FY 1993. Approximately 4.5 percent of the increase is attributable to the update. Because urban hospitals receive such a larger proportion of total payments than do rural hospitals (over 86 percent), the average update per case is much closer to the urban update. Other significant changes that have not been isolated in the previous columns include the following:

- A 0.6 percent higher level of outlier payments is estimated for FY 1994.
- The increase in the DSH formula for urban hospitals with more than 100 beds results in approximately a 0.4 percent increase in total payments.
- Eliminating the regional floor results in approximately a 0.2 percent decrease in total payments.
- The net effect of the budget neutrality adjustment for retroactive wage index adjustments is a 0.1 percent decrease in total payments.

Hospitals in large urban areas experience the greatest increase in payments. They benefit the most from the new MSA definitions for the standardized amounts and the new wage survey data. They also have the largest increase in DSH payments, approximately 0.5 percent, due to the new DSH formula.

Hospitals in rural areas experience a payment increase of only 3.3 percent. In addition to the proposed FY 1994 changes already discussed that lower payments 1.7 percent (columns 1 through 4), the elimination of the MDH provision lowers payments to these hospitals by 0.2 percent for FY 1994 compared to payments if this provision was in effect during both years. Also, these hospitals experience a lower increase in outlier payments than urban hospitals do. Their outlier payments would increase by only 0.4 percent from FY 1993. Finally, although the proposed update to the rural standardized amount is 5.7 percent, this row includes rural referral centers paid on the basis of the other urban amount (updated by 4.2 percent), and sole community hospitals paid on the basis of their hospital-specific rates (also updated by 4.2 percent).

As expected, the biggest gains prior to accounting for geographic reclassification are among hospitals previously classified as rural that are now urban. Their payments relative to the level they would have received last year prior to reclassification increase 22.3 percent. Also, payments to hospitals that were other urban during FY 1993 and are now large urban increase overall, prior to geographic reclassification, by 11.2 percent. Payments to hospitals that were urban in FY 1993 and are now rural decrease overall, prior to geographic reclassification, by 4.0 percent.

The percentage changes among urban and rural bed size categories are consistent with the overall effects of the changes shown in columns 1 through 4. Among the census divisions, the impact of eliminating the regional floor is apparent among the regions benefitting from this provision during FY 1993. Among the urban census divisions, hospitals in the New England, East North Central, and West South Central regions all were helped by the regional floor during FY 1993. The increase in payments among these regions is less than it would be with the regional floor. The most significant impacts occur in the New England and the East North Central regions, where payments are 0.8 percent and 1.0 percent lower, respectively, than they would be under the regional floor. Among rural census divisions, New England, the Middle Atlantic, the South Atlantic, and the East North Central all lose this special protection for FY 1994. The most significant impacts are in New England, (1.0 percent lower payments), the Middle Atlantic (0.5 percent lower payments) and East North Central regions (0.7 percent lower payments).

The remainder of this column is consistent with those discussed previously. The negative impacts on hospital groups adversely affected by the new MSA definitions and the new wage survey data result in year-to-year changes below the annual update, such as occurs among rural DSH hospitals. Conversely, hospitals that benefit from some of the policy changes already discussed tend to have higher than average payment increases (that is, urban DSH hospitals with fewer than 100 beds).

The 164 hospitals that were paid as MDHs during FY 1993 but lost this special protection for cost reporting periods ending after March 31, 1993, experience a decline in total payments prior to geographic reclassification from FY 1993 to FY 1994 of 0.7 percent. This is due to approximately a $30 million reduction in FY 1994 payments to these 164 hospitals relative to what their FY 1994 payments would be if the special MDH provision were continued. We note that the Admininstration supports a statutory change to continue this special protection and has included it in the President's FY 1994 budget. The actual payment impact of reinstating this provision would be substantially higher, however, since the 164 hospitals shown as MDHs here do not include those whose last eligible cost reporting period ended during FY 1992. The

impact analysis for the FY 1992 final rule (57 FR 23820) included 515 hospitals identified as MDHs.

Another special rural hospital group with below average payment increases for FY 1994 is rural referral centers (a 3.1 percent increase). As noted previously, these hospitals are paid based on the other urban standardized amount, and therefore the update applied to their payment rate is 4.2 percent rather than the 5.7 percent applied to other rural hospitals. Despite being paid as urban hospitals, however, the impact of the FY 1990 wage survey data is a 1.3 percent reduction, approximating the average rural hospital impact. These hospitals also lose 0.2 percent due to the elimination of the regional floor. This loss is offset, however, by a 0.2 percent payment increase due to the change in the DSH payment formula for rural hospitals with 500 or more beds. This analysis includes all rural referral centers as of March 1, 1993 that would not be reclassified by the MGCRB for purposes of the standardized amount in FY 1994. It does not include the effect that loss of rural referral center status as a result of the triennial review would have on payments to this group of hospitals. In this regard, we note that the Administration suppports a statutory moratorium on triennial reviews until FY 1995, when the rural standardized amount will equal the other urban standardized amount.

A rural hospital group faring notably better than the rural average is sole community hospitals, with an increase from FY 1993 to FY 1994 of 4.2 percent, prior to geographic reclassification. As noted earlier, these hospitals continue to receive the benefit of a special payment protection allowing them to be paid the greater of their applicable prospective payment amount, or the higher of their updated FY 1982 or FY 1987 hospital-specific rates. The update to the hospital-specific rate is equal to the hospital market basket, 4.2 percent.

Finally, the 27 rural hospitals that continue to be deemed urban in accordance with section 1886(d)(8)(B) of the Act have a payment increase of only 1.9 percent. Among the factors contributing to this small increase are: a disproportionate impact due to the elimination of the regional floor (0.4 percent decrease), and the negative impact of the wage index changes in columns 3 and 4 (2.0 percent combined decrease). These hospitals are paid based on the applicable urban standardized amount of the urban area they are assigned to, and thus the applicable update factor for these hospitals is the urban update of 4.2 percent.

G. Combined Impact of All Proposed FY 1994 Changes, Including the Impact of MGCRB Reclassification on Hospitals (Column 6)

By March 30 of each year, the MGCRB issues reclassification decisions that will be effective for the next fiscal year beginning on October 1. The MGCRB may reclassify a hospital to an adjacent urban area or to a rural area with which it has a close proximity for the purposes of using the other area's standardized amount, wage index value, or both. (A rural referral center or a sole community hospital may be redesignated to an area that is not an adjacent county.)

Column 6 reflects changes in payments after accounting for both FY 1993 and FY 1994 reclassifications by the MGCRB. The proposed FY 1994 standardized payment amounts and wage index values incorporate the MGCRB's reclassification decisions that will be effective for FY 1994. The wage index values also reflect any decisions made by the HCFA Administrator through the appeals and review process for MGCRB decisions as of March 30, 1993. Additional changes that result from the Administrator's review of MGCRB decisions will be incorporated into the wage index values and standardized payment amounts to be published in the final rule implementing changes to the prospective payment system for FY 1994.

The difference in the overall changes shown in columns 5 and 6 (5.2 percent and 5.3 percent, respectively) is due to the different FY 1993 baselines that are used. The FY 1993 baseline in column 5 is an estimate of FY 1993 payments before geographic reclassifications are taken into account. The FY 1993 baseline in column 6 is an estimate of FY 1993 payments after accounting for geographic reclassifications. When the FY 1993 standardized amounts were determined, the budget neutrality adjustment factor for geographic reclassification ensured that total FY 1993 payments before and after reclassification were equal. However, since our current estimates of FY 1993 payments are based on more recent data than when the standardized amounts were established, the pre- and post-reclassification total payment amounts in the two FY 1993 baselines are not equal for purposes of this impact analysis. As a result, the post-reclassification comparison results in a 0.1 percent higher increase in payments between FY 1993 and FY 1994 than the pre-reclassification comparision.

Comparing the percentage changes prior to reclassification in column 5 with the percentage changes after reclassification in column 6 shows higher payments to hospitals in large urban areas after reclassification, equal payments to hospitals in other urban areas both before and after reclassification, and lower payments to hospitals in rural areas. A significant factor leading to the higher payments in large urban areas is the smaller reduction in the FY 1994 proposed standardized amounts for geographic reclassification budget neutrality. The final FY 1993 budget neutrality factor applied to the urban standardized amounts was 0.987471. The proposed FY 1994 urban budget neutrality factor is .993665. For hospitals in other urban areas, the impact of this smaller factor is offset by fewer geographic reclassifications during FY 1994.

Other urban areas and rural areas have a large number of hospitals that were reclassified by the MGCRB during FY 1993 but are not reclassified during FY 1994. Two factors primarily account for the decline in reclassifications. The first factor is the requirement, first applicable for FY 1994 reclassifications, that hospitals' average hourly wages must be at least 108 percent of the area in which they are located in order to be eligible for reclassification. The second factor is the effect of the new MSA designations. Some previously reclassified hospitals are now considered part of the MSA to which they had been reclassified. The following chart illustrates the status of FY 1993 reclassified hospitals for FY 1994. Because the chart shows the status of FY 1993 reclassified hospitals for FY 1994, the number of hospitals in each category do not match those in Table I. Some hospitals that were used to develop the FY 1993 impact had no FY 1994 data available. Similarly, some hospitals used to develop the FY 1994 impact tables did not have any data available for FY 1993, and could not be included in this chart.

IMPACT OF MSA CHANGES AND RECLASSIFICATION CHANGES

	Effect of new MSA definitions			
	Remain rural	Moved from rural to urban	Moved from urban to rural	Remain urban
Total	2,277	104	20	2,818
FY 1993 Wage Only	605	46	2	226
FY 94 wage only	168	7	0	15
FY 94 standardized amount	55	2	0	7
FY 94 both	24	2	0	34
FY 94 not reclassified	358	35	2	170
FY 1993 Standardized Amount Only	70	10	0	17
FY 94 wage only	1	0	0	0
FY 94 standardized amount	52	1	0	11
FY 94 both	1	0	0	0
FY 94 not reclassified	16	9	0	6
FY 1993 Both	74	17	1	124
FY 94 wage only	10	2	0	0
FY 94 standardized amount	37	2	1	32
FY 94 both	21	0	0	56
FY 94 not reclassified	6	13	0	36
FY 1993 Not Reclassified	1,528	31	17	2,451
FY 1994 wage only	23	0	0	4
FY 94 standardized amount	66	0	0	12
FY 94 both	4	0	0	17
FY 94 not reclassified	1,435	31	17	2,418
FY 1993 Other Reclassified	50			
FY 94 other reclassified	27			
FY 94 urban non-reclassified	23			

The rows in the chart group hospitals by reclassification status in FY 1993, and within each group, the status of the hospitals during FY 1994. For purposes of this chart, hospitals that have been designated under the revised MSA definitions to the same MSA to which they were reclassified by the MGCRB are considered non-reclassified in FY 1994. This includes approximately 150 hospitals. The columns display the effects of the new MSA definitions. For example, during FY 1993, there were 605 rural hospitals reclassified for purposes of the wage index that remained rural after the new MSA definitions. Of these 605 hospitals, however, 358 are not reclassified for FY 1994, and 55 are now reclassified for the standardized amount instead of the wage index. Similarly, half of the 74 rural hospitals remaining rural that were reclassified for both the wage index and standardized amount in FY 1993 will only be reclassified for the standardized amount in FY 1994. Of the 226 hospitals that remain urban that were reclassified for their wage index for FY 1993, 170 will not be reclassified for FY 1994, and 7 will be reclassified for purposes of the standardized amount instead. Thus, the new 108 percent threshold appears to have greatly reduced the number of reclassifications for wage index purposes.

The second column indicates that, of 107 hospitals that moved from rural to urban status as a result of the new MSA definitions, 73 had been reclassified during FY 1993 (FY 1993 data were missing for 3 hospitals among this group). As a result, when the effects of geographic reclassifications are taken into account, the payment increase for this group of hospitals declines from 22.3 percent to 12.9 percent since many were already receiving the benefit of higher payments in FY 1993 due to reclassification.

In contrast, the third column in the chart shows the FY 1993 and FY 1994 reclassification status of the 20 hospitals located in counties previously defined as urban that are now rural. Two of these hospitals were reclassified for the wage index in FY 1993, but are not reclassified in FY 1994. Also, one hospital that was reclassified for both the wage index and the standardized amount in FY 1993 is only reclassified for the standardized amount in FY 1994. As a result of losing their reclassification status in addition to moving from urban to rural, the total payment impact on this group during FY 1994 is 5.8 percent lower payments than they received during FY 1993.

The rows showing hospitals grouped according to whether, after reclassification, they receive the large urban, other urban, or the rural standardized amounts further illustrate the impact on rural hospitals of fewer reclassifications. The net payment increase for these 2,044 hospitals is only 2.2 percent. This is primarily attributable to 388 of these hospitals that were reclassified during FY 1993 but are not for FY 1994.

Also negatively affected by the fewer number of reclassifications are urban DSH hospitals with fewer than 100 beds. Their payment increases prior to consideration of reclassification was 7.9 percent, due mainly to 20 hospitals in this group that were in counties redesignated from rural to urban under the new MSA definitions. After considering the payment impacts of reclassification, however, their payment increase falls to 6.2 percent.

Among rural hospitals by special payment category, rural referral centers that are not reclassified have notably lower payments after accounting for reclassification. Their net increase in payments from FY 1993 is only 1.8 percent. Of this group, 29 were reclassified for the wage index during FY 1993, but only 12 retained their reclassification status for FY 1994. Rural hospitals without any special payment provisions have a net increase of only 1.9 percent after considering reclassification, down from 3.3 percent in column 5. Of the 1,155 hospitals in this group, 186 were reclassified during FY 1993 but are not reclassified for FY 1994. Other rural hospital groups negatively impacted by reclassification

changes are rural DSH hospitals and MDHs.

For the most part, urban hospitals have higher payment increases after the effects of geographic reclassification are taken into account than they did in the previous column. Again, this is generally due to the smaller budget neutrality reduction resulting from fewer overall reclassifications and relatively fewer urban hospitals losing geographic reclassification status during FY 1994 (compared to the number of rural hospitals losing their reclassification status). Rural hospital groups, on the other hand, generally do not do as well when the reclassification effects are considered. An exception is the five rural hospitals in Puerto Rico, where one reclassified hospital has a large payment increase (26.4 percent).

Among rural hospitals grouped by census divisions, several categories stand out as experiencing significantly lower payments after accounting for reclassification. The largest decline is in the Mountain region, where the total change in payments for FY 1994 falls to 2.3 percent after reclassification (from 3.7 percent prior to reclassification). Of the 226 rural hospitals in this region, 34 were reclassified in FY 1993 but are not reclassified in FY 1994. The second largest decline is in the East South Central region (from 2.7 percent prior to reclassification to 1.7 percent after reclassification), where 40 of the 293 rural hospitals in this region lost their reclassification status. Other significant declines are evident in the Middle Atlantic (from 5.0 percent to 4.1 percent), where 19 hospitals lost their reclassification; the Pacific (from 4.0 percent to 3.2 percent), where 34 hospitals lost their reclassification; and the East North Central (from 2.0 percent to 1.3 percent), where 64 hospitals lost their reclassification.

Among hospitals grouped by reclassification status during FY 1993 and FY 1994, the changes are predictable. Hospitals reclassified for FY 1993 but not for FY 1994 experience lower payments when reclassification is taken into account compared to the previous column. The reverse holds true for hospitals reclassified for FY 1994 but not reclassified for FY 1993.

We also examined the impact of reclassification on payments to reclassified and nonreclassified hospitals in FY 1994. This analysis is presented in Table II, below. This analysis compares FY 1994 payments for reclassified hospitals with payment levels that assume reclassified hospitals are paid on the basis of their actual geographic location rather than reclassified location.

TABLE II.—EFFECTS ON PAYMENTS PER CASE OF GEOGRAPHIC RECLASSIFICATION OF HOSPITALS UNDER CURRENT RECLASSIFICATION POLICIES

	Number of hospitals	(a) Payment per case without reclassification [1]	(b) Payment per case after reclassification	(c) Percent change in payment per case due to reclassification [2]
FY 94 reclassifications:				
All reclassified hospitals	672	5,277	5,576	5.7
Standardized amount only	281	5,208	5,351	2.8
Wage index only	231	4,738	5,169	9.1
Both	160	5,969	6,312	5.8
All urban reclassified hospitals	207	6,532	6,685	2.3
Standardized amount only	68	6,519	6,553	0.5
Wage index only	29	6,578	6,868	4.4
Both	110	6,531	6,748	3.3
All reclassified rural hospitals	465	4,124	4,557	10.5
Standardized amount only	213	3,820	4,078	6.8
Wage index only	202	4,356	4,817	10.6
Both	50	3,976	4,769	19.9
All nonreclassified hospitals	4,603	6,276	6,235	−0.7
Urban non-reclassified hospitals	2,763	6,707	6,658	−0.7
Rural non-reclassified hospitals	1,840	3,850	3,852	0.0

[1] This column shows payments without regard to any previous MGCRB reclassification decision. This column reflects the fact that reclassifications are in effect for only 1 fiscal year.

[2] This column only shows the percentage change in payments resulting from decisions of the MGCRB for FY 1994. It does not reflect other changes such as outliers, DRG recalibration or the update.

Table II shows the changes in payments per case for all FY 1994 reclassified and nonreclassified hospitals in urban and rural locations for each of the three reclassification categories (standardized amount only, wage index only, or both). As evidenced by the increase in payment for reclassified hospitals (5.7 percent) and the decrease in payments for nonreclassified hospitals (0.7 percent), the effects of the MGCRB reclassification decisions are significant. Hospitals located in rural areas that were reclassified for purposes of both their wage index value and their standardized amount would receive the largest percentage increase in payments per case. They could expect an average increase of 19.9 percent above what they would receive without reclassification. The 68 hospitals located in urban areas that were reclassified for purposes of their standardized amounts would receive an increase in payments per case of 0.5 percent compared to what they would receive if there were no reclassifications. Although 58 of these hospitals are in other urban areas and were reclassified to large urban areas, the remaining hospitals were reclassified either from large urban to large urban (6), or from other urban to other urban (4), thus diluting the overall payment impact.

The reclassification of hospitals primarily affects payment to nonreclassified hospitals through changes in the wage index and through the geographic reclassification budget neutrality adjustment required by section 1886(d)(8)(D) of the Act. Among hospitals that were not reclassified, the overall impact of hospital reclassifications would be an average

decrease in payments per case of about −0.7 percent. Nonreclassified rural hospitals experience no payment change.

The foregoing analysis was based on MGCRB and HCFA Administrator decisions made by March 30 of this year. As previously noted, there may be changes to some MGCRB decisions through the appeals and review process. The outcome of these cases may affect the final results of our analysis, which we will present in the final rule.

Table III presents the projected average payments per case under the changes proposed for FY 1994 for urban and rural hospitals and for the different categories of hospitals shown in Table I. It compares the projected payments with the average estimated per case payments that were effective October 1, 1992. Thus, this table presents, in terms of the average dollar amounts paid per discharge, the combined effects of the changes presented in Table I. That is, the percentage changes shown in the last column of Table I equal the percentage change in average payments from October 1, 1993 to October 1, 1994.

TABLE III.—COMPARISON OF OPERATING PROSPECTIVE PAYMENTS PER CASE (FY 1993 PAYMENTS COMPARED TO PROPOSED FY 1994 PAYMENTS)

	No. of hosps. (1)	Average FY 1993 payments/case (2)	Average FY 1994 payments/case (3)	All changes (4)
(By geographic location):				
All hospitals	5,302	5,845	6,153	5.3
Large urban areas (populations over 1 million)	1,654	6,732	7,166	6.5
Other urban areas (populations of 1 million or fewer)	1,316	5,721	5,974	4.4
Rural areas	2,332	3,975	4,081	2.7
Hospitals changing MSA due to 1990 census:				
Rural to urban	107	4,540	5,124	12.9
Urban to rural	20	4,748	4,472	−5.8
Other urban to large urban	161	5,974	6,572	10.0
Urban hospitals	2,970	6,303	6,660	5.7
0–99 beds	741	4,371	4,612	5.5
100–199 beds	899	5,334	5,629	5.5
200–299 beds	610	5,853	6,156	5.2
300–499 beds	529	6,598	6,990	5.9
500 or more beds	191	8,150	8,632	5.9
Rural hospitals	2,332	3,975	4,081	2.7
0–49 beds	1,179	3,276	3,354	2.4
50–99 beds	715	3,658	3,751	2.6
100–149 beds	225	4,092	4,235	3.5
150–199 beds	106	4,260	4,356	2.3
200 or more beds	107	4,834	4,958	2.6
Urban by region:				
New England	172	6,602	6,916	4.7
Middle Atlantic	447	6,881	7,464	8.5
South Atlantic	450	5,989	6,347	6.0
East North Central	498	6,150	6,352	3.3
East South Central	166	5,525	5,828	5.5
West North Central	187	6,147	6,389	3.9
West South Central	376	5,794	6,065	4.7
Mountain	123	6,183	6,491	5.0
Pacific	501	7,137	7,569	6.0
Puerto Rico	50	2,411	2,620	8.7
Rural by region:				
New England	53	4,710	4,956	5.2
Middle Atlantic	85	4,358	4,537	4.1
South Atlantic	304	4,085	4,191	2.6
East North Central	313	4,009	4,061	1.3
East South Central	293	3,714	3,804	2.4
West North Central	542	3,691	3,834	3.9
West South Central	365	3,640	3,701	1.7
Mountain	226	4,296	4,394	2.3
Pacific	146	4,806	4,958	3.2
Puerto Rico	5	1,557	1,967	26.4
By payment classification:				
All hospitals	5,302	5,845	6,153	5.3
Large urban areas (populations over 1 million)	1,827	6,629	7,050	6.4
Other urban areas (populations of 1 million or fewer)	1,431	5,588	5,833	4.4
Rural areas	2,044	3,954	4,039	2.2
Teaching status:				
Non-teaching	4,267	4,877	5,120	5.0
Fewer than 100 residents	817	6,309	6,634	5.2
100 or more residents	218	9,510	10,000	6.2
Disproportionate share hospitals (DSH):				
Non-DSH	3,550	5,288	5,544	4.9

TABLE III.—COMPARISON OF OPERATING PROSPECTIVE PAYMENTS PER CASE (FY 1993 PAYMENTS COMPARED TO PROPOSED FY 1994 PAYMENTS)—Continued

	No. of hosps. (1)	Average FY 1993 payments/case (2)	Average FY 1994 payments/case (3)	All changes (4)
Urban DSH:				
100 beds or more	1,258	6,854	7,259	5.9
Fewer than 100 beds	114	4,184	4,442	6.2
Rural DSH:				
Sole community (SCH)	109	3,829	3,987	4.1
Referral centers (RRC)	40	4,981	5,061	1.6
Other rural DSH hosp.:				
100 beds or more	69	3,749	3,795	1.2
Fewer than 100 beds	162	3,111	3,164	1.7
Urban teaching and DSH:				
Both teaching and DSH	583	7,849	8,304	5.8
Teaching and no DSH	402	6,536	6,885	5.3
No teaching and DSH	789	5,479	5,816	6.1
No teaching and no DSH	1,484	5,094	5,370	5.4
Rural hospital types:				
Nonspecial status hospitals	1,155	3,468	3,533	1.9
RRC	135	4,734	4,817	1.8
SCH	556	4,001	4,148	3.7
Medicare-dependent hospitals (MDH)	164	3,288	3,246	−1.3
SCH and RRC	37	4,967	5,106	2.8
SCH and MDH	757	4,100	4,219	2.9
Hospitals reclassified by the medicare geographic review board:				
Reclassification status during FY93 and FY94:				
Reclassified during both FY93 and FY94	541	5,295	5,594	5.6
Reclassified during FY94 only	128	5,017	5,460	8.8
Reclassified during FY93 only	702	5,231	5,446	4.1
FY94 Reclassifications:				
All reclassified hosp.	672	5,258	5,576	6.0
All nonreclassified hospitals	4,603	5,927	6,235	5.2
All urban reclassified hospitals	207	6,283	6,685	6.4
Urban nonreclassified hospitals	2,763	6,304	6,658	5.6
All reclassified rural hospitals	465	4,316	4,557	5.6
Rural nonreclassified hospitals	1,840	3,807	3,852	1.2
Other reclassifed hospitals (section 1886(d)(8)(B))	27	4,498	4,616	2.6
Type of ownership:				
Voluntary	3,054	5,993	6,309	5.3
Proprietary	780	5,360	5,668	5.8
Government	1,468	5,482	5,747	4.8
Medicare utilization as a percent of inpatient days:				
0–25	313	7,526	8,056	7.1
25–50	1,624	6,732	7,102	5.5
50–65	2,296	5,356	5,622	5.0
Over 65	1,003	4,671	4,895	4.8

VII. Impact of Changes in the Capital Prospective Payment System

A. General Considerations

Our impact analysis of payment changes for capital-related costs is limited by the lack of hospital-specific data on future hospital capital investments. The lack of hospital-specific data limits our impact analysis in the following ways:

- Major investment in hospital capital assets (for example in building and major fixed equipment) occurs at irregular intervals. As a result, there can be significant variation in the growth rates of Medicare capital-related costs per case among hospitals. We do not have the necessary hospital-specific budget data to project the hospital capital growth rate for an individual hospital.
- Moreover, our policy of recognizing certain obligated capital as old capital complicates the problem of projecting future capital-related costs for individual hospitals. Under § 412.302(c), a hospital was required to notify its intermediary that it has obligated capital no later than the later of October 1, 1992 or 90 days after the beginning of the hospital's first cost reporting period under the capital prospective payment system. The intermediary must then notify the hospital of its determination whether the criteria for recognition of obligated capital have been met by the later of the end of the hospital's first cost reporting period subject to the capital prospective payment system or 9 months after the receipt of the hospital's notification. The amount that is recognized as old capital is limited to the lesser of the actual allowable costs when the asset is put in use or the estimated costs of the capital expenditure at the time it was obligated. Intermediary determinations regarding obligated capital are still being reported to us. Therefore, we do not know actual obligated capital commitments to be used in the FY 1994 capital cost projections. Without knowing what proportion of an individual hospital's future capital spending will qualify as old capital, we

cannot accurately project how an individual hospital will be affected by the transition payment policies.

In Table IV of this appendix, we present the redistributive effects that are expected to occur between "hold-harmless" hospitals and "fully prospective" hospitals in FY 1994. In addition, we have integrated sufficient hospital-specific information into our actuarial model to project the impact of FY 1994 capital payment policies by the standard prospective payment system hospital groupings. We caution that while we now have actual data on the effects of the transition payment methodology and interim payments under the capital prospective payment system and cost report data for most hospitals, we need to generate randomly hypothetical data for the change in old capital costs, new capital costs for each year, and obligated amounts that will be put in use for patient care services and recognized as old capital each year. This means that we continue to be unable to predict accurately an individual hospital's FY 1994 capital costs; however, with the more recent data on the experience to date under the capital prospective payment system, there is adequate information to estimate the aggregate impact on most hospital groupings.

We present the transition payment methodology by hospital grouping in Table V. In Table VI we present the results of the cross-sectional analysis using the results of of our actuarial model. This table presents the aggregate impact of the FY 1994 payment policies. In Table VII, we present a simulation of payments based on 100 percent of the Federal rate. This simulation shows the average percentage change in the Federal rate attributable to the updated rate and changes in payment adjustments.

B. Projected Impact Based on the Proposed FY 1994 Actuarial Model

1. Assumptions

In this impact analysis, we model dynamically the impact of the capital prospective payment system from FY 1993 to FY 1994 using an actuarial model. The FY 1994 actuarial model, described in appendix B of this proposed rule, integrates actual data from individual hospitals with randomly generated capital cost amounts and ratios developed from the results of the capital acquisition model used in the August 30, 1991 final rule. We have available more recent capital cost data from cost reports beginning in FY 1989, FY 1990, and FY 1991 through the Hospital Cost Reporting Information System (HCRIS), interim payment data for hospitals already receiving capital prospective payments through PRICER, and data reported by the intermediaries that include the hospital-specific rate determinations that have been made through December 1992. We used these data to determine the proposed FY 1994 capital rates. However, we do not have individual hospital data on old capital changes, new capital formation, and obligated capital. Because we can combine actual data for individual hospitals with the results from the capital acquisition model, we need to generate only the old and new capital changes and obligated capital randomly. All Federal rate payment parameters are assigned to the applicable hospital.

For purposes of this impact analysis, the FY 1994 actuarial model includes the following assumptions:

- Medicare inpatient capital costs per discharge will increase at the following rates during these periods:

Fiscal year	Average percentage increase in capital costs per discharge
1993	9.17
1994	9.94

- The Medicare case-mix index will increase by 2 percent annually.
- The Federal capital rate as well as the hospital-specific rate will be updated by the 2-year moving average increase in Medicare capital costs per case, net of case mix change increase, between FY 1989 and FY 1991. The proposed FY 1994 update is 3.10 percent (see Addendum, Part III).
- Consistent with the budget neutrality constraints provided in section 1886(g)(1)(A) of the Act, estimated aggregate Medicare payments under the capital prospective payment system in FY 1994 will equal 90 percent of total Medicare inpatient capital costs. The budget neutrality adjustment factor will be applied to the Federal and hospital-specific rates only and not to the hold-harmless payment for old capital.

2. Results

We have used the actuarial model to estimate the change in payment for capital-related costs from FY 1993 to FY 1994. To show the effect of the capital prospective payment system on low capital cost hospitals and high capital cost hospitals, we are presenting separately in Table IV the results of our simulation for low capital cost and high capital cost hospitals. We consider a hospital to be a low capital cost hospital if, based on a comparison of its initial hospital-specific rate and the applicable Federal rate, it will be paid under the fully prospective payment methodology. A high capital cost hospital is a hospital that, based on its initial hospital-specific rate, will be paid under the hold-harmless payment methodology. Based on our actuarial model, the breakdown of hospitals is as follows:

CAPITAL TRANSITION PAYMENT METHODOLOGY

Type of hospital	Percent of hospitals	FY 1994 percent of discharges	FY 1994 percent of capital costs	FY 1994 percent of capital payments
Low cost hospital	68	64	52	55
High cost hospital	32	36	48	45

A low capital cost hospital may request to have its hospital-specific rate redetermined based on old capital costs in the current year, through the later of the hospital's cost reporting period beginning in FY 1994 or the first cost

reporting period beginning after obligated capital comes into use. If the redetermined hospital-specific rate is greater than the adjusted Federal rate, these hospitals will be paid under the hold-harmless payment methodology. Regardless of whether the hospital would become a hold-harmless payment hospital as a result of a redetermination in FY 1993 or FY 1994, we have continued to show these hospitals as low capital cost hospitals in Table IV. The following table shows our estimate of the percentage of low capital cost hospitals that would be paid under the hold-harmless payment methodology through a hospital-specific rate redetermination and the basis of their payment under the hold-harmless payment methodology:

Fiscal year	Percent of low cost hospitals that qualify for hold-harmless methodology	Of these, percent that are paid:	
		100% federal rate	Hold-harmless
1993	2.8	31	69
1994	2.9	28	72

Assuming no behavioral changes in capital expenditures, Table IV displays the percentage change in payments from FY 1993 to FY 1994 using the above described actuarial model.

TABLE IV.—NPRM CAPITAL BUDGET NEUTRALITY FOR FY 1994–1996

[Impact of Proposed Changes for FY 1994 on Capital Payments per Discharge]

	No. of Hospitals	Discharges	FY 1993 payments per discharge					
			Adjusted Federal payment	Average Federal percent	Hospital specific payment	Hold-harmless payment	Exceptions payment	Total payment
Low Cost Hospitals	3,598	6,558,070	$138.61	20.94	$367.84	$13.84	$5.02	$525.40
Fully Prospective	3,258	5,971,427	132.89	20.00	381.32	.....	4.18	518.39
Rebase—Fully Prospective	238	378,969	128.68	20.00	357.00	.....	17.04	502.71
Rebase—100% Federal Rate ...	32	83,297	658.74	100.00	.....	.....	.....	658.74
Rebase—Hold Harmless	70	124,377	94.96	16.01	.....	735.05	12.13	842.13
High Cost Hospitals ...	1,685	3,709,568	335.88	49.73	.....	458.30	1.75	795.94
100% Federal Rate	524	1,469,826	705.82	100.00	.....	.....	.....	705.82
Hold Harmless	1,161	2,239,742	93.11	14.21	.....	759.06	2.91	855.08
Total Hospitals	5,283	10,267,638	209.88	31.48	234.94	174.48	3.84	623.14

	No. of hospitals	Discharges	FY 1994 payments per discharge						
			Adjusted Federal payment	Average Federal percent	Hospital specific payment	Hold-harmless payment	Exceptions payment	Total payment	Percent change
Low Cost Hospitals	3,598	6,560,471	$196.39	30.85	$310.51	$13.61	$34.32	$554.82	5.60
Fully Prospective	3,250	5,960,219	191.72	30.00	321.94	.....	30.62	544.29	5.00
Rebase—Fully Prospective	243	389,628	185.97	30.00	303.37	.....	81.51	570.85	13.55
Rebase—100% Federal Rate ...	29	83,308	665.24	100.00	.....	.....	.....	665.24	0.99
Rebase—Hold Harmless	76	127,315	140.20	25.35	.....	701.09	85.41	926.70	10.04
High Cost Hospitals	1,685	3,710,855	320.84	49.31	.....	472.11	17.16	810.11	1.78
100% Federal Rate	431	1,212,907	682.22	100.00	.....	.....	.....	682.22	−3.34
Hold Harmless	1,254	2,497,948	145.38	22.88	.....	701.35	25.49	872.21	2.00
Total Hospitals ..	5,283	10,271,326	241.35	37.61	198.33	179.26	28.12	647.05	3.84

Under section 1886(g)(1)(A) of the Act, aggregate payments under the capital prospective payment system for FY 1992 through 1995 are to equal 90 percent of what would have been payable on a reasonable cost basis in each year, respectively. (See Addendum, Part III for a full discussion of the capital budget neutrality provision.) We project that in FY 1993 aggregate payments under the capital prospective payment system will be 95.3 percent of reasonable costs, or 5.3 percentage points higher than the 90 percent target. To achieve budget neutrality in FY 1994, we estimate there would be an aggregate 3.84 percent increase in Medicare capital payments over the FY 1993 payments.

We project that high capital cost hospitals will experience an average case-weighted increase of 1.78 percent and low capital cost hospitals will experience an average increase in payments of 5.6 percent.

For hospitals paid under the fully prospective payment methodology, the Federal rate payment percentage will increase from 20 percent to 30 percent and the hospital-specific rate payment percentage will decrease from 80 to 70 percent in FY 1994.

The Federal rate payment percentage for a hospital paid under the hold-harmless payment methodology is based on the hospital's ratio of new capital costs to total capital costs. The average Federal rate payment percentage for those hospitals receiving a hold-harmless payment for old capital will increase from 14.21 percent to 22.88 percent. We estimate the percentage of hold-harmless hospitals paid based on 100 percent of the Federal rate will decrease from 31 percent to 26 percent.

We are proposing no changes in our exceptions policies in FY 1994. As a result, the minimum payment levels would be:

- 90 percent for sole community hospitals;
- 80 percent for urban hospitals with 100 or more beds and a disproportionate share patient percentage of 20.2 percent or more; or,
- 70 percent for all other hospitals.

We estimate that exceptions payments will increase from 0.6 percent of payments to 4.3 percent of payments in FY 1994. The projected distribution of the payments is shown in the table below:

ESTIMATED FY 1994 EXCEPTIONS PAYMENTS

Type of hospital	No. of hospitals	Percent of exceptions payments
Low Capital Cost	312	78
High Capital Cost	146	22
Total	458	100

C. Cross-Sectional Comparison of Capital Prospective Payment Methodologies

Table V presents a cross-sectional summary of hospital groupings by capital prospective payment methodology. This distribution is generated by our actuarial model.

TABLE V.—DISTRIBUTION BY METHOD OF PAYMENT (HOLD-HARMLESS/FULLY PROSPECTIVE) OF HOSPITALS RECEIVING CAPITAL PAYMENTS

	(1) Total No. of hospitals	(2) Hold-harmless		(3) Percentage paid fully prospective rate
		Percentage paid hold-harmless (A)	Percentage paid fully federal (B)	
By Geographic Location				
All hospitals	5,283	25.2	8.7	66.1
Large urban areas (populations over 1 million)	1,647	30.7	12.1	57.2
Other urban areas (populations of 1 million or fewer)	1,309	29.4	11.6	59.0
Rural areas	2,327	18.9	4.6	76.5
Urban hospitals	2,956	30.1	11.9	58.0
0–99 beds	727	27.9	8.0	64.1
100–199 beds	899	38.6	10.9	50.5
200–299 beds	610	28.7	14.6	56.7
300–499 beds	529	23.8	15.7	60.5
500 or more beds	191	20.4	12.6	67.0
Rural hospitals	2,327	18.9	4.6	76.5
0–49 beds	1,175	13.3	3.3	83.4
50–99 beds	714	23.7	4.6	71.7
100–149 beds	225	28.9	8.0	63.1
150–199 beds	106	20.8	7.5	71.7
200 or more beds	107	26.2	9.3	64.5
By Region				
Urban by region	2,956	30.1	11.9	58.0
New England	172	16.3	7.0	76.7
Middle Atlantic	447	19.9	15.2	64.9
South Atlantic	447	37.1	15.0	47.9
East North Central	496	22.6	8.1	69.4
East South Central	166	41.0	10.8	48.2
West North Central	187	29.4	14.4	56.1
West South Central	373	53.1	13.9	33.0
Mountain	121	35.5	13.2	51.2
Pacific	497	23.5	10.1	66.4
Puerto Rico	50	28.0	4.0	68.0
Rural by region	2,327	18.9	4 6	76.5

TABLE V.—DISTRIBUTION BY METHOD OF PAYMENT (HOLD-HARMLESS/FULLY PROSPECTIVE) OF HOSPITALS RECEIVING CAPITAL PAYMENTS—Continued

	(1) Total No. of hospitals	(2) Hold-harmless		(3) Percentage paid fully prospective rate
		Percentage paid hold-harmless (A)	Percentage paid fully federal (B)	
New England	53	7.5	9.4	83.0
Middle Atlantic	85	12.9	8.2	78.8
South Atlantic	303	22.1	6.3	71.6
East North Central	313	14.4	3.8	81.8
East South Central	292	26.0	6.5	67.5
West North Central	542	13.8	3.0	83.2
West South Central	363	24.0	6.3	69.7
Mountain	226	20.8	2.7	76.5
Pacific	145	19.3	0.7	80.0
By Payment Classification				
All hospitals	5,283	25.2	8.7	66.1
Large urban areas (populations over 1 million)	1,820	30.3	12.1	57.6
Other urban areas (populations of 1 million or fewer)	1,424	28.2	10.9	60.9
Rural areas	2,039	18.5	4.1	77.4
Teaching status:				
Non-teaching	4,248	26.0	7.8	66.2
Fewer than 100 residents	817	23.0	12.6	64.4
100 or more residents	218	17.0	11.5	71.6
Disproportionate share hospitals (DSH):				
Non-DSH	3,533	23.2	7.9	68.9
Urban DSH:.				
100 or more beds	1,258	31.0	12.6	56.4
Less than 100 beds	112	28.6	4.5	67.0
Rural DSH:				
Sole Community (SCH)	109	18.3	1.8	79.8
Referral Center (RRC)	40	30.0	5.0	65.0
Other rural:				
100 or more beds	69	36.2	7.2	56.5
Less than 100 beds	162	19.8	4.9	75.3
Urban teaching and DSH:				
Both teaching and DSH	583	23.0	12.3	64.7
Teaching and no DSH	402	20.1	12.7	67.2
No teaching and DSH	787	36.6	11.6	51.8
No teaching and no DSH	1,472	30.6	11.0	58.4
Rural hospital types:				
Non-special status hospitals	1,150	15.8	4.7	79.5
RRC	135	26.7	7.4	65.9
SCH	556	22.8	2.9	74.3
Medicare-dependent hospitals (MDH)	164	14.6	3.0	82.3
SCH or MDH	757	21.3	2.9	75.8
Type of ownership:				
Voluntary	3,037	23.9	9.7	66.4
Proprietary	778	50.0	12.0	38.0
Government	1,468	14.6	5.0	80.4
Medicare utilization as a percent of inpatient days:				
0–25	310	25.8	7.4	66.8
25–50	1,624	28.8	9.8	61.4
50–65	2,296	24.5	8.9	66.6
Over 65	1,003	20.5	7.0	72.5

As we explain in Appendix B, we were not able to determine a hospital-specific rate for 19 of the 5,302 hospitals in our data base. Consequently, the payment methodology distribution is based on 5,283 hospitals. These data should be fully representative of the payment methodologies that will be applicable to hospitals.

The cross-sectional distribution of hospital by payment methodology is provided by: (1) Geographic location, (2) region, and (3) payment classification. This provides an indication of what percentage of hospitals within a particular hospital grouping will be paid under the fully prospective payment methodology and under the hold-harmless methodology.

Table V indicates that 66.1 percent of hospitals are paid under the fully prospective payment methodology. (This does not include low cost hospitals that, following a hospital-specific rate determination, are now paid under the hold-harmless payment methodology.) As expected, a relatively higher percentage of rural and governmental hospitals (76.5 percent and 80.4 percent, respectively), are being paid on the fully prospective methodology. This is a reflection of

their lower than average capital costs per case. In contrast, only 38 percent of proprietary hospitals are being paid under the fully prospective methodology. As we noted in the August 30, 1991 final rule (56 FR 43430), we found that 62.7 percent of proprietary hospitals have a capital cost per case above the national average cost per case.

D. Cross-Sectional Analysis of Changes in Aggregate Payments

We used our actuarial model to estimate the potential impact of our proposed changes for FY 1994 on total capital payments per case using a universe of 5,283 hospitals. The individual hospital payment parameters are taken from the best available data, including: the June 30, 1992 and December 31, 1992 updates to the Provider-Specific file, cost report data, and audit information supplied by intermediaries. Table VI presents a comparison of payments per case for FY 1993 and FY 1994. It also presents the portion of total percentage change in payments that can be attributed to Federal rate changes. Federal rate changes include the 5.37 percent decrease in the Federal rate, a 2.0 percent increase in case mix, changes in the adjustments to the Federal rate (for example, the effect of the new hospital wage index and reclassifications by the Medicare Geographic Classification Review Board on the geographic adjustment factor. The residual increase over the change attributable to the Federal rate changes can be attributed to the effects of transition changes, which include: the change from 20 percent to 30 percent in the portion of the Federal rate for fully prospective hospitals, the hospital-specific rate update, changes in the proportion of new to total capital for hold-harmless hospitals, changes in old capital (for example, obligated capital put in use), hospital-specific rate redeterminations, and exceptions. The comparisons are provided by: (1) Geographic location and (2) payment classification and payment region.

The simulation results show that, on average, payments per case can be expected to increase 3.8 percent in FY 1994. The results show that the effect of the Federal rate changes alone is to decrease payments by 1.3 percent. However, the decrease attributable to the Federal rate changes is more than offset by a 4.1 percent increase attributable to the effects of transition changes and the increase in the budget neutrality target.

By geographic location, urban hospitals can be expected to experience a higher rate of increase than rural hospitals (4.1 percent to 2.3 percent). Urban hospitals will lose slightly less than rural hospitals (−1.2 percent compared to −1.9 percent) from the Federal rate changes. Urban hospitals will also gain more than rural hospitals (5.3 percent compared to 4.2 percent) from the effects of transition changes.

By region, urban hospitals of the East South Central region have the highest rate of increase (14.3 percent, of which −1.3 percent is due to Federal rate changes and 15.6 percent to the effects of transition changes). Rural hospitals of the same region fare worst: these hospitals will experience a 1.0 percent decline in payments, of which −2.6 percent is attributable to Federal rate changes and 1.6 percent to the effects of transition changes.

By type of ownership, voluntary hospitals are projected to have the highest rate of increase (4.2 percent, of which −1.2 percent is due to Federal rate changes and 5.4 percent to the effects of transition changes). Payments to proprietary hospitals will increase 2.6 percent (−1.0 percent is due to the Federal rate changes and 3.6 percent to the effects of transition changes) and payments to government hospitals will increase 3.0 percent (−1.7 percent is due to Federal rate changes and 4.7 percent to the effects of transition changes).

Section 1886(d)(10) of the Act established the Medicare Geographic Classification Review Board (MGCRB). Hospitals may apply for reclassification for the purpose of obtaining another area's wage index value, standardized payment amount, or both. Although there is only a single national Federal capital rate, a hospital's geographic classification for purposes of the operating standardized amount does affect a hospital's capital payments as a result of the large urban add-on and the disproportionate share adjustment for urban hospitals with 100 or more beds. Reclassification for wage index purposes affects the geographic adjustment factor since that factor is constructed from the hospital wage index.

To present the effects of geographic reclassification for FY 1994 compared to FY 1993, we show the average payment percentage increase for hospitals reclassified in each fiscal year and in total. For FY 1994 reclassifications, we are indicating those hospitals reclassified for standardized amount purposes only, for wage index purposes only and for both factors. The reclassified groups are compared to all other nonreclassified hospitals. These categories are further identified by urban and rural designation.

Hospitals reclassified during FY 1994 as a whole are projected to experience a 3.3 percent increase in payments (−0.9 attributable to Federal rate changes and 4.2 percent attributable to the effects of transition changes). Because of the effects of transition changes, nonreclassified hospitals will gain more (3.9 percent) than reclassified hospitals (3.3 percent) overall. While nonreclassified hospitals will lose slightly more (−1.3 percent compared to −0.9 percent) than reclassified hospitals from the Federal rate changes, they will gain significantly more (5.2 percent to 4.2 percent) from the effects of transition changes.

TABLE VI.—COMPARISON OF TOTAL PAYMENTS PER CASE

[FY 1993 Payments Compared to FY 1994 Payments]

	No. of hospitals	Average FY 1993 payments/case	Average FY 1994 payments/case	All changes	Portion attibutable to Federal rate change
By Geographic Location					
All hospitals	5,283	623	647	3.8	−1.3
Large urban areas (populations over 1 million)	1,647	707	742	5.1	−0.9
Other urban areas (populations of 1 million of fewer)	1,309	627	644	2.6	−1.5
Rural areas	2,327	419	429	2.3	−1.9
Urban hospitals	2,956	673	700	4.1	−1.2
0–99 beds	727	512	530	3.5	−0.8

TABLE VI.—COMPARISON OF TOTAL PAYMENTS PER CASE—Continued

[FY 1993 Payments Compared to FY 1994 Payments]

	No. of hospitals	Average FY 1993 payments/case	Average FY 1994 payments/case	All changes	Portion attibutable to Federal rate change
100–199 beds	899	633	654	3.3	−1.0
200–299 beds	610	644	664	3.1	−1.2
300–499 beds	529	677	701	3.6	−1.2
500 or more beds	191	805	860	6.7	−1.3
Rural hospitals	2,327	419	429	2.3	−1.9
0–49 beds	1,175	305	322	5.6	−1.9
50–99 beds	714	388	398	2.5	−1.7
100–149 beds	225	461	483	4.7	−1.6
150-199 beds	106	430	434	0.9	−1.6
200 or more beds	107	528	523	−1.0	−2.4
By Region					
Urban by Region	2,956	673	700	4.1	−1.2
New England	172	609	651	6.8	−1.3
Middle Atlantic	447	678	701	3.5	−0.5
South Atlantic	447	686	712	3.8	−1.1
East North Central	496	626	662	5.8	−1.6
East South Central	166	630	720	14.3	−1.3
West North Central	187	664	659	−0.8	−1.6
West South Central	373	762	768	0.8	−1.6
Mountain	121	732	749	2.4	−1.3
Pacific	497	722	745	3.2	−1.0
Puerto Rico	50	289	294	1.5	−0.2
Rural by Region	2,327	419	429	2.3	−1.9
New England	53	420	440	4.8	−1.2
Middle Atlantic	85	422	428	1.4	−1.4
South Atlantic	303	453	458	1.2	−1.7
East North Central	313	401	420	4.6	−2.2
East South Central	292	413	409	−1.0	−2.6
West North Central	542	372	382	2.8	−1.2
West South Central	363	422	430	2.0	−2.0
Mountain	226	467	504	7.9	−1.4
Pacific	145	453	468	3.2	−2.1
By Payment Classification					
All hospitals	5,283	623	647	3.8	−1.3
Large urban areas (populations over 1 million)	1,820	698	732	4.9	−1.0
Other urban areas (populations of 1 million of fewer)	1,424	613	629	2.6	−1.5
Rural areas	2,039	414	422	1.9	−2.0
Teaching Status:					
Non-teaching	4,248	562	581	3.4	−1.2
Fewer than 100 Residents	817	649	669	3.1	−1.4
100 or more Residents	218	862	920	6.7	−1.2
Disproportionate share hospitals (DSH):					
Non-DSH	3,533	584	602	3.0	−1.2
Urban DSH:					
100 or more beds	1,258	700	736	5.0	−1.3
Less than 100 beds	112	463	478	3.2	−1.2
Rural DSH:					
Sole Community (SCH)	109	390	426	9.2	−1.1
Referral Center (RRC)	40	517	519	0.4	−1.9
Other Rural:					
100 or more beds	69	440	432	−1.6	−3.4
Less than 100 beds	162	317	313	−1.3	−2.3
Urban teaching and DSH:					
Both teaching and DSH	583	751	779	3.8	−1.4
Teaching and no DSH	402	669	706	5.6	−1.2
No teaching and DSH	787	628	671	6.9	−1.1
No teaching and no DSH	1,472	612	620	1.3	−0.9
Rural Hospital Types:					
Non special status hospitals	1,150	363	367	1.0	−2.2
RRC	135	498	498	0.1	−2.3
SCH	556	416	441	6.0	−1.4
Medicare-dependent hospitals (MDH)	164	327	338	3.4	−2.0
SCH or MDH	757	428	451	5.3	−1.5

TABLE VI.—COMPARISON OF TOTAL PAYMENTS PER CASE—Continued
[FY 1993 Payments Compared to FY 1994 Payments]

	No. of hospitals	Average FY 1993 payments/case	Average FY 1994 payments/case	All changes	Portion attibutable to Federal rate change
Hospitals Reclassified by the Medicare Geographic Classification Review Board:					
Reclassification Status During FY93 and FY94:					
Reclassified during both FY93 and FY94	541	577	594	2.9	−1.0
Reclassified during FY94 only	128	590	626	6.2	0.0
Reclassified during FY93 only	687	514	538	4.6	−1.7
FY94 Reclassifications:					
All Reclassified Hospitals	672	579	598	3.3	−0.9
All Nonreclassified Hospitals	4,584	630	654	3.9	−1.3
All Urban Reclassified Hospitals	207	694	712	2.6	−0.9
Urban Nonreclassified Hospitals	2,749	672	700	4.2	−1.2
All Reclassified Rural Hospitals	465	472	493	4.4	−0.8
Rural Nonreclassified Hospitals	1,835	394	399	1.2	−2.5
Other Reclassified Hospitals (Section 1886(D)(8)(B))	27	447	445	−0.5	−0.3
Type of Ownership:					
Voluntary	3,037	631	657	4.2	−1.2
Proprietary	778	710	728	2.6	−1.0
Government	1,468	510	525	3.0	−1.7
Medicare Utilization as a Percent of Inpatient Days:					
0–25	310	662	705	6.5	−0.8
25–50	1,624	699	721	3.2	−1.3
50–65	2,296	586	613	4.6	−1.3
Over 65	1,003	539	549	1.8	−0.9

E. Cross-Sectional Analysis of Changes in the Federal Rate

The analysis in Table VII examines the impact of following changes in the Federal rate set forth in section III of the addendum to this proposed rule—

- The effects of the annual reclassification of DRGs and the recalibration of the DRG weights required by section 1886(d)(4)(C) of the Act (column 4).
- The effects of changes in the geographic adjustment factor (column 5).
- The effects of all changes, including those separately displayed in columns 4 and 5.

To estimate the impact of DRG changes and changes due to the geographic adjustment factor, we simulated payments based on 100 percent of the Federal rate. Thus, the simulation in Table VII is not representative of changes in capital prospective payment system payments from FY 1993 to FY 1994. Rather, it reflects the percentage change in payments for hospitals receiving 100 percent of the Federal rate. For other hospitals, it reflects the percentage change in the Federal rate portion of the payments, holding the proportion of the Federal rate payment constant. Unlike the Federal rate payment change in Table VI, the analysis in Table VII does not include any increase in Federal rate payments attributable to anticipated increases in the case-mix index.

To present the effects of the separate policy changes displayed in columns 4 and 5, we added each change incrementally, so that the percentages in each column represent the differences in payment relative to the previous column. The baseline for comparison is an FY 1994 system absent any of the changes above. For example, column 4 displays the impact of DRG reclassifications and recalibration relative to estimated FY 1994 payments absent these changes. Similarly, column 5 shows the impact of the changes in the geographic adjustment factor over and above the changes resulting from DRG reclassifications and recalibration. The changes in the geographic adjustment factor result from the combined effect on the hospital wage index of the new MSAs, updated wage data, and geographic reclassifications. Column 6 displays the combined changes from the previous columns, as well as the effects of other factors affecting Federal rate payments. The other factors include: the change in the standard Federal rate, the effect of the new MSAs and geographic reclassifications on large urban status, and an increase in outlier payments from 4.5 to 5.4 percent of total DRG payments. Column 6 compares estimated FY 1994 Federal rate payments to estimated FY 1993 Federal rate payments. Thus, only the last column reflects the effects of all quantifiable policy changes on simulated FY 1994 Federal rate payments.

The table shows that Federal rate payments can be expected to decrease 4.6 percent overall prior to consideration of any increase in the case-mix index. This decrease is due to the 5.4 percent decrease in the Federal rate, which is partially offset by the 0.9 percent increase in outlier payments.

The table also shows the distributional effects of the changes in Federal rate payments from DRG reclassifications and recalibration, and from changes in the geographic adjustment factor due to the new hospital wage index and geographic reclassifications. The DRG changes are expected to produce only minimal effects on the distribution of Federal rate payments and parallel the effects of the same changes on operating payments. The highest gain from DRG reclassifications and recalibration is projected at 0.3 percent (for urban hospitals in Puerto Rico), while the largest loss is projected at −0.2 percent (for small rural hospitals, for Medicare-dependent hospitals, and for rural hospitals in Puerto Rico).

The geographic adjustment factor changes are in relation to the FY 1993 geographic adjustment factor based on FY 1993 geographic reclassifications. The increase in Federal rate payments to large urban hospitals is largely attributable to the new wage data; the decreases in payments to other urban

and rural hospitals reflect the combined effect of the new wage data and fewer geographic reclassifications for purposes of the hospital wage index. Hospitals that are reclassified for FY 1994 only are expected to experience a 4.1 percent increase in payments from the effects of geographic reclassification. Hospitals reclassified only during FY 1993 will experience a 1.3 percent decrease in payments. Rural hospitals reclassified for the standardized amount only will experience the largest decline (−1.8 percent) from the effects of geographic reclassification. Many of these hospitals were reclassified for purposes of the wage index in FY 1993, thus impacting on the geographic adjustment factor. (Reclassification for purposes of the standardized amount has no effect on the geographic adjustment factor.) Reclassified hospitals as a group are expected to experience a 0.5 percent increase in payments from the effects of changes in the geographic adjustment factor. Nonreclassified hospitals as a group will experience a decline of 0.1 percent in payments from the effects of reclassifications.

Because of the impact on rural hospitals of the changes in the geographic adjustment factor, urban hospitals will experience a lower (−4.2 percent) overall decrease in Federal rate payments than rural hospitals (−7.3 percent). By region, urban hospitals in Puerto Rico will experience the greatest decrease (−9.3 percent), while rural hospitals in Puerto Rico will experience the smallest decrease (−0.6 percent). By payment classification, hospitals reclassified during FY 1994 only will experience the smallest decrease (−0.9 percent), while rural nonreclassified hospitals will experience the largest decrease (−8.6 percent).

TABLE VII.—COMPARISON OF FEDERAL RATE PAYMENT CHANGES

(By geographic location)	(1) Number of hospitals	(2) Payment per case FY93	(3) Payment per case FY94	(4) Recalibration change	(5) Geographic adjustment factor	(6) All changes
All hospitals	5,302	652	622	0.0	0.0	−4.6
Large urban areas (populations over 1 million)	1,654	742	716	0.1	1.1	−3.5
Other urban areas (populations of 1 million or fewer)	1,316	645	611	0.0	−0.8	−5.2
Rural areas	2,332	454	421	−0.1	−2.4	−7.3
Hospitals changing MSA due to 1990 census:						
Rural to urban	107	514	519	0.0	6.9	1.0
Urban to rural	20	537	450	0.0	−12.2	−16.2
Other urban to large urban	161	662	666	0.1	5.5	0.6
Urban hospitals	2,970	701	671	0.1	0.4	−4.2
0–99 beds	741	507	486	−0.1	0.7	−4.2
100–199 beds	899	609	582	0.0	0.2	−4.4
200–299 beds	610	667	637	0.1	0.0	−4.5
300–499 beds	529	731	702	0.1	0.6	−4.0
500 or more beds	191	863	828	0.1	0.5	−4.1
Rural hospitals	2,332	454	421	−0.1	−2.4	−7.3
0–49 beds	1,179	379	349	−0.2	−2.5	−7.8
50–99 beds	715	423	392	−0.1	−2.4	−7.4
100–149 beds	225	471	440	0.0	−1.3	−6.4
150–199 beds	106	485	448	0.0	−3.0	−7.8
200 or more beds	107	539	500	0.0	−2.8	−7.2
Urban by region:						
New England	172	725	693	0.0	0.7	−4.3
Middle Atlantic	447	746	731	0.1	2.8	−2.1
South Atlantic	450	674	646	0.0	0.3	−4.1
East North Central	498	684	645	0.1	−1.1	−5.6
East South Central	166	619	593	0.0	0.1	−4.2
West North Central	187	696	656	0.0	−1.2	−5.7
West South Central	376	661	630	0.1	−0.9	−4.7
Mountain	123	706	673	0.0	−0.3	−4.6
Pacific	501	789	755	0.0	0.3	−4.4
Puerto Rico	50	286	260	0.3	2.5	−9.3
Rural by Region:						
New England	53	524	503	0.0	1.2	−3.9
Middle Atlantic	85	494	466	0.0	−0.3	−5.6
South Atlantic	304	468	434	0.0	−2.4	−7.2
East North Central	313	461	423	0.0	−3.0	−8.1
East South Central	293	423	390	−0.1	−3.1	−7.9
West North Central	542	426	400	−0.1	−1.2	−6.2
West South Central	365	424	388	−0.1	−3.9	−8.4
Mountain	226	474	435	−0.1	−3.6	−8.2
Pacific	146	540	502	0.0	−2.1	−7.0
Puerto Rico	5	216	214	−0.1	13.0	−0.6
(By Payment Classification)						
All Hospitals	5,302	652	622	0.0	0.0	−4.6
Large urban areas (populations over 1 million)	1,827	733	707	0.1	1.1	−3.6
Other urban areas (populations of 1 million or fewer)	1,431	630	596	0.0	−0.9	−5.4
Rural areas	2,044	450	416	−0.1	−2.9	−7.6

TABLE VII.—COMPARISON OF FEDERAL RATE PAYMENT CHANGES—Continued

(By geographic location)	(1) Number of hospitals	(2) Payment per case FY93	(3) Payment per case FY94	(4) Recalibration change	(5) Geographic adjustment factor	(6) All changes
Teaching status:						
Non-teaching	4,267	564	536	0.0	−0.2	−4.9
Fewer than 100 residents	817	705	672	0.1	0.0	−4.6
100 or more residents	218	964	926	0.1	0.7	−4.0
Disproportionate share hospitals (dsh):						
Rural non-dsh	2,044	450	416	−0.1	−2.9	−7.6
Urban non-dsh	972	494	471	−0.1	0.2	−4.6
Urban dsh 100 beds or more	2,286	708	678	0.1	0.4	−4.2
Urban teaching and dsh:						
Both teaching and dsh	932	785	752	0.1	0.3	−4.3
Teaching and no dsh	53	581	555	−0.1	0.4	−4.4
No teaching and dsh	1,354	626	600	0.0	0.5	−4.1
No teaching and no dsh	919	490	467	−0.1	0.2	−4.7
Rural hospital types:						
Nonspecial status hospitals	1,155	415	382	−0.1	−2.9	−7.9
RRC	135	531	491	0.0	−3.4	−7.6
SCH	556	428	397	−0.1	−2.2	−7.1
Medicare-dependent hospitals (MDH)	164	381	352	−0.2	−2.3	−7.6
SCH and RRC	37	528	487	0.0	−3.3	−7.9
SCH and MDH	757	442	409	−0.1	−2.5	−7.4
Type of ownership:						
Voluntary	3,054	670	640	0.0	0.1	−4.5
Proprietary	780	619	593	0.0	0.1	−4.1
Government	1,468	590	555	0.0	−0.9	−5.8
Medicare utilization as a percent of inpatient days:						
0–25	313	765	733	0.0	0.8	−4.1
25–50	1,624	732	698	0.0	0.0	−4.5
50–65	2,296	612	583	0.0	−0.1	−4.7
Over 65	1,003	546	520	0.0	0.0	−4.7
Unknown	66	797	754	0.1	0.7	−5.4
(By payment classification) hospitals reclassified by the medicare geographic review board						
Reclassification status during FY93 and FY94						
Reclassified during both FY93 and FY94	541	601	574	0.0	0.0	−4.4
Reclassified during FY94 only	128	562	557	0.0	4.1	−0.9
Reclassified during FY93 only	702	591	556	0.1	−1.3	−6.0
FY 94 reclassifications						
All reclassified hosp.	672	596	572	0.0	0.5	−4.0
All nonreclassified hospitals	4,603	660	629	0.0	−0.1	−4.7
Urban reclassified hospitals	207	704	681	0.1	0.8	−3.4
Urban nonreclassified hospitals	2,763	701	671	0.1	0.3	−4.3
Rural reclassified hospitals	465	496	472	0.0	0.1	−4.8
Rural nonreclassified hospitals	1,840	434	397	−0.1	−3.8	−8.6
Other reclassified hospitals (section 1886(D)(8)(B))	27	505	485	−0.1	2.7	−3.9

Appendix B—Technical Appendix on the Capital Acquisition Model and Budget Neutrality Adjustment

Section 1886(g)(1)(A) of the Act requires that for FY 1992 through FY 1995 aggregate prospective payments for operating costs under section 1886(d) and prospective payments for capital costs under section 1886(g) of the Act be reduced each year in a manner that results in a 10 percent reduction of the amount that would have been payable on a reasonable cost basis for capital-related costs in that year. Under § 412.352, the 10 percent reduction is generated entirely from the capital prospective payments. A budget neutrality adjustment factor is applied to the Federal rate and hospital-specific rate so that total capital payments for FY 1992 through FY 1995 equal 90 percent of Medicare inpatient capital costs in each year.

To calculate the budget neutrality adjustment, we must be able to project the rate at which old capital will be depreciated and written off and at which new capital will be acquired and depreciated. (Old capital costs are depreciation, lease, interest expenses, and other capital-related costs defined in § 412.302 that are in use or obligated on or before December 31, 1990.)

In developing the FY 1992 prospective payment rates, there were limited capital data available that could be used to project payments under the capital prospective payment system and develop the budget neutrality adjustment factor. Consequently, we developed a capital acquisition model that relied on Monte Carlo random simulation techniques to project capital costs for 6000 hypothetical hospitals. This model is described in detail in the August 30, 1991 final rule (56 FR 43517–43522). The model will be referred to as the capital acquisition model in the following discussion.

Since publication of the August 30, 1991 final rule, capital data have become available that can be incorporated directly into the determination of budget neutrality. In the September 1, 1992 final rule (57 FR 40005–40008), we incorporated more recent data including the June 30, 1992

update of the Provider-Specific File that provides the data items needed by the PRICER program used by the intermediaries to determine interim capital payments to hospitals, cost reports for cost reporting periods beginning in FY 1989 (PPS–6) (that overlap the base year for determining the hospital-specific rate) and FY 1990 (PPS–7), and data reported by the intermediaries that includes the hospital-specific rate determinations that have been made through June 1992. We propose to use updates of these data to set the FY 1994 capital rates. The updated files include the Provider-Specific file as of June 30, 1992 and December 31, 1992 and cost reports for cost reporting periods beginning in FY 1991 (PPS–8) as well as the December 1992 update of the files for earlier cost reporting periods.

The available data sources directly supply, or can be used to calculate, the hospital-specific rate. For those hospitals with capital data in the Provider-Specific File, the payment methodology as well as the estimated FY 1992 and FY 1993 hold-harmless amounts and new capital ratios for hospitals paid under the hold-harmless payment methodology are also available.

The available data still lack certain items which are required for the determination of budget neutrality. These items are the hospital's new capital costs for each year, its old capital costs for each year, and the obligated capital amounts that will be put in use for patient care services and recognized as old capital each year.

For FY 1993, we implemented an integrated model that starts with the available data for existing hospitals and back-fills the missing items with results from the capital acquisition model that was used to develop the FY 1992 payment rates. We propose to continue using this integrated model. Since hospitals under alternative payment system waivers are currently excluded from the capital prospective payment system, we excluded these hospitals (hospitals in Maryland and hospitals in the Finger Lakes Area Hospital Corporation in New York) from our model.

We have not modified the parameters of the FY 1992 capital acquisition model; however, we analyzed several capital growth patterns generated by that model to backfill the elements for which actual data are not available. These patterns include the distribution of growth rates in old capital (exclusive of obligated capital), the new capital ratio (which includes obligated capital), and the ratio of obligated capital costs for assets being put in use for patient care to total capital costs. In all cases, the distributions from the model were fitted to the beta distribution. The beta distribution is a two parameter distribution with the range restricted from zero to one. The growth rate for old capital (which is exclusive of obligated capital) must be between zero and one since depreciation and interest on old capital cannot increase. The ratio of new capital to total capital and the ratio of obligated capital to total capital are necessarily between zero and one. Hence, the beta distribution is ideal for these purposes, especially since the two parameters provide a range of shapes.

With regard to the new capital ratio for years after FY 1992, the model fits the change in the ratio from one year to the next to the beta distribution. This is to prevent large swings in the new capital ratio over time. It is possible to have a decrease in the new capital ratio since some new capital may have a short life time compared to old capital. Therefore, we rescaled the range of the changes in the ratios since the beta distribution must have numbers between zero and one.

We first developed hospital-specific rates for FY 1992 and FY 1993. These rates were developed from both the June 1992 (for the 1992 rates) and December 1992 (for the 1993 rates) updates of the Provider-Specific file. These files contain the actual amounts used by the intermediaries with the PRICER program to compute interim capital prospective payments. We also used audit information provided by the intermediaries. Data from all of these files were used to determine consistent FY 1992 and FY 1993 hospital-specific rates. Many of the FY 1992 hospital-specific rates in the June 1992 update of the Provider-Specific file were preliminary determinations, and in many of these cases they were greater than the FY 1993 hospital-specific rates.

Our procedure was to use the audit data, when available, as the "best" source of the hospital-specific rate, and then to ensure that the FY 1993 rate exceeded the FY 1992 rate by a factor of at least 1.0062 (which represents the increase in the hospital-specific rate from FY 1992 to FY 1993, established by the final rule of September 1, 1992). This methodology ensured that most hospitals would have a hospital-specific rate increase of 0.62 percent and that the remaining hospitals would have a larger increase. Because hospitals can request an upward redetermination of the hospital-specific rate, we expect that some hospitals would increase more than 0.62 percent.

After performing the above determination, some hospitals still had zeroes for the hospital-specific rates. For these hospitals, we used cost reports for reporting periods beginning in FY 1988 (PPS–5), FY 1989 (PPS–6), FY 1990 (PPS–7) and FY 1991 (PPS–8) to develop a hospital-specific rate. If the hospital-specific rate could be determined from more than one cost report, the cost report with a reporting period closest to the hospital-specific rate base year was chosen.

The following table summarizes the sources of the hospital-specific rates.

HOSPITAL SPECIFIC RATE SOURCES BY NUMBER OF HOSPITALS

Data source	Number of hospitals
Provider-specific file & audit file	4,213
Provider-specific file only	1,034
Audit file only	1
PPS–5 cost reports	2
PPS–6 cost reports	14
PPS–7 cost reports	11
PPS–8 cost reports	8
Total	5,283

Note.—We were not able to determine a hospital-specific rate for 19 of the 5,302 hospitals in the analysis data base. Consequently, we modeled capital budget neutrality using 5,283 hospitals.

The model also develops the old capital amount for each hospital. For FY 1992 the model uses the hold-harmless payments per discharge from the June 1992 Provider-Specific File if available. If the actual hold-harmless amount is not available, the model develops an estimate from the hospital-specific rate. It computes an FY 1990 capital cost per discharge by dividing the FY 1992 hospital-specific rate by factors used to inflate base year capital cost per discharge to FY 1992 as set forth in the August 30, 1991 final rule (56 FR 43390). The model updates the base year capital per discharge to FY 1992 using a 2-year rate of increase (FY 1990 to FY 1992) in old capital that is randomly generated from the beta distribution described above. This old capital amount for FY 1992 excludes any obligated capital that has been put in use since the base year. Excluding obligated capital from the old capital growth factors produces a more stable growth sequence with lower variance. The development of the hospital's obligated capital costs is described below. Before we update the hospital's old capital costs in a given year, the model adds the obligated capital that is first depreciated in the current year to the old capital cost for that year. As a

result, any obligated capital depreciation and interest expense projected by the model is incorporated into the hospital's old capital costs in subsequent years including FY 1993 and FY 1994.

For FY 1993 the model uses the hold-harmless payments per discharge from the December 1992 Provider-Specific file if available. If the actual hold-harmless amount is not available, the model develops an estimate by generating a one year rate of increase from the Beta distribution and applying this increase to the FY 1992 hold-harmless amount. Hold-harmless amounts for later years are developed in the same way. Amounts for obligated capital are developed as described above.

The model also develops the new capital ratio for each hospital. If available, the model uses the hospital's FY 1992 new capital ratio from the Provider-Specific File. If the actual new capital ratio is not available, the model generates the ratio from a beta distribution as described above. For purposes of fitting the new capital ratio to the beta distribution, the model treats obligated capital as new capital. The model restricts the new capital ratio to 90 percent in all cases. After fitting the FY 1992 new capital ratio, the year-to-year change in the new capital ratio is fit to the beta distribution. The new capital ratio combined with the old capital amount generates the total capital costs.

Finally, the model develops the obligated capital ratio for obligations first being depreciated in the year under analysis. It generates an obligated capital ratio using a beta distribution fitted to the results of the capital acquisition model (and obligated capital assumptions) as described above. This ratio is an offset to the new capital ratio. Consequently, the obligated capital ratio is restricted to the magnitude of the new capital ratio. The new capital ratio is reduced by the obligated capital ratio.

If a hospital has a hold-harmless payment amount available in the Hospital-Specific File, this amount includes the effect of obligated capital on its FY 1992 and FY 1993 old capital costs per discharge. Therefore, the model does not generate any additional FY 1992 or FY 1993 obligated capital for these hospitals. We generated obligated capital amounts for all hospitals for FY 1993 and later.

The model does not recompute the hospital's total capital costs for obligated capital. Instead, obligated capital costs are the product of the obligated capital ratio rate and total capital costs. The hospital's costs for new capital are the product of the revised new capital ratio times the hospital's total capital costs.

We computed the average total capital cost per discharge from the capital costs that were generated by the model and compared the results to total capital costs per discharge that we had projected independently of the model. We adjusted the component amounts of total capital costs (old capital, obligated capital, and new capital) proportionately so that the total capital costs per discharge generated by the model match the independently projected capital costs per discharge.

To summarize, the model integrates actual data with randomly generated amounts developed from the results of the capital acquisition model. For purposes of aggregate capital, we generated at most three numbers for each hospital each year. Only the old capital increase, new capital ratio, and obligated capital ratio are randomly generated.

Once each hospital's capital-related costs are generated, the model projects capital payments. We use the actual payment parameters (for example, the case-mix index and the geographic adjustment factor), that are applicable to the specific hospital.

To project capital payments, the model first assigns the applicable payment methodology (fully prospective or hold-harmless) to the hospital. If available, the model uses the payment methodology method indicated in the Provider-Specific File. Otherwise, the model determines the methodology by comparing the hospital's FY 1992 hospital-specific rate to the adjusted Federal rate applicable to the hospital. The model simulates Federal rate payments using the assigned payment parameters and hospital-specific estimated outlier payments. The case-mix index for a hospital is derived from the 1992 MEDPAR file using the FY 1994 DRGs and relative weights published in this proposed rule. The case-mix index is increased 2 percent per year after FY 1992 consistent with the continuing trend (which we expect to continue) in case-mix increase.

Changes in geographic classification and corrections in the hospital wage data used to establish the hospital wage index affect the geographic adjustment factor. Changes in the DRG classification system and the relative weights affect the case-mix index.

Section 412.308(c)(4)(ii) requires that the estimated aggregate payments for the fiscal year, based on the Federal rate after any changes resulting from DRG reclassifications and recalibration and the geographic adjustment factor, equal the estimated aggregate payments based on the Federal rate that would have been made without such changes. For FY 1993, the budget neutrality adjustment factor is .9980. To determine the factor for FY 1994, we first determined the portion of the Federal rate that would be paid for each hospital in FY 1994 based on its applicable payment methodology. We then compared what aggregate Federal rate payments would be based on the FY 1993 DRG relative weights and FY 1993 geographic adjustment factor to aggregate Federal rate payments based on the FY 1994 relative weights and the FY 1994 geographic adjustment factor. In making the comparison, we held the FY 1994 Federal rate portion constant and set the other budget neutrality adjustment factor and exceptions reduction factor to 1.00. We determined that to achieve budget neutrality for the changes in the geographic adjustment factor and DRG classifications and relative weights, a budget neutrality adjustment of 1.0046 should be applied to the FY 1993 adjustment of .9980 to yield a cumulative adjustment of 1.0026.

The methodology used to determine the recalibration and geographic (DRG/GAF) budget neutrality adjustment factor is similar to that used in establishing budget neutrality adjustments under the prospective payment system for operating costs. One difference is that under the operating prospective payment system, the budget neutrality adjustments for the effect of geographic reclassifications are determined separately from the effects of other changes in the hospital wage index and the DRG weights. Under the capital prospective payment system, there is a single DRG/GAF budget neutrality adjustment factor for changes in the geographic adjustment factor (including geographic reclassification) and the DRG relative weights. In addition, there is no adjustment for the effects that geographic reclassification has on the other payment parameters, such as the payments for serving low income patients or the large urban add-on.

In addition to computing the DRG/GAF budget neutrality adjustment factor, we used the model to project total aggregate payments under the prospective payment system and to compute the budget neutrality adjustment factor that would result in estimated payments under the capital prospective payment system equal to 90 percent of what would have been payable on a reasonable cost basis. This budget neutrality factor is applied to the

Federal and hospital-specific rates, but not to the hold-harmless payments.

Additional payments under the exceptions process are financed through a reduction in the Federal and hospital-specific rates. Therefore, we used the model to calculate estimated exceptions payments and the exceptions reduction factor. This exceptions reduction factor ensures that estimated aggregate payments under the capital prospective payment system, including exceptions payments, equal what aggregate payments would be under the capital prospective payment system without an exceptions process. Since changes in the level of the payment rates change the level of payments under the exceptions process, the budget neutrality and exceptions adjustments factors must be determined through iteration. Further, these two factors interact with each other so that they must be determined simultaneously. We successfully determined values for these factors so that the exceptions adjustment factor is correct and estimated payments under the capital prospective payment system equal 90 percent of estimated Medicare inpatient capital costs.

In the August 30, 1991 final rule (56 FR 43517), we indicated that we would publish each year the estimated payment factors generated by the model to determine payments for the next 5 years. The table below provides the actual factors for FY 1992 and FY 1993, the proposed FY 1994 factors, and the estimated factors that would be applicable through FY 1998. We caution that, except with respect to FY 1992 and FY 1993, these are estimates only, or proposed in the case of FY 1994, and are subject to revisions resulting from continued methodological refinements, more recent data, and any payment policy changes that may occur. In this regard, we note that in making these projections we have assumed that the cumulative DRG/GAF adjustment factor will remain at 1.0026 for FY 1994 and later because we do not have sufficient information to estimate the change that will occur in the factor for years after FY 1994.

The projections are as follows:

Fiscal year	Increase in		Exceptions reduction factor	Budget neutrality factor	Federal rate (after outlier reduction)
	Cost per discharge [1]	Update factor			
1992	3.57	N/A	0.9813	0.9602	415.59
1993	7.03	6.07	.9756	.9162	[2] 417.29
1994	7.79	3.10	.9399	.8726	[3] 394.88
1995	8.58	2.73	.9000	.9208	409.89
1996	8.67	5.29	.9000	N/A	468.70
1997	8.65	7.41	.9000	N/A	503.43
1998	8.82	8.18	.9000	N/A	544.61

[1] Note: Adjusted for estimated 2.0 percent annual increase in case-mix index.
[2] Note: Includes the DRG/GAF adjustment factor of 0.9880 and the change in the outlier adjustment from 0.9497 in FY 1992 to 0.9496 in FY 1993.
[3] Note: Includes the DRG/GAF adjustment factor of 1.0026 and the change in the outlier adjustment from 0.9496 in FY 1993 to 0.94553 in FY 1994. Future adjustments are, for purposes of this projection, assumed to remain at the same level.

March 25, 1993.

The Honorable Albert Gore, Jr.,
President of the Senate, Washington, DC 20510.

Dear Mr. President: Section 1886(e)(3)(B) of the Social Security Act requires that the Secretary of Health and Human Services report to the Congress the initial estimate of the applicable percentage increase for FY 1994 that she will recommend for hospitals subject to the Medicare prospective payment system (PPS) and for hospitals and units excluded from PPS. This submission constitutes the required report.

We recommend an overall average update for all hospitals of market basket minus 1.0 percentage point beginning January 1, 1994, rather than October 1, 1993. The Office of Management and Budget currently estimates the market basket rate of increase for all hospitals for FY 1994 to be 4.5 percent.

Urban PPS hospitals would receive the market basket rate of increase minus 1.17 percentage points, or a 3.33 percent rate of increase. Coupled with the delay in the update until January, the resulting effective annual update for PPS hospitals in urban areas would be the market basket rate of increase minus 2.0 percentage points, or a 2.5 percent rate of increase.

In order to eliminate the difference between the payment rates paid to other urban and rural PPS hospitals by FY 1995, current law provides for an additional 1.5 percentage point increase in the update for rural hospitals above urban hospitals. We also recommend the additional 1.5 percentage point increase for rural hospitals beginning January 1, 1994.

For hospitals excluded from PPS, we recommend an average increase in the Tax Equity and Fiscal Responsibility Act limit equal to the rate of increase in the excluded hospital market basket minus 1.0 percentage point, beginning January 1, 1994. However, excluded hospitals and units are paid on the basis of their costs, and the update is applied at the beginning of each hospital's cost reporting period, not at the beginning of the Federal fiscal year (cost reporting periods vary from hospital to hospital). In order to effect a 3-month delay in the update, the update for excluded hospitals and units would be reduced by one-fourth and applied to the entire cost reporting period.

Therefore, under current estimates, excluded hospitals and units would receive an update of 3.5 percent less one-fourth, for a total effective update of 2.6 percent.

Our recommendation for the updates is based on current projections of relevant data. A final recommendation on the appropriate percentage increases for FY 1994 will be made nearer the beginning of the new Federal fiscal year based on the most current market basket projection available at that time. The final recommendations will incorporate our analysis of the latest estimates of all relevant factors, including recommendations by the Prospective Payment Assessment Commission (ProPAC).

We have not had the opportunity to evaluate fully the recommendations of ProPAC. We will comment on their recommendations in our proposed FY 1994 PPS rule that will be published in May.

Section 1886(d)(4)(C)(iv) of the Social Security Act, as enacted by section 6003(b)(2) of the Omnibus Budget Reconciliation Act of 1989, requires that the Secretary include in her report recommendations with respect to adjustments to the diagnosis-related group (DRG) weighting factors. At this time, we do not anticipate recommending any adjustment to the DRG weighting factors for FY 1994.

I would be pleased to discuss this recommendation with you.

Sincerely,

Donna E. Shalala.

March 25, 1993.

The Honorable Thomas S. Foley,
Speaker of the House of Representatives, Washington, DC 20515.

Dear Mr. Speaker: Section 1886(e)(3)(B) of the Social Security Act requires that the Secretary of Health and Human Services report to the Congress the initial estimate of the applicable percentage increase for FY 1994 that she will recommend for hospitals subject to the Medicare prospective payment system (PPS) and for hospitals and units

excluded from PPS. This submission constitutes the required report.

We recommend an overall average update for all hospitals of market basket minus 1.0 percentage points beginning January 1, 1994, rather than October 1, 1993. The Office of Management and Budget currently estimates the market basket rate of increase for all hospitals for FY 1994 to be 4.5 percent.

Urban PPS hospitals would receive the market basket rate of increase minus 1.17 percentage points, or a 3.33 percent rate of increase. Coupled with the delay in the update until January, the resulting effective annual update for PPS hospitals in urban areas would be the market basket rate of increase minus 2.0 percentage points, or a 2.5 percent rate of increase.

In order to eliminate the difference between the payment rates paid to other urban and rural PPS hospitals by FY 1995, current law provides for an additional 1.5 percentage point increase in the update for rural hospitals above urban hospitals. We also recommend the additional 1.5 percentage point increase for rural hospitals beginning January 1, 1994.

For hospitals excluded from PPS, we recommend an average increase in the Tax Equity and Fiscal Responsibility Act limit equal to the rate of increase in the excluded hospital market minus 1.0 percentage points, beginning January 1, 1994. However, excluded hospitals and units are paid on the basis of their costs, and the update is applied at the beginning of each hospital's cost reporting period, not at the beginning of the Federal fiscal year (cost reporting periods vary from hospital to hospital). In order to effect a 3-month delay in the update, the update for excluded hospitals and units would be reduced by one-fourth and applied to the entire cost reporting period.

Therefore, under current estimates, excluded hospitals and units would receive an update of 3.5 percent less one-fourth, for a total effective update of 2.6 percent.

Our recommendation for the updates is based on current projections of relevant data. A final recommendation on the appropriate percentage increases for FY 1994 will be made nearer the beginning of the new Federal fiscal year based on the most current market basket projection available at that time. The final recommendation will incorporate our analysis of the latest estimates of all relevant factors, including recommendations by the Prospective Payment Assessment Commission (ProPAC).

We have not had the opportunity to evaluate fully the recommendations of ProPAC. We will comment on their recommendations in our proposed FY 1994 PPS rule that will be published in May.

Section 1886(d)(4)(C)(iv) of the Social Security Act, as enacted by section 6003(b)(2) of the Omnibus Budget Reconciliation Act of 1989, requires that the Secretary include in her report recommendations with respect to adjustments to the diagnosis-related group (DRG) weighting factors. At this time, we do not anticipate recommending any adjustment to the DRG weighting factors for FY 1994.

I would be pleased to discuss this recommendation with you.

Sincerely,

Donna E. Shalala.

Appendix D—Recommendation of Update Factors for Operating Cost Rates of Payment for Inpatient Hospital Services

I. Background

Several provisions of the Social Security Act (the Act) address the setting of update factors for services furnished in FY 1994 by hospitals subject to the prospective payment system and those excluded from the prospective payment system. Section 1886(b)(3)(B)(i) of the Act sets the FY 1994 percentage increases in the operating cost standardized amounts for prospective payment hospitals equal to the rate of increase in the hospital market basket for hospitals located in urban areas and equal to the market basket percentage increase plus 1.5 percentage points for hospitals located in rural areas. Section 1886(b)(3)(B)(ii) of the Act sets the FY 1994 percentage increase in the rate-of-increase limits for hospitals excluded from the prospective payment system and the hospital-specific rate applicable to sole community hospitals equal to the rate of increase in the hospital market basket. In accordance with section 1886(d)(3)(A) of the Act, we are proposing to update the average standardized amounts, the hospital-specific rates and the rate-of-increase limits for hospitals excluded from the prospective payment system as provided in section 1886(b)(3)(B) of the Act. Based on the currently forecasted market basket increase of 4.2 percent for hospitals subject to the prospective payment system, the proposed updates in the standardized amounts are 4.2 percent for hospitals in urban areas and 5.7 percent for hospitals in rural areas. The proposed update in the hospital-specific rate applicable to sole community hospitals is 4.2 percent. The proposed update for hospitals excluded from the prospective payment system is based on the percentage increase in the market basket for these hospitals and equals 4.3 percent.

Sections 1886(e)(2)(A) and (3)(A) of the Act require that the Prospective Payment Assessment Commission (ProPAC) recommend to the Congress by March 1, 1993 an update factor that takes into account changes in the market basket index, hospital productivity, technological and scientific advances, the quality of health care provided in hospitals, and long-term cost effectiveness in the provision of inpatient hospital services.

In its March 1, 1993 report, ProPAC recommended update factors to the standardized amounts equal to the percentage increase in HCFA's market basket minus 0.9 percentage points for urban hospitals and the market basket rate of increase plus 0.6 percentage points for hospitals located in rural areas. Based on its market basket increase estimate of 4.3 percent, ProPAC's recommended updates to the standardized amounts equal 3.4 percent for hospitals located in urban areas and 4.9 percent for hospitals located in rural areas. ProPAC recommended the update for the hospital-specific rates applicable to sole community hospitals be equal to the rural hospital update, that is, the percentage increase in the market basket plus 0.6 percentage points, or 4.9 percent based on a market basket estimate of 4.3 percent. The components of ProPAC's update factor recommendations are described in detail in the ProPAC report, which is published as Appendix F to this document. We discuss ProPAC's recommendations concerning the update factors and our responses to those recommendations below.

Section 1886(e)(4) of the Act requires that the Secretary, taking into consideration the recommendations of ProPAC, recommend update factors for FY 1994 that take into account the amounts necessary for the efficient and effective delivery of medically appropriate and necessary care of high quality. Under section 1886(e)(5) of the Act, we are required to publish the recommended FY 1994 update factors that are provided for under section 1886(e)(4) of the Act. Accordingly, this appendix provides our recommendations of appropriate update factors, our analysis of the derivation of the amount of the update factors, and our responses to the ProPAC recommendations concerning the update factors.

In the final rule implementing the FY 1993 prospective payment system changes (at 57 FR 40009), we published our proposal for a new framework to use in developing the Secretary's update recommendations, and solicited comments. We are using the new framework this year to develop the Secretary's proposed recommendation and we respond to the comments received in response to our request in this appendix.

II. Secretary's Recommendations

Under section 1886(e)(4) of the Act, we are recommending that the standardized amounts be increased by an average amount equal to the market basket percentage increase minus 1.9 percentage points for hospitals located in urban areas and the market basket percentage increase minus 0.8

percentage points for hospitals located in rural areas. We are recommending an increase equal to the market basket rate of increase minus 1.9 percentage points for the hospital-specific rate for sole community hospitals. As discussed below in section III of this appendix, these average updates would be achieved by updating the urban standardized amounts by the market basket percentage increase minus 1.17 percentage points effective January 1, 1994, and updating the rural standardized amounts by the market basket percentage rate of increase plus 0.33 percentage points, also effective January 1, 1994. These figures are consistent with the President's budget recommendations, given the new market basket forecast of 4.2 percent. With the exception of the higher update for the rural standardized amount, we believe that the hospital-specific rate should be updated by the same percentage increase as the standardized amounts. Our recommendation for a higher update to the rural standardized amount is intended to reduce the differential between the standardized amounts for other urban and rural hospitals, which is not an applicable consideration for hospital-specific rates.

We recommend that hospitals excluded from the prospective payment system receive an update equal to the percentage increase in the market basket that measures input price increases for services furnished by excluded hospitals minus 1.0 percentage point, effective January 1, 1994. The updates to the rate-of-increase limits for providers excluded from the prospective payment system are applied on the basis of the hospital's cost reporting period, rather than the Federal fiscal year. In order to provide equitable treatment to providers, whose cost reporting periods vary, we recommend that the update of the market basket rate-of-increase minus 1.0 percentage point be reduced by one-fourth to achieve a result equivalent to a 3-month delay in the update. That market basket is currently forecast at 4.3 percent. The combination of reducing the update by one-fourth and calculating the update as the market basket percentage increase minus 1.0 percentage point results in an average update of 2.5 percent, given the current estimate of the market basket percentage increase.

As required by section 1886(e)(4) of the Act, we have taken into consideration the recommendations of ProPAC in setting these recommended update factors. Our responses to the ProPAC recommendations concerning the update factors are discussed below.

III. ProPAC Recommendation for Updating the Prospective Payment System Standardized Amounts

For FY 1994, ProPAC recommends that the standardized amount be updated by the following factors:

- The projected increase in the hospital market basket (which was estimated to be 4.3 percent in ProPAC's March 1, 1993 report), plus 0.1 percentage points to account for the different wage and salary price proxies used for the ProPAC market basket.
- A correction of −1.3 percent to reflect the forecast error in the FY 1992 market basket rate of increase.
- A discretionary adjustment factor of 0.5 percent composed of an allowance of 1.0 percent for scientific and technological advancement and an allowance of −0.5 percent for productivity improvement.
- An adjustment for case-mix change of −0.2 percent.
- A differential update of 1.5 percent for hospitals located in rural areas to reflect the phasing out of the differential in the standardized amounts between rural and other urban hospitals.

Overall, the net increase employing the above factors is the percentage increase in the hospital market basket minus 0.9 percentage points for urban hospitals and the market basket percentage increase plus 0.6 percentage points for rural hospitals. Based on the market basket estimate of 4.3 percent used in its March 1, 1993 report, ProPAC recommends that urban hospitals receive a 3.4 percent update and rural hospitals receive a 4.9 percent update.

Response: We are recommending an update that is consistent with the Administration's budget proposal that: (1) the average update for prospective payment system hospitals for FY 1994 be equal to market basket forecast minus 1.0 percentage points, (2) the current 1.5 percentage point differential between the update for urban and rural hospitals be maintained, and (3) the update be effective January 1, 1994. Based on HCFA's current forecast of the market basket rate of increase (4.2 percent) and the 3-month delay in the update, we recommend that the average update for FY 1994 equal the market basket percentage increase minus 1.9 percentage points, or 2.3 percent, for urban hospitals, and the market basket percentage increase minus 0.8 percentage points, or 3.4 percent, for rural hospitals. Our recommendation is supported by the following analyses that measure changes in hospital productivity, scientific and technological advances, practice pattern changes, and changes in case mix:

- *Productivity:* Service level productivity is defined as the ratio of total service output to full time equivalent employees (FTEs). While we recognize that productivity is multifactor in nature (that is, a function of labor, non-labor material and capital inputs), we use a labor productivity measure in our framework, since the current update framework applies to operating payment. To recognize that we are apportioning the short run output changes to the labor input, we weigh our productivity measure for operating costs by the appropriate share of labor input to total operating input to determine the expected effect on cost per case. In our proposed framework for updating capital payments (see appendix E), we discuss unifying the capital and operating frameworks by considering expanded productivity concepts with regard to the capital input.

Our recommendation for the service productivity component is based on historical trends in productivity and total output for both the hospital industry and the general economy, and projected levels of future hospital service output. ProPAC has also estimated cumulative service productivity growth to be 4.9 percent from 1985–1989 or 1.2 percent annually. At the same time, they estimate total service growth at 3.4 percent annually, implying a ratio of service productivity growth to output growth of 0.35. Our MedPAR analysis indicates total Medicare service output (charges per admission, adjusted for CPI change) increased 20.8 percent from 1985–1992, or 2.7 percent annually. Since it is not possible at this time to develop a productivity measure specific to Medicare patients, we examined productivity (output per hour) and output (gross domestic product) for the economy. Depending on the exact time period, annual changes in productivity range from 0.3 to 0.35 of the change in output (that is, a 1.0 percent increase in output would be correlated with an 0.3 to 0.35 percent change in output per hour).

Under our framework, the recommended update is based in part on expected productivity—that is, projected service output during the year multiplied by the historical ratio of service productivity to total service output, multiplied by the share of labor in total operating inputs, as calculated in the hospital market basket. This method estimates an expected labor productivity improvement in the same proportion to expected total service growth that has occurred in the past and assumes that, at a minimum, growth in

FTEs changes proportionally to the growth in total service output. In doing so, the recommendation allows for unit productivity to be smaller than the historical averages in years that output growth is relatively low, and higher in years that output growth is larger than the historical trend. Based on the above estimates from both the hospital industry and the economy, we have chosen to employ the range of ratios of productivity change to output change of 0.30 to 0.35.

The expected change in total hospital service output is the product of projected growth in total admissions (adjusted for outpatient usage), projected real case mix growth, and expected quality enhancing intensity growth, net of expected decline in intensity due to reduction of cost ineffective practice. Case mix growth and intensity numbers for Medicare are used as proxies for those of the total hospital, since case mix increases (used in the intensity measure as well) are unavailable for non-Medicare patients. Thus, expected output growth is simply the product of the expected change in intensity (0.7 to 0.9 percent), projected admissions change (2.7 percent for 1994) and projected real case mix growth (1.0 to 1.4 percent for 1994), or 4.5 to 5.1 percent. The share of direct labor services in the hospital market basket (consisting of wages and salaries and employee benefits) is 61.7 percent. Multiplying the expected change in total hospital service output by the ratio of historical service productivity change to total service growth of 0.30 to 0.35 and by the direct labor share percentage provides our productivity standard of 0.8 to 1.1 percent.

ProPAC also believes hospitals should be given an incentive for additional productivity improvement. ProPAC measures productivity as the ratio of hospital admissions (adjusted for case mix and outpatient services) per FTE employee (adjusted for changes in skill mix). ProPAC includes in its productivity measurement the effect of changes in practice patterns. We treat practice pattern changes as a portion of our intensity adjustment, described below. This year, ProPAC assumes a productivity gain of at least 1.0 percent and recommends a −0.5 percentage point adjustment on the basis that any productivity gains should be shared equally by Medicare and hospitals.

• *Intensity:* We base our intensity standard on the combined effect of three separate factors: Changes in the use of quality enhancing services, changes in the use of services due to shifts in within-DRG severity, and changes in the use of services due to reductions of cost-ineffective practices. For 1994, we recommend an adjustment of 0.7 to 0.9 percent. The basis of this recommendation is discussed below.

We have no empirical evidence that accurately gauges the level of quality-enhancing technology changes. Typically, a specific new technology increases costs in some uses and decreases costs in other uses. Concurrently, health status is improved in some situations while in other situations it may be unaffected or even worsened using the same technology. It is difficult to separate out the relative significance of each of the cost-increasing effects for individual technologies and new technologies.

The quality enhancing technology component is intended to recognize the use of services which increase cost but whose value in terms of enhanced health-status is commensurate with these costs. Such services may result from technological change, or in some cases, increased use of existing technologies. The latter recognizes that as cost and medical effectiveness studies become available, some increased use of existing, as well as new, services might be warranted.

The component for reduction of cost-ineffective practice recognizes that some improvements in practice patterns could be made so that the intensity of services provided is more consistent with the efficient use of limited resources. That is, improvements could be made so that the number of services provided during an inpatient stay, and their complexity, produce an improvement in health status which is consistent with the cost of care. This component of our update recommendation is intended to encourage both hospitals and physicians to more carefully consider the cost-effectiveness of medical care. This component of the framework also accounts for real within-DRG change, since that should be directly reflected in the CMI-adjusted growth in real charges per case.

We note that, since 1985, the intensity of services per inpatient admission has increased, even after adjusting for the growth in real case mix each year. These increases, which are similar to pre-PPS increases, followed intensity decreases in both 1984 and 1985. Following methods developed by HCFA's Office of the Actuary for deriving hospital output estimates from total hospital charges, ProPAC has estimated that case mix constant intensity per admission increased at an average of 1.5 percent annually from 1985–1990. We have developed Medicare-specific intensity measures for inpatient services based on 1985–1992 MedPAR billing data. Consistent with ProPAC, case mix constant intensity is calculated as the change in total Medicare charges per discharge adjusted for changes in the average charge per unit of service as measured by the Medical CPI hospital component, and changes in real case mix. Past studies of case-mix change by the RAND Corporation indicate that the change in real case mix ranges from 1.0 percent to 1.4 percent per year. If we assume that real case mix change is 1.4 percent per year, we estimate case mix constant intensity to have grown by an average of 1.3 percent each year during the 1985–1992 period, a cumulative increase of 9.6 percent. If we assume that real case mix has been growing at 1.0 percent annually, case mix constant intensity has grown by an average of 1.7 percent annually, for a cumulative increase of 12.7 percent.

We believe that the estimated intensity increases have been due to a combination of changes in science and technology, within-DRG severity, and cost-ineffective practice. Currently, however, there are no conclusive studies that quantify either the net impact of new science and technology on operating costs or within-DRG severity changes. Thus, we cannot estimate precisely what portion of the overall intensity increase was due to a combination of quality enhancing services and within-DRG severity, and what portion was due to cost-ineffective practice. We are instead assuming that one-half of the 1.3 to 1.7 percent annual increase was due to a combination of quality-enhancing services and within-DRG severity. Therefore, based on these trends, our recommendation includes a 0.7 to 0.9 percent positive adjustment to the update to allow for cost-effective increase in the intensity of services in FY 1994.

• *Quality Enhancing New Science and Technology:* Project Hope, under contract with ProPAC, annually estimates the incremental operating costs of specific cost-increasing technologies. However, we know of no definitive studies that establish an appropriate level or range for this factor. ProPAC's adjustment is for the cost-increasing effect of new technologies only, and this year assumes the estimated costs for these technologies at 1.0 percent.

We believe that the ProPAC estimate may be overstated for several reasons. First, the estimate does not account for offsetting changes in revenue due to changes in DRG assignment. Second, it is not clear that all of the new technologies listed in ProPAC's study significantly enhance health status. To the extent the new technologies are not

quality enhancing, an adjustment is inappropriate. Finally, some of the technologies have considerable potential for cost savings relative to the technologies they are replacing.

• *Change in Case Mix:* Our analysis takes into account changes in case mix adjusted for changes attributable to improved coding practices and DRG reclassification and recalibration. We found that the observed increase in case mix was 1.7 percent during FY 1992. We estimate real case mix increased 1.0 to 1.4 percent. We define real case-mix change as actual changes in the mix (and resource requirements) of Medicare patients as opposed to changes in coding behavior that result in assignment of cases to higher-weighted DRGs but do not reflect greater resource requirements. This estimate is supported by past studies of case-mix change by RAND Corporation. The most recent study by the the RAND Corporation, "Has DRG Creep Crept Up? Decomposing the Case Mix Index Change Between 1987 and 1988" by G.M. Carter, J.P. Newhouse and D.A. Relles, R–4098–HCFA/ProPAC (1991), uses medical records from subsequent Federal fiscal years recoded by the SuperPRO using consistent standards to determine real case-mix change. The study specifically suggests that real case-mix change is not dependent on total change, but instead is a fairly steady 1.0 to 1.5 percent per year. We use 1.4 percent as the upper bound because the RAND study did not take into account that hospitals may have induced doctors to more completely document medical records so as to improve payment.

In addition, we estimate that DRG reclassification and recalibration in FY 1992 resulted in a 0.1 percent increase in the case-mix index when compared with the case-mix index that would have resulted if we had not made the reclassification and recalibration changes to the GROUPER. The resulting adjustment to account for changes in case mix during FY 1992, the most recent year for which data are available, is −0.4 to −0.8 percent (the sum of −1.7 percent, 1.0 to 1.4 percent, and −0.1 percent). The 2.0 and 1.8 percent figures used in the ProPAC framework represent, respectively, ProPAC's projection for observed case-mix change, and its projection for real case-mix change, including within-DRG case complexity change, during FY 1993. ProPAC's observed case-mix change is estimated, whereas our observed case-mix change is based on FY 1992 bills received through February 28, 1993. ProPAC does not make an adjustment for DRG reclassification and recalibration in its update recommendation (we note that Congress asks the Secretary for an estimate of these effects in our update recommendation).

• *Adjustment for MSA Changes:* Beginning October 1, 1993, we will adopt the revised MSA definitions based on 1990 census data that were announced by the Office of Management and Budget on December 28, 1992. As required by statute, these MSA definitions are used to determine a hospital's status as large urban, other urban, or rural, for purposes of its payment under the prospective payment system. Because a significant number of hospitals are located in areas that have been changed from rural to urban status under the new MSA definitions, we estimate that implementation of the new MSAs for purposes of applying standardized amounts and determining payments for serving a disproportionate share of low-income patients, by itself, will result in an additional expenditure of approximately $120 million in FY 1994. We believe that the changes in the MSA status of hospitals should not result in an increase (or decrease) in total aggregate payments under the prospective payment system, since these changes are not directly related to any change in hospital costs. Therefore, we are recommending an adjustment of −0.2 percentage points to the standardized amounts to ensure that aggregate payments in FY 1994 are not affected by the MSA changes.

• *Correction for Market Basket Forecast Error:* The FY 1992 estimated market basket percentage increase used to update the payment rates was 4.4 percent. Our most recent data indicate the actual FY 1992 increase was 3.0 percent, reflecting that the increase in wages was lower than projected. The resulting forecast error in the projected FY 1992 market basket rate of increase forecast is 1.4 percentage points. Our policy has been to make a forecast error correction if our estimate is off by 0.25 percentage points or more. Therefore, we are recommending an adjustment of −1.4 percentage points to reflect this overestimation of the FY 1992 market basket. The following is a summary of the update ranges supported by our analyses compared to ProPAC's framework.

TABLE 1.—COMPARISON OF FY 1994 UPDATE RECOMMENDATIONS

	HHS	ProPAC
Market Basket	MB	MB
Difference Between HCFA & ProPAC Market Baskets	.....	+0.1
Subtotal	MB	MB+0.1
Policy Adjustment Factors	−1.1 to −0.8	−0.5
Productivity	+0.7 to +0.9	.....
Intensity:		
Science and Technology	.....	+1.0
Intensity	.....	(1)
Real Within DRG Change	.....	(2)
Subtotal	−0.4 to +0.1	+0.5
Case Mix Adjustment Factors:		
Observed Case Mix Change	−1.7	−2.0
Real Across DRG Change	+1.0 to+1.4	+1.4
Real Within DRG Change	(3)	+0.4
Effect of 1992 Reclassification and Recalibration	−0.1	.....
Subtotal	−0.8 to −0.4	−0.2
Adjustment for MSA Changes	−0.2	.....
Forecast Error Correction	−1.4	−1.3

TABLE 1.—COMPARISON OF FY 1994 UPDATE RECOMMENDATIONS—Continued

	HHS	ProPAC
Total Recommended Update	MB–2.8 to MB–1.9	MB–0.7

[1] Included in ProPAC's Productivity Measure.
[2] Included in ProPAC's Case Mix Adjustment.
[3] Included in HHS' Intensity Factor.

The above analysis supports a recommendation that the update for urban hospitals and the hospital-specific rates applicable to sole community hospitals be no more than the market basket minus 1.9 percentage points. We note that this recommendation is consistent with the President's budget proposal of an update equal to the market basket minus 1.17 percentage points, effective January 1, 1994. Given the most recent estimate of the market basket rate of increase of 4.2 percent, the President's budget proposal would result in an update of 3.03 percent effective January 1, 1994. The average update would be 2.3 percent, or the market basket rate of increase minus 1.9 percentage points.

In addition, we believe a differential update for the standardized amount applicable to rural hospitals is appropriate in order to phase out the differential between the rural and other urban standardized amounts, as required by Public Law 101–508. We are recommending that the rural standardized amount be updated by an additional 1.5 percentage points effective January 1, 1994, for a total average update of 3.4 percent (that is, market basket minus 0.8 percentage points). This recommendation is consistent with the President's proposal to update the rural standardized amounts by the market basket percentage increase plus 0.33 percentage points, effective January 1, 1994.

We note that we disagree with ProPAC's recommendation that the hospital-specific rates applicable to sole community hospitals be increased by the update factor applicable to the rural standardized amounts. We believe that the considerations used to develop the update recommendations for the urban standardized amounts are also applicable to the hospital-specific rates, and that the differential update applied to the rural standardized amounts to eliminate the difference between the rural and other urban standardized amounts is not a relevant consideration for the hospital-specific rates.

IV. ProPAC Recommendation for Updating the Rate-of-Increase Limits for Excluded Hospitals

ProPAC recommends an update factor equal to the market basket rate of increase minus 1.2 percentage points for excluded hospitals and units. The 1.2 percentage point reduction represents a reduction of 1.4 percentage points to account for the forecast error in the FY 1992 market basket rate of increase for excluded units, no increase to reflect the different compensation price proxies used by ProPAC, and an allowance for new technology of 0.2 percent. ProPAC no longer recommends an additional allowance based on the year the hospital or unit was excluded from the prospective payment system, pending our report to Congress on payment reform for excluded hospitals and units as mandated by Public Law 101–508.

Response: We recommend that hospitals excluded from the prospective payment system receive an update equal to the percentage increase in the market basket that measures input price increases for services furnished by excluded hospitals minus 1.0 percentage point, reduced by one-fourth. The reduction, as explained above, provides an update equivalent to the recommendation that the update for prospective payment system hospitals be effective January 1, 1994, while maintaining equitable treatment for providers regardless of the beginning of their cost reporting period. That market basket rate of increase for excluded hospitals is currently forecast at 4.3 percent. The combination of reducing the update by one-fourth and calculating the update as the market basket percentage rate of increase minus 1.0 percent results in an average update of 2.5 percent.

Last year, we recommended that the amount of the update vary according to the base year used to establish the excluded hospital or unit's target amount. We agree with ProPAC that we should defer any recommendation regarding a differential update until our report to Congress is completed. While some hospitals have been adversely affected by the rate-of-increase limits, others have managed to receive substantial incentive payments. Further analysis is needed to understand why some hospitals have fared well and others have not, so that we can determine whether an across-the-board increase is more appropriate than one targeted toward groups of hospitals whose costs tend to be systematically above the rate-of-increase limit. Additionally, the lower updates are only part of the explanation for why hospitals with early base years are more financially vulnerable than hospitals that more recently became subject to the rate-of-increase limits. Another consideration is that these hospitals have been subject to the limits for a longer period of time and, in the case of those hospitals with an FY 1982 or FY 1983 base year, have a target amount that was established before the prospective payment system was implemented.

V. Response to Comments Regarding Modified Framework

In our September 1, 1992 final rule, at 57 FR 40009, we published the revised framework that we are currently using to develop the Secretary's proposed update recommendation. We also solicited comments, and respond to them below.

Comment: Several commenters suggested that the share of internal hospital industry wage proxies in the hospital market basket be increased from its current level of 50 percent.

Response: A detailed response to this comment was provided in the September 4, 1990 final rule (at 55 FR 36047) when the current hospital market basket was implemented. We believe that it would be equally inappropriate to use 100 percent internal (that is, hospital industry-specific) price proxies or 100 percent external price proxies. If we were to use 100 percent internal price proxies, we would effectively pass through, as reimbursable costs, the higher rates of employee compensation growth experienced by hospitals as compared to the rest of the economy. Rather, we prefer to use economy-wide proxies for those occupations that are generally employed both inside and outside the hospital industry, such as managers, administrators, clerical personnel, and maintenance workers. We believe that the economy-wide rate of increase is the

more appropriate measure for these types of employees, since that is the relevant labor market for these employees. In contrast, we use hospital-industry proxies for those categories of workers that are not hired in large numbers in other sectors of the economy, such as registered nurses.

Comment: The commenters disagreed with our statement that there are no conclusive studies regarding the costs of new science and technology and within-DRG complexity, citing in particular work done under contract to ProPAC by Project HOPE and SysteMetrics.

Response: The work done for ProPAC by Project HOPE measures the increase in costs for new science and technology, given certain standards for diffusion among the Medicare population. While we believe that the Project HOPE studies are valuable in examining the potential impact of new technologies on inpatient costs, they do not provide conclusive evidence to set a policy standard on an annual basis. The studies made several assumptions in defining a new technology and its diffusion pattern. Moreover, the estimates are based on all observed use of the technology rather than use consistent with cost-effective care. Therefore, several policy judgments must also be made to use these estimates each year. Thus, we believe that our proposed approach of basing the intensity standard on historical patterns provides a more reasonable method of formulating a consistent and predictable standard annually. We will, however, continue to examine Project Hope's work to guide decisions, particularly when diffusion of new technologies would cause costs to deviate substantially from the long-run trend in cost increases for any year.

Comment: Two commenters requested clarification regarding our intent to calibrate the update recommendation and the recommendation regarding the Medicare Volume Performance Standard (MVPS) for physicians.

Response: Our intention is to recognize the interactions between physician practice patterns and hospital costs per case. We do not intend to use any formula to link the two recommendations, but rather to recognize that recommendations of different magnitudes would send mixed signals to the health care industry regarding our standards for necessary intensity increases.

Comment: Two commenters believe that the number of efficient or best practice hospitals that we identify would be insufficient to determine the appropriate increase in intensity, and that we should continue to supplement any data from these hospitals with a broader range of data.

Response: As we stated in the September 1, 1992 final rule (57 FR 40012), our intent is that the intensity component will come to incorporate expanding knowledge from medical effectiveness studies. We believe that eventually identifying a set of efficient, or "best practice", hospitals would provide additional insight into the share of total intensity increase that is real. We do not intend to formulate any measure of intensity change based only on these hospitals. At this time, we do not know of any methodology for identifying these hospitals. When we develop or become aware of a potential methodology, we will request public comment on the criteria for identifying this group of hospitals.

Comment: Two commenters objected to our use of a service productivity measurement in the analytical framework. These commenters believe that we should take into account the productivity-enhancing aspects of non-capital material inputs.

Response: We believe that it is appropriate to base our productivity standard on labor inputs. It is difficult to obtain an accurate measure of non-capital material inputs, since there is no standard physical unit, such as the full-time equivalent (FTE) for labor, to use in measuring material inputs. We have instead decided to view material as making labor more productive (that is, able to produce more services per FTE). This does not imply that we are ignoring the contributions of non-capital material inputs such as pharmaceuticals.

Comment: Some commenters continue to oppose our measurements of case-mix index change in the analytical framework. In particular, the commenters disagree with our measurement of real case-mix change, citing the recent ProPAC study cited above in the discussion of the Secretary's FY 1994 update recommendation. In addition, the commenters disagree with our adjustment for the effects of reclassification and recalibration, and are concerned that it might be affected by budgetary or political concerns.

Response: We have altered our measurement of real case mix, using the RAND study, as cited and discussed above. We continue to believe that it is appropriate to make an adjustment (whether positive or negative) for the effects of DRG reclassification and recalibration. These effects are the actual differences in the case-mix index using the GROUPER for the year for which we have most recently collected data (FY 1992 this year), when compared with the case-mix index using the same cases that would have resulted if we had not made the reclassification and recalibration changes to the GROUPER that year. Congress asks the Secretary for an estimate of these effects in our update recommendation. Further, we believe that it is appropriate to ensure that these differences are not permanently built into the payment rates at the same time that we believe that it would be inappropriate to attempt to recompute payments for the year in question using the actual case data (since GROUPER changes are required by section 1886(d)(4)(C)(iii) of the Act to be budget neutral). Finally, we note that, since the recommended adjustment is determined using actual cases and GROUPERS, the recommended adjustment is an empirical measurement that is unaffected by political or budgetary considerations.

Appendix E: Development of Update Framework for Prospective Payment System for Inpatient Hospital Capital-Related Costs

I. Introduction

For FY 1992 through FY 1995, § 412.308(c)(1) provides that the update for the capital prospective payment rates (Federal rate and hospital-specific rate) will be based on a 2-year moving average of actual increases in Medicare inpatient capital costs per discharge. The regulations provide that, beginning in FY 1996, HCFA will determine the update in the capital prospective payment rates based on an analytical framework that will take into account (1) changes in the price of capital (which we will incorporate into a capital input price index), and (2) appropriate changes in capital requirements resulting from development of new technologies and other factors, (such as the diffusion of existing technologies and existing hospital capacity and utilization). The objective of the capital update framework is to determine a rate of increase in aggregate capital prospective payments which, along with a rate of increase in DRG operating payments, ensures a joint flow of capital and operating services for efficient and effective care for Medicare patients.

Although the analytical framework will not be employed to determine the annual update factor until FY 1996, we are presenting a series of preliminary models, using available data and concepts, of an update framework for the prospective payment system for hospital inpatient capital related costs. We presented previous models in the final rules for FY 1992 and FY 1993. We received three comments on the most

recent model, which was published in the September 1, 1992, **Federal Register**. In addition, ProPAC presented its recommended update framework for the capital prospective payment system in its March 1, 1993 report to Congress. The preliminary update framework below represents further development of the previous models based on public comment and on our own continued analysis of the issues.

The preliminary update framework below includes a capital input price index that parallels the operating input price index. The capital input price index measures the pure price changes associated with changes in capital-related costs (prices x "quantities"). The composition of capital-related costs is maintained at base-year 1987 proportions in the capital input price index. As such, the composition of capital reflects the underlying capital acquisition process. We selected 1987 as the base year for this preliminary capital input price index for consistency with the operating input price index. We would periodically update both the operating and the capital input price indexes to reflect the changing composition of inputs for capital and operating costs. We expect to have rebased the capital and operating input price indexes by the time we implement the final capital update framework for FY 1996. The preliminary capital input price index below illustrates the methodology we propose to employ.

The preliminary capital update framework, like the revised operating update framework, incorporates several policy adjustments in addition to the capital input price index. We would adjust for case-mix index-related changes, for intensity, and for the efficient and cost-effective use of capital (that is, movable equipment, buildings and fixed equipment, etc.) in the hospital industry, as well as for error in the capital input price index forecast.

We are continuing to develop the capital prospective payment system update framework to conform with the revised operating prospective payment system framework discussed in appendix D. In developing this model, we have attempted as much as possible to maintain consistency with the revised operating framework, in order to facilitate the eventual development of a single prospective payment system update framework. We are also concerned with promoting the goals that motivated the adoption of the capital prospective payment system, especially the goals of promoting more effective and efficient utilization of capital resources in the hospital industry and establishing incentives for hospitals to make cost-effective decisions regarding acquisition of new capital resources.

It is important to emphasize, as we did when we presented the previous model in the September 1, 1992, **Federal Register**, that this presentation represents our current thinking, and that we encourage submission of comments and recommendations for further improvements. We are especially interested in suggestions regarding the proposed adjustment factor for capital productivity and efficiency. We also remain interested in suggestions regarding the capital input price index, the proposed policy adjustment factor for intensity, and alternative methodologies for deriving the factors. We welcome information concerning empirical studies and sources of data that could be useful in developing the framework.

Our plan is to provide successively more developed models in the FY 1994 final prospective payment system rule and in the rulemaking process for FY 1995. We will base these models on further study of the conceptual and empirical foundations of the framework and on our evaluation of the comments and recommendations submitted in response to this discussion.

II. ProPAC Recommendation for Updating the Capital Prospective Payment System Federal Rate

ProPAC recommends the use of an update framework to adjust the Federal capital rate beginning in FY 1994. The ProPAC framework is based on the premise that capital prospective payments are for future capital purchases. The ProPAC update framework includes a capital market basket component that measures 1-year changes in the purchase prices of a fixed basket of capital goods purchased by hospitals. The ProPAC framework also includes several policy adjustment factors. A forecast error correction factor adjusts payment rates so that the effects of past errors are not perpetuated. A financing policy adjustment accounts for the effects of substantial deviations from long-term trends in interest rates on hospital capital costs. The capital update framework also includes adjustments for scientific and technological advances, productivity, and case-mix change similar to those employed in the ProPAC operating update framework.

ProPAC also recommends the development and use of a combined update framework for the prospective payment systems for operating and capital-related costs for FY 1994.

Response: We continue to believe that it would be premature to implement an update framework for capital prospective payments before FY 1996. On several specific issues, we believe that our model requires additional development and would benefit from further public comment and consultation. Two of the three commenters on the previous model of the update framework urged us not to implement the framework before FY 1996 for these reasons.

Our long-term goal is to develop a single prospective payment system update framework. Such a combined framework is not feasible as long as the regulations provide for the determination of the capital prospective payment update by means of a lagged 2-year average of actual Medicare capital cost increases. Once we have completed work on an analytical framework for the capital prospective payment update, we will begin to study development of a unified framework. In the meantime, we will continue to maintain consistency as much as possible with the revised operating framework in order to facilitate the eventual development of a unified framework.

The basic objectives of the ProPAC and HCFA update frameworks are to a large extent compatible. The goal of each framework is to provide a rate of increase in capital prospective payments that, along with the rate of increase in operating prospective payments, will ensure a flow of capital and operating resources that will allow for efficient and effective care for Medicare patients. Both frameworks are designed to provide increases for the purchase of quality-enhancing new technologies. Both frameworks provide for case-mix adjustments to remove the effects of upcoding and to adjust for changes in within-DRG severity. Both frameworks also seek to encourage efficient capital spending behavior and to adjust the overall size of capital stock to appropriate levels. Although the frameworks adopt different methodologies for promoting some of these goals, they are philosophically compatible to the degree that they share these goals.

However, there is one significant philosophical difference between the ProPAC and HCFA frameworks. ProPAC's framework is based on the premise that capital prospective payments are for future capital purchases. Thus, ProPAC's proposed capital market basket reflects the projected increase in the purchase price of capital goods from one year to the next. To put it another way, the market basket under the ProPAC framework reflects the price of replacing current capital stock at future prices.

HCFA's framework is based on the premise that capital prospective payments are for hospitals' future capital-related expenses rather than for future capital-related purchases. That is, HCFA's framework addresses the expenses associated with hospitals' given stock of capital in a particular fiscal year; ProPAC's framework ignores hospitals' present stock of capital and focuses on costs of capital purchases that hospitals will make in a particular fiscal year.

Section 1886(g)(1)(A) of the Act provides that "* * * instead of any amounts that are otherwise payable under this title with respect to the reasonable costs of * * * hospitals for capital-related costs of inpatient hospital services, the Secretary shall * * * provide for payment *for such costs* in accordance with a prospective payment system * * *." (Emphasis added.) This section of the Act further provides that the term "capital-related costs" has the meaning given to the term by the Secretary as of September 30, 1987. In the Medicare program, the term "capital-related costs" has always meant the historical or accounting costs for capital, that is, net depreciation, as well as interest, taxes, insurance, and leases on depreciable assets. In accordance with this statutory mandate, the Federal capital rate was originally developed on the basis of the FY 1989 national average Medicare inpatient capital-related cost per case. To maintain consistency, we believe that the update should also be based on projected changes in the historical costs of capital.

In addition, there is a sound economic reason why the current purchase price of capital assets alone is an inadequate measure of the price of capital. The crucial distinguishing feature of capital assets is that they are consumed over time. A satisfactory measure of the change in capital input prices must therefore account for this fact. Consideration of the costs for all capital currently in use for patient care, not just the costs for current capital purchases, is necessary for this purpose. As we discuss in section III below, we do not believe that the ProPAC index adequately captures this aspect of changes in capital input prices.

We provide further comments on particular ProPAC recommendations, including the choice of price proxies, the treatment of interest, and the adjustment for productivity in sections III and IV of this appendix. The ProPAC recommendations concerning the methodology for recognizing increases due to quality-enhancing new technology and the case-mix index adjustment are discussed in the context of the operating prospective payment system update recommendation in Appendix D.

III. Measurement of Capital Input Price Increases

A. Introduction

HCFA proposed a capital input price index (CIPI) as one component in developing future update factors for the Federal rate in the September 1, 1992 **Federal Register**. The proposed CIPI paralleled the operating input price index since both indexes were designed to measure input price changes for hospitals' current year expenses, that is, to separate pure price changes from quantity and expenditure changes. The operating sector input price index measures input price changes for operating-related expenses. The CIPI measures input price changes for capital-related expenses.

The current version of the CIPI is based on the following assumptions:

- The Federal rate is based on the concept of capital-related expenses and, therefore, any change in the Federal rate should take into account expected changes in the input price aspects of capital-related expenses;
- Capital-related expenses are defined as the sum of depreciation expense, capital-related interest costs, and other capital-related costs, including taxes, insurance, and leases; and
- The input prices related to capital-related expenses are beyond the control of the hospital industry (that is, the hospital is a price-taker, not a price-setter).

These assumptions lead directly to a definition of a CIPI that takes into account the price aspects of changes in depreciation expense, interest costs, and other capital-related costs. Further, the assumptions lead directly to input prices for depreciation expense and interest costs which, unlike operating costs, have a time dimension that must be captured in the CIPI.

In its original proposal, HCFA recommended that three categories of capital-related expenses be included in the CIPI: Depreciation expense, interest costs, and other capital-related costs (taxes and insurance). We continue to believe these categories should be used in the CIPI. In response to comments and suggestions to our prior proposal, and in order to apply new research findings, we are proposing a number of revisions to our original CIPI proposal.

B. Revisions in the HCFA Capital Input Price Index

HCFA has revised its prior CIPI proposal in the following major respects:

- In its original proposal, HCFA implicitly assumed that the capital structure (the proportion of depreciation expense, interest costs, and other capital costs) for rentals and leases was the same as that for capital owner-operators. The results of the 1987 Assets and Expenditure Survey by the Bureau of the Census, Department of Commerce, call that assumption into question. We have thus explicitly incorporated leasing costs into our index weighting system to reflect the results of the Survey.
- We continue to use historic purchase prices to evaluate the contribution of each year's depreciation amount within the time span limits imposed by the expected life of assets. However, we have dropped the assumption that the same proportion of current real capital stock was acquired each year starting with the current year back to the earliest year in the expected life of the stock. Rather, we now use a proportional weight for each year that reflects the historic patterns of purchases of assets. A representative weighted mean price is computed for each relevant time span. The effect of this change is to give more weight to price changes in more recent periods. Thus, in periods of rapid inflation, the proportionately weighted price tends to rise more rapidly than the fixed weight price and, conversely, the price declines faster as inflation abates. Proportional weighting is a direct consequence of the definition of depreciation expenses and therefore is a correct procedure by definition. (Further discussion on this point is available in the technical note described at the end of this section.)
- We continue to use two categories of straight-line depreciation expense: building and fixed equipment, and movable equipment. However, additional data analysis required revision in the expected life for the two categories. We now propose to use 24 years expected life for building and fixed equipment, replacing the 25-year estimate used last year, and 10 years expected life for movable equipment, replacing the 7-year estimate used last year. The effect of these changes is to include fewer historic prices for building and fixed equipment and to include more historic prices for movable equipment.
- We continue to use FY 1987 as a base year for the CIPI. We have revised the relative expenditure weights for each major capital-related expense category to reflect more recent data analysis and to account for findings in the 1987 Assets and Expenditure Survey, Bureau of the Census, Department of Commerce. The revised

relative weights reflect our best estimates of the combined capital-related expenses for hospital owner-operators and for leasers of capital equipment to hospital owner-operators. The revised estimates allocate a relative weight of .6479 to depreciation, .3305 to interest, and .0201 to other capital-related expenses compared to .655, .295 and .050 for the respective categories in our prior version. Similarly, we now use relative internal expenditure weights for depreciation expense of .4694 for building and fixed equipment and .5306 for movable equipment compared to .540 and .460 for the respective categories in our prior version.

• In our prior version of the interest section of the CIPI we adopted a number of assumptions about the input price proxies, weights, and types of and expected lives for debt instruments that we have revised in our proposed version. In the absence of definitive information on the expected life of debt instruments, we previously chose an average 20-year life for loans on building and fixed equipment and an average 6-year life for loans on movable equipment. We propose to use the same expected life for loan instruments as we use for expected life in the depreciation section, 24 years for building and fixed equipment loans and 10 years for movable equipment loans. These expected lives are proxies for actual loan terms and may be improved upon. We have identified a data source that may yield a more accurate, direct measure of the current life of loans.

• In our prior version we used a mortgage model to approximate the changing impact of old debt instruments on current interest amounts as the debt instruments age (that is, the decline in payments for interest as the principal is paid off). We propose to use a serial bond model, rather than a mortgage model, to approximate these effects. We are adopting the bond model because it is simpler, because it purportedly applies to a large proportion of hospital debt, and because it closely simulates the interest payment effects for both bonds and mortgage financing. Consistent with weighting the historic purchase prices of capital assets, we now use a proportional weight for each year that reflects historic patterns of acquiring debt instruments. A representative weighted mean "price" for interest costs is computed for each relevant time span. An effect of this change is to give more weight to interest rate changes in more recent periods. More recent principal amounts are larger than earlier amounts because both the quantity of real capital financed and the purchase price per unit of real capital (two components of principal amounts) are larger in recent periods. The historic weighting method is a direct consequence of our definition of interest costs and, therefore, is a correct procedure by definition. (Further discussion on this point is available in the technical note described at the end of this section.)

The purpose of these revisions is to adjust weights associated within the CIPI to more realistically reflect industry experience.

We use the same price proxies in the proposed version that we described in the September 1, 1992 **Federal Register**. A number of alternative price proxies have been brought to our recent attention but, as yet, none meet the criteria we described in the FY 1993 final rule. Those criteria are: the price proxy data must be publicly available; it must be based on valid sampling designs; and it must have been collected for a sufficiently long period of time to ensure stability and credibility. We will continue to study possible alternative price proxies.

C. An Application

We applied our revised methodology using historical price proxy changes through 1992 and Data Resources Inc. (DRI) price proxy projections through 1998 (Table 1). The effects of recent declines in interest rates and in the purchase price of investment goods is apparent in the historical sections of Table 1.

TABLE 1.—HCFA CAPITAL INPUT PRICE INDEX PERCENT CHANGES, TOTAL AND COMPONENTS, FISCAL YEARS 1985 TO 1998

	Total capital related costs	Depreciation expense	Interest expense	Other capital related costs
Weight (1987)	1.0000	0.6479	0.3305	0.0216
Fiscal Year				
Historical:				
1985	6.2	5.9	7.0	6.0
1986	4.3	5.2	2.4	5.5
1987	3.6	4.7	1.1	5.2
1988	3.7	4.3	2.4	4.8
1989	3.1	4.0	1.2	4.5
1990	2.8	3.7	0.9	4.3
1991	2.4	3.3	0.5	4.0
1992	1.6	2.6	−0.7	3.8
Forecast:				
1993	1.6	2.8	−0.8	3.7
1994	1.9	2.8	0.2	3.6
1995	2.2	2.8	1.0	3.5
1996	2.3	2.9	1.1	3.5
1997	2.7	2.9	2.1	3.5
1998	2.8	3.0	2.5	3.5

Source: Health Care Financing Administration

The deceleration in price increases associated with depreciation amounts indicates more rapid deceleration for movable equipment than for building and fixed equipment (Table 2), a trend that we attribute to the older purchase prices captured by the longer expected life built into the building and fixed category.

TABLE 2.—HCFA DEPRECIATION COMPONENT OF CAPITAL INPUT PRICE INDEX, PERCENT CHANGES, TOTAL AND SUBCOMPONENTS, FISCAL YEARS 1985 TO 1998

	Total depreciation expense	Building and fixed equipment depreciation expense	Movable equipment depreciation expense
Weight (1987)	0.6479	0.3041	0.3438
Fiscal Year:			
Historical:			
1985	5.9	6.0	5.7
1986	5.2	5.5	4.9
1987	4.7	5.2	4.3
1988	4.3	4.8	3.9
1989	4.0	4.5	3.6
1990	3.7	4.3	3.2
1991	3.3	4.0	2.7
1992	2.6	3.8	1.6
Forecast:			
1993	2.8	3.7	2.0
1994	2.8	3.6	2.0
1995	2.8	3.5	2.2
1996	2.9	3.5	2.3
1997	2.9	3.5	2.4
1998	3.0	3.5	2.5

Source: Health Care Financing Administration.

The effects of recent declines in interest rates were a major factor in the decelerating price associated with interest costs (Table 3). To obtain the total interest-related price change for each major asset category in Table 3, we multiplied the ratio changes in interest rates and purchase prices and converted the product to the percentage changes shown in the table.

TABLE 3.—HCFA INTEREST COMPONENT OF CAPITAL INPUT PRICE INDEX, PERCENT CHANGES, TOTAL AND SUBCOMPONENTS, FISCAL YEARS 1985 TO 1998

	Total	Building and fixed equipment			Movable equipment		
	Interest price change	Interest price change	Interest rate change	Purchase price change	Interest price change	Interest rate change	Purchase price change
Weight (1987)	0.3305	0.2393			0.0912		
Fiscal Year:							
Historical:							
1985	7.0	7.7	1.5	6.0	5.1	−0.5	5.7
1986	2.4	3.5	−1.9	5.5	−0.7	−5.3	4.9
1987	1.1	2.3	−2.7	5.2	−1.9	−6.0	4.3
1988	2.4	3.3	−1.5	4.8	−0.1	−3.8	3.9
1989	1.2	2.1	−2.3	4.5	−1.2	−4.7	3.6
1990	0.9	1.6	−2.5	4.3	−1.1	−4.1	3.2
1991	0.5	1.1	−2.7	4.0	−1.2	−3.8	2.7
1992	−0.7	0.4	−3.3	3.8	−3.3	−4.8	1.6
Forecast:							
1993	−0.8	−0.1	−3.7	3.7	−2.6	−4.5	2.0
1994	0.2	0.6	−2.9	3.6	−0.8	−2.8	2.0
1995	1.0	1.1	−2.3	3.5	0.7	−1.5	2.2
1996	1.1	1.1	−2.3	3.5	1.0	−1.3	2.3
1997	2.1	1.9	−1.5	3.5	2.4	0.0	2.4
1998	2.5	2.3	−1.1	3.5	2.9	0.4	2.5

Source: Health Care Financing Administration.

D. PROPAC Comments on the CIPI Proposal

ProPAC recommends an alternative index. The premise of the ProPAC index is that the capital Federal rate is designed to pay for future capital acquisitions and not for capital-related expenses incurred for current and past capital acquisitions. Accordingly, ProPAC recommends an input price index designed to reflect future capital replacement prices. The ProPAC input price index would consist of three current year price changes: purchase prices for building and fixed equipment, purchase prices for movable equipment, and input prices related to other non-interest capital-related items.

ProPAC excludes measures of current interest rate changes in the index on the

grounds that they unnecessarily increase the volatility of the index. Rather, PROPAC would treat changes in interest rates as a discretionary adjustment factor for which each year's probable trend would be considered and acted upon. If current interest rates are relatively stable, no discretionary adjustment would be proposed. If interest rates were expected to increase precipitously, ProPAC would not allow the full effects of interest rate increases because the hospital would otherwise be overcompensated. If interest rates declined precipitously, ProPAC would set a negative adjustment to the capital update to allow the government to share in the potential savings. ProPAC has not defined the thresholds for applying such discretionary adjustments.

E. Evaluation of the PROPAC Methodology

We disagree with ProPAC's alternative capital input price index concept and its underlying rationale for a number of reasons. We disagree with ProPAC's basic premise that the Federal rate for a future year is designed to pay for capital acquisitions in that year, not for Medicare-defined capital-related expenses allocated to that year. As we discussed in section II above, we believe that our proposed approach is more consistent with the statutory intent, with Medicare program precedent, and with the methodology by which the capital rate was originally developed.

We also believe that there is a sound economic reason why the current purchase price of capital assets alone is not an adequate measure of the price of capital. The distinguishing feature of capital assets is that they are consumed over time. A satisfactory measure of the change in capital input prices must therefore account for this fact. Normal accounting rules recognize this feature of capital assets by prorating the expense of capital acquisitions over more than one time period. An expense (the product of price and quantity) prorated over more than one time period carries an implicit price factor into future periods that must be accounted for in any capital input price index. Our proposed index incorporates the principle behind these accepted accounting standards by considering the costs for all capital currently in use for patient care, not just the costs for current capital purchases. The HCFA CIPI is thus a forward-looking input price index that considers the capital-related expenses for all capital currently in use for patient care, including both newly acquired capital and old capital that is still generating current expenses.

Introducing the time dimension to capital input prices injects a degree of complexity into the HCFA CIPI that the ProPAC index avoids. However, we believe that the time dimension is essential to capture capital input price changes accurately. For depreciation-related prices, we capture the time dimension by computing an average purchase price applicable to depreciable assets that were acquired within a time span equivalent to the expected useful life of the asset. Each purchase of depreciable capital generates annual depreciation amounts equal to the purchase price of capital multiplied by the quantity of capital purchased and divided by the expected useful life of the capital. The sum of these annual depreciation amounts over all time periods in which some depreciable capital still exists provides a measure of current period accumulated depreciation amounts. The difference between a new year's accumulated depreciation amounts and the previous year's accumulated depreciation amounts, after separating both amounts into average purchase price and quantity changes, provides the purchase price changes for the depreciation portion of the CIPI.

Interest costs change because both the loan principal amounts and interest rates change. The principal amount changes because the purchase price per unit of real capital stock changes and because the quantity of capital stock purchased changes. For interest prices, the time dimension thus requires the computation of an average effective interest rate applicable to all debt instruments in effect in the current period. Since the CIPI is designed to capture all price-related changes in capital-related costs, representing the time dimension of interest prices also requires that changes in the purchase price of a capital asset, represented in the principal amount, must be counted as a factor of change in interest costs. Accordingly, we have incorporated changes in purchase prices as a second price component in the interest cost portion of the CIPI.

While ProPAC avoids incorporating the time dimension of capital into its index, the time dimension is reflected in its determination of the policy adjustment factors. ProPAC would update the Federal rate by an input price index change adjusted by a number of discretionary factors applied to the base year. For example, in FY 1994, ProPAC would allow a 3.0 percent increase on its input price index (that is, the price) but would subtract 0.3 percent for a contemplated reduction in total capital per Medicare discharge (that is, the quantity). The contemplated 0.3 percent reduction includes an adjustment for improvement in the productivity of hospital capital. The productivity measure in turn relies upon a capital input measure in which the quantity of capital per case represents a net amount equal to the addition of new capital acquisitions less the disposals of old capital no longer in use. In this quantity calculation, ProPAC thus does not focus solely on new quantity purchases (as it does for prices) to arrive at a reasonable real quantity update factor for the Federal rate. HCFA believes that the input price aspect of the Federal rate requires the same time elements as the discretionary factors related to quantity changes which ProPAC accounts for in its update methodology. Otherwise the two factors are not consistent and are thus not additive. The ProPAC quantity adjustment is therefore more consistent with the HCFA CIPI than with ProPAC's own index.

Other capital-related costs (taxes, insurance, leaser's overhead), like hospital operating expenses, have no similar time dimension. Price changes for these costs are measured from the current period only.

In addition to our disagreement with ProPAC over the basic philosophy of the CIPI, we also disagree over the treatment of interest. The pure price aspects of interest costs (that is, the interest rate and the purchase price that is represented in the amount of loan principal) are beyond the control of the hospital industry. To be sure, the actual decision to purchase capital assets or acquire debt is a "quantity" decision and typically is discretionary for a particular span of time. However, measuring the actual expected price per unit of real capital, independently of any evaluation of the propriety of any actual purchase decisions, is essential to recognize that the industry has control over the amount of capital it purchases but no control over the price it pays for capital. Thus, the pure price aspect of interest cost changes must be incorporated into the CIPI. Otherwise, the CIPI will not accurately reflect the prices faced by hospitals who must borrow to finance necessary capital acquisitions. Limitations on the quantity of capital are appropriately implemented through discretionary adjustment factors. The ProPAC approach artificially eliminates pure price changes related to interest costs from the CIPI and incorporates them into a discretionary adjustment factor. The HCFA CIPI retains all price components of increase in interest costs as one measure of inflation in capital-

related expenses. It thereby keeps price and quantity aspects distinct, allowing separate analysis of each factor of increases in capital expenses.

We have provided a simulation of ProPAC's proposed CIPI using HCFA historical price proxy data and DRI projections (Table 4). Generally, percentage changes in the ProPAC CIPI are less than the HCFA CIPI in early years and more than the HCFA CIPI in projection years. These results reflect the fundamental difference between the two indexes: ProPAC's use of marginal (current) price changes and HCFA's use of average (weighted historical) price changes.

TABLE 4.—PROPAC CAPITAL INPUT PRICE INDEX, PERCENT CHANGES, TOTAL AND COMPONENTS FISCAL YEARS 1985 TO 1998

	Total		Depreciation expense		Other capital related costs
	Capital related expenses	Total depreciation expenses	Building and fixed equipment expense	Movable equipment expenses	
Weight	1.000	0.927	0.502	0.427	0.071
Fiscal Year:					
Historical:					
1985	1.5	1.1	0.2	2.2	6.0
1986	2.0	1.7	1.9	1.5	5.5
1987	2.2	2.0	2.4	1.5	5.2
1988	2.5	2.3	2.5	2.2	4.8
1989	2.5	2.4	1.4	3.5	4.5
1990	3.0	2.9	2.7	3.2	4.3
1991	2.0	1.9	1.5	2.3	4.0
1992	1.9	1.7	2.8	0.5	3.8
Forecast:					
1993	2.2	2.1	3.2	0.9	3.7
1994	2.5	2.4	2.2	2.6	3.6
1995	3.1	3.1	3.2	2.9	3.5
1996	3.4	3.4	3.8	2.9	3.5
1997	3.5	3.5	4.3	2.6	3.5
1998	3.3	3.2	3.7	2.6	3.5

F. ProPAC Recommendation of Alternative Capital Purchase Price Proxies

ProPAC recommends alternative purchase price proxies for both building and fixed equipment and movable equipment capital stock. ProPAC believes that:

- The Marshall and Swift Hospital Equipment Index is preferable to the broad based Bureau of Labor Statistics Producer Price Index grouping for machinery and equipment (PPI11) proposed by HCFA. The PPI11 index includes, along with non-hospital durable goods, hospital equipment such as x-ray and electro-medical equipment, irradiation equipment, diagnostic electromedical equipment, electrotherapeutic equipment, and patient monitoring equipment.
- The Boeckh Building Cost sub-index for apartment buildings is preferable to the Engineering News Record (ENR) index of building costs recommended by HCFA because it is more reflective of hospital-type construction and is more nationally representative than the ENR index.

We agree with ProPAC that price proxies more specific to the hospital industry may be desirable. The one possible disadvantage of more industry-specific indexes is that price levels and price increases for hospital equipment and construction could be biased upward by the extended history of cost-related reimbursement that preceded the capital prospective payment system. However, even discounting that problem, we have been unable to identify a more industry-specific index that satisfies our criteria. For example, the Marshall and Swift Hospital Equipment Index is designed for the hospital industry. However, we have been unable to obtain documentation on the data sources and methodology used in this index. No primary data collection is purportedly undertaken for the price factors used to construct this index. Since one basic criterion for accepting price proxies is availability of public documentation on data sources and methodology, we cannot accept the ProPAC recommendation at this time.

The Boeckh index has features that may qualify it as a possible alternative to the ENR now used by HCFA. We will continue to evaluate its acceptability.

We engaged Data Resources Inc. (DRI) to evaluate trend differences in the various indices. DRI concluded that the substitution of price proxies from Marshall and Swift for the proxies now used in the HCFA CIPI (ENR and BLS PPI111) has a negligible effect on the escalation rate of the CIPI. In terms of annual averages of price increases, the maximum difference among the different DRI scenarios was 0.2 percentage points. Further, DRI found converging escalation rates over the past couple years. The DRI found that the ENR and Boeckh indexes escalated at about the same rate over the period 1973 to 1991 except for significant differences in the early 1970's and in the first half of 1980.

G. Other Comments

Comment: Two commenters recommended that changes in capital assets due to adoption and diffusion of new medical technology should be more specifically addressed in the CIPI. In particular, the commenters suggested that separate weights be devised for high technology movable equipment and for all other movable equipment and that separated price proxies be considered for the two segments of movable equipment in order to

understand and monitor average price growth.

Response: We agree with the principle that weights and price proxies should reflect as many specific categories of hospital capital assets as possible, particularly those categories that show volatile growth. However, with the pervasiveness of cost-based reimbursement for hospital capital-related costs, we need to analyze the data for possible upward biases in price levels and rates of change. With respect to considering more categories of capital assets in the CIPI, we are currently constrained by the Medicare cost reports to two categories of depreciation expense and to six categories of depreciable asset amounts, none of which segments movable equipment into the two categories recommended by the commenters. We shall continue to search for appropriate data to address these issues.

Comment: Two commenters recommended that we use the Implicit Price Deflators for Structure and Equipment in the health service industry from the Bureau of the Economic Analysis (BEA), Department of Commerce, instead of the ENR and BLS PP111 series used in the current CIPI.

Response: The BEA uses an unweighted average of the Turner Construction Cost Index and a single family residential dwelling price index as a price proxy for the health service construction sector implicit price deflator and a BLS general durable equipment price index for other health sector capital.

While neither BEA index is hospital industry-specific, the recommendation for the construction sector has merit and will be studied further. The annual index values for the BEA Hospital and Institutional Implicit Price Deflator is highly correlated with the annual index values for the ENR series (R-Square of .99) for the years 1959 to 1992. Over this period both indexes increased at the same average annual rate.

Comment: Two commenters recommended that interest rates and debt instruments that are more specific to the hospital industry be considered in the CIPI. Specific data sources were recommended.

Response: We agree that industry-specific data should be considered. We have identified three sources of information on industry-specific bonds, including the commenters' suggested source. We will be examining these alternative sources for applicability to the CIPI. A preliminary review of the information we have received to date indicates that the rate of change in interest rates from two of the sources is about the same as that for the municipal bond series currently incorporated in our CIPI.

Comment: A commenter recommended that median values, rather than mean values, be used to determine initial capital structures and in determining weights for the interest component of the CIPI.

Response: We disagree with this recommendation. The primary purpose of the weighting schemes is to reflect relative expense streams for particular categories of costs. Accordingly we believe that mean values, being inherently additive, are a better measure of relative size than medians, which are not additive. We have applied the same reasoning to the operating input price index that is currently used to update operating prospective payment rates. All expense categories in the operating input price index represent relative means rather than medians. We propose to retain relative mean values in the CIPI both for substantive reasons and to ensure consistency with the operating index methodology.

Comment: A commenter requested that we provide more information on the method for determining the relative proportion of interest expense versus depreciation expense weights in the CIPI.

Response: The relative weights for these categories were developed from a special data analysis that merged Medicare cost report files with AHA Annual Survey files for individual hospitals that could be identified in both files. Total capital-related costs and depreciation amounts from Medicare cost reports were supplemented by interest expense data from the AHA Surveys. The justification for this procedure is that depreciation amounts from botHP Laser—Part A #1HPLAIID.PRSIm the AHA Survey appeared to represent this expense more clearly.

H. Further Research

Comments on our initial presentation of the CIPI identified a number of potential areas where additional research is suggested. We are currently undertaking extensive research into alternative price proxies and weighting schemes. We continue to welcome additional comments and suggestions. As part of our effort to clarify key issues in the development of the CIPI, we have prepared a technical note that provides an extended discussion of the methodology and data development related to the current version of the CIPI. A copy of the note is available from Charles R. Fisher, Health Care Financing Administration, Office of the Actuary, room L–1, 1705 Equitable Building, 6325 Security Boulevard, Baltimore MD, 21207, (410) 966–0030.

IV. Case-Mix Adjustment and Adjustment for Forecast Error

The case-mix index (CMI) is the measure of the average DRG weight for cases paid under the prospective payment system. Because the DRG weight determines the prospective payment for each case, any percentage increase in the CMI corresponds to an equal percentage increase in hospital payments.

The case-mix index can change for any of several reasons: Because the average resource use of Medicare patients changes ("real" case-mix change), because changes in hospital coding of patient records result in higher weight DRG assignments ("coding effects"), and because the annual DRG reclassification and recalibration changes may not be budget neutral ("reclassification effect"). In the revised update framework for the prospective payment system for operating costs, we adjust the update upwards to allow for real case-mix change, but remove the effects of coding changes on the case-mix index. We also remove the effect on total payments of prior changes to the DRG classifications and relative weights, in order to retain budget neutrality for all CMI-related changes other than patient severity (for example, we adjust for the effects of the FY 1992 DRG reclassification and recalibration as part of our FY 1994 update recommendation). The operating adjustment consists of a reduction for total observed case-mix change, an increase for the portion of case-mix change that we determine is due to real case-mix change rather than coding modifications, and an adjustment for the effect of prior DRG reclassification and recalibration changes. We proposed to adopt this CMI adjustment as well in the capital update framework.

We received three comments on the proposed CMI adjustment. Since we make the same CMI adjustment in the revised operating update framework, we respond to these comments in the discussion of the operating prospective payment update recommendation in Appendix D.

The revised operating update framework contains an adjustment for forecast error. The input price index forecast is based on historical trends and relationships ascertainable at the time the update factor is established for the following year. In any given year there can be unanticipated price fluctuations that can result in

differences between the actual increase in prices faced by hospitals and the forecast used in calculating the update factors. We continue to believe that the capital update framework should include a forecast error adjustment factor. In setting a prospective payment rate under the proposed framework, we would make an adjustment for forecast error only if our estimate of the capital input price index rate of increase for any year is off by 0.25 percentage points or more. There is a 2-year lag between the forecast and the measurement of the forecast error. Thus, for example, we would adjust for a forecast error made in FY 1996 through an adjustment to the FY 1998 update.

The only comment that we received on the proposed forecasting error adjustment endorsed the adjustment.

V. Policy Adjustment Factors

The capital input price index measures the pure price changes associated with changes in capital-related costs (prices x "quantities"). The composition of capital-related costs is maintained at base-year 1987 proportions in the capital input price index. We would address appropriate changes in the amount and composition of capital stock through the policy adjustment factors.

The revised update framework for the prospective payment system for operating costs includes factors designed to adjust the input price index rate of increase for policy considerations. Under the revised operating framework, we adjust for service productivity (the efficiency with which providers produce individual services such as laboratory tests and diagnostic procedures) and intensity (the amount of services used to produce a discharge). The service productivity factor for the operating update framework reflects a forward-looking adjustment for the changes that hospitals can be expected to make in service-level productivity during the year. A hospital retains any productivity increases above the average.

The intensity factor for the operating update framework reflects how hospital services are utilized to produce the final product—the discharge. This component accounts for changes in the use of quality-enhancing services, changes in within-DRG severity, and expected modification of practice patterns to remove cost-ineffective services. We proposed that the intensity adjustment factor in the revised operating-PPS framework be adopted in the capital update framework. Under the revised operating update framework, we calculate case-mix constant intensity as the change in total charges per admission, adjusted for price level changes (the CPI hospital component) and changes in real case mix. The use of total charges in the calculation of the proposed intensity factor makes it a total intensity factor, that is, charges for capital services are already built into the calculation of the factor. We can therefore incorporate the proposed intensity adjustment from the operating update framework into the capital update framework. In the absence of reliable estimates of the proportions of the overall annual intensity increases that are due, respectively, to ineffective practice patterns and to the combination of quality-enhancing new technologies and within-DRG complexity, we proposed to assume, as in the revised operating update framework, that one-half of the annual increase is due to each of these factors. The capital update framework would thus provide an add-on to the input price index rate of increase of one-half of the estimated annual increase in intensity to allow for within-DRG severity increases and the adoption of quality-enhancing technology.

We received three comments on the proposed intensity adjustment. These commenters questioned the assumptions contained in the proposed framework, especially the assumption that one-half of the observed increase in intensity is due to ineffective practice patterns. Since the proposed intensity adjustment is being adopted in the context of the revised operating update framework, we respond to these comments in the discussion of the operating update recommendation in Appendix D. We continue to believe that the assumptions incorporated into the adjustment are valid, and we still propose to adopt it as part of the capital update framework.

In our preliminary discussion of an efficiency or productivity adjustment, we suggested that the adjustment should take into account two considerations. One is that capital inputs, unlike operating inputs, are generally fixed in the short run. The productivity target in the revised operating framework operates on a short-term, year-to-year basis. Targets for capital efficiency and cost-effectiveness, however, must operate on a longer term basis. The other consideration is that, prior to the adoption of the capital prospective payment system, Medicare payment policy for capital-related costs, as well as the policies of other payers, did not provide sufficient incentives for efficient and cost-effective capital spending. As a result, capital costs per case, and therefore base year prospective capital rates, may be higher than would have been consistent with capital acquisition policy in more efficiency-oriented markets. A guiding principle in devising an efficiency adjustment is therefore that Medicare capital prospective payment rates should not provide for maintenance of capital in excess of the level that would be produced in an efficiency-oriented competitive market.

As a preliminary examination of this issue in the September 1, 1992 Federal Register, we analyzed the change in actual Medicare capital cost per case for the years 1986–1991 in relation to the change in the capital input price index (which accounts for change in the input prices for capital-related costs), and the other adjustment factors that we were then proposing to include in the framework, that is, the increase in real case mix, and the increase in intensity due to quality-enhancing technological change and within-DRG complexity. We found rates of increase in spending per case that exceeded the rate of increase attributable to inflation in capital input prices, quality-enhancing intensity increases, and real case-mix growth.

Below we reproduce the table from the September 1, 1992, Federal Register, that shows the results of our initial analysis.

TABLE 5.—CUMULATIVE PERCENTAGE CHANGE IN CAPITAL-RELATED COST PER CASE DUE TO INFLATION, REAL CMI, AND INTENSITY, 1986–1991

Year	CIPI [1]	Real CMI [2]	Allowable intensity [3]	Resulting increase [4]	Percent change cost/case [5]	Residual [6]
1986	5.4	1.7	1.7	9.0	21.4	11.4
1987	4.5	1.3	2.4	8.4	14.8	5.9
1988	4.2	1.1	1.4	6.8	7.6	0.7
1989	3.8	1.3	0.3	5.5	6.8	1.3
1990	3.7	1.1	0.2	5.1	9.6	4.3

TABLE 5.—CUMULATIVE PERCENTAGE CHANGE IN CAPITAL-RELATED COST PER CASE DUE TO INFLATION, REAL CMI, AND INTENSITY, 1986–1991—Continued

Year	CIPI [1]	Real CMI [2]	Allowable intensity [3]	Resulting increase [4]	Percent change cost/case [5]	Residual [6]
1991	3.5	1.0	0.1	4.6	7.5	2.7
Cumulative (compounded)				46.3	88.7	28.9

[1] Figures supplied by HCFA's Office of the Actuary.
[2] Assumes that real CMI is one-half of observed CMI.
[3] One half of observed intensity increase, as determined by the methodology of the proposed joint operating/capital intensity measure.
[4] The increase attributable to inflation, real CMI, and allowable intensity, calculated as the product of the rates of increase of those factors (that is, 1.054x1.017x1.017=1.09 for 1986).
[5] Figures supplied by HCFA's Office of the Actuary.
[6] The actual increase in average cost per case divided by the appropriate increase in cost (that is, 1.214/1.09=1.114, a residual of 11.4% for 1986.

With real CMI growth assumed to be 1.0 percent annually, rather than half of observed case mix, the cumulative residual of actual increases in average cost per case was 30.0 percent.

Comment: Two commenters expressed uncertainty about the relationship between the proposed efficiency and productivity adjustments.

Response: We did not mean to suggest that the capital update framework would contain separate adjustments for productivity and efficiency. Rather, by our alternating use of the terms "productivity" and "efficiency", we meant to suggest that an adjustment for productivity in the capital update framework should be distinct from the productivity measure employed on the operating side. This is because the level of capital inputs, unlike operating inputs, is generally fixed in the short run, and therefore longer periods of time are needed to adjust these inputs to levels consistent with cost-effective output, that is, to achieve longer-run productivity improvements. Such an adjustment should therefore recognize that targets for capital efficiency and effectiveness must operate on a long-run basis. To forestall further confusion, and to emphasize the differences between this proposed adjustment and the productivity adjustment in the revised update framework for the prospective payment system for operating costs, we will consistently refer to the proposed factor in the capital update framework as the capital efficiency adjustment.

Comment: Two commenters objected to our proposal to develop a capital efficiency adjustment that would take into account that the existing resources of the industry may exceed what is necessary for efficient and cost-effective delivery of services. These commenters questioned both the need for such an adjustment and HCFA's ability to develop an adequate measure. The commenters contended that our analysis of the excess of Medicare capital cost per case over what can be accounted for by inflation, real CMI change, and allowable intensity increases was based on poor data and questionable assumptions. In particular, the commenters objected that the factors and measures used in the analysis were not reflective of hospital capital costs. They also expressed reservations, based on the experience with efficiency measures for relatively simple products, about the difficulty of avoiding subjectivity and inconsistency, and of defining appropriate measures of inputs and outputs, in developing an efficiency measure. In light of these concerns, they feared that an efficiency adjustment would be an arbitrary measure used to justify some budgetary goal, rather than a reflection of the appropriate mix of capital resources needed to provide care.

Response: We continue to believe that our analysis of the excess of capital costs over inflation, real CMI, and allowable intensity was fundamentally sound. Prior to the adoption of the prospective payment system for capital-related costs, Medicare payment policy for capital-related costs, as well as the policies of other payers, did not provide sufficient incentives for efficient and cost-effective capital spending. Economic theory suggests that an industry with a guaranteed return on capital (such as the hospital industry prior to prospective payment for capital-related costs) would have a tendency to be overly capitalized relative to more competitive industries. This is because the incentive for firms in such an industry is to compete on the basis of more capital-intensive production processes than firms in other industries. As a result, capital costs per case, and therefore base year prospective capital rates, may be higher than would have been consistent with capital acquisition policy in more efficiency-oriented competitive markets.

Our analysis was designed to examine whether hospitals had in fact responded to the incentives of the cost-based reimbursement system for capital by expanding beyond what was necessary for efficient and cost-effective delivery of services. The analysis confirmed that volume and intensity of capital acquisition far outpaced the increase in capital input prices during the years between the implementation of the prospective payment system for operating costs and the introduction of the capital prospective payment system. Even accounting for real CMI increases and increases in intensity attributable to cost-increasing but quality-enhancing new technologies, there remains a large excess of capital-related spending.

The commenters apparently believed that our analysis was flawed by the use of indexes that measure price changes in broad classes of assets in the general economy as proxies for costs hospitals face for capital assets in the capital input price index. By using measures that were not specific to the hospital industry, they suggest that our analysis understated the price changes faced by hospitals and consequently overstated the residual of capital costs over inflation, real CMI, and allowable intensity. We discuss the reasons for our choice of price proxies, and their validity as measures of the price changes faced by the hospital industry, in section III above. In the present context, we would emphasize that an examination of potential price proxies by DRI/McGraw-Hill for the HCFA Office of the Actuary found that the substitution of supposedly hospital-specific proxies (the Marshall & Swift Indexes for building costs and movable equipment costs) for external proxies (the ENR building cost index and the BLS movable equipment index) made only a negligible difference. In terms of annual averages, the maximum difference among alternative scenarios using combinations of the potential

proxies was only 0.2 percentage points. While there were larger differences in given years, the rates of increase in the indexes have been converging in recent years, and the maximum difference among alternate scenarios in 1991 was also 0.2 percentage points. The choice of price proxies therefore cannot account for the large residual of capital costs over inflation, real CMI, and allowable intensity uncovered in our previous analysis.

The commenters may also believe that our assumptions concerning the amount of observed CMI increase that is real, and the amount of intensity increase attributable to cost-increasing but quality-enhancing technology change, were too low. We explain our current assumptions, and the basis for those assumptions, in the context of our discussion of the operating update in appendix D. However, even varying these assumptions in our analysis leaves a large residual, as we demonstrate in our revised residual analysis below.

The following tables show the results of our revised analysis, based on the most current data available and the most recent projections. Differences between these tables and the table showing the results of last year's analysis are due to: (1) the revised CIPI described in section III; (2) revised figures for average capital cost per case increases, based on more recent data and projections; (3) our revised assumptions (discussed in appendix D) concerning the amount of observed case-mix increase that is real; and (4) revised intensity measures, based on the data currently available. Table 6 shows the results when real case-mix increase is assumed to be 1.0 percent annually. Table 7 shows the results when real case-mix increase is assumed to be 1.4 percent annually.

These tables show an even higher cumulative residual increase in cost over inflation, intensity increases, and real case-mix growth than we found last year. If real case-mix increase is assumed to be 1.0 percent per year, the cumulative residual is 36.4 percent. If real case-mix increase is assumed to be 1.4 percent per year, the cumulative residual is 34.8 percent. Both tables show the same pattern. From a high of 11.3 percent to 11.5 percent in 1986, the residual falls to a low of 0.6 percent to 0.8 percent in 1988. However, the residual rises again to 5.6 percent to 5.8 percent in 1989, before falling again to 2.9 percent to 3.1 percent in 1991.

TABLE 6.—CUMULATIVE PERCENTAGE CHANGE IN CAPITAL-RELATED COST PER CASE DUE TO INFLATION, REAL CMI, AND INTENSITY, 1986–1991

Year	CIPI[1]	Real CMI[2]	Allowable intensity[3]	Resulting increase[4]	Percent change cost/case[5]	Residual[6]
1986	4.3	1.0	2.1	7.5	19.9	11.5
1987	3.6	1.0	2.5	7.3	14.9	7.1
1988	3.7	1.0	1.5	6.3	7.1	0.8
1989	3.1	1.0	0.5	4.7	11.0	6.0
1990	2.8	1.0	0.2	4.0	7.8	3.6
1991	2.4	1.0	0.1	3.5	6.7	3.1
Cumulative (compounded)				38.1	88.4	36.4

[1] Figures from Table 1, section III.
[2] Assuming that real CMI increase is 1.0 percent annually.
[3] One half of observed intensity increase, as determined by the of the joint operating/capital intensity measure.
[4] The increase attributable to inflation, real CMI, and allowable intensity, calculated as the product of the rates of increase of those factors (that is, 1.043 × 1.01 × 1.021 = 1.075 for 1986).
[5] Figures supplied by HCFA's Office of the Actuary.
[6] The actual increase in average cost per case divided by the increase attributable to inflation, real CMI, and allowable intensity (that is, 1.199 / 1.075 = 1.115, an 11.5 percent residual for 1986).

TABLE 7.—CUMULATIVE PERCENTAGE CHANGE IN CAPITAL-RELATED COST PER CASE DUE TO INFLATION, REAL CMI, AND INTENSITY, 1986–1991

Year	CIPI[1]	Real CMI[2]	Allowable intensity[3]	Resulting increase[4]	Percent change cost/case[5]	Residual[6]
1986	4.3	1.4	1.9	7.7	19.9	11.3
1987	3.6	1.4	2.3	7.5	14.9	6.9
1988	3.7	1.4	1.3	6.5	7.1	0.6
1989	3.1	1.4	0.3	4.9	11.0	5.8
1990	2.8	1.4	0.0	4.3	7.8	3.4
1991	2.4	1.4	−0.1	3.7	6.7	2.9
Cumulative (compounded)				39.8	88.5	34.8

[1] Figures are from Table 1, section III.
[2] Assuming that real CMI increase is 1.4 percent annually.
[3] One half of intensity increase as determined by the methodology of the joint operating/capital intensity measure.
[4] The increase attributable to inflation, real CMI, and allowable intensity, calculated as the product of the rates of increase of those factors (that is, 1.043x1.014x1.019=1.077 for 1986).
[5] Figures supplied by HCFA's Office of the Actuary.
[6] The actual increase in average cost per case divided by the increase attributable to inflation, real CMI, and allowable intensity (that is, 1.199/1.077=1.113, an 11.3 percent residual for 1986.

The results of the analyses are remarkably stable. Even assuming that all intensity increases are due to cost-effective new technology, a residual of 27.7 percent remains whether real case mix change is assumed to be 1.0 percent or 1.4 percent. Varying the assumptions incorporated into the analysis thus has no effect on the basic conclusion that

rates of capital spending increases in the years immediately prior to the adoption of the capital prospective payment system far exceeded what can be attributed to inflation in capital input prices, quality-enhancing technology increases, and real case mix growth.

We share the commenters' concerns about the difficult problems involved in developing an objective and reliable methodology for measuring capital efficiency as the basis for an adjustment to the capital update. We have not proposed to adopt any of the capital efficiency measures with which we are familiar precisely because of our concerns about the methodologies and assumptions which they incorporate. ProPAC, for example, has developed an aggregate productivity measure for capital that measures the ratio of case-mix adjusted admissions (the hospital's output) to a composite of plant and movable equipment items (the plant's input). However, the net plant asset data that ProPAC uses as the input measure do not include leasing costs. ProPAC thus assumes that the amount of leased equipment has not increased more rapidly than the amount of purchased equipment in recent years. If this assumption is not valid, then ProPAC's measure would understate the increase in capital stock and therefore overstate the capital productivity performance of the hospital industry. We believe that the amount of leased equipment has increased more rapidly than the purchased amount in recent years. Therefore, we are not willing to adopt a methodology that incorporates the opposite assumption.

Despite the difficulty of developing an appropriate measure, we believe that our residual analysis demonstrates the importance of doing so. Therefore, we believe that the long-run adjustment for capital efficiency and cost-effectiveness should take into account the efficiency and effectiveness of the capital resources present in the base year for the capital prospective payment system. We do not believe that Medicare capital payment rates should provide for maintenance of capital in excess of the level that would be produced in an efficiency-oriented competitive market. The capital productivity adjustment should be designed to give hospitals an incentive to reduce inefficiency and ineffectiveness in capital resources.

Our present thinking is that, in the absence of another approach, the residual analysis itself can provide the basis for a capital efficiency adjustment. To the degree that base year rates for the capital prospective payment system reflect costs that were higher than those that would have been consistent with capital acquisition policy in a more efficiency-oriented competitive market, we would reduce the annual update on a long-term basis. Such an adjustment would not necessarily imply the eventual removal of the entire residual we have identified from the capital update. Rather, we would continue to study the data in order to identify the proportion of the residual that should be employed to reduce the update and the rate at which the adjustment should be applied. As we have previously noted, our eventual goal is to develop a unified update framework for the prospective payment system. Such a framework will require a total factor productivity measure. While we work to develop a unified framework incorporating a total factor measure, we would employ the residual analysis as the basis for an adjustment within the capital prospective payment system update framework to encourage a gradual reduction in excess capital stock.

We would like to emphasize that this approach to a capital efficiency adjustment still represents only our current thinking. Further development may be necessary before such an efficiency adjustment is ready for use as part of the update framework. We welcome suggestions for improvement of the adjustment as we currently conceive it. We also remain interested in considering suggestions for alternative approaches. In addition, we would welcome information on the possible effects of an efficiency adjustment on various segments of the hospital industry.

Appendix F.—PROPAC Proposed Nearest Neighbor Wage Index

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
010001	0.7323	SOUTHEAST ALABAMA MEDICAL CENTER	010055, 100138, 010021, 110108, 010057, 010049, 110194, 010062, 100142, 110103.
010004	0.8664	NORTH JACKSON HOSPITAL	440064, 010061, 440090, 440058, 440121, 440104, 110004, 440156, 440162, 440091.
010005	0.7421	BOAZ ALBERTVILLE MEDICAL CENTER	010046, 010040, 010050, 010022, 010012, 010146, 010061, 010035, 010020, 010143.
010006	0.7463	ELIZA COFFEE MEMORIAL HOSPITAL	010124, 010123, 010019, 010094, 250002, 010059, 010136, 010115, 440175, 010054.
010007	0.6451	MIZELL MEMORIAL HOSPITAL	010036, 010027, 010049, 010057, 010066, 010062, 010008, 010021, 010047, 010148.
010008	0.6656	CRENSHAW COUNTY HOSPITAL	010126, 010150, 010027, 010047, 010007, 010036, 010049, 010057, 010021, 010148.
010009	0.8001	HARTSELLE MEDICAL CENTER	010079, 010054, 010085, 010059, 010035, 010143, 010131, 010039, 010127, 010125.
010011	0.9261	MEDICAL CENTER EAST	010104, 010056, 010033, 010018, 010137, 010084, 010139, 010103, 010068, 010117.
010012	0.7997	BAPTIST MEDICAL CENTER DEKALB	110052, 010022, 010061, 010005, 110168, 110054, 010004, 010040, 010046, 110023.
010015	0.6246	THOMASVILLE HOSPITAL	010091, 010102, 010122, 010128, 010120, 010112, 010134, 010121, 010138, 250077.
010016	0.9091	SHELBY MEDICAL CENTER	010064, 010114, 010139, 010084, 010068, 010103, 010018, 010137, 010033, 010056.
010018	0.9261	EYE FOUNDATION HOSPITAL	010137, 010033, 010084, 010056, 010103, 010104, 010139, 010068, 010011, 010117.
010019	0.7401	HELEN KELLER MEMORIAL HOSPITAL	010124, 010006, 010123, 010094, 250002, 010059, 010115, 010136, 010054, 010125.
010020	0.7733	PIEDMONT HOSPITAL	010146, 010022, 010040, 110120, 010046, 010038, 010078, 110048, 110117, 110174.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
010021	0.7357	DALE COUNTY HOSPITAL	010057, 010049, 010055, 010001, 010027, 010126, 010062, 010007, 110108, 100138.
010022	0.8010	BAPTIST MEDICAL CENTER CHEROKEE	010020, 010040, 010046, 010012, 010146, 110120, 110168, 110054, 010005, 110052.
010023	0.7420	BAPTIST MEDICAL CENTER	010024, 010081, 010149, 010108, 010097, 010034, 010110, 010121, 010150, 010118.
010024	0.7428	JACKSON HOSPITAL & CLINIC INC	010081, 010023, 010149, 010108, 010097, 010034, 010110, 010043, 010121, 010118.
010025	0.7216	GEORGE H LANIER MEMORIAL HOSPITAL	110016, 010029, 110200, 110017, 110129, 010031, 110186, 110064, 010098, 010052.
010027	0.6560	ELBA GENERAL HOSPITAL	010007, 010049, 010057, 010008, 010021, 010036, 010126, 010062, 010066, 010047.
010029	0.7263	EAST ALABAMA MEDICAL CENTER	010025, 010052, 010031, 110200, 110186, 110064, 110129, 010034, 110016, 010065.
010031	0.7220	PHENIX MEDICAL PARK HOSPITAL	110186, 110064, 110129, 110200, 010029, 010025, 110133, 110195, 110017, 110016.
010032	0.7672	WEDOWEE HOSPITAL	010098, 010073, 110174, 110011, 110016, 010078, 010038, 010101, 110048, 110020.
010033	0.9261	UNIVERSITY OF ALABAMA HOSPITAL	010018, 010137, 010056, 010084, 010103, 010104, 010139, 010068, 010011, 010117.
010034	0.7460	COMMUNITY HOSPITAL INC	010097, 010149, 010024, 010081, 010052, 010023, 010029, 010108, 010065, 010110.
010035	0.7478	CULLMAN MEDICAL CENTER	010143, 010009, 010079, 010050, 010054, 010085, 010059, 010089, 010005, 010125.
010036	0.6378	ANDULUSIA HOSPITAL	010007, 010027, 010066, 010148, 010047, 010008, 010099, 010049, 010057, 010062.
010038	0.7716	STRINGFELLOW MEMORIAL HOSPITAL	010078, 010146, 010020, 010130, 010040, 010046, 010073, 110174, 010032, 110048.
010039	0.7987	HUNTSVILLE HOSPITAL	010127, 010131, 010085, 010054, 010079, 010009, 010061, 440102, 010136, 010059.
010040	0.7634	BAPTIST MEMORIAL HOSPITAL	010046, 010146, 010005, 010020, 010022, 010050, 010038, 010078, 010130, 010012.
010043	0.7029	CENTRAL ALABAMA COMMUNITY HOSPITAL	010058, 010108, 010072, 010097, 010016, 010065, 010118, 010101, 010081, 010121.
010044	0.7457	MARION COUNTY GENERAL HOSPITAL	010086, 010125, 250086, 010115, 250025, 010080, 010094, 010045, 250008, 250004.
010045	0.7482	FAYETTE COUNTY HOSPITAL	010080, 010086, 010044, 010089, 250100, 010109, 010145, 250008, 250025.
010046	0.7634	RIVERVIEW REGIONAL MEDICAL CENTER	010040, 010146, 010005, 010020, 010022, 010050, 010038, 010078, 010130, 010012.
010047	0.6513	GEORGIANA DOCTORS HOSPITAL	010150, 010148, 010008, 010036, 010120, 010007, 010027, 010102, 010099, 010126.
010049	0.7475	HUMANA HOSPITAL ENTERPRISE	010057, 010021, 010027, 010062, 010007, 010055, 010001, 100138, 010066, 010036.
010050	0.8167	BLOUNT MEMORIAL HOSPITAL	010046, 010143, 010005, 010035, 010040, 010130, 010011, 010146, 010104, 010117.
010051	0.8071	GREENE COUNTY HOSPITAL	010095, 010112, 010153, 010092, 010138, 010109, 010145, 010058, 250076, 250109.
010052	0.6756	LAKESHORE COMMUNITY HOSPITAL	010065, 010029, 010034, 010025, 010098, 010097, 010101, 010073, 010072, 010032.
010053	0.7081	ATMORE COMMUNITY HOSPITAL	010096, 100048, 010129, 010099, 100124, 010120, 010119, 010090, 010113, 010087.
010054	0.8043	PARKWAY MEDICAL CENTER HOSPITAL	010085, 010079, 010009, 010059, 010131, 010039, 010127, 010035, 010136, 010143.
010055	0.7323	FLOWERS HOSPITAL INC	010001, 100138, 010021, 010057, 010049, 110108, 010062, 110194, 100142, 110103.
010056	0.9261	ST VINCENTS HOSPITAL	010033, 010018, 010137, 010084, 010104, 010103, 010139, 010068, 010011, 010117.
010057	0.7475	ENTERPRISE HOSPITAL	010049, 010021, 010027, 010062, 010007, 010055, 010001, 100138, 010066, 010036.
010058	0.8174	BIBB MEDICAL CENTER HOSPITAL	010092, 010153, 010043, 010016, 010095, 010145, 010064, 010114, 010118, 010051.
010059	0.7568	LAWRENCE COUNTY HOSPITAL	010054, 010079, 010085, 010009, 010094, 010125, 010019, 010124, 010006, 010035.
010061	0.7963	JACKSON COUNTY HOSPITAL	010012, 010004, 010127, 010039, 010131, 440064, 010005, 440058, 110052, 010022.
010062	0.7062	WIREGRASS HOSPITAL	010049, 010057, 100138, 010066, 100078, 010007, 100081, 100147, 010055, 010027.
010064	0.9091	CARRAWAY METHODIST MEDICAL CENTER	010114, 010068, 010103, 010016, 010139, 010084, 010137, 010018, 010033, 010056.
010065	0.6752	RUSSELL HOSPITAL	010052, 010101, 010072, 010073, 010034, 010097, 010098, 010043, 010029, 010032.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
010066	0.7127	FLORALA MEMORIAL HOSPITAL	010007, 010062, 100081, 100122, 010036, 010049, 010057, 010027, 100078, 100054.
010068	0.9077	LLOYD NOLAND HOSPITAL	010103, 010084, 010137, 010018, 010033, 010056, 010139, 010114, 010104, 010064.
010069	0.7090	LAKEVIEW COMMUNITY HOSPITAL	110093, 110195, 010110, 110108, 110062, 010021, 010126, 010031, 110186, 110064.
010072	0.8761	COOSA VALLEY MEDICAL CENTER	010101, 010065, 010073, 010016, 010043, 010130, 010139, 010052, 010104, 010056.
010073	0.7087	CLAY COUNTY HOSPITAL	010101, 010032, 010098, 010072, 010078, 010065, 010038, 010052, 010130, 110174.
010078	0.7716	NE ALABAMA REGIONAL MEDICAL CENTER	010038, 010146, 010020, 010130, 010073, 010040, 010046, 110174, 010032, 110048.
010079	0.8043	ATHENS-LIMESTONE HOSPITAL	010054, 010009, 010085, 010059, 010131, 010035, 010039, 010127, 010143, 010136.
010080	0.6695	LAMAR REGIONAL HOSPITAL	010045, 010086, 250008, 250100, 250025, 010044, 250067, 010109, 250021.
010081	0.7428	HUMANA HOSPITAL MONTGOMERY	010024, 010023, 010149, 010108, 010097, 010034, 010110, 010043, 010121, 010118.
010083	0.7932	SOUTH BALDWIN HOSPITAL	010100, 100231, 100065, 100093, 100025, 100266, 010090, 010119, 010113, 010152.
010084	0.9192	HEALTHSOUTH MEDICAL CENTER	010018, 010137, 010033, 010056, 010103, 010139, 010104, 010068, 010011, 010114.
010085	0.8043	DECATUR GENERAL HOSPITAL	010054, 010079, 010009, 010059, 010131, 010039, 010127, 010035, 010136, 010143.
010086	0.7463	WINFIELD CARRAWAY HOSPITAL	010045, 010044, 010080, 010125, 010089, 250025, 250008, 250086, 010115, 010094.
010087	0.7416	UNIV OF SOUTH ALABAMA MEDICAL CENTER	010113, 010119, 010090, 010144, 010152, 010100, 010129, 010083, 250036, 250040.
010089	0.8754	WALKER REGIONAL MEDICAL CENTER INC	010117, 010143, 010086, 010068, 010045, 010035, 010103, 010137, 010033, 010018.
010090	0.7416	PROVIDENCE HOSPITAL	010119, 010113, 010087, 010144, 010152, 010100, 010129, 010083, 250036, 250040.
010091	0.6193	GROVE HILL MEMORIAL HOSPITAL	010128, 010015, 010120, 010134, 010102, 010122, 250077, 010148, 010053.
010092	0.8339	D C H REGIONAL MEDICAL CENTER	010153, 010145, 010058, 010109, 010064, 010114, 010051, 010016, 010095, 010068.
010094	0.7501	HUMANA HOSPITAL RUSSELLVILLE	010019, 010124, 010125, 010006, 010115, 010059, 010123, 010044, 250002, 010054.
010095	0.7989	HALE COUNTY HOSPITAL	010051, 010112, 010058, 010118, 010121, 010153, 010092, 010138, 010145, 010109.
010096	0.8049	ABERNETHY MEMORIAL HOSPITAL	100048, 010053, 010099, 010129, 100124, 010148, 010120, 100231, 100025, 100122.
010097	0.7426	CENTRAL ALABAMA MEDICAL CENTER	010081, 010024, 010149, 010034, 010108, 010023, 010065, 010052, 010043, 010110.
010098	0.7613	RANDOLPH COUNTY HOSPITAL	010032, 110016, 010073, 010025, 110174, 010052, 110020, 010065, 110011, 110193.
010099	0.6769	D W MCMILLAN MEMORIAL HOSPITAL	100048, 010096, 010053, 010148, 010120, 010036, 100124, 100122, 010129, 010066.
010100	0.7661	THOMAS HOSPITAL	010083, 010090, 010113, 010119, 010152, 010087, 010144, 010129, 100231, 100065.
010101	0.7100	CITIZENS HOSPITAL ASSOCIATION	010072, 010073, 010065, 010052, 010130, 010032, 010078, 010098, 010016, 010038.
010102	0.6830	J PAUL JONES HOSPITAL	010015, 010121, 010091, 010118, 010150, 010120, 010047, 010128, 010148, 010112.
010103	0.9187	BAPTIST MEDICAL CENTER PRINCETON	010084, 010137, 010018, 010033, 010056, 010068, 010139, 010104, 010114, 010117.
010104	0.9261	BAPTIST MEDICAL CENTER MONTCLAIR	010056, 010033, 010018, 010137, 010084, 010139, 010103, 010011, 010068, 010117.
010108	0.7440	AUTAUGA MEDICAL CENTER	010081, 010024, 010023, 010097, 010149, 010034, 010043, 010118, 010121, 010065.
010109	0.7865	PICKENS COUNTY MEDICAL CENTER INC	250100, 250109, 010145, 010153, 010092, 010051, 010045, 010080, 250067.
010110	0.7456	BULLOCK COUNTY HOSPITAL	010149, 010126, 010034, 010023, 010024, 010081, 010069, 010097, 010029, 010031.
010112	0.7144	BRYAN W WHITFIELD MEMORIAL HOSPITAL	010095, 010138, 010051, 010122, 010118, 010121, 010015, 250104, 250069.
010113	0.7416	MOBILE INFIRMARY	010119, 010090, 010087, 010144, 010152, 010100, 010129, 010083, 250036, 250040.
010114	0.9091	BESSEMER CARRAWAY MEDICAL CENTER	010064, 010068, 010103, 010084, 010139, 010137, 010018, 010033, 010056, 010016.
010115	0.7433	RED BAY HOSPITAL	250086, 010094, 010044, 250137, 250002, 250044, 010019, 010124, 010125, 250004.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
010117	0.9261	LONGVIEW GENERAL HOSPITAL	010068, 010103, 010137, 010033, 010018, 010084, 010056, 010104, 010139, 010011.
010118	0.7319	SELMA MEDICAL CENTER HOSPITAL INC	010121, 010108, 010095, 010102, 010043, 010058, 010081, 010024, 010112, 010023.
010119	0.7416	UNIV OF SOUTH ALABAMA DOCTORS HOSPITAL	010113, 010090, 010087, 010144, 010152, 010100, 010129, 010083, 250036, 250040.
010120	0.6361	MONROE COUNTY HOSPITAL	010148, 010091, 010128, 010099, 010047, 010053, 010096, 010102, 010015, 100048.
010121	0.7319	VAUGHN REGIONAL MEDICAL CENTER INC	010118, 010108, 010102, 010095, 010043, 010081, 010058, 010024, 010023, 010112.
010122	0.7116	RUSH HOSPITAL/BUTLER INC	010015, 250089, 010138, 250069, 250081, 250104, 010112, 010091, 250077.
010123	0.7548	HUMANA HOSPITAL FLORENCE	010006, 010124, 010019, 010094, 010136, 250002, 010059, 440175, 440010, 010054.
010124	0.7463	HUMANA HOSPITAL SHOALS	010019, 010006, 010123, 010094, 250002, 010059, 010115, 010136, 010054, 440175.
010125	0.7618	BURDICK-WEST MEMORIAL HOSPITAL	010094, 010044, 010059, 010086, 010115, 010089, 010009, 010079, 010019, 010054.
010126	0.6532	EDGE REGIONAL MEDICAL CENTER	010008, 010027, 010021, 010110, 010150, 010049, 010057, 010007, 010069, 010047.
010127	0.7987	HUMANA HOSPITAL HUNTSVILLE	010039, 010131, 010085, 010054, 010079, 010009, 010061, 440102, 010136, 010059.
010128	0.6276	CLARKE HOSPITAL INC	010091, 010134, 010120, 010015, 250077, 010053, 010122, 010102, 010148.
010129	0.7255	NORTH BALDWIN HOSPITAL	010053, 010119, 010090, 010113, 010087, 010144, 010100, 010096, 010152, 100048.
010130	0.9187	ST CLAIR REGIONAL HOSPITAL	010011, 010078, 010038, 010104, 010056, 010050, 010139, 010033, 010018, 010137.
010131	0.7987	CRESTWOOD HOSPITAL	010039, 010127, 010085, 010054, 010079, 010009, 010061, 440102, 010136, 010059.
010134	0.5976	WASHINGTON COUNTY INFIRMARY	010128, 250077, 010091, 250005, 010015, 250036, 010122, 010120, 250089.
010136	0.7657	D E JACKSON MEMORIAL HOSPITAL	440020, 440175, 010123, 010006, 010085, 010054, 440102, 010124, 010019, 010131.
010137	0.9261	COOPER GREEN HOSPITAL	010018, 010033, 010084, 010056, 010103, 010104, 010139, 010068, 010011, 010117.
010138	0.7095	HILL HOSPITAL OF YORK	010112, 250104, 250069, 250081, 250076, 010122, 010051, 010095, 250089.
010139	0.9192	AMI BROOKWOOD MEDICAL CENTER	010084, 010018, 010056, 010137, 010033, 010104, 010103, 010068, 010011, 010114.
010143	0.7478	WOODLAND COMMUNITY HOSPITAL	010035, 010009, 010050, 010079, 010089, 010054, 010085, 010059, 010005, 010125.
010144	0.7416	SPRINGHILL MEMORIAL HOSPITAL	010087, 010113, 010119, 010090, 010152, 010100, 010129, 250036, 010083, 250040.
010145	0.8332	AMI WEST ALABAMA GENERAL HOSPITAL	010153, 010092, 010109, 010058, 010064, 010114, 010051, 010045, 010068, 010016.
010146	0.7585	JACKSONVILLE HOSPITAL	010020, 010040, 010046, 010038, 010078, 010022, 110120, 010130, 010005, 010050.
010148	0.6446	EVERGREEN HOSPITAL INC	010047, 010120, 010099, 010036, 010150, 010096, 100048, 010007, 010053, 010008.
010149	0.7426	HUMANA HOSPITAL EAST MONTGOMERY	010023, 010024, 010081, 010097, 010108, 010034, 010110, 010052, 010043, 010065.
010150	0.7345	L V STABLER MEMORIAL HOSPITAL	010047, 010008, 010148, 010126, 010102, 010036, 010023, 010027, 010024, 010081.
010152	0.7416	UNIV OF SOUTH ALABAMA KNOLLWOOD PARK	010144, 010113, 010087, 010090, 010119, 010100, 250040, 010129, 010083, 250036.
010153	0.8339	D C H REHABILITATION PAVILION	010092, 010145, 010058, 010109, 010064, 010051, 010114, 010095, 010016, 010068.
020001	1.2676	PROVIDENCE HOSPITAL	020017, 020006.
020004	1.4459	KETCHIKAN GENERAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
020006	1.2785	VALLEY HOSPITAL	020017, 020001.
020007	1.3838	WRANGELL GENERAL HOSPITAL	020009.
020009	1.1663	PETERSBURG GENERAL HOSPITAL	020007.
020010	1.1424	CORDOVA COMMUNITY HOSPITAL	020025.
020011	1.1591	SEWARD GENERAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
020014	1.5016	SOUTH PENINSULA HOSPITAL	NO PROVIDER WITHIN 50 MILES.
020017	1.2676	HUMANA HOSPITAL ALASKA	020001, 020006.
020024	1.1628	CENTRAL PENINSULA GENERAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
020025	1.1424	VALDEZ COMMUNITY HOSPITAL	020010.
030001	1.0485	MARYVALE SAMARITAN MEDICAL CENTER	030092, 030059, 030024, 030002, 030003, 030008, 030030, 030014, 030037, 030089.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
030002	1.0412	GOOD SAMARITAN REGIONAL MEDICAL CENTER	030037, 030008, 030024, 030022, 030003, 030092, 030030, 030059, 030001, 030038.
030003	1.0465	PHOENIX MEMORIAL HOSPITAL	030037, 030002, 030024, 030022, 030008, 030092, 030001, 030030, 030059, 030019.
030004	0.8673	SAGE MEMORIAL HOSPITAL	320038.
030006	0.9822	TUCSON MEDICAL CENTER	030080, 030011, 030035, 030064, 030009, 030010, 030085, 030054.
030007	0.7905	MARCUS J. LAWRENCE MEMORIAL HOSPITAL	030012, 030023, 030033.
030008	1.0408	HUMANA HOSPITAL PHOENIX	030002, 030022, 030024, 030037, 030030, 030092, 030003, 030059, 030038, 030014.
030009	0.9822	KINO COMMUNITY HOSPITAL	030064, 030010, 030011, 030080, 030006, 030035, 030085, 030054.
030010	0.9915	ST MARYS HOSPITAL HEALTH CENTER	030064, 030035, 030009, 030085, 030006, 030011, 030080, 030054.
030011	0.9822	ST JOSEPHS HOSPITAL & HEALTH CENTER	030080, 030006, 030009, 030064, 030035, 030010, 030085, 030054, 030041.
030012	0.9285	YAVAPAI REGIONAL MEDICAL CENTER	030007, 030025.
030013	0.9157	YUMA REGIONAL MEDICAL CENTER	050387, 050045, 050342.
030014	1.0316	JOHN C. LINCOLN HOSPITAL & HEALTH CENTER	030059, 030030, 030092, 030089, 030083, 030024, 030008, 030001, 030002, 030022.
030016	1.0336	CASA GRANDE REGIONAL MEDICAL CENTER	030049, 030036, 030065, 030088, 030017, 030019, 030018, 030003, 030037, 030022.
030017	0.9449	MESA GENERAL HOSPITAL MEDICAL CENTER	030018, 030065, 030019, 030088, 030038, 030036, 030022, 030037, 030008, 030087.
030018	0.9449	MESA LUTHERAN HOSPITAL	030017, 030065, 030019, 030038, 030088, 030022, 030036, 030037, 030008, 030087.
030019	1.0405	TEMPE ST. LUKE'S HOSPITAL	030065, 030018, 030022, 030038, 030037, 030017, 030008, 030002, 030003, 030024.
030022	1.0429	MARICOPA MEDICAL CENTER	030037, 030008, 030002, 030024, 030003, 030092, 030030, 030019, 030038, 030059.
030023	0.8401	FLAGSTAFF MEDICAL CENTER	030007, 030044.
030024	1.0441	ST JOSEPHS HOSPITAL MEDICAL CENTER	030002, 030092, 030008, 030037, 030022, 030003, 030030, 030059, 030001, 030014.
030025	0.9528	WICKENBURG COMMUNITY HOSPITAL	030093, 030061, 030089, 030012, 030001, 030083, 030014, 030059, 030092.
030027	0.9571	COPPER QUEEN COMMUNITY HOSPITAL	030034, 030043, 030054.
030030	1.0408	PHOENIX BAPTIST HOSPITAL & MED CENTER	030059, 030008, 030014, 030092, 030024, 030002, 030022, 030037, 030038, 030003.
030033	0.9052	LEWIS R. PYLE MEMORIAL HOSPITAL	030007.
030034	0.9571	SOUTHEAST ARIZONA MEDICAL CENTER	030027, 030043.
030035	0.9806	TUCSON GENERAL HOSPITAL	030064, 030006, 030085, 030010, 030080, 030011, 030009, 030054.
030036	1.0219	CHANDLER REGIONAL HOSPITAL	030065, 030019, 030017, 030018, 030088, 030022, 030038, 030037, 030003, 030002.
030037	1.0429	ST LUKE'S MEDICAL CENTER	030022, 030002, 030008, 030003, 030024, 030092, 030030, 030019, 030059, 030038.
030038	0.9679	SCOTTSDALE MEMORIAL HOSPITAL	030019, 030022, 030018, 030008, 030030, 030037, 030017, 030002, 030087, 030065.
030040	0.9818	HOLY CROSS HOSPITAL INC	030043.
030041	0.9780	NORTHERN COCHISE COMMUNITY HOSPITAL	030054, 030068, 030080, 030011.
030043	0.9571	SIERRA VISTA COMMUNITY HOSPITAL	030027, 030054, 030040, 030034.
030044	0.8524	WINSLOW MEMORIAL HOSPITAL	030091, 030023.
030046	0.8185	WHITE MOUNTAIN COMMUNITIES HOSPITAL	030062.
030047	0.9317	PAGE HOSPITAL	NO PROVIDER WITHIN 50 MILES.
030049	1.0169	CENTRAL ARIZONA MEDICAL CENTER	030016, 030036, 030088, 030065, 030017, 030018, 030019, 030060, 030051, 030038.
030051	0.8922	OMNI REGIONAL MEDICAL CENTER	030060, 030049, 030088.
030054	0.9822	BENSON HOSPITAL	030043, 030041, 030011, 030080, 030009, 030006, 030064, 030035, 030010, 030085.
030055	1.1094	KINGMAN REGIONAL MEDICAL CENTER	030086, 050469.
030059	1.0441	COMMUNITY HOSPITAL MEDICAL CENTER	030092, 030014, 030030, 030024, 030001, 030008, 030002, 030037, 030022, 030003.
030060	0.8922	MIAMI-INSPIRATION HOSPITAL	030051, 030049, 030088, 030017, 030018.
030061	1.0167	WALTER O BOSWELL MEMORIAL HOSPITAL	030089, 030093, 030001, 030059, 030014, 030092, 030030, 030024, 030083.
030062	0.9194	NAVAPACHE HOSPITAL	030046, 030091.
030064	0.9915	UNIVERSITY MEDICAL CENTER CORPORATION	030010, 030035, 030006, 030009, 030080, 030011, 030085, 030054.
030065	1.0205	DESERT SAMARITAN MEDICAL CENTER	030018, 030019, 030017, 030036, 030038, 030022, 030088, 030037, 030008, 030002.
030067	0.9741	PARKER COMMUNITY HOSPITAL	030069, 050423, 050469.
030068	0.9915	MT GRAHAM COMMUNITY HOSPITAL	030041.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
030069	0.8960	HAVASU SAMARITAN REGIONAL HOSPITAL	030067, 050469, 030086.
030080	0.9822	EL DORADO MEDICAL CENTER	030011, 030006, 030035, 030064, 030009, 030010, 030085, 030054, 030041.
030083	0.9767	HUMANA HOSPITAL DESERT VALLEY	030014, 030087, 030030, 030059, 030089, 030038, 030092, 030008, 030024, 030002.
030085	0.9932	NORTHWEST HOSPITAL	030035, 030064, 030010, 030006, 030080, 030011, 030009, 030054.
030086	1.1094	BULLHEAD COMMUNITY HOSPITAL	050469, 030055, 030069.
030087	0.9602	SCOTTSDALE MEMORIAL HOSPITAL NORTH	030083, 030038, 030030, 030014, 030008, 030018, 030059, 030022, 030017, 030002.
030088	0.9449	VALLEY LUTHERAN HOSPITAL	030017, 030018, 030065, 030036, 030019, 030038, 030087, 030022, 030037, 030008.
030089	1.0167	THUNDERBIRD SAMARITAN HOSP & HLTH CENTER.	030061, 030014, 030059, 030001, 030092, 030030, 030083, 030093, 030024.
030091	0.8420	COMMUNITY GENERAL HOSPITAL	030044, 030062.
030092	1.0441	PHOENIX GEN HOSPITAL & MEDICAL CENTER	030024, 030059, 030002, 030008, 030001, 030030, 030037, 030003, 030022, 030014.
030093	1.0167	DEL E WEBB MEMORIAL HOSPITAL	030061, 030089, 030001, 030014, 030059, 030092, 030083, 030030, 030024.
040001	0.7204	SILOAM SPRINGS MEMORIAL HOSPITAL	040075, 040022, 040004, 040013, 040048, 040010, 370178, 370089, 370113, 370015.
040002	0.7420	JOHNSON COUNTY MEMORIAL HOSPITAL	040124, 040058, 040041, 040030, 040011, 040028, 040003, 040018, 040062, 040031.
040003	0.8245	CONWAY COUNTY HOSPITAL	040029, 040030, 040041, 040060, 040036, 040011, 040114, 040007, 040116, 040016.
040004	0.7140	WASHINGTON REGIONAL MEDICAL CENTER	040013, 040022, 040010, 040001, 040031, 040048, 040075, 370178, 040005, 040109.
040005	0.7036	EUREKA SPRINGS HOSPITAL	040109, 040010, 260123, 040031, 040048, 040022, 040004, 260094, 040013, 040017.
040007	0.8239	ST VINCENT INFIRMARY MEDICAL CENTER	040116, 040016, 040114, 040036, 040021, 040074, 040084, 040029, 040003, 040076.
040008	0.6812	LAWRENCE MEMORIAL HOSPITAL	040047, 040020, 040118, 040039, 040126, 040122, 040054, 040080, 040119, 260080.
040010	0.7113	ST MARY ROGERS MEMORIAL HOSPITAL	040048, 040022, 040075, 040004, 040013, 040005, 040001, 040031, 260123, 040109.
040011	0.7789	YELL COUNTY HOSPITAL	040030, 040041, 040124, 040028, 040002, 040003, 040040, 040058, 040026, 040078.
040013	0.7140	FAYETTEVILLE CITY HOSPITAL	040004, 040022, 040010, 040001, 040031, 040048, 040075, 370178, 040005, 040109.
040014	0.7528	CENTRAL ARKANSAS HOSPITAL	040100, 040106, 040074, 040080, 040054, 040029, 040119, 040036, 040060, 040016.
040015	0.7385	WILHELMINA MEDICAL CENTER	040040, 370040, 040107, 040028, 040081, 040082.
040016	0.8239	THE UNIVERSITY HOSPITAL OF ARKANSAS	040007, 040116, 040114, 040036, 040021, 040074, 040084, 040029, 040003, 040076.
040017	0.6735	NORTH ARKANSAS MEDICAL CENTER	040109, 040115, 260094, 040031, 040005, 040027, 260123, 040037, 040022.
040018	0.7172	CRAWFORD COUNTY MEMORIAL HOSPITAL	040062, 040055, 370112, 040058, 040028, 370178, 370040, 040124, 040040, 370084.
040019	0.8424	BAPTIST MEMORIAL HOSPITAL	040025, 040042, 040085, 440071, 440049, 440166, 440048, 440152, 440049, 440159.
040020	0.6750	ST BERNARDS REGIONAL MEDICAL CENTER	040118, 040039, 040008, 040054, 040080, 040047, 040070, 040069, 040122, 260015.
040021	0.8247	SOUTHWEST HOSPITAL	040114, 040116, 040007, 040016, 040036, 040084, 040074, 040076, 040029, 040026.
040022	0.7140	SPRINGDALE MEMORIAL HOSPITAL	040004, 040013, 040010, 040048, 040001, 040031, 040075, 040005, 040109, 370178.
040024	0.7295	ASHLEY MEMORIAL HOSPITAL	190116, 190178, 190170, 190081, 040077, 040051, 040088, 040105, 190197, 190077.
040025	0.8431	CROSS COUNTY HOSPITAL	040019, 040042, 040080, 040054, 440071, 440152, 440166, 440048, 440049, 440049.
040026	0.8301	ST JOSEPHS REGIONAL HEALTH CENTER	040078, 040076, 040084, 040066, 040021, 040114, 040116, 040007, 040016, 040011.
040027	0.6372	BAXTER COUNTY REGIONAL HOSPITAL INC	040115, 040037, 040035, 040017, 040044, 260078, 040126, 260094.
040028	0.7132	BOONEVILLE CITY HOSPITAL	040124, 040040, 040058, 040062, 040011, 040018, 040055, 040002, 370040, 040030.
040029	0.8247	CONWAY REGIONAL HOSPITAL INC	040003, 040074, 040036, 040007, 040114, 040116, 040016, 040021, 040084, 040106.
040030	0.6926	DARDANELLE HOSPITAL	040041, 040011, 040003, 040002, 040124, 040029, 040058, 040028, 040060, 040084.
040031	0.6950	HUNTSVILLE MEMORIAL HOSPITAL	040022, 040004, 040109, 040013, 040005, 040010, 040048, 040017, 040001, 260123.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
040032	0.7797	LITTLE RIVER MEMORIAL HOSPITAL	450703, 450200, 040063, 040082, 040091, 040107, 040081, 370048, 040095, 450615.
040035	0.6330	FULTON COUNTY HOSPITAL	040126, 260078, 040037, 040027, 040115, 040044, 040047, 260018, 040119, 040008.
040036	0.8239	BAPTIST MEMORIAL MEDICAL CENTER	040016, 040007, 040116, 040114, 040074, 040021, 040029, 040084, 040003, 040076.
040037	0.6238	MEDICAL CENTER OF CALICO ROCK	040044, 040027, 040035, 040115, 040119, 040126, 040060, 040106, 260078, 040017.
040039	0.6857	ARKANSAS METHODIST HOSPITAL	040020, 040118, 040008, 260015, 040122, 040045, 040047, 040069, 040070, 260070.
040040	0.7147	MERCY HOSPITAL OF SCOTT COUNTY	040028, 040015, 370040, 040124, 040062, 040011, 040055, 040018, 040058.
040041	0.6926	ST MARYS REGIONAL MEDICAL CENTER	040030, 040011, 040002, 040003, 040124, 040058, 040029, 040028, 040060, 040084.
040042	0.8538	CRITTENDEN MEMORIAL HOSPITAL	440071, 440166, 440152, 440048, 440049, 440049, 440159, 440049, 440183, 440170.
040044	0.6543	STONE COUNTY MEDICAL CENTER	040037, 040119, 040106, 040060, 040027, 040035, 040054, 040080, 040115, 040126.
040045	0.6798	PIGGOTT COMMUNITY HOSPITAL	260015, 040122, 260070, 040039, 260120, 260119, 260160, 040069, 260080, 040047.
040047	0.6699	RANDOLPH COUNTY MEDICAL CENTER	040008, 040122, 040126, 260080, 040039, 040020, 040118, 040045, 040035, 260119.
040048	0.7127	BATES MEMORIAL HOSPITAL	040010, 040075, 040022, 040001, 040004, 040013, 040005, 260123, 370113, 040031.
040050	0.6911	OUACHITA COUNTY HOSPITAL	040090, 040088, 040067, 040095, 040091, 040066, 040077, 190132, 190088, 040051.
040051	0.7257	DREW MEMORIAL HOSPITAL	040077, 040093, 040053, 040090, 040105, 040024, 250120, 250082, 040071, 040088.
040053	0.7096	DELTA MEMORIAL HOSPITAL ASSOCIATION	040093, 040051, 040064, 040071, 040077, 250062, 250093, 250120, 250082, 040105.
040054	0.7084	NEWPORT HOSPITAL AND CLINIC INC	040080, 040119, 040100, 040020, 040118, 040014, 040008, 040025, 040106, 040044.
040055	0.7172	SPARKS REGIONAL MEDICAL CENTER	040062, 040018, 370112, 370040, 040028, 040058, 370178, 040124, 370084, 040040.
040058	0.7254	MERCY HOSPITAL TURNER MEMORIAL	040124, 040002, 040028, 040018, 040062, 040055, 040041, 040011, 040030, 040031.
040060	0.7173	VAN BUREN COUNTY MEMORIAL HOSPITAL	040106, 040044, 040003, 040029, 040037, 040041, 040119, 040014, 040030, 040100.
040062	0.7172	ST EDWARD MERCY MEDICAL CENTER	040055, 040018, 370112, 370040, 040028, 040058, 040124, 370178, 040040, 370084.
040063	0.7673	ST MICHAEL HOSPITAL	450200, 450703, 040032, 450615, 040091, 450004, 040082, 040067, 190088, 040095.
040064	0.7405	DEWITT CITY HOSPITAL	040072, 040053, 040071, 250062, 250042, 040085, 040093, 250093.
040066	0.7632	BAPTIST MEDICAL CENTER ARKADELPHIA	040076, 040095, 040078, 040026, 040081, 040090, 040050, 040082, 040084, 040091.
040067	0.7401	MAGNOLIA HOSPITAL	190088, 190132, 040088, 040050, 040091, 190114, 040095, 040063, 450200, 190077.
040069	0.6999	MISSISSIPPI COUNTY HOSPITAL-BLYTHEVILLE	040070, 260015, 260070, 440114, 440072, 040039, 440131, 040045, 040118, 040020.
040070	0.7793	MISSISSIPPI COUNTY HOSPITAL-OSCEOLA	040069, 440131, 440114, 440049, 040118, 040039, 440174, 040020, 260015, 440072.
040071	0.8014	JEFFERSON REGIONAL MEDICAL CENTER	040072, 040090, 040053, 040064, 040021, 040077, 040076, 040051, 040016, 040116.
040072	0.8362	STUTTGART MEMORIAL HOSPITAL	040064, 040071, 040074, 040016, 040036, 040007, 040116, 040021, 040114, 040053.
040074	0.8251	REBSAMEN REGIONAL MEDICAL CENTER	040036, 040016, 040007, 040116, 040114, 040021, 040029, 040014, 040100, 040084.
040075	0.7025	GRAVETTE MEDICAL CENTER HOSPITAL	040048, 040010, 040001, 370113, 040022, 040004, 040013, 260053, 260123, 040005.
040076	0.8308	HOT SPRING COUNTY MEMORIAL HOSPITAL	040078, 040026, 040084, 040066, 040021, 040114, 040116, 040007, 040016, 040036.
040077	0.7292	BRADLEY COUNTY MEMORIAL HOSPITAL	040051, 040090, 040093, 040053, 040024, 040050, 040071, 040088, 040105.
040078	0.8301	NATIONAL PARK MEDICAL CENTER	040026, 040076, 040084, 040066, 040021, 040114, 040116, 040007, 040016, 040011.
040080	0.7084	HARRIS HOSPITAL	040054, 040119, 040100, 040020, 040118, 040014, 040008, 040025, 040106, 040044.
040081	0.7949	PIKE COUNTY MEMORIAL HOSPITAL	040082, 040095, 040091, 040066, 040107, 040032, 040078, 040026, 040015, 040076.
040082	0.7783	HOWARD MEMORIAL HOSPITAL	040081, 040032, 040107, 040091, 040095, 450703, 450200, 040063, 040066, 370048.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
040084	0.8319	SALINE MEMORIAL HOSPITAL	040021, 040026, 040078, 040114, 040076, 040116, 040007, 040016, 040036, 040074.
040085	0.7907	HELENA HOSPITAL	250042, 250131, 250126, 040019, 250128, 040064, 250062, 440049, 040072, 250024.
040088	0.6502	MEDICAL CENTER OF SOUTH ARKANSAS	040050, 190077, 040067, 190132, 190170, 190114, 040024, 190088, 040077, 040090.
040090	0.7432	DALLAS COUNTY HOSPITAL	040077, 040050, 040051, 040071, 040066, 040076, 040088, 040053, 040095.
040091	0.7496	MEDICAL PARK HOSPITAL	040095, 040082, 040032, 040063, 450200, 450703, 040081, 040067, 040050, 040066.
040093	0.6079	MCGEHEE DESHA COUNTY HOSPITAL	040053, 040051, 040105, 250120, 250082, 040077, 250093, 250095, 250062, 250071.
040095	0.7496	NEVADA COUNTY HOSPITAL	040091, 040081, 040082, 040066, 040050, 040067, 040032, 040063, 450200, 450703.
040100	0.7516	WHITE COUNTY MEMORIAL HOSPITAL	040014, 040106, 040080, 040054, 040074, 040119, 040029, 040060, 040036, 040025.
040105	0.6232	CHICOT MEMORIAL HOSPITAL	250120, 250082, 040093, 190081, 250095, 040051, 250079, 040024, 190208, 250098.
040106	0.7147	CLEBURNE COUNTY HOSPITAL	040060, 040014, 040100, 040044, 040119, 040029, 040003, 040080, 040054, 040037.
040107	0.7796	COMMUNITY HOSPITAL OF DEQUEEN	040082, 370048, 040032, 040081, 040015, 450703, 450200, 040063, 040091, 450188.
040109	0.7036	CARROLL GENERAL HOSPITAL	040005, 040031, 040017, 260094, 260123, 040010, 040022, 040048, 040004, 040013.
040114	0.8239	BAPTIST MEDICAL CENTER	040116, 040007, 040016, 040036, 040021, 040074, 040084, 040029, 040003, 040076.
040115	0.6267	BULL SHOALS COMMUNITY HOSPITAL & CLINIC	040027, 040017, 040037, 260094, 040035, 260078, 040044, 040109.
040116	0.8239	DOCTORS HOSPITAL	040007, 040016, 040114, 040036, 040021, 040074, 040084, 040029, 040003, 040076.
040118	0.6750	METHODIST HOSPITAL OF JONESBORO	040020, 040039, 040008, 040054, 040080, 040070, 040047, 040069, 260015, 040122.
040119	0.7052	WHITE RIVER MEDICAL CENTER INC	040054, 040080, 040044, 040106, 040037, 040100, 040014, 040008, 040126, 040060.
040122	0.6776	CORNING COMMUNITY HOSPITAL	040045, 040047, 260080, 260119, 260120, 040039, 260015, 040008, 260160, 040020.
040124	0.7299	NORTH LOGAN MERCY HOSPITAL	040028, 040058, 040002, 040011, 040030, 040041, 040062, 040018, 040040, 040055.
040126	0.6439	BAPTIST MEMORIAL HOSPITAL EAST OZARKS	040035, 040047, 040008, 260078, 040037, 260080, 040119, 040044, 040122, 040027.
050002	1.3604	ST ROSE HOSPITAL	050512, 050488, 050095, 050671, 050143, 050264, 050195, 050541, 050211, 050113.
050006	1.0529	ST JOSEPH HOSPITAL	050097, 050028, 050172.
050007	1.3810	PENINSULA HOSPITAL	050302, 050070, 050113, 050289, 050613, 050197, 050541, 050055, 050228, 050668.
050008	1.3949	DAVIES MEDICAL CENTER	050293, 050457, 050076, 050033, 050454, 050208, 050047, 050055, 050152.
050009	1.2313	QUEEN OF THE VALLEY	050667, 050090, 050547, 050367, 050101, 050073, 050680, 050136, 050013, 050032.
050013	1.2187	ST HELENA HOSPITAL & HEALTH CENTER	050032, 050291, 050174, 050667, 050547, 050090, 050009, 050385, 050331, 050136.
050014	1.1220	AMADOR HOSPITAL	050366, 050254, 050414, 050336, 050442, 050335, 050325, 050590, 050516, 050421.
050015	0.9902	NORTHERN INYO HOSPITAL	050638.
050016	1.1845	ARROYO GRANDE COMMUNITY HOSPITAL	050088, 050232, 050506, 050107, 050449, 050633, 050110, 050478.
050017	1.2208	MERCY GENERAL HOSPITAL	050109, 050108, 050599, 050425, 050674, 050421, 050590, 050516, 050309, 050414.
050018	1.1960	PACIFIC ALLIANCE MEDICAL CENTER	050619, 050103, 050373, 050471, 050063, 050502, 050672, 050049, 050149, 050111.
050021	1.1926	WOODRUFF COMMUNITY HOSPITAL INC	050575, 050147, 050581, 050551, 050170, 050486, 050317, 050531, 050485, 050277.
050022	1.2036	RIVERSIDE COMMUNITY HOSPITAL	050102, 050292, 050140, 050327, 050587, 050272, 050089, 050345, 050245.
050024	1.1487	PARADISE VALLEY HOSPITAL	050270, 050447, 050234, 050607, 050222, 050220, 050077, 050025, 050583.
050025	1.1987	UNIV OF CALIFORNIA SAN DIEGO MED CENTER	050077, 050220, 050607, 050233, 050100, 050598, 050234, 050447, 050515.
050026	1.1957	GROSSMONT HOSPITAL	050583, 050447, 050515, 050186, 050220, 050100, 050024, 050077, 050025.
050028	1.0311	MAD RIVER COMMUNITY HOSPITAL	050097, 050006, 050172.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
050029	1.2666	ST LUKE HOSPITAL OF PASADENA	050238, 050438, 050132, 050155, 050281, 050391, 050124, 050239, 050432, 050058.
050030	1.0261	OROVILLE HOSPITAL	050404, 050225, 050039, 050307, 050207, 050133, 050434, 050150, 050092, 050148.
050032	1.2187	WARRACK MEDICAL CENTER HOSPITAL	050174, 050291, 050385, 050013, 050547, 050136, 050667, 050090, 050331, 050009.
050033	1.3892	MT ZION HOSPITAL & MED CTR OF THE UCSF	050076, 050293, 050208, 050047, 050457, 050008, 050152, 050407, 050454.
050036	1.0046	BAKERSFIELD MEMORIAL HOSPITAL	050455, 050295, 050315, 050257, 050608, 050379, 050446, 050542, 050546, 050261.
050038	1.4308	SANTA CLARA VALLEY MEDICAL CENTER	050153, 050071, 050215, 050188, 050380, 050319, 050125, 050662, 050308, 050604.
050039	1.0266	N.T. ENLOE MEMORIAL HOSPITAL	050307, 050225, 050030, 050092, 050404, 050042, 050434, 050207, 050133, 050148.
050040	1.3586	OLIVE VIEW MEDICAL CENTER	050278, 050199, 050675, 050214, 050378, 050624, 050467, 050137, 050116, 050299.
050041	1.2937	ONTARIO COMMUNITY HOSPITAL	050099, 050584, 050586, 050669, 050231, 050545, 050588, 050140, 050205, 050597.
050042	1.0770	ST ELIZABETH COMMUNITY HOSPITAL	050280, 050312, 050307, 050039, 050225, 050092, 050333.
050043	1.3890	SAMUEL MERRITT HOSPITAL	050053, 050075, 050305, 050320, 050211, 050407, 050152, 050228, 050047.
050045	1.1086	EL CENTRO REGIONAL MEDICAL CENTER	050387, 050342, 030013.
050046	1.2129	OJAI VALLEY COMMUNITY HOSPITAL	050177, 050159, 050394, 050082, 050616, 050061, 050666, 050396, 050655.
050047	1.3892	PACIFIC PRESBYTERIAN HOSPITAL	050033, 050152, 050293, 050076, 050208, 050407, 050008, 050457, 050454.
050049	1.1860	LINDA VISTA COMMUNITY HOSPITAL	050103, 050373, 050672, 050641, 050018, 050577, 050149, 050471, 050256, 050619.
050051	1.0127	ALTA HOSPITAL DISTRICT	050192, 050470, 050410, 050057, 050418, 050196, 050121, 050286, 050213.
050053	1.3890	PROVIDENCE HOSPITAL	050043, 050075, 050320, 050305, 050211, 050407, 050152, 050228, 050047.
050054	1.1726	SAN GORGONIO PASS MEMORIAL HOSPITAL	050390, 050272, 050651, 050587, 050327, 050243, 050245, 050022, 050129.
050055	1.4120	ST LUKES HOSPITAL	050228, 050008, 050668, 050454, 050293, 050457, 050076, 050033, 050152, 050047.
050056	1.2725	ANTELOPE VALLEY HOSPITAL MEDICAL CENTER	050204, 050623, 050337, 050624, 050675, 050040, 050278, 050199, 050378, 050214.
050057	1.0003	KAWEAH DELTA DISTRICT HOSPITAL	050418, 050359, 050286, 050068, 050051, 050196, 050121, 050192, 050349, 050261.
050058	1.2966	GLENDALE MEM HOSPITAL & HEALTH CENTER	050239, 050138, 050063, 050111, 050135, 050235, 050619, 050080, 050018, 050502.
050060	1.0137	FRESNO COMMUNITY HOSPITAL & MED CENTER	050081, 050093, 050213, 050492, 050410, 050470, 050568, 050192, 050051.
050061	1.1943	ST FRANCIS HOSPITAL	050396, 050655, 050357, 050046, 050478, 050394, 050159, 050082, 050177.
050063	1.2518	QUEEN OF ANGELS/HOLLYWOOD PRESB MED CTR.	050619, 050111, 050502, 050471, 050018, 050138, 050149, 050103, 050373, 050135.
050065	1.2833	WESTERN MEDICAL CENTER SANTA ANA	050560, 050069, 050550, 050491, 050535, 050348, 050230, 050570, 050594.
050066	1.2687	BAY HARBOR HOSPITAL	050411, 050351, 050376, 050353, 050078, 050459, 050343, 050277, 050485, 050191.
050067	1.1051	OAK VALLEY DISTRICT HOSPITAL	050557, 050464, 050183, 050154, 050118, 050179, 050167, 050274, 050084, 050122.
050068	1.0541	LINDSAY HOSPITAL MEDICAL CENTER	050286, 050261, 050359, 050418, 050057, 050546, 050349, 050051, 050196, 050121.
050069	1.2976	ST JOSEPH HOSPITAL	050348, 050550, 050491, 050230, 050065, 050594, 050560, 050535, 050609.
050070	1.4086	KAISER FOUNDATION HOSPITAL	050289, 050007, 050668, 050055, 050228, 050454, 050008, 050457, 050302, 050293.
050071	1.4308	KAISER FOUNDATION HOSPITAL	050153, 050038, 050215, 050662, 050308, 050188, 050380, 050125, 050319, 050604.
050072	1.3923	KAISER FOUNDATION HOSPITAL	050180, 050496, 050635, 050276, 050320, 050305, 050075, 050043, 050053.
050073	1.3851	KAISER FOUNDATION HOSPITAL VALLEJO	050101, 050522, 050276, 050635, 050079, 050367, 050661, 050009, 050496, 050090.
050074	1.4033	KAISER FOUNDATION HOSPITAL RICHMOND	050661, 050079, 050522, 050305, 050075, 050043, 050053, 050360, 050407.
050075	1.3922	KAISER FOUNDATION HOSPITAL OAKLAND	050043, 050053, 050305, 050320, 050211, 050407, 050152, 050074, 050228.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
050076	1.3892	KAISER FOUNDATION HOSPITAL	050033, 050293, 050208, 050047, 050457, 050008, 050152, 050454, 050407.
050077	1.1987	MERCY HOSPITAL & MEDICAL CENTER	050025, 050220, 050607, 050233, 050100, 050234, 050447, 050515, 050598.
050078	1.2600	SAN PEDRO PENINSULA HOSPITAL	050411, 050066, 050351, 050343, 050191, 050376, 050277, 050353, 050485, 050170.
050079	1.4313	BROOKSIDE HOSPITAL	050661, 050074, 050522, 050305, 050360, 050075, 050043, 050053, 050276.
050080	1.4043	THOMPSON MEMORIAL MEDICAL CENTER	050235, 050239, 050058, 050124, 050241, 050378, 050138, 050135, 050137.
050081	1.0137	SIERRA COMMUNITY HOSPITAL	050060, 050093, 050213, 050492, 050410, 050568, 050470, 050192, 050051.
050082	1.2528	ST JOHNS REGIONAL MEDICAL CENTER	050159, 050394, 050666, 050616, 050177, 050549, 050046, 050593, 050236.
050084	1.1255	ST JOSEPHS MEDICAL CENTER OF STOCKTON	050122, 050167, 050336, 050442, 050118, 050313, 050067, 050523, 050464, 050557.
050086	1.3085	MARINA HILLS HOSPITAL	050267, 050401, 050144, 050559, 050240, 050561, 050420, 050644, 050622.
050088	1.1916	SAN LUIS OBISPO GENERAL HOSPITAL	050232, 050506, 050016, 050633, 050107, 050449, 050110.
050089	1.2169	SAN BERNARDINO COMMUNITY HOSPITAL	050129, 050245, 050327, 050587, 050140, 050272, 050022, 050260, 050102.
050090	1.2533	SONOMA VALLEY HOSPITAL	050547, 050009, 050667, 050136, 050073, 050101, 050032, 050131, 050013, 050174.
050091	1.2012	COMMUNITY HOSPITAL AT HUNTINGTON PARK	050212, 050641, 050049, 050256, 050149, 050104, 050103, 050577, 050578, 050471.
050092	1.0274	GLENN GENERAL HOSPITAL	050039, 050307, 050434, 050404, 050030, 050225, 050207, 050133, 050476, 050042.
050093	1.0137	SAINT AGNES MEDICAL CENTER	050060, 050081, 050213, 050492, 050410, 050568, 050470, 050192, 050051.
050095	1.3541	LAUREL GROVE HOSPITAL	050488, 050671, 050143, 050264, 050002, 050512, 050211, 050320, 050195, 050075.
050096	1.2165	DOCTORS HOSPITAL OF WEST COVINA, INC	050369, 050637, 050483, 050382, 050615, 050391, 050205, 050597, 050588, 050155.
050097	1.0529	GENERAL HOSPITAL	050006, 050028, 050172.
050099	1.2937	SAN ANTONIO COMMUNITY HOSPITAL	050041, 050584, 050586, 050231, 050669, 050545, 050588, 050140, 050205, 050597.
050100	1.2110	DONALD N SHARP MEMORIAL COMM HOSPITAL	050515, 050598, 050220, 050025, 050077, 050233, 050583, 050447, 050607.
050101	1.3851	SUTTER SOLANO MEDICAL CENTER	050073, 050522, 050276, 050635, 050367, 050079, 050009, 050661, 050496, 050090.
050102	1.2008	PARKVIEW COMMUNITY HOSPITAL	050292, 050022, 050345, 050329, 050140, 050327, 050587, 050651, 050272.
050103	1.1921	WHITE MEMORIAL MEDICAL CENTER	050373, 050049, 050672, 050018, 050577, 050471, 050641, 050149, 050619, 050502.
050104	1.2629	ST FRANCIS MEDICAL CENTER	050578, 050212, 050393, 050571, 050139, 050091, 050258, 050219, 050468, 050531.
050107	1.1845	MARIAN HOSPITAL	050449, 050016, 050110, 050088, 050232, 050506, 050478, 050633, 050357, 050379.
050108	1.2201	SUTTER GENERAL HOSPITAL	050017, 050599, 050109, 050425, 050674, 050421, 050590, 050516, 050309, 050537.
050109	1.2208	SUTTER MEMORIAL HOSPITAL	050017, 050599, 050108, 050425, 050674, 050421, 050590, 050516, 050309, 050414.
050110	1.1799	LOMPOC HOSPITAL DISTRICT	050478, 050449, 050107, 050016, 050357, 050655, 050396, 050061, 050088, 050232.
050111	1.3146	TEMPLE COMMUNITY HOSPITAL	050063, 050502, 050619, 050138, 050471, 050018, 050135, 050149, 050644, 050256.
050112	1.2899	SANTA MONICA HOSPITAL MEDICAL CENTER	050290, 050262, 050401, 050559, 050579, 050144, 050622, 050561, 050086, 050625.
050113	1.3687	SAN MATEO COUNTY GENERAL HOSPITAL	050302, 050197, 050541, 050007, 050441, 050613, 050070, 050512, 050002, 050289.
050114	1.3431	SHERMAN OAKS COMMUNITY HOSPITAL	050158, 050241, 050126, 050299, 050601, 050137, 050467, 050235, 050116.
050115	1.2383	PALOMAR MEDICAL CENTER	050636, 050128, 050503, 050424, 050324, 050435, 050100, 050186, 050515, 050598.
050116	1.3249	NORTHRIDGE HOSPITAL MEDICAL CENTER	050214, 050601, 050467, 050263, 050126, 050299, 050677, 050481, 050158.
050117	0.9530	MERCY HOSPITAL	050444, 050436, 050377, 050179, 050497, 050528, 050451, 050443, 050154, 050568.
050118	1.1150	DOCTORS HOSPITAL OF MANTECA	050167, 050313, 050122, 050084, 050464, 050557, 050183, 050067, 050154, 050336.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
050121	0.9961	HANFORD COMMUNITY MEDICAL CENTER	050196, 050470, 050349, 050359, 050057, 050418, 050051, 050192, 050286.
050122	1.1255	DAMERON HOSPITAL ASSOCIATION	050084, 050167, 050336, 050442, 050118, 050313, 050523, 050067, 050464, 050557.
050124	1.3372	VERDUGO HILLS HOSPITAL	050239, 050080, 050058, 050438, 050029, 050235, 050138, 050281, 050378, 050135.
050125	1.4308	ALEXIAN BROTHERS HOSPITAL	050215, 050153, 050662, 050038, 050071, 050604, 050380, 050188, 050319, 050308.
050126	1.3611	VALLEY PRESBYTERIAN HOSPITAL	050299, 050467, 050137, 050114, 050158, 050241, 050601, 050116, 050378.
050127	1.2211	WOODLAND MEMORIAL HOSPITAL	050166, 050537, 050108, 050017, 050599, 050109, 050425, 050674, 050421, 050590.
050128	1.1888	TRI-CITY MEDICAL CENTER	050503, 050115, 050435, 050636, 050424, 050324, 050585, 050598, 050100, 050630.
050129	1.2169	ST BERNARDINE MEDICAL CENTER	050245, 050089, 050327, 050587, 050272, 050140, 050260, 050022, 050102.
050131	1.3888	NOVATO COMMUNITY HOSPITAL	050510, 050136, 050360, 050522, 050079, 050661, 050090, 050074, 050073, 050101.
050132	1.2512	SAN GABRIEL VALLEY MEDICAL CENTER	050281, 050432, 050238, 050438, 050591, 050615, 050029, 050577, 050672, 050350.
050133	1.1111	RIDEOUT MEMORIAL HOSPITAL	050207, 050404, 050434, 050030, 050150, 050498, 050309, 050166, 050127, 050516.
050135	1.3204	HOLLYWOOD COMMUNITY HOSPITAL	050138, 050111, 050625, 050063, 050328, 050477, 050502, 050619, 050058, 050471.
050136	1.2267	PETALUMA VALLEY HOSPITAL	050547, 050131, 050090, 050032, 050385, 050174, 050291, 050667, 050510, 050009.
050137	1.3548	KAISER FOUNDATION HOSPITAL	050467, 050299, 050378, 050126, 050199, 050114, 050278, 050241, 050214.
050138	1.3495	KAISER FOUNDATION HOSPITAL	050135, 050111, 050063, 050619, 050502, 050058, 050471, 050018, 050328, 050477.
050139	1.2315	KAISER FOUNDATION HOSPITAL	050219, 050571, 050531, 050393, 050486, 050581, 050489, 050317, 050147, 050104.
050140	1.2304	KAISER FOUNDATION HOSPITAL FONTANA	050089, 050022, 050327, 050129, 050245, 050587, 050099, 050041, 050102.
050143	1.3546	PHYSICIANS COMMUNITY HOSPITAL	050264, 050671, 050095, 050488, 050512, 050002, 050211, 050320, 050043, 050053.
050144	1.3423	BROTMAN MEDICAL CENTER	050561, 050401, 050622, 050086, 050579, 050477, 050328, 050559, 050262.
050145	1.3018	COMMUNITY HOSPITAL MONTEREY PENINSULA	050458, 050334, 050248, 050194, 050242, 050296, 050189, 050319, 050604.
050147	1.2589	DOCTORS HOSPITAL OF LAKEWOOD	050581, 050531, 050486, 050021, 050571, 050317, 050575, 050139, 050485, 050277.
050148	1.0136	PLUMAS DISTRICT HOSPITAL	050433, 050566, 050333, 050225, 050251, 050355, 050030, 050307, 050039.
050149	1.2077	CALIFORNIA MEDICAL CENTER	050256, 050471, 050502, 050644, 050619, 050018, 050049, 050103, 050063, 050111.
050150	1.1243	SIERRA NEVADA MEMORIAL HOSPITAL	050498, 050133, 050207, 050030, 050404, 050309, 050254, 050414, 050516, 050421.
050152	1.3962	ST FRANCIS MEMORIAL HOSPITAL	050407, 050047, 050293, 050033, 050076, 050208, 050008, 050457, 050228.
050153	1.4308	O'CONNOR HOSPITAL	050038, 050071, 050215, 050188, 050125, 050380, 050662, 050319, 050308, 050604.
050154	1.0912	MEMORIAL HOSPITAL CERES	050183, 050557, 050464, 050179, 050067, 050274, 050118, 050451, 050436, 050313.
050155	1.2480	MONROVIA COMMUNITY HOSPITAL	050391, 050238, 050029, 050483, 050096, 050597, 050637, 050132, 050205, 050382.
050158	1.4015	ENCINO HOSPITAL	050114, 050601, 050126, 050299, 050241, 050467, 050116, 050677, 050137.
050159	1.2316	VENTURA COUNTY MEDICAL CENTER	050394, 050082, 050046, 050616, 050177, 050666, 050549, 050593, 050061.
050161	1.1812	MEDICAL CENTER OF LA MIRADA	050175, 050489, 050565, 050431, 050169, 050219, 050168, 050317, 050580, 050592.
050166	1.2227	YOLO GENERAL HOSPITAL	050127, 050537, 050108, 050017, 050599, 050109, 050674, 050425, 050421, 050516.
050167	1.1162	SAN JOAQUIN GENERAL HOSPITAL	050122, 050084, 050118, 050313, 050336, 050442, 050464, 050557, 050183, 050067.
050168	1.1370	ST JUDE HOSPITAL	050565, 050592, 050282, 050226, 050431, 050589, 050161, 050594, 050175.
050169	1.1771	PRESBYTERIAN INTERCOMMUNITY HOSPITAL	050175, 050269, 050258, 050161, 050350, 050489, 050219, 050393, 050565, 050615.
050170	1.2182	LONG BEACH COMMUNITY HOSPITAL	050191, 050343, 050485, 050277, 050021, 050551, 050575, 050147, 050581, 050531.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
050172	1.0570	REDWOOD MEMORIAL HOSPITAL	050006, 050097, 050028, 050482.
050173	1.1882	ANAHEIM GENERAL HOSPITAL	050426, 050253, 050580, 050551, 050575, 050363, 050282, 050431, 050226.
050174	1.2187	SANTA ROSA MEMORIAL HOSPITAL	050291, 050032, 050385, 050013, 050547, 050136, 050331, 050090, 050667, 050009.
050175	1.1851	WHITTIER HOSPITAL	050161, 050169, 050565, 050489, 050431, 050592, 050269, 050219, 050168, 050258.
050177	1.2528	SANTA PAULA MEMORIAL HOSPITAL	050046, 050616, 050159, 050394, 050082, 050549, 050666, 050236, 050593.
050179	1.0721	EMANUEL MEDICAL CENTER INC	050154, 050183, 050557, 050464, 050274, 050436, 050067, 050451, 050117, 050444.
050180	1.3808	JOHN MUIR MEDICAL CENTER	050072, 050496, 050635, 050276, 050181, 050305, 050320, 050075, 050523.
050181	1.4053	LOS MEDANOS COMMUNITY HOSPITAL	050523, 050496, 050180, 050635, 050072, 050276, 050367, 050101, 050073, 050522.
050183	1.0877	STANISLAUS MEDICAL CENTER	050464, 050557, 050154, 050067, 050179, 050274, 050118, 050167, 050313, 050451.
050186	1.1957	AMI VALLEY MEDICAL CENTER	050026, 050583, 050515, 050447, 050100, 050220, 050024, 050077, 050025.
050188	1.4308	COMMUNITY HOSPITAL LOS GATOS SARATOGA	050380, 050319, 050038, 050153, 050071, 050215, 050604, 050308, 050125, 050662.
050189	1.2630	GEORGE L MEE MEMORIAL HOSPITAL	050397, 050334, 050248, 050296, 050145, 050458, 050633.
050191	1.2498	ST MARY MEDICAL CENTER	050343, 050277, 050485, 050170, 050021, 050411, 050147, 050066, 050581, 050551.
050192	1.0270	SIERRA-KINGS HOSPITAL	050051, 050470, 050410, 050213, 050492, 050060, 050081, 050093, 050057.
050193	1.2711	SOUTH COAST MEDICAL CENTER	050585, 050567, 050603, 050224, 050543, 050548, 050535, 050560, 050570, 050678.
050194	1.3190	WATSONVILLE COMMUNITY HOSPITAL	050242, 050248, 050296, 050334, 050604, 050319, 050380, 050458, 050188.
050195	1.3931	WASHINGTON HOSPITAL	050002, 050512, 050662, 050488, 050095, 050671, 050441, 050541, 050283, 050143.
050196	0.9961	SACRED HEART HOSPITAL AND HEALTH CENTER	050121, 050470, 050057, 050359, 050418, 050349, 050051, 050192, 050286.
050197	1.4273	SEQUOIA HOSPITAL	050541, 050113, 050441, 050302, 050007, 050308, 050613, 050512, 050002, 050195.
050199	1.3409	SAN FERNANDO COMMUNITY HOSPITAL	050278, 050214, 050378, 050040, 050467, 050137, 050299, 050116, 050126.
050204	1.2789	LANCASTER COMMUNITY HOSPITAL	050056, 050623, 050337, 050624, 050675, 050040, 050199, 050278, 050378, 050124.
050205	1.2106	GLENDORA COMMUNITY HOSPITAL	050597, 050588, 050382, 050483, 050096, 050391, 050369, 050545, 050155, 050231.
050207	1.1111	FREMONT MEDICAL CENTER	050133, 050404, 050434, 050030, 050150, 050498, 050309, 050166, 050127, 050516.
050208	1.3892	CALIFORNIA CAMPUS HOSPITAL	050076, 050033, 050293, 050457, 050047, 050008, 050152, 050454, 050407.
050211	1.3943	ALAMEDA HOSPITAL	050320, 050053, 050043, 050075, 050305, 050264, 050143, 050228, 050671.
050212	1.1597	MISSION HOSPITAL	050091, 050104, 050578, 050641, 050049, 050393, 050258, 050256, 050577, 050149.
050213	1.0137	VALLEY MEDICAL CENTER	050060, 050093, 050081, 050492, 050410, 050470, 050192, 050568, 050051.
050214	1.3409	GRANADA HILLS COMMUNITY HOSPITAL	050278, 050199, 050116, 050467, 050137, 050299, 050126, 050040, 050378.
050215	1.4308	SAN JOSE MEDICAL CENTER	050125, 050153, 050038, 050071, 050662, 050380, 050188, 050319, 050604, 050308.
050217	0.9247	SISKIYOU GENERAL HOSPITAL	380005, 050419, 380018, 380075.
050219	1.2990	COAST PLAZA MEDICAL CENTER	050489, 050139, 050393, 050486, 050531, 050317, 050571, 050258, 050161, 050581.
050220	1.1931	HILLSIDE HOSPITAL	050077, 050025, 050607, 050100, 050447, 050233, 050515, 050234, 050583.
050222	1.1217	COMMUNITY HOSPITAL OF CHULA VISTA	050270, 050024, 050234, 050447, 050607, 050583, 050220, 050026, 050077.
050224	1.2593	HOAG MEMORIAL HOSPITAL PRESBYTERIAN	050543, 050548, 050564, 050678, 050570, 050526, 050535, 050560, 050491.
050225	1.0261	FEATHER RIVER HOSPITAL	050307, 050039, 050030, 050404, 050092, 050148, 050207, 050434, 050133, 050433.
050226	1.2405	ANAHEIM MEMORIAL HOSPITAL	050282, 050594, 050168, 050426, 050431, 050253, 050173, 050348, 050580.
050228	1.4120	SAN FRANCISCO GENERAL HOSPITAL	050055, 050008, 050293, 050152, 050454, 050033, 050668, 050076, 050457, 050047.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
050230	1.2536	AMI GARDEN GROVE HOSPITAL & MED CENTER	050491, 050348, 050069, 050594, 050363, 050065, 050550, 050535.
050231	1.2048	POMONA VALLEY HOSPITAL MEDICAL CENTER	050669, 050584, 050545, 050588, 050586, 050041, 050099, 050205, 050382, 050597.
050232	1.1916	FRENCH HOSPITAL	050088, 050506, 050016, 050633, 050107, 050449, 050110.
050233	1.1987	SHARP CABRILLO HOSPITAL	050025, 050077, 050607, 050220, 050598, 050234, 050100, 050515, 050447.
050234	1.1238	CORONADO HOSPITAL	050607, 050077, 050025, 050233, 050024, 050220, 050447, 050270, 050100.
050235	1.3245	ST JOSEPH MEDICAL CENTER	050080, 050241, 050058, 050135, 050138, 050239, 050114, 050111, 050625.
050236	1.3449	SIMI VALLEY HOSPITAL	050263, 050481, 050624, 050675, 050214, 050116, 050677, 050552, 050278.
050238	1.2719	METHODIST HOSPITAL OF SO CALIFORNIA	050155, 050391, 050132, 050029, 050438, 050281, 050615, 050432, 050637, 050096.
050239	1.3063	GLENDALE ADVENTIST MEDICAL CENTER	050058, 050124, 050438, 050080, 050138, 050235, 050063, 050111, 050619, 050135.
050240	1.2715	CENTINELA HOSPITAL MEDICAL CENTER	050267, 050420, 050310, 050086, 050559, 050468, 050456, 050401, 050144.
050241	1.2961	MEDICAL CENTER OF NORTH HOLLYWOOD-AMI	050114, 050299, 050126, 050158, 050235, 050137, 050467, 050080, 050625.
050242	1.3943	DOMINICAN SANTA CRUZ HOSPITAL	050194, 050319, 050380, 050188, 050604, 050038, 050153, 050071, 050215.
050243	1.1634	DESERT HOSPITAL	050573, 050534, 050054, 050390, 050279, 050618, 050651, 050272, 050587, 050327.
050245	1.2169	SAN BERNARDINO COUNTY MEDICAL CENTER	050129, 050089, 050327, 050587, 050272, 050140, 050260, 050022, 050102.
050248	1.3104	NATIVIDAD MEDICAL CENTER	050334, 050458, 050296, 050145, 050194, 050242, 050604, 050319, 050380.
050251	1.0490	LASSEN COMMUNITY HOSPITAL	050433, 050333, 050148, 050566.
050253	1.1771	ORANGE COUNTY COMMUNITY HOSPITAL	050426, 050173, 050580, 050431, 050551, 050575, 050282, 050226, 050317.
050254	1.2404	MARSHALL HOSPITAL	050414, 050498, 050309, 050516, 050014, 050421, 050674, 050425, 050109, 050017.
050256	1.2077	ORTHOPAEDIC HOSPITAL	050149, 050644, 050471, 050502, 050619, 050049, 050018, 050103, 050063, 050111.
050257	1.0046	ALLIANCE COMMUNITY HOSPITAL	050036, 050455, 050295, 050315, 050608, 050379, 050542, 050446, 050546, 050261.
050258	1.2233	RIO HONDO MEMORIAL HOSPITAL	050393, 050269, 050169, 050219, 050350, 050139, 050489, 050212, 050104, 050641.
050260	1.2172	MOUNTAINS COMMUNITY HOSPITAL	050129, 050245, 050089, 050618, 050587, 050327, 050272, 050140, 050517, 050300.
050261	1.0432	SIERRA VIEW DISTRICT HOSPITAL	050546, 050068, 050286, 050359, 050418, 050057, 050608, 050349, 050196, 050121.
050262	1.2975	UCLA MEDICAL CENTER	050579, 050622, 050290, 050625, 050112, 050144, 050561, 050328, 050477, 050401.
050263	1.3280	NU-MED REGIONAL MEDICAL CENTER	050481, 050677, 050116, 050552, 050601, 050214, 050236, 050126, 050158.
050264	1.3546	HUMANA HOSPITAL SAN LEANDRO	050143, 050671, 050095, 050488, 050512, 050002, 050211, 050320, 050053, 050043.
050267	1.3220	DANIEL FREEMAN MEMORIAL HOSPITAL	050240, 050086, 050420, 050310, 050401, 050559, 050144, 050644, 050561.
050269	1.1818	PICO RIVERA COMMUNITY HOSPITAL	050350, 050169, 050258, 050615, 050591, 050393, 050577, 050641, 050432, 050175.
050270	1,1487	SCRIPPS MEMORIAL HOSPITAL CHULA VISTA	050222, 050024, 050234, 050607, 050447, 050220, 050077, 050025, 050583.
050272	1.2170	REDLANDS COMMUNITY HOSPITAL	050587, 050327, 050245, 050129, 050089, 050022, 050140, 050102, 050054.
050274	1.0912	DEL PUERTO HOSPITAL	050154, 050451, 050183, 050179, 050464, 050557, 050118, 050313, 050067, 050436.
050276	1.4109	MERRITHEW MEMORIAL HOSPITAL	050635, 050496, 050180, 050522, 050072, 050101, 050073, 050079, 050661.
050277	1.2496	PACIFIC HOSPITAL OF LONG BEACH	050485, 050343, 050191, 050170, 050021, 050581, 050147, 050411, 050376, 050066.
050278	1.3409	HOLY CROSS HOSPITAL	050199, 050214, 050040, 050467, 050378, 050137, 050116, 050299, 050126.
050279	1.1641	HI-DESERT MEDICAL CENTER	050243, 050573, 050534, 050618, 050054, 050390, 050260, 050272, 050587, 050327.
050280	1.0722	MERCY MEDICAL CENTER REDDING	050312, 050042, 050392.
050281	1.1874	ALHAMBRA COMMUNITY HOSPITAL	050432, 050132, 050591, 050438, 050672, 050577, 050373, 050103, 050018, 050641.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
050282	1.1876	MARTIN LUTHER HOSPITAL MEDICAL CENTER	050226, 050594, 050426, 050431, 050168, 050253, 050173, 050580, 050565.
050283	1.3583	VALLEY MEMORIAL HOSPITAL	050195, 050095, 050488, 050002, 050512, 050671, 050143, 050313, 050264, 050072.
050286	1.0541	MEMORIAL HOSPITAL AT EXETER	050068, 050418, 050057, 050359, 050261, 050546, 050051, 050196, 050121, 050349.
050289	1.4288	SETON MEDICAL CENTER	050070, 050668, 050055, 050454, 050228, 050008, 050457, 050293, 050076.
050290	1.2899	ST JOHNS HOSPITAL HEALTH CENTER	050112, 050262, 050401, 050579, 050144, 050559, 050622, 050561, 050086, 050625.
050291	1.2187	COMMUNITY HOSPITAL	050174, 050032, 050385, 050013, 050547, 050331, 050136, 050667, 050090, 050009.
050292	1.2216	RIVERSIDE GEN HOSPITAL-UNIV MED CENTER	050102, 050022, 050345, 050329, 050140, 050327, 050587, 050651, 050586.
050293	1.3892	PACIFIC COAST HOSPITAL	050033, 050076, 050047, 050208, 050008, 050457, 050152, 050454, 050407.
050295	1.0046	MERCY HOSPITAL	050455, 050036, 050315, 050257, 050379, 050608, 050446, 050542, 050546, 050261.
050296	1.3009	HAZEL HAWKINS MEMORIAL HOSPITAL	050248, 050334, 050194, 050458, 050528, 050145, 050242, 050604, 050451.
050298	1.1645	BARSTOW COMMUNITY HOSPITAL	050300, 050517, 050260, 050618.
050299	1.3611	VALLEY HOSPITAL MEDICAL CENTER	050126, 050467, 050137, 050114, 050158, 050241, 050378, 050116, 050601.
050300	1.2283	ST MARY DESERT VALLEY HOSPITAL	050517, 050260, 050298, 050618, 050129, 050089, 050245, 050140, 050327, 050587.
050301	1.1984	UKIAH VALLEY MEDICAL CENTER	050381, 050476, 050440, 050539, 050569, 050331.
050302	1.3687	MILLS HOSPITAL	050113, 050007, 050197, 050541, 050070, 050613, 050289, 050441, 050512, 050002.
050305	1.3736	ALTA BATES - HERRICK HOSPITAL	050075, 050043, 050053, 050320, 050211, 050074, 050661, 050407, 050079.
050307	1.0266	CHICO COMMUNITY MEMORIAL HOSPITAL	050039, 050225, 050030, 050092, 050404, 050042, 050434, 050207, 050133, 050148.
050308	1.4602	EL CAMINO HOSPITAL	050071, 050441, 050153, 050662, 050038, 050188, 050215, 050380, 050319, 050541.
050309	1.2200	ROSEVILLE COMMUNITY HOSPITAL	050516, 050414, 050421, 050674, 050425, 050109, 050017, 050498, 050108, 050599.
050310	1.2787	HAWTHORNE HOSPITAL	050420, 050240, 050456, 050468, 050267, 050459, 050353, 050086, 050578, 050559.
050312	1.0722	REDDING MEDICAL CENTER	050280, 050392, 050042, 050419.
050313	1.1602	TRACY COMMUNITY MEMORIAL HOSPITAL	050118, 050167, 050122, 050084, 050283, 050464, 050183, 050557, 050274, 050523.
050315	1.0046	KERN MEDICAL CENTER	050036, 050455, 050295, 050257, 050608, 050379, 050446, 050542, 050546, 050261.
050317	1.3293	PIONEER HOSPITAL	050486, 050531, 050575, 050580, 050147, 050489, 050219, 050581, 050021, 050139.
050319	1.4308	MISSION OAKS HOSPITAL	050380, 050188, 050038, 050153, 050071, 050604, 050215, 050125, 050308, 050662.
050320	1.3735	HIGHLAND GENERAL HOSPITAL	050043, 050053, 050075, 050211, 050305, 050264, 050143, 050671, 050407.
050324	1.2237	SCRIPPS MEMORIAL HOSPITAL LA JOLLA	050424, 050598, 050100, 050515, 050233, 050025, 050077, 050220, 050503, 050583.
050325	1.0790	TUOLUMNE GENERAL HOSPITAL	050335, 050366, 050067, 050014, 050557, 050464, 050183, 050443, 050154, 050179.
050327	1.2056	LOMA LINDA UNIVERSITY MEDICAL CENTER	050587, 050272, 050245, 050129, 050089, 050022, 050140, 050102, 050292.
050328	1.3212	WESTSIDE HOSPITAL	050477, 050625, 050561, 050622, 050579, 050144, 050644, 050135, 050262.
050329	1.2209	CIRCLE CITY HOSPITAL	050345, 050292, 050102, 050022, 050609, 050586, 050550, 050589.
050331	1.2535	HEALDSBURG GENERAL HOSPITAL	050291, 050174, 050385, 050032, 050013, 050539, 050547, 050136, 050667, 050090.
050333	1.0156	SENECA DISTRICT HOSPITAL	050433, 050148, 050251, 050225, 050307, 050039, 050042.
050334	1.3018	SALINAS VALLEY MEMORIAL HOSPITAL	050248, 050458, 050145, 050296, 050194, 050242, 050189, 050604, 050319.
050335	1.0790	SONORA COMMUNITY HOSPITAL	050325, 050366, 050067, 050014, 050557, 050464, 050183, 050154, 050443, 050179.
050336	1.1339	LODI MEMORIAL HOSPITAL	050442, 050084, 050122, 050167, 050118, 050590, 050523, 050313, 050181, 050014.
050337	1.2789	PALMDALE GENERAL HOSPITAL	050204, 050056, 050623, 050040, 050675, 050624, 050199, 050278, 050378, 050124.
050342	1.1347	PIONEERS MEMORIAL HOSPITAL DISTRICT	050045, 050387, 030013.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
050343	1.2496	LONG BEACH DOCTORS HOSPITAL	050191, 050277, 050485, 050170, 050021, 050411, 050066, 050147, 050581, 050376.
050345	1.2209	CORONA COMMUNITY HOSPITAL	050329, 050292, 050102, 050022, 050586, 050609, 050589, 050550.
050348	1.2322	UNIV OF CALIFORNIA IRVINE MEDICAL CENTER	050069, 050230, 050491, 050594, 050550, 050065, 050226, 050560, 050282.
050349	1.0432	CORCORAN DISTRICT HOSPITAL	050359, 050121, 050196, 050418, 050057, 050068, 050286, 050261, 050546, 050608.
050350	1.1725	BEVERLY HOSPITAL	050269, 050591, 050258, 050615, 050432, 050577, 050169, 050641, 050281, 050393.
050351	1.2953	TORRANCE MEMORIAL MEDICAL CENTER	050353, 050066, 050376, 050411, 050459, 050078, 050456, 050468, 050310, 050277.
050352	1.1550	BARTON MEMORIAL HOSPITAL	290019, 050494, 050254, 290002, 290001, 290009, 290032.
050353	1.2860	LITTLE COMPANY OF MARY HOSPITAL	050459, 050351, 050376, 050066, 050411, 050456, 050468, 050310, 050420, 050078.
050355	1.1392	SIERRA VALLEY DISTRICT HOSPITAL	050566, 050494, 290009, 290001, 290032, 050148, 290019, 050433.
050357	1.1928	GOLETA VALLEY COMMUNITY HOSPITAL	050655, 050396, 050061, 050478, 050046, 050394, 050159, 050082, 050110.
050359	1.0541	TULARE DISTRICT HOSPITAL	050418, 050057, 050286, 050068, 050349, 050196, 050121, 050261, 050546, 050051.
050360	1.3883	MARIN GENERAL HOSPITAL	050510, 050074, 050661, 050079, 050131, 050208, 050522, 050047, 050407.
050363	1.3166	HUMANA HOSPITAL WESTMINSTER	050173, 050230, 050526, 050426, 050491, 050551, 050570, 050678, 050253.
050366	1.0937	MARK TWAIN HOSPITAL	050014, 050335, 050325, 050336, 050067, 050442, 050084, 050122, 050167, 050118.
050367	1.3699	NORTHBAY MEDICAL CENTER	050680, 050009, 050101, 050073, 050667, 050276, 050090, 050635, 050496, 050181.
050369	1.2165	QUEEN OF THE VALLEY HOSPITAL	050096, 050637, 050483, 050382, 050615, 050391, 050588, 050205, 050597, 050155.
050373	1.1910	L A COUNTY USC MEDICAL CENTER	050672, 050103, 050018, 050049, 050577, 050619, 050471, 050641, 050063, 050502.
050376	1.2661	L A COUNTY HARBOR-UCLA MEDICAL CENTER	050066, 050351, 050411, 050353, 050456, 050468, 050459, 050277, 050485, 050343.
050377	1.0104	CHOWCHILLA DISTRICT MEMORIAL HOSPITAL	050444, 050568, 050117, 050497, 050436, 050528, 050443, 050081, 050093, 050060.
050378	1.3245	PACIFICA HOSPITAL OF THE VALLEY	050137, 050467, 050199, 050299, 050278, 050126, 050214, 050241, 050080.
050379	1.0197	WEST SIDE DISTRICT HOSPITAL	050295, 050455, 050257, 050036, 050315, 050608, 050107, 050446, 050449, 050046.
050380	1.4308	GOOD SAMARITAN HOSPITAL SANTA CLARA	050319, 050188, 050038, 050153, 050071, 050604, 050215, 050125, 050308, 050662.
050381	1.1984	MENDOCINO COMMUNITY HOSPITAL	050301, 050476, 050440, 050539, 050569, 050331.
050382	1.2282	INTER-COMMUNITY MEDICAL CENTER	050483, 050096, 050588, 050205, 050369, 050597, 050637, 050545, 050391, 050155.
050385	1.2547	PALM DRIVE HOSPITAL	050174, 050291, 050032, 050136, 050547, 050331, 050013, 050090, 050667, 050131.
050387	1.1033	CALEXICO HOSPITAL	050045, 050342, 030013.
050388	0.8443	SOUTHERN INYO HOSPITAL	NO PROVIDER WITHIN 50 MILES.
050390	1.1527	HEMET VALLEY MEDICAL CENTER	050054, 050651, 050630, 050243, 050272, 050587, 050327, 050022, 050102.
050391	1.2621	SANTA TERESITA HOSPITAL	050155, 050238, 050483, 050597, 050096, 050637, 050205, 050382, 050369, 050029.
050392	1.0414	TRINITY GENERAL HOSPITAL	050312, 050280, 050419.
050393	1.2755	DOWNEY COMMUNITY HOSPITAL	050258, 050139, 050219, 050104, 050489, 050571, 050531, 050486, 050169, 050212.
050394	1.2316	COMM MEMORIAL HOSPITAL SAN BUENAVENTURA.	050159, 050082, 050046, 050616, 050177, 050666, 050549, 050593, 050061.
050396	1.1943	SANTA BARBARA COTTAGE HOSPITAL	050655, 050061, 050357, 050046, 050478, 050394, 050159, 050082, 050177.
050397	1.0431	COALINGA DISTRICT HOSPITAL	050121, 050196, 050349, 050189, 050633, 050470, 050359.
050401	1.2864	WASHINGTON HOSPITAL	050559, 050144, 050086, 050290, 050112, 050561, 050579, 050622, 050267.
050404	1.0390	BIGGS-GRIDLEY MEMORIAL HOSPITAL	050030, 050207, 050133, 050434, 050225, 050039, 050092, 050307, 050150, 050498.
050406	1.0660	MAYERS MEMORIAL HOSPITAL	050430.
050407	1.3962	CHINESE HOSPITAL	050152, 050047, 050033, 050293, 050076, 050208, 050008, 050457, 050228.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
050410	1.0147	SANGER HOSPITAL	050213, 050192, 050470, 050492, 050060, 050081, 050093, 050051, 050196.
050411	1.2687	KAISER FOUNDATION HOSPITAL	050066, 050351, 050376, 050078, 050353, 050343, 050277, 050191, 050485, 050459.
050414	1.2200	MERCY HOSPITAL OF FOLSOM	050309, 050516, 050421, 050674, 050425, 050109, 050498, 050017, 050108, 050599.
050417	0.9400	SUTTER COAST HOSPITAL	380072.
050418	1.0003	VISALIA COMMUNITY HOSPITAL	050057, 050359, 050286, 050068, 050051, 050196, 050121, 050349, 050261, 050192.
050419	1.0014	MERCY MEDICAL CENTER MT. SHASTA	050217, 050392, 050312.
050420	1.2769	ROBERT F KENNEDY MEDICAL CENTER	050310, 050240, 050267, 050468, 050456, 050086, 050559, 050459, 050578.
050421	1.2208	AMERICAN RIVER HOSPITAL	050674, 050425, 050516, 050109, 050017, 050108, 050599, 050309, 050414, 050590.
050423	1.0753	PALO VERDE HOSPITAL	030067.
050424	1.2189	GREEN HOSPITAL OF SCRIPPS CLINIC	050324, 050598, 050100, 050503, 050515, 050233, 050025, 050077, 050220, 050636.
050425	1.2208	KAISER FOUNDATION HOSPITAL	050674, 050421, 050109, 050017, 050108, 050599, 050516, 050590, 050309, 050414.
050426	1.2033	HUMANA HOSPITAL WEST ANAHEIM	050173, 050253, 050580, 050282, 050226, 050431, 050551, 050594, 050575.
050427	1.2665	AVALON MUNICIPAL HOSPITAL	050078, 050224, 050564, 050543, 050548, 050526, 050193, 050678, 050411, 050191.
050430	0.8576	MODOC MEDICAL CENTER	050676, 050406, 380088.
050431	1.1816	BUENA PARK DOCTORS HOSPITAL	050580, 050161, 050282, 050253, 050426, 050168, 050226, 050565, 050489, 050173.
050432	1.1738	GARFIELD MEDICAL CENTER	050591, 050281, 050132, 050577, 050350, 050672, 050615, 050373, 050641, 050103.
050433	1.0343	INDIAN VALLEY DISTRICT HOSPITAL	050148, 050333, 050251, 050566, 050225, 050355.
050434	1.0641	COLUSA COMMUNITY HOSPITAL	050404, 050207, 050133, 050092, 050030, 050539, 050166, 050039, 050307, 050127.
050435	1.2112	FALLBROOK HOSPITAL	050128, 050630, 050115, 050585, 050503, 050567, 050193, 050603, 050636, 050390.
050436	0.9842	BLOSS MEMORIAL HOSPITAL	050117, 050444, 050179, 050451, 050528, 050154, 050377, 050497, 050274, 050183.
050438	1.2188	HUNTINGTON MEMORIAL HOSPITAL	050281, 050132, 050029, 050239, 050432, 050058, 050238, 050672, 050591, 050373.
050440	1.0507	FRANK R HOWARD MEMORIAL HOSPITAL	050381, 050301, 050569, 050476, 050539.
050441	1.4388	STANFORD UNIVERSITY HOSPITAL	050541, 050197, 050308, 050113, 050302, 050071, 050662, 050195, 050153, 050512.
050442	1.1339	DOCTORS HOSPITAL OF LODI	050336, 050084, 050122, 050167, 050118, 050590, 050523, 050313, 050181, 050014.
050443	0.9601	JOHN C FREMONT HOSPITAL	050117, 050444, 050377, 050436, 050325, 050568, 050335, 050179, 050067, 050497.
050444	0.9530	MERCED COMMUNITY MEDICAL CENTER	050117, 050436, 050377, 050497, 050179, 050528, 050451, 050443, 050154, 050568.
050446	1.0462	TEHACHAPI DISTRICT HOSPITAL	050315, 050623, 050036, 050295, 050455, 050056, 050204, 050542, 050257, 050337.
050447	1.1911	VILLA VIEW COMMUNITY HOSPITAL	050583, 050515, 050220, 050077, 050026, 050024, 050025, 050607, 050100.
050448	1.0263	RIDGECREST COMMUNITY HOSPITAL	050542.
050449	1.1801	VALLEY COMMUNITY HOSPITAL	050107, 050016, 050110, 050088, 050232, 050506, 050478, 050633, 050357, 050655.
050450	1.0167	MONO GENERAL HOSPITAL	290015, 050638.
050451	1.0715	WEST SIDE COMMUNITY HOSPITAL	050274, 050528, 050179, 050436, 050154, 050183, 050117, 050444, 050464, 050557.
050454	1.4010	UNIV OF CALIFORNIA SAN FRANCISCO MED CTR	050457, 050668, 050008, 050076, 050293, 050208, 050033, 050055, 050047.
050455	1.0046	SAN JOAQUIN COMMUNITY HOSPITAL	050295, 050036, 050257, 050315, 050379, 050608, 050446, 050542, 050546, 050261.
050456	1.2533	COMMUNITY HOSPITAL OF GARDENA	050468, 050310, 050578, 050420, 050376, 050353, 050459, 050240, 050104, 050267.
050457	1.3915	ST MARYS HOSPITAL MEDICAL CENTER	050076, 050454, 050208, 050293, 050008, 050033, 050047, 050668, 050152.
050458	1.3104	COMMUNITY HOSPITAL RECOVERY CENTER	050145, 050334, 050248, 050194, 050242, 050296, 050604, 050319, 050380.
050459	1.3013	SOUTH BAY HOSPITAL	050353, 050351, 050310, 050376, 050456, 050468, 050066, 050420, 050411, 050240.
050464	1.0956	DOCTORS MEDICAL CENTER	050557, 050183, 050154, 050067, 050179, 050118, 050274, 050167, 050313, 050122.
050467	1.3366	PANORAMA COMMUNITY HOSPITAL	050137, 050299, 050126, 050378, 050214, 050116, 050199, 050278, 050114.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
050468	1.2533	MEMORIAL HOSPITAL OF GARDENA	050456, 050310, 050578, 050420, 050376, 050240, 050353, 050459, 050104, 050267.
050469	1.0057	NEEDLES-DESERT COMMUNITIES HOSPITAL	030086, 030069, 030055, 030067.
050470	1.0022	SELMA DISTRICT HOSPITAL	050192, 050410, 050051, 050213, 050196, 050121, 050060, 050093, 050081.
050471	1.2077	HOSPITAL OF THE GOOD SAMARITAN	050502, 050619, 050149, 050063, 050018, 050111, 050256, 050103, 050644, 050049.
050476	1.1351	LAKESIDE COMMUNITY HOSPITAL	050301, 050381, 050539, 050440, 050331, 050092, 050013, 050434, 050291.
050477	1.3015	MIDWAY HOSPITAL MEDICAL CENTER	050328, 050561, 050625, 050622, 050579, 050644, 050144, 050135, 050111.
050478	1.1483	SANTA YNEZ VALLEY HOSPITAL	050110, 050357, 050655, 050396, 050061, 050449, 050107, 050016, 050046, 050394.
050481	1.3280	HUMANA HOSPITAL WEST HILLS	050263, 050677, 050552, 050116, 050601, 050214, 050236, 050158, 050126.
050482	0.9614	SOUTHERN HUMBOLDT COMM HOSPITAL DISTRICT.	050172, 050569.
050483	1.2282	COVINA VALLEY COMMUNITY HOSPITAL	050382, 050096, 050369, 050637, 050205, 050597, 050588, 050391, 050545, 050155.
050485	1.2419	LONG BEACH MEMORIAL MEDICAL CENTER	050277, 050343, 050191, 050170, 050021, 050581, 050147, 050575, 050531, 050411.
050486	1.3078	BELLWOOD GENERAL HOSPITAL	050531, 050147, 050317, 050581, 050139, 050571, 050219, 050021, 050575, 050489.
050488	1.3534	EDEN HOSPITAL	050095, 050671, 050143, 050264, 050002, 050512, 050211, 050320, 050195, 050043.
050489	1.2994	NORWALK COMMUNITY HOSPITAL	050219, 050161, 050317, 050139, 050486, 050393, 050175, 050431, 050169, 050531.
050491	1.2833	SANTA ANA HOSPITAL MEDICAL CENTER	050230, 050348, 050069, 050065, 050535, 050570, 050594, 050560, 050550.
050492	1.0137	CLOVIS COMMUNITY HOSPITAL	050081, 050060, 050213, 050093, 050410, 050568, 050470, 050192, 050051.
050494	1.1449	TAHOE FOREST HOSPITAL DISTRICT	050355, 290009, 290001, 290019, 290032, 050566, 050352, 050150.
050496	1.4151	MT DIABLO HOSPITAL MEDICAL CENTER	050635, 050180, 050276, 050072, 050181, 050523, 050522, 050101, 050073.
050497	0.9735	DOS PALOS MEMORIAL HOSPITAL	050528, 050377, 050444, 050117, 050436, 050451, 050568, 050179, 050296, 050274.
050498	1.2313	AUBURN FAITH COMMUNITY HOSPITAL	050309, 050414, 050254, 050516, 050150, 050421, 050674, 050425, 050109, 050017.
050502	1.3063	ST VINCENT MEDICAL CENTER	050619, 050471, 050063, 050111, 050018, 050149, 050256, 050644, 050138, 050103.
050503	1.2293	SCRIPPS MEMORIAL HOSPITAL ENCINITAS	050424, 050128, 050324, 050636, 050115, 050598, 050100, 050515, 050233, 050025.
050506	1.1916	AMI SIERRA VISTA REGIONAL MEDICAL CENTER	050232, 050088, 050016, 050633, 050107, 050449, 050110.
050510	1.3883	KAISER FOUNDATION HOSPITAL	050360, 050131, 050661, 050079, 050074, 050522, 050208, 050047, 050407.
050512	1.3604	KAISER FOUNDATION HOSPITAL	050002, 050488, 050095, 050671, 050143, 050264, 050195, 050541, 050211, 050113.
050515	1.1999	KAISER FOUNDATION HOSPITAL	050583, 050100, 050447, 050220, 050077, 050026, 050025, 050607, 050598.
050516	1.2208	MERCY SAN JUAN HOSPITAL	050421, 050309, 050674, 050425, 050414, 050109, 050017, 050108, 050599, 050590.
050517	1.2283	VICTOR VALLEY COMMUNITY HOSPITAL	050300, 050260, 050129, 050089, 050618, 050245, 050298, 050140, 050327, 050587.
050522	1.4333	DOCTORS HOSPITAL OF PINOLE	050079, 050661, 050074, 050276, 050635, 050073, 050101, 050305, 050360.
050523	1.4072	DELTA MEMORIAL HOSPITAL	050181, 050496, 050180, 050072, 050635, 050276, 050283, 050367, 050101, 050073.
050526	1.3337	HUMANA HOSPITAL HUNTINGTON BEACH	050564, 050678, 050570, 050363, 050548, 050535, 050543, 050491, 050230.
050528	0.9832	LOS BANOS COMMUNITY HOSPITAL	050497, 050451, 050436, 050444, 050117, 050377, 050296, 050274, 050179, 050154.
050531	1.3078	BELLFLOWER DOCTORS HOSPITAL	050486, 050581, 050147, 050571, 050139, 050317, 050219, 050021, 050575, 050489.
050534	1.1714	JOHN F KENNEDY MEMORIAL HOSPITAL	050573, 050243, 050279, 050390, 050054, 050618, 050651.
050535	1.2992	COASTAL COMMUNITIES HOSPITAL	050570, 050560, 050678, 050491, 050065, 050548, 050543, 050230, 050069.
050537	1.2221	SUTTER DAVIS HOSPITAL	050127, 050166, 050108, 050599, 050017, 050680 050109, 050590, 050425, 050674.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
050539	1.1927	REDBUD COMMUNITY HOSPITAL	050476, 050331, 050013, 050301, 050381, 050291, 050032, 050174, 050434.
050541	1.4273	KAISER FOUNDATION HOSPITAL	050197, 050441, 050113, 050302, 050007, 050308, 050512, 050002, 050195, 050613.
050542	1.0040	KERN VALLEY HOSPITAL	050315, 050036, 050257, 050455, 050295, 050446, 050448, 050608, 050546, 050261.
050543	1.2593	COLLEGE HOSPITAL COSTA MESA	050548, 050224, 050678, 050570, 050535, 050564, 050526, 050560, 050491.
050545	1.2289	LANTERMAN DEVELOPMENTAL CENTER	050669, 050231, 050588, 050382, 050483, 050584, 050586, 050205, 050369, 050096.
050546	1.0432	PORTERVILLE DEVELOPMENTAL CENTER	050261, 050068, 050286, 050359, 050608, 050418, 050057, 050349, 050196, 050121.
050547	1.2162	SONOMA STATE HOSPITAL	050090, 050667, 050136, 050032, 050009, 050174, 050013, 050291, 050385, 050131.
050548	1.2593	FAIRVIEW DEVELOPMENTAL CENTER	050543, 050224, 050678, 050570, 050535, 050564, 050526, 050560, 050491.
050549	1.3495	LOS ROBLES REGIONAL MEDICAL CENTER	050593, 050616, 050666, 050236, 050481, 050552, 050263, 050677, 050082.
050550	1.2976	CHAPMAN GENERAL HOSPITAL INC	050069, 050065, 050348, 050560, 050491, 050230, 050609, 050594, 050535.
050551	1.1957	LOS ALAMITOS MEDICAL CENTER	050575, 050021, 050173, 050253, 050580, 050426, 050170, 050363, 050317.
050552	1.3414	MOTION PICTURE & TELEVISION HOSPITAL	050677, 050481, 050263, 050601, 050116, 050158, 050126, 050593, 050114.
050557	1.0956	MEMORIAL HOSPITAL MODESTO	050464, 050183, 050154, 050067, 050179, 050118, 050274, 050167, 050313, 050122.
050559	1.2836	DANIEL FREEMAN MARINA HOSPITAL	050401, 050086, 050144, 050290, 050112, 050267, 050240, 050561, 050420.
050560	1.2847	TUSTIN HOSPITAL MEDICAL CENTER	050065, 050535, 050069, 050550, 050491, 050348, 050230, 050570, 050678.
050561	1.3024	KAISER FOUNDATION HOSPITAL	050144, 050477, 050328, 050622, 050579, 050625, 050644, 050086, 050401.
050564	1.2626	PACIFICA COMMUNITY HOSPITAL	050526, 050678, 050570, 050548, 050543, 050363, 050535, 050224, 050491, 050230.
050565	1.1616	FRIENDLY HILLS REGIONAL HOSPITAL	050168, 050161, 050175, 050592, 050431, 050282, 050489, 050169, 050226.
050566	1.1564	EASTERN PLUMAS DISTRICT HOSPITAL	050355, 050148, 050494, 050433, 290009, 290001, 290032, 050251.
050567	1.2659	MISSION HOSPITAL REGIONAL MEDICAL CENTER	050603, 050193, 050585, 050543, 050224, 050560, 050548, 050535, 050065, 050570.
050568	1.0250	MADERA COMMUNITY HOSPITAL	050377, 050081, 050093, 050060, 050492, 050213, 050410, 050497, 050444.
050569	1.0681	MENDOCINO COAST HOSPITAL	050440, 050381, 050301, 050482, 050476.
050570	1.3337	FOUNTAIN VALLEY COMMUNITY HOSPITAL	050678, 050535, 050526, 050564, 050548, 050491, 050543, 050230, 050363.
050571	1.2236	CHARTER SUBURBAN HOSPITAL	050531, 050581, 050139, 050486, 050147, 050219, 050393, 050104, 050317, 050021.
050573	1.1750	EISENHOWER MEMORIAL HOSPITAL	050243, 050534, 050279, 050390, 050054, 050651, 050618, 050630, 050272, 050587.
050575	1.2203	CHARTER COMMUNITY HOSPITAL	050021, 050551, 050580, 050317, 050147, 050486, 050253, 050173, 050531, 050581.
050577	1.1719	SANTA MARTA HOSPITAL	050641, 050591, 050672, 050049, 050373, 050103, 050432, 050281, 050018, 050350.
050578	1.2788	MARTIN LUTHER KING JR GENERAL HOSPITAL	050104, 050468, 050456, 050212, 050091, 050571, 050139, 050393, 050310, 050240.
050579	1.2975	CENTURY CITY HOSPITAL	050622, 050262, 050625, 050561, 050328, 050477, 050144, 050290, 050112, 050401.
050580	1.2296	LA PALMA HOSPITAL MEDICAL CENTER	050253, 050575, 050173, 050426, 050317, 050431, 050551, 050021, 050486.
050581	1.2589	DOCTORS HOSPITAL OF LAKEWOOD	050147, 050531, 050571, 050486, 050021, 050139, 050317, 050575, 050485, 050277.
050583	1.1911	ALVARADO HOSPITAL MEDICAL CENTER	050515, 050447, 050026, 050220, 050100, 050077, 050025, 050607, 050024.
050584	1.2048	DOCTORS HOSPITAL OF MONTCLAIR	050041, 050231, 050669, 050099, 050586, 050545, 050588, 050205, 050597, 050382.
050585	1.2375	SAN CLEMENTE GENERAL HOSPITAL INC	050193, 050567, 050603, 050224, 050543, 050548, 050435, 050560, 050535, 050630.
050586	1.2140	CHINO COMMUNITY HOSPITAL	050584, 050041, 050669, 050231, 050099, 050545, 050588, 050382, 050205.
050587	1.2056	LOMA LINDA COMMUNITY HOSPITAL	050327, 050272, 050245, 050129, 050089, 050022, 050140, 050102, 050292.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
050588	1.2139	SAN DIMAS COMMUNITY HOSPITAL	050205, 050382, 050597, 050545, 050483, 050231, 050669, 050096, 050369, 050584.
050589	1.2294	PLACENTIA-LINDA COMMUNITY HOSPITAL	050609, 050168, 050592, 050226, 050282, 050594, 050565, 050550, 050348.
050590	1.2207	METHODIST HOSPITAL	050599, 050109, 050017, 050108, 050425, 050674, 050421, 050516, 050537, 050414.
050591	1.1763	MONTEREY PARK HOSPITAL	050432, 050577, 050281, 050641, 050350, 050672, 050373, 050103, 050132, 050049.
050592	1.1969	BREA COMMUNITY HOSPITAL	050168, 050565, 050589, 050175, 050161, 050282, 050226, 050431, 050609.
050593	1.3739	WESTLAKE COMMUNITY HOSPITAL	050549, 050552, 050481, 050666, 050677, 050263, 050616, 050236, 050601.
050594	1.2309	WESTERN MEDICAL CENTER ANAHEIM	050226, 050348, 050282, 050230, 050069, 050491, 050426, 050550.
050597	1.2282	FOOTHILL PRESBYTERIAN HOSPITAL	050205, 050588, 050382, 050483, 050391, 050096, 050155, 050369, 050637, 050545.
050598	1.2193	MISSION BAY MEMORIAL HOSPITAL	050100, 050233, 050025, 050077, 050220, 050324, 050515, 050607, 050424.
050599	1.2201	UNIV OF CALIFORNIA DAVIS MEDICAL CENTER	050017, 050108, 050109, 050425, 050674, 050590, 050421, 050516, 050309, 050537.
050601	1.3582	AMI TARZANA REGIONAL MEDICAL CENTER	050158, 050677, 050116, 050126, 050114, 050299, 050263, 050467.
050603	1.2659	SADDLEBACK HOSPITAL & HEALTH CENTER	050567, 050193, 050543, 050560, 050585, 050224, 050548, 050535, 050065, 050570.
050604	1.4308	SANTA TERESA COMMUNITY HOSPITAL	050380, 050319, 050215, 050038, 050188, 050125, 050153, 050071, 050662, 050308.
050607	1.1882	HARBOR VIEW MEDICAL CENTER	050077, 050234, 050025, 050220, 050233, 050447, 050024, 050100, 050515.
050608	1.0106	DELANO REGIONAL MEDICAL CENTER	050546, 050261, 050257, 050036, 050455, 050295, 050315, 050349, 050068, 050359.
050609	1.2454	KAISER FOUNDATION HOSPITAL ANAHEIM	050589, 050550, 050594, 050069, 050226, 050348, 050168, 050282, 050592.
050613	1.3736	ST CATHERINE HOSPITAL	050007, 050302, 050070, 050113, 050289, 050197, 050541, 050668, 050055, 050454.
050615	1.2303	GREATER EL MONTE COMMUNITY HOSPITAL	050350, 050637, 050269, 050432, 050132, 050591, 050369, 050096, 050169, 050281.
050616	1.2528	PLEASANT VALLEY HOSPITAL	050666, 050549, 050082, 050177, 050159, 050593, 050394, 050236, 050046.
050618	1.1497	BEAR VALLEY COMMUNITY HOSPITAL	050260, 050245, 050129, 050272, 050054, 050587, 050089, 050327, 050300, 050517.
050619	1.2467	CIGNA HOSPITAL OF LOS ANGELES INC	050063, 050502, 050471, 050111, 050018, 050149, 050138, 050103, 050373, 050256.
050622	1.3097	BEVERLY HILLS MEDICAL CENTER	050579, 050625, 050328, 050561, 050477, 050262, 050144, 050401, 050135, 050290.
050623	1.2784	L A COUNTY HIGH DESERT HOSPITAL	050204, 050056, 050337, 050624, 050675, 050040, 050446, 050199, 050278, 050378.
050624	1.3316	HENRY MAYO NEWHALL MEMORIAL HOSPITAL	050675, 050040, 050236, 050278, 050214, 050199, 050116, 050263, 050467, 050378.
050625	1.3669	CEDARS-SINAI MEDICAL CENTER	050328, 050622, 050477, 050579, 050561, 050135, 050262, 050144, 050138, 050644.
050630	1.1927	INLAND VALLEY REGIONAL MEDICAL CENTER	050435, 050651, 050390, 050567, 050585, 050603, 050329, 050193, 050292, 050345.
050633	1.1824	TWIN CITIES COMMUNITY HOSPITAL	050506, 050232, 050088, 050016, 050107, 050397, 050449, 050189.
050635	1.4153	KAISER FOUNDATION HOSPITAL	050276, 050496, 050180, 050072, 050522, 050101, 050079, 050073, 050181.
050636	1.2445	POMERADO HOSPITAL	050115, 050503, 050424, 050324, 050515, 050100, 050186, 050026, 050583, 050598.
050637	1.2483	TERRACE PLAZA MEDICAL CENTER	050369, 050096, 050483, 050615, 050382, 050391, 050155, 050238, 050597, 050205.
050638	0.9775	CENTINELA MAMMOTH HOSPITAL	050015, 050450.
050641	1.1581	EAST LOS ANGELES DOCTORS HOSPITAL	050577, 050049, 050103, 050672, 050373, 050591, 050091, 050212, 050018, 050149.
050644	1.2927	LOS ANGELES DOCTORS HOSPITAL	050256, 050149, 050471, 050502, 050477, 050111, 050328, 050619, 050561.
050651	1.1252	CHRISTIAN HOSPITAL MEDICAL CENTER	050102, 050390, 050292, 050022, 050630, 050272, 050054, 050587, 050329.
050655	1.1943	SCHICK SHADEL HOSPITAL OF SANTA BARBARA	050396, 050061, 050357, 050046, 050478, 050394, 050159, 050082, 050177.
050661	1.4033	EAST BAY HOSPITAL	050079, 050074, 050522, 050305, 050360, 050075, 050043, 050053, 050407.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
050662	1.4312	AGNEWS STATE HOSPITAL	050071, 050125, 050215, 050153, 050038, 050308, 050188, 050195, 050380, 050319.
050666	1.2416	CAMARILLO STATE HOSPITAL	050616, 050082, 050549, 050593, 050159, 050394, 050177, 050552, 050236.
050667	1.2214	NELSON HOLDERMAN HOSPITAL	050009, 050090, 050547, 050013, 050032, 050136, 050174, 050291, 050367, 050101.
050668	1.4163	LAGUNA HONDA HOSPITAL	050454, 050055, 050457, 050008, 050293, 050076, 050228, 050033, 050208.
050669	1.2048	VALLEY HOSPITAL	050231, 050584, 050545, 050586, 050588, 050041, 050099, 050205, 050382, 050597.
050671	1.3546	FAIRMONT HOSPITAL	050143, 050264, 050095, 050488, 050512, 050002, 050211, 050320, 050043, 050053.
050672	1.1851	ESTELLE DOHENY EYE HOSPITAL	050373, 050103, 050049, 050018, 050577, 050641, 050619, 050471, 050591, 050063.
050674	1.2208	KAISER FOUNDATION HOSPITAL SO SACRAMENTO.	050425, 050421, 050109, 050017, 050108, 050599, 050516, 050590, 050309, 050414.
050675	1.3316	NEWHALL COMMUNITY HOSPITAL	050624, 050040, 050278, 050199, 050214, 050236, 050116, 050467, 050378, 050263.
050676	0.8809	SURPRISE VALLEY COMMUNITY HOSPITAL	050430, 380088.
050677	1.3459	KAISER FOUNDATION HOSPITAL	050552, 050601, 050481, 050263, 050116, 050158, 050126, 050114.
050678	1.3337	FHP-FOUNTAIN VALLEY	050570, 050526, 050564, 050548, 050535, 050543, 050363, 050491, 050230.
050680	1.2289	VACA VALLEY HOSPITAL	050367, 050537, 050009, 050667, 050101, 050073, 050127, 050090, 050181, 050166.
060001	0.9139	NORTH COLORADO MEDICAL CENTER	060030, 060010, 060003, 060004, 060027, 060088, 060065, 060044, 060093.
060003	0.9591	LONGMONT UNITED HOSPITAL	060027, 060030, 060004, 060088, 060065, 060001, 060009, 060010, 060015.
060004	1.1449	PLATTE VALLEY MEDICAL CENTER	060065, 060093, 060026, 060005, 060028, 060014, 060032, 060024, 060011.
060005	1.1257	AMI PRESBYTERIAN-DENVER HOSPITAL	060028, 060093, 060014, 060026, 060011, 060024, 060032, 060015, 060064.
060006	0.8751	MONTROSE MEMORIAL HOSPITAL	060071, 060070.
060007	0.6698	PROWERS MEDICAL CENTER	060047, 170079, 060036, 060085, 170082.
060008	0.7546	SAN LUIS VALLEY REGIONAL MEDICAL CENTER	060060, 060072.
060009	1.1165	LUTHERAN HOSPITAL	060015, 060014, 060028, 060005, 060093, 060026, 060011, 060024, 060032.
060010	0.8991	POUDRE VALLEY HOSPITAL	060030, 060001, 060088, 060003, 530014, 530001, 060027, 060004.
060011	1.1257	DENVER GENERAL HOSPITAL	060024, 060032, 060026, 060093, 060005, 060028, 060014, 060064, 060015.
060012	0.8709	ST MARY CORWIN HOSPITAL	060020, 060016, 060066, 060022, 060031.
060013	0.8979	MERCY MEDICAL CENTER OF DURANGO	060039, 060018, 320005.
060014	1.1257	AMI ST LUKES HOSPITAL	060028, 060005, 060093, 060026, 060011, 060024, 060032, 060015, 060064.
060015	1.1165	ST ANTHONY HOSPITAL SYSTEMS	060009, 060014, 060028, 060005, 060093, 060026, 060011, 060024, 060032.
060016	0.8797	ST THOMAS MORE/ST JOSEPH HOSPITAL	060020, 060012, 060022, 060031, 060050.
060018	0.8966	SOUTHWEST MEMORIAL HOSPITAL	060013, 060039, 320005.
060020	0.8709	PARKVIEW EPISCOPAL MEDICAL CENTER	060012, 060016, 060022, 060031, 060066.
060022	0.9421	MEMORIAL HOSPITAL	060031, 060016, 060020, 060012.
060023	0.8779	ST MARYS HOSPITAL MEDICAL CENTER	060054, 060063, 060071, 060042.
060024	1.1257	UNIVERSITY HOSPITAL	060011, 060032, 060026, 060093, 060005, 060028, 060014, 060064, 060015.
060026	1.1257	MERCY MEDICAL CENTER	060093, 060005, 060028, 060011, 060024, 060032, 060014, 060015, 060064.
060027	1.0195	BOULDER COMMUNITY HOSPITAL	060003, 060065, 060009, 060015, 060004, 060014, 060028, 060005.
060028	1.1257	ST JOSEPH HOSPITAL	060005, 060093, 060014, 060026, 060011, 060024, 060032, 060015, 060064.
060029	0.9990	ST VINCENT GENERAL HOSPITAL	060057, 060096.
060030	0.9718	MCKEE MEDICAL CENTER	060010, 060003, 060001, 060088, 060027, 060004, 060065, 060009, 060014.
060031	0.9421	PENROSE-SAINT FRANCIS HOSPITAL	060022, 060016, 060020, 060012.
060032	1.1257	ROSE MEDICAL CENTER	060024, 060011, 060026, 060093, 060005, 060028, 060014, 060064, 060015.
060033	0.7541	MOUNT SAN RAFAEL HOSPITAL	060066.
060034	1.1220	SWEDISH MEDICAL CENTER	060101, 060064, 060011, 060024, 060032, 060026, 060028, 060005, 060093, 060014.
060036	0.7632	ARKANSAS VALLEY REGIONAL MEDICAL CENTER	060007.
060037	0.6516	KIT CARSON COUNTY MEMORIAL HOSPITAL	170097, 060043, 170064.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
060038	0.7071	MELISSA MEMORIAL HOSPITAL	060058, 060052, 280018, 280024, 060053, 060056, 060076, 280089.
060039	0.8834	LAPLATA COMMUNITY HOSPITAL	060013, 060018, 320005.
060041	0.8962	PIONEERS HOSPITAL OF RIO BLANCO	060042, 060046, 060073, 060075.
060042	0.9027	CLAGETT MEMORIAL HOSPITAL	060075, 060041, 060054, 060023.
060043	0.6438	CHEYENNE COUNTY HOSPITAL	060047, 060037, 170082, 170097.
060044	0.8674	FORT MORGAN COMMUNITY HOSPITAL	060068, 060076, 060001.
060046	0.9290	MEMORIAL HOSPITAL	060049, 060041.
060047	0.6757	WEISBROD MEMORIAL COUNTY HOSPITAL	060007, 060043.
060049	0.9624	ROUTT MEMORIAL HOSPITAL INC	060046, 060090.
060050	0.9040	HEART OF THE ROCKIES MEDICAL CENTER	060016, 060070.
060052	0.7107	SEDGWICK COUNTY HOSPITAL	280024, 280089, 060038, 280097, 060058, 280015, 280018.
060053	0.6348	WRAY COMMUNITY DISTRICT HOSPITAL	060056, 170064, 280082, 060038, 280018, 060058.
060054	0.8779	COMMUNITY HOSPITAL	060023, 060063, 060071, 060042.
060056	0.7344	YUMA DISTRICT HOSPITAL	060053, 060058, 060038, 060076, 060068.
060057	0.9226	ASPEN VALLEY HOSPITAL	060029, 060075, 060096, 060070.
060058	0.7102	HAXTUN HOSPITAL DISTRICT	060038, 060076, 060052, 060056, 280015, 060053, 280024, 280018.
060060	0.7499	CONEJOS COUNTY HOSPITAL	060008, 060072.
060062	0.9615	LINCOLN COMMUNITY HOSPITAL	NO PROVIDER WITHIN 50 MILES.
060063	0.8779	FAMILY HEALTH WEST	060023, 060054, 060071.
060064	1.1220	PORTER MEMORIAL HOSPITAL	060101, 060034, 060011, 060024, 060032, 060026, 060028, 060005, 060093, 060014.
060065	1.1158	HUMANA HOSPITAL MOUNTAIN VIEW	060014, 060005, 060093, 060028, 060009, 060026, 060015, 060024, 060011.
060066	0.7616	HUERFANO COUNTY MEDICAL CENTER	060033, 060012, 060020.
060068	0.8503	EAST MORGAN COUNTY HOSPITAL	060044, 060076, 060056.
060070	0.8708	GUNNISON VALLEY HOSPITAL	060057, 060050, 060006.
060071	0.8764	DELTA COUNTY MEMORIAL HOSPITAL	060006, 060054, 060023, 060063.
060072	0.7964	ST JOSEPH HOSPITAL OF DEL NORTE INC	060008, 060060.
060073	0.8749	RANGELY DISTRICT HOSPITAL	060041, 460030.
060075	0.9256	VALLEY VIEW HOSPITAL	060042, 060057, 060041, 060096.
060076	0.7446	STERLING REGIONAL MEDICAL CENTER	060058, 060068, 060044, 280015, 060056, 060038, 280033.
060085	0.6994	SOUTHEAST COLORADO HOSPITAL	170117, 170166, 060007, 370146.
060087	1.1116	HUMANA HOSPITAL AURORA	060032, 060024, 060011, 060026, 060064, 060101, 060093, 060034, 060005, 060028.
060088	0.9393	ESTES PARK MEDICAL CENTER	060030, 060003, 060027, 060010, 060001, 060065, 060004, 060009, 060090.
060090	0.8920	KREMMLING MEMORIAL HOSPITAL DISTRICT	060096, 060049, 060088.
060093	1.1257	DOCTORS HOSPITAL	060005, 060028, 060026, 060014, 060011, 060024, 060032, 060015, 060064.
060096	1.0100	VAIL VALLEY MEDICAL CENTER	060029, 060090, 060057, 060075.
060101	1.1220	CRAIG HOSPITAL	060034, 060064, 060011, 060024, 060032, 060026, 060028, 060005, 060093, 060014.
070001	1.2071	HOSPITAL OF ST RAPHAEL	070022, 070031, 070019, 070010, 070028, 070023, 070014, 070017, 070016, 070005.
070002	1.2161	ST FRANCIS HOSPITAL & MEDICAL CENTER	070036, 070025, 070013, 070027, 070035, 070012, 070029, 070020, 070009, 070017.
070003	1.0973	DAY KIMBALL HOSPITAL	220025, 220019, 070008, 070021, 410011, 220090, 410004, 220115, 410005.
070004	1.0879	SHARON HOSPITAL	070026, 070011, 070015, 330049, 220038, 330067, 330004, 330224, 330023, 070029.
070005	1.1891	WATERBURY HOSPITAL	070016, 070009, 070029, 070017, 070014, 070035, 070031, 070011, 070015, 070001.
070006	1.3311	STAMFORD HOSPITAL	070030, 070018, 330171, 070034, 330338, 330304, 330234, 330162, 330181, 330045.
070007	1.2016	LAWRENCE & MEMORIAL HOSPITAL	410013, 070024, 330088, 070021, 410008, 070020, 330340, 070014, 070017, 070027.
070008	1.1144	JOHNSON MEMORIAL HOSPITAL	070012, 220019, 220030, 070027, 220099, 070021, 220066, 070003, 220077, 220050.
070009	1.2230	BRADLEY MEMORIAL HOSPITAL	070017, 070014, 070035, 070029, 070016, 070005, 070020, 070025, 070002, 070036.
070010	1.2171	BRIDGEPORT HOSPITAL	070023, 070028, 070019, 070031, 070034, 070022, 070001, 330246, 330185, 330393.
070011	1.2108	CHARLOTTE HUNGERFORD HOSPITAL	070026, 070029, 070005, 070016, 070004, 070035, 070009, 070015, 070002, 070013.
070012	1.1884	ROCKVILLE GENERAL HOSPITAL	070027, 070008, 070036, 070013, 070025, 070002, 070021, 220066, 220077, 220099.
070013	1.2161	MT SINAI HOSPITAL	070036, 070002, 070025, 070027, 070035, 070012, 070029, 070020, 070009, 070017.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
070014	1.2209	WW2 VETERANS MEMORIAL HOSPITAL	070017, 070009, 070020, 070035, 070016, 070005, 070029, 070001, 070022, 070025.
070015	1.1956	NEW MILFORD HOSPITAL	070033, 070005, 070016, 330273, 070011, 070004, 070026, 070031, 070029, 070009.
070016	1.1998	ST MARYS HOSPITAL	070005, 070009, 070029, 070017, 070014, 070035, 070031, 070011, 070001, 070022.
070017	1.2209	VETERANS MEMORIAL MEDICAL CENTER	070014, 070009, 070020, 070035, 070016, 070029, 070005, 070025, 070001, 070022.
070018	1.3456	GREENWICH HOSPITAL ASSOCIATION	330171, 070006, 070030, 330338, 330304, 330234, 330184, 330181, 330036, 070034.
070019	1.2171	MILFORD HOSPITAL	070010, 070028, 070023, 070031, 070022, 070001, 070034, 330246, 330185, 330393.
070020	1.2177	MIDDLESEX MEMORIAL HOSPITAL	070014, 070017, 070035, 070009, 070025, 070002, 070029, 070027, 070036, 070013.
070021	1.2291	WINDHAM HOSPITAL	070024, 070012, 070027, 070008, 070003, 070025, 070036, 070020, 070002, 070013.
070022	1.2071	YALE NEW HAVEN HOSPITAL	070001, 070031, 070019, 070010, 070028, 070023, 070014, 070017, 070016, 070005.
070023	1.1985	PARK CITY HOSPITAL	070010, 070028, 070019, 070034, 070031, 070001, 070022, 330246, 330185, 070030.
070024	1.1964	WILLIAM W BACKUS HOSPITAL	070021, 070007, 410013, 070003, 070027, 070020, 070012, 410008, 070008, 330088.
070025	1.2161	HARTFORD HOSPITAL	070002, 070036, 070013, 070027, 070035, 070012, 070029, 070020, 070009, 070017.
070026	1.1945	WINSTED MEMORIAL HOSPITAL	070004, 070011, 220038, 070015, 070029, 070005, 070016, 330049, 070035, 070009.
070027	1.2221	MANCHESTER MEMORIAL HOSPITAL	070012, 070025, 070036, 070013, 070002, 070035, 070021, 070008, 070020, 070029.
070028	1.2028	ST VINCENTS MEDICAL CENTER	070023, 070010, 070019, 070031, 070034, 070001, 070022, 070033, 070030, 330246.
070029	1.2199	BRISTOL HOSPITAL	070035, 070009, 070016, 070005, 070017, 070011, 070002, 070025, 070014, 070013.
070030	1.3311	ST JOSEPHS HOSPITAL	070006, 070018, 070034, 330171, 330338, 330304, 330162, 330234, 330045, 330181.
070031	1.2120	GRIFFIN HOSPITAL	070001, 070022, 070019, 070028, 070010, 070023, 070016, 070005, 070033, 070014.
070033	1.2081	DANBURY HOSPITAL	330273, 070015, 070031, 070028, 330162, 070034, 070023, 070010, 070005, 070016.
070034	1.2433	NORWALK HOSPITAL	070030, 070006, 070018, 070023, 070028, 070010, 330171, 330162, 330045, 330338.
070035	1.2128	NEW BRITAIN GENERAL HOSPITAL	070009, 070029, 070025, 070017, 070002, 070020, 070036, 070013, 070014, 070016.
070036	1.2161	JOHN DEMPSEY HOSPITAL	070013, 070002, 070025, 070027, 070035, 070012, 070029, 070020, 070009, 070017.
080001	1.0814	MEDICAL CENTER OF DELAWARE	080003, 080005, 390148, 390180, 310091, 390222, 390220, 390167, 390155, 390179.
080002	0.8640	MILFORD MEMORIAL HOSPITAL INC	080007, 080004, 080006, 310011, 210037, 210030, 210010, 210019, 310032.
080003	1.0814	ST FRANCIS HOSPITAL INC	080001, 080005, 390148, 310091, 390180, 390220, 390222, 390167, 390179, 390155.
080004	0.8927	KENT GENERAL HOSPITAL INC	080002, 210030, 310032, 310091, 080007, 310087, 310069, 310011, 210032.
080005	1.0814	RIVERSIDE HOSPITAL	080001, 080003, 390148, 390180, 390222, 310091, 390167, 390155, 390220, 390179.
080006	0.8969	NANTICOKE MEMORIAL HOSPITAL INC	210019, 080002, 210010, 080007, 210037, 080004, 210030, 210045, 210039, 210023.
080007	0.9042	BEEBE MEDICAL CENTER	080002, 080006, 310011, 080004, 210019, 310032, 210037, 310047, 210010.
090001	1.1222	GEORGE WASHINGTON UNIVERSITY HOSPITAL	090010, 090004, 090003, 090005, 090011, 490129, 490014, 090007, 490050, 090006.
090002	1.0793	HADLEY MEMORIAL HOSPITAL	090008, 490107, 490014, 490040, 090007, 490008, 090001, 090005, 090010, 490073.
090003	1.1164	HOWARD UNIVERSITY HOSPITAL	090011, 090005, 090010, 090001, 090006, 090004, 090007, 210016, 210003, 210036.
090004	1.1263	GEORGETOWN UNIVERSITY HOSPITAL	090010, 090001, 090003, 490129, 490050, 090011, 090005, 490014, 490073, 090006.
090005	1.1182	SIBLEY MEMORIAL HOSPITAL	090003, 090011, 090001, 090010, 090007, 090006, 090004, 210003, 090008, 490014.
090006	1.1164	PROVIDENCE HOSPITAL	090011, 090003, 090005, 210016, 210036, 210003, 090010, 090001, 090007, 090004.
090007	1.1146	DISTRICT OF COLUMBIA GENERAL HOSPITAL	090005, 090003, 090008, 090011, 090001, 090010, 210003, 090006, 090002, 090004.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
090008	1.0736	GREATER SOUTHEAST HOSPITAL	090002, 090007, 490107, 490014, 090005, 090001, 090010, 090003, 490008, 490040.
090010	1.1222	COLUMBIA HOSPITAL FOR WOMEN	090001, 090004, 090003, 090005, 090011, 490129, 490050, 490014, 090007, 090006.
090011	1.1164	WASHINGTON HOSPITAL CENTER	090003, 090006, 090005, 090010, 090001, 090004, 090007, 210016, 210036, 210003.
100001	0.8712	UNIVERSITY MEDICAL CENTER	100170, 100151, 100088, 100040, 100083, 100196, 100179, 100117, 100226.
100002	0.9944	BETHESDA MEMORIAL HOSPITAL	100258, 100168, 100268, 100207, 100080, 100086, 100189, 100275, 100276, 100199.
100004	0.7709	MADISON COUNTY MEMORIAL HOSPITAL	100146, 100106, 110061, 100108, 110122, 110037, 110038, 100156, 100135, 100102.
100005	0.8093	POLK GENERAL HOSPITAL	100121, 100052, 100099, 100164, 100157, 100137, 100132, 100185, 100243, 100109.
100006	0.9798	ORLANDO REGIONAL MEDICAL CENTER	100221, 100021, 100007, 100129, 100162, 100030, 100263, 100089, 100110, 100074.
100007	0.9857	FLORIDA HOSPITAL	100162, 100129, 100021, 100221, 100006, 100263, 100030, 100161, 100089, 100051.
100008	0.9709	BAPTIST HOSPITAL OF MIAMI INC	100154, 100181, 100209, 100208, 100020, 100165, 100079, 100183, 100152, 100076.
100009	1.1128	CEDARS MEDICAL CENTER INC	100022, 100100, 100240, 100152, 100277, 100061, 100172, 100183, 100034, 100076.
100010	0.9798	ST MARYS HOSPITAL	100262, 100234, 100080, 100207, 100269, 100275, 100253, 100258, 100176, 100002.
100012	0.9298	LEE MEMORIAL HOSPITAL	100220, 100107, 100244, 100047, 100077, 100236, 100267, 100018, 100175, 100070.
100014	0.8582	FISH MEMORIAL HOSPITAL	100017, 100229, 100068, 100072, 100045, 100169, 100161, 100028, 100263, 100118.
100015	0.9600	SUN COAST HOSPITAL INC	100248, 100235, 100203, 100127, 100174, 100145, 100180, 100043, 100265, 100238.
100016	0.8788	CLAY MEMORIAL HOSPITAL	100226, 100219, 100090, 100179, 100196, 100083, 100103, 100040, 100088, 100232.
100017	0.8571	HALIFAX HOSPITAL MEDICAL CENTER	100229, 100068, 100169, 100014, 100045, 100072, 100118, 100161, 100263, 100057.
100018	0.9297	NAPLES COMMUNITY HOSPITAL INC	100220, 100012, 100107, 100244.
100019	0.8997	HOLMES REGIONAL MEDICAL CENTER	100217, 100092, 100177, 100105, 100074, 100028, 100089, 100110, 100021, 100006.
100020	0.9953	DOCTORS HOSPITAL	100183, 100181, 100154, 100079, 100165, 100152, 100061, 100076, 100008, 100100.
100021	0.9819	ORLANDO GENERAL HOSPITAL	100006, 100007, 100221, 100162, 100129, 100263, 100030, 100089, 100110, 100161.
100022	1.1128	JACKSON MEMORIAL HOSPITAL	100009, 100100, 100240, 100277, 100152, 100061, 100172, 100034, 100183, 100076.
100023	0.8581	CITRUS MEMORIAL HOSPITAL	100249, 100071, 100084, 100212, 100062, 100264, 100057, 100051, 100211, 100256.
100024	0.9810	FISHERMENS HOSPITAL INC	100195, 100160, 100150.
100025	0.8157	SACRED HEART HOSPITAL	100231, 100065, 100093, 100266, 100124, 010083, 100223, 010100, 100048, 100054.
100026	0.8027	BAY MEDICAL CENTER	100242, 100027, 100112, 100254, 100147, 100078, 100273, 100270, 100081, 100054.
100027	0.8293	GULF PINES HOSPITAL	100270, 100026, 100242, 100112.
100028	0.9842	PARRISH MEDICAL CENTER	100177, 100092, 100162, 100021, 100161, 100007, 100263, 100006, 100014, 100221.
100029	1.0690	NORTH SHORE HOSPITAL	100131, 100053, 100277, 100059, 100022, 100050, 100060, 100034, 100240, 100114.
100030	0.9784	WEST ORANGE HOSPITAL	100129, 100221, 100051, 100006, 100007, 100021, 100162, 100263, 100089, 100110.
100032	0.9257	BAYFRONT MEDICAL CENTER	100186, 100218, 100067, 100239, 100126, 100238, 100180, 100145, 100203, 100235.
100034	1.0939	MOUNT SINAI HOSPITAL	100060, 100277, 100059, 100172, 100022, 100009, 100100, 100131, 100029, 100240.
100035	0.9601	MANATEE MEMORIAL HOSPITAL	100213, 100166, 100087, 100186, 100259, 100032, 100126, 100218, 100067, 100239.
100038	1.0501	MEMORIAL HOSPITAL	100042, 100225, 100194, 100230, 100039, 100222, 100114, 100200, 100167, 100228.
100039	1.0472	BROWARD GENERAL MEDICAL CENTER	100200, 100167, 100056, 100085, 100210, 100228, 100073, 100038, 100042, 100237.
100040	0.8712	ST VINCENTS MEDICAL CENTER	100088, 100083, 100151, 100170, 100001, 100179, 100196, 100226, 100117.
100042	1.0523	DOCTORS HOSPITAL OF HOLLYWOOD	100225, 100194, 100038, 100230, 100222, 100114, 100039, 100200, 100167, 100131.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
100043	0.9593	MEASE HOSPITAL	100265, 100174, 100127, 100248, 100015, 100055, 100235, 100255, 100203, 100145.
100044	0.9755	MARTIN MEMORIAL HOSPITAL	100260, 100246, 100253, 100252, 100010, 100105, 100144, 100262, 100176, 100234.
100045	0.8571	WEST VOLUSIA MEMORIAL HOSPITAL	100072, 100161, 100017, 100229, 100014, 100068, 100169, 100057, 100263, 100118.
100046	0.8845	EAST PASCO MEDICAL CENTER	100211, 100132, 100173, 100271, 100157, 100069, 100243, 100143, 100164.
100047	0.9244	MEDICAL CENTER HOSPITAL	100077, 100236, 100267, 100244, 100175, 100070, 100107, 100012, 100220, 100166.
100048	0.8103	JAY HOSPITAL	010096, 010099, 010053, 100124, 010129, 100122, 100025, 100231, 010148, 100065.
100049	0.7849	HIGHLANDS REGIONAL MEDICAL CENTER	100109, 100185, 100175, 100099, 100252, 100005, 100121, 100052, 100164, 100137.
100050	1.0797	PALM SPRINGS GENERAL HOSPITAL	100187, 100053, 100029, 100240, 100076, 100222, 100114, 100277, 100131, 100022.
100051	0.9822	SOUTH LAKE MEMORIAL HOSPITAL	100030, 100129, 100221, 100084, 100006, 100007, 100021, 100057, 100162, 100263.
100052	0.8090	WINTER HAVEN HOSPITAL	100164, 100137, 100121, 100005, 100157, 100099, 100132, 100110, 100089, 100074.
100053	1.0977	HIALEAH HOSPITAL	100050, 100029, 100240, 100187, 100277, 100022, 100076, 100009, 100131, 100100.
100054	0.8182	HCA TWIN CITIES HOSPITAL	100273, 100223, 100254, 100122, 100081, 100124, 010066, 100266, 100025, 100065.
100055	0.9520	HELEN ELLIS MEMORIAL HOSPITAL	100265, 100043, 100191, 100063, 100174, 100255, 100127, 100069, 100248, 100015.
100056	1.0091	NORTH BEACH HOSPITAL	100073, 100237, 100200, 100039, 100199, 100210, 100167, 100085, 100086, 100224.
100057	0.9753	WATERMAN MEDICAL CENTER	100084, 100263, 100161, 100030, 100045, 100051, 100072, 100129, 100007, 100162.
100059	1.0939	ST FRANCIS HOSPITAL	100060, 100034, 100277, 100131, 100029, 100172, 100022, 100009, 100100, 100240.
100060	1.0939	MIAMI HEART INSTITUTE	100034, 100059, 100277, 100172, 100131, 100022, 100009, 100029, 100100, 100240.
100061	1.1360	MERCY HOSPITAL	100183, 100152, 100100, 100020, 100009, 100022, 100079, 100240, 100181, 100172.
100062	0.8775	MUNROE REGIONAL MEDICAL CENTER	100212, 100139, 100023, 100249, 100084, 100113, 100082, 100057, 100204, 100232.
100063	0.9314	RIVERSIDE HOSPITAL	100191, 100256, 100055, 100264, 100265, 100043, 100069, 100255, 100173, 100271.
100065	0.8167	UNIVERSITY HOSPITAL	100093, 100231, 100025, 100266, 100124, 010083, 100223, 010100, 100048, 100273.
100067	0.9257	ST ANTHONYS HOSPITAL	100218, 100239, 100032, 100186, 100238, 100180, 100126, 100145, 100203, 100235.
100068	0.8608	PENINSULA MEDICAL CENTER	100169, 100229, 100017, 100118, 100014, 100045, 100072, 100161, 100232, 100057.
100069	0.9218	CAROLLWOOD COMMUNITY HOSPITAL	100255, 100143, 100075, 100227, 100271, 100173, 100206, 100128.
100070	0.9461	VENICE HOSPITAL	100267, 100087, 100166, 100236, 100077, 100047, 100213, 100035, 100175, 100244.
100071	0.8828	BROOKSVILLE REGIONAL HOSPITAL	100264, 100211, 100256, 100023, 100046, 100063, 100191, 100249, 100051, 100084.
100072	0.8675	FISH MEMORIAL HOSPITAL	100045, 100161, 100017, 100229, 100014, 100068, 100169, 100057, 100263, 100162.
100073	1.0190	HOLY CROSS HOSPITAL	100237, 100056, 100199, 100210, 100200, 100167, 100039, 100086, 100189, 100085.
100074	0.9835	ST CLOUD HOSPITAL	100089, 100110, 100137, 100006, 100021, 100221, 100007, 100129, 100162, 100030.
100075	0.9218	ST JOSEPHS HOSPITAL	100227, 100143, 100206, 100128, 100069, 100255, 100271, 100173.
100076	1.1432	PAN AMERICAN HOSPITAL	100079, 100152, 100165, 100240, 100183, 100020, 100022, 100100, 100009, 100061.
100077	0.9244	ST JOSEPH HOSPITAL PORT CHARLOTTE	100236, 100047, 100267, 100070, 100175, 100244, 100107, 100012, 100220, 100166.
100078	0.7665	DOCTORS MEMORIAL HOSPITAL	100147, 100138, 010062, 100142, 100081, 010055, 010001, 010066, 100254, 010057.
100079	0.9799	UNIVERSITY OF MIAMI HOSPITAL & CLINIC	100165, 100183, 100152, 100076, 100020, 100181, 100154, 100240, 100061, 100100.
100080	0.9822	JFK MEDICAL CENTER INC	100207, 100234, 100262, 100275, 100010, 100269, 100258, 100002, 100168, 100268.
100081	0.8179	WALTON REGIONAL HOSPITAL	100254, 010066, 100122, 100054, 100078, 010062, 100273, 100147, 100223, 100138.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
100082	0.8721	ALACHUA GENERAL HOSPITAL	100113, 100204, 100139, 100103, 100241, 100232, 100062, 100212, 100016, 100102.
100083	0.8712	RIVERSIDE HOSPITAL	100179, 100196, 100088, 100040, 100170, 100001, 100151, 100226, 100117.
100084	0.9818	LEESBURG REGIONAL MEDICAL CENTER	100057, 100051, 100030, 100023, 100263, 100129, 100212, 100221, 100007, 100161.
100085	1.0212	UNIVERSAL MEDICAL CENTER	100228, 100167, 100210, 100224, 100200, 100039, 100237, 100073, 100056, 100230.
100086	0.9946	NORTH BROWARD MEDICAL CENTER	100199, 100189, 100237, 100073, 100276, 100268, 100224, 100056, 100168, 100210.
100087	0.9385	SARASOTA MEMORIAL HOSPITAL	100166, 100213, 100035, 100070, 100267, 100259, 100186, 100032, 100236, 100077.
100088	0.8712	BAPTIST MEDICAL CENTER	100040, 100151, 100170, 100001, 100083, 100196, 100179, 100226, 100117.
100089	0.9835	KISSIMMEE MEMORIAL HOSPITAL	100110, 100074, 100006, 100137, 100221, 100021, 100129, 100007, 100030, 100162.
100090	0.8717	FLAGLER HOSPITAL	100219, 100016, 100232, 100118, 100226, 100117, 100179, 100196, 100083, 100088.
100092	0.9066	WUESTHOFF MEMORIAL HOSPITAL	100177, 100019, 100028, 100074, 100021, 100089, 100110, 100006, 100162, 100217.
100093	0.8167	BAPTIST HOSPITAL	100065, 100231, 100025, 100266, 100124, 010083, 100223, 010100, 100048, 100273.
100098	0.9534	HENDRY GENERAL HOSPITAL	100130, 100144, 100176, 100252, 100269, 100275, 100207, 100253, 100010, 100262.
100099	0.8250	LAKE WALES HOSPITAL ASSOCIATION INC	100005, 100052, 100121, 100137, 100164, 100109, 100157, 100185, 100074, 100110.
100100	1.1322	VICTORIA HOSPITAL INC	100009, 100022, 100240, 100152, 100061, 100183, 100172, 100277, 100076, 100079.
100102	0.8787	LAKE SHORE HOSPITAL	100156, 100241, 100146, 100134, 100103, 100204, 100082, 100113, 100004, 100226.
100103	0.8566	BRADFORD HOSPITAL	100241, 100016, 100134, 100226, 100082, 100113, 100204, 100232, 100102, 100083.
100105	0.9395	INDIAN RIVER MEMORIAL HOSPITAL	100217, 100246, 100260, 100044, 100019, 100252.
100106	0.7791	DOCTORS MEMORIAL HOSPITAL	100004, 100146, 100108, 100135, 100156, 100102, 110061.
100107	0.9298	EAST POINTE HOSPITAL	100012, 100220, 100244, 100047, 100077, 100236, 100267, 100018, 100175, 100070.
100108	0.7550	HAMILTON COUNTY HOSPITAL	100135, 110038, 110121, 100004, 110061, 100159, 100106, 110132, 110122, 110037.
100109	0.8182	WALKER MEMORIAL HOSPITAL	100049, 100185, 100099, 100005, 100121, 100052, 100175, 100164, 100137, 100157.
100110	0.9835	HUMANA HOSPITAL KISSIMMEE	100089, 100074, 100006, 100137, 100221, 100021, 100129, 100007, 100030, 100162.
100112	0.7941	CALHOUN GENERAL HOSPITAL	100142, 100159, 100147, 100026, 100242, 100135, 100078, 110132, 100138, 110194.
100113	0.8721	SHANDS TEACHING HOSPITAL	100082, 100204, 100139, 100103, 100241, 100062, 100232, 100212, 100102, 100016.
100114	0.9964	PARKWAY REGIONAL MEDICAL CENTER INC	100222, 100131, 100194, 100029, 100042, 100225, 100038, 100187, 100053, 100050.
100117	0.8712	BAPTIST MEDICAL CENTER BEACHES	100196, 100179, 100001, 100083, 100170, 100088, 100151, 100040, 100226.
100118	0.8513	MEMORIAL HOSPITAL FLAGLER	100169, 100068, 100229, 100017, 100232, 100090, 100219, 100045, 100072, 100014.
100121	0.8093	BARTOW MEMORIAL HOSPITAL INC	100005, 100052, 100164, 100157, 100099, 100132, 100137, 100243, 100185, 100109.
100122	0.8039	NORTH OKALOOSA MEDICAL CENTER	100054, 100081, 010066, 100223, 100254, 100273, 100124, 100048, 100025, 010099.
100124	0.8187	SANTA ROSA MEDICAL CENTER	100025, 100231, 100065, 100093, 100266, 100048, 100122, 100223, 010096, 100054.
100125	1.0054	JAMES ARCHER SMITH HOSPITAL	100208, 100008, 100154, 100209, 100181, 100020, 100165, 100079, 100183, 100061.
100126	0.9257	PALMS OF PASADENA HOSPITAL	100180, 100239, 100218, 100067, 100186, 100032, 100238, 100145, 100203, 100235.
100127	0.9600	MORTON F PLANT HOSPITAL	100174, 100248, 100015, 100043, 100265, 100235, 100203, 100145, 100180, 100238.
100128	0.9236	TAMPA GENERAL HOSPITAL	100206, 100227, 100075, 100143, 100069, 100255, 100243, 100271.
100129	0.9857	PRINCETON HOSPITAL	100221, 100007, 100006, 100021, 100162, 100030, 100263, 100051, 100089, 100161.
100130	0.9374	GLADES GENERAL HOSPITAL	100176, 100144, 100098, 100269, 100275, 100207, 100080, 100010, 100234, 100262.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
100131	1.0912	HUMANA HOSPITAL BISCAYNE	100029, 100059, 100277, 100114, 100060, 100222, 100034, 100053, 100022, 100009.
100132	0.9281	SOUTH FLORIDA BAPTIST HOSPITAL	100243, 100157, 100271, 100173, 100046, 100128, 100143, 100121, 100164.
100134	0.8496	ED FRASER MEMORIAL HOSPITAL	100241, 100040, 100226, 100088, 100151, 100083, 100103, 100170, 100001.
100135	0.7707	TALLAHASSEE MEMORIAL REG MEDICAL CENTER	100108, 100159, 110121, 110038, 110132, 100112, 100106, 100004, 110061.
100137	0.8090	HEART OF FLORIDA HOSPITAL	100052, 100164, 100099, 100110, 100157, 100089, 100121, 100005, 100074, 100132.
100138	0.7368	CAMPBELLTON GRACEVILLE HOSPITAL	100147, 100078, 100142, 010001, 010055, 010062, 010057, 010049, 110194, 010021.
100139	0.8700	WILLISTON MEMORIAL HOSPITAL	100113, 100082, 100204, 100062, 100212, 100249, 100023, 100232, 100103, 100241.
100140	0.8599	NASSAU GENERAL HOSPITAL	110146, 100001, 100170, 100151, 100088, 100040, 100117, 110185, 100196.
100142	0.7432	JACKSON HOSPITAL	100147, 100138, 100078, 110194, 100112, 010001, 010055, 110132, 100159, 110103.
100143	0.9218	DOCTORS HOSPITAL OF TAMPA	100075, 100227, 100206, 100128, 100069, 100255, 100271, 100173.
100144	0.9597	EVERGLADES MEMORIAL HOSPITAL	100130, 100176, 100098, 100269, 100275, 100253, 100010, 100262, 100252, 100234.
100145	0.9391	METROPOLITAN GENERAL HOSPITAL	100180, 100203, 100235, 100238, 100239, 100015, 100248, 100067, 100218, 100126.
100146	0.7355	SUWANNEE COUNTY HOSPITAL INC	100156, 100102, 100004, 100106, 100241, 110122, 100134, 110061, 100103, 100108.
100147	0.7310	NORTHWEST FLORIDA COMMUNITY HOSPITAL	100078, 100138, 100142, 010062, 100081, 010001, 010055, 100112, 110194, 010057.
100150	0.9573	DEPOO MEMORIAL DOCTORS HOSPITAL	100195, 100024.
100151	0.8712	ST LUKES HOSPITAL	100170, 100001, 100088, 100040, 100083, 100196, 100179, 100226, 100117.
100152	1.1432	NORTH GABLES HOSPITAL	100183, 100079, 100240, 100076, 100100, 100061, 100009, 100022, 100020, 100165.
100154	0.9962	SOUTH MIAMI HOSPITAL	100181, 100020, 100008, 100165, 100183, 100079, 100061, 100152, 100209, 100076.
100156	0.8760	LAKE CITY MEDICAL CENTER	100102, 100146, 100241, 100134, 100103, 100204, 100082, 100113, 100004, 100106.
100157	0.8309	LAKELAND REGIONAL MEDICAL CENTER	100164, 100132, 100052, 100121, 100005, 100137, 100046, 100243, 100099, 100271.
100159	0.7599	GADSDEN MEMORIAL HOSPITAL	100135, 110132, 100112, 110121, 100108, 110038, 100142, 110194, 110103, 110118.
100160	0.9814	MARINERS HOSPITAL	100125, 100024, 100208, 100008, 100154, 100181, 100209.
100161	0.9717	CENTRAL FLORIDA REGIONAL HOSPITAL	100263, 100162, 100072, 100045, 100007, 100129, 100021, 100057, 100221, 100006.
100162	0.9819	WINTER PARK MEMORIAL HOSPITAL	100007, 100021, 100129, 100006, 100221, 100263, 100030, 100161, 100089, 100110.
100164	0.8146	MORROW MEMORIAL HOSPITAL	100052, 100157, 100137, 100121, 100005, 100099, 100132, 100046, 100110, 100089.
100165	0.9601	WESTCHESTER GENERAL HOSPITAL	100079, 100076, 100020, 100181, 100183, 100152, 100154, 100209, 100008, 100240.
100166	0.9385	DOCTORS HOSPITAL OF SARASOTA INC	100087, 100035, 100213, 100070, 100267, 100259, 100186, 100032, 100236, 100077.
100167	1.0212	PLANTATION GENERAL HOSPITAL	100085, 100228, 100210, 100200, 100039, 100056, 100073, 100237, 100224, 100230.
100168	1.0256	BOCA RATON COMMUNITY HOSPITAL INC	100002, 100268, 100258, 100086, 100189, 100199, 100276, 100237, 100073, 100224.
100169	0.8608	MEMORIAL HOSPITAL ORMOND BEACH	100068, 100229, 100017, 100118, 100014, 100045, 100072, 100161, 100232, 100057.
100170	0.8712	METHODIST HOSPITAL	100001, 100151, 100088, 100040, 100083, 100196, 100179, 100117, 100226.
100172	1.1075	SOUTH SHORE HOSPITAL & MEDICAL CENTER	100034, 100060, 100100, 100009, 100022, 100277, 100061, 100059, 100240, 100152.
100173	0.9161	UNIVERSITY COMMUNITY HOSPITAL	100271, 100069, 100143, 100075, 100227, 100255, 100128, 100206, 100243.
100174	0.9600	CLEARWATER COMMUNITY HOSPITAL	100127, 100248, 100043, 100265, 100015, 100235, 100203, 100145, 100238, 100180.
100175	0.9503	DESOTO MEMORIAL HOSPITAL	100077, 100236, 100047, 100185, 100049, 100070, 100267, 100109, 100166, 100087.
100176	0.9428	PALM BEACH GARDENS MEDICAL CENTER	100130, 100144, 100269, 100275, 100010, 100207, 100262, 100234, 100080, 100253.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
100177	0.9066	CAPE CANAVERAL HOSPITAL	100092, 100019, 100028, 100074, 100217, 100021, 100162, 100089, 100006, 100110.
100179	0.8712	MEMORIAL MEDICAL CENTER OF JACKSONVILLE	100196, 100083, 100088, 100040, 100001, 100170, 100151, 100226, 100117.
100180	0.9257	HUMANA HOSPITAL ST PETERSBURG	100145, 100238, 100239, 100126, 100218, 100067, 100203, 100235, 100032, 100186.
100181	0.9962	LARKIN GENERAL HOSPITAL	100154, 100020, 100008, 100165, 100079, 100183, 100152, 100061, 100209, 100076.
100183	0.9799	CORAL GABLES HOSPITAL	100152, 100020, 100079, 100061, 100165, 100076, 100181, 100100, 100240, 100154.
100185	0.7972	HARDEE MEMORIAL HOSPITAL	100109, 100049, 100175, 100005, 100121, 100099, 100259, 100052, 100243, 100164.
100186	0.9257	SUN BAY MEDICAL CENTER	100032, 100218, 100067, 100239, 100126, 100238, 100180, 100145, 100203, 100235.
100187	1.0797	AMI PALMETTO GENERAL HOSPITAL	100050, 100053, 100029, 100222, 100114, 100076, 100131, 100240, 100277, 100022.
100189	1.0083	NORTHWEST REGIONAL HOSPITAL	100276, 100199, 100086, 100224, 100237, 100073, 100210, 100268, 100056, 100085.
100191	0.9314	HCA NEW PORT RICHEY HOSPITAL	100063, 100256, 100055, 100264, 100265, 100043, 100069, 100255, 100173, 100271.
100194	1.0413	HUMANA HOSPITAL SOUTH BROWARD	100225, 100042, 100038, 100114, 100222, 100230, 100131, 100039, 100200, 100029.
100195	0.9651	FLORIDA KEYS MEMORIAL HOSPITAL	100150, 100024.
100196	0.8712	JACKSONVILLE MEDICAL CENTER	100179, 100083, 100088, 100040, 100001, 100170, 100151, 100226, 100117.
100199	0.9917	HUMANA HOSPITAL CYPRESS	100237, 100073, 100086, 100189, 100056, 100224, 100210, 100276, 100167, 100085.
100200	1.0472	IMPERIAL POINT MEDICAL CENTER	100039, 100167, 100056, 100085, 100210, 100073, 100228, 100237, 100038, 100042.
100203	0.9708	WOMEN'S MEDICAL CENTER	100235, 100145, 100015, 100248, 100180, 100127, 100238, 100174, 100126, 100239.
100204	0.8760	HCA NORTH FLORIDA REGIONAL HOSPITAL	100113, 100082, 100139, 100103, 100241, 100062, 100232, 100212, 100102, 100156.
100206	0.9218	MEMORIAL HOSPITAL OF TAMPA LTD	100128, 100227, 100075, 100143, 100255, 100069, 100271, 100173.
100207	0.9822	PALM BEACH REGIONAL HOSPITAL	100080, 100234, 100275, 100262, 100269, 100010, 100258, 100002, 100168, 100268.
100208	1.0009	DEERING HOSPITAL	100008, 100154, 100181, 100209, 100020, 100165, 100079, 100183, 100061, 100152.
100209	0.9709	KENDALL REGIONAL MEDICAL CENTER	100165, 100008, 100181, 100154, 100079, 100020, 100076, 100183, 100152, 100208.
100210	1.0219	FLORIDA MEDICAL CENTER	100085, 100167, 100228, 100224, 100237, 100073, 100200, 100056, 100199, 100039.
100211	0.8806	HUMANA HOSPITAL PASCO	100046, 100071, 100264, 100173, 100271, 100157, 100132, 100256, 100051, 100191.
100212	0.8775	HCA MARION COMMUNITY HOSPITAL	100062, 100139, 100023, 100084, 100249, 100057, 100113, 100082, 100204, 100232.
100213	0.9601	HCA L W BLAKE HOSPITAL	100035, 100087, 100166, 100186, 100032, 100126, 100259, 100218, 100067, 100239.
100217	0.9291	HUMANA HOSPITAL SEBASTIAN	100105, 100019, 100246, 100092, 100177, 100260, 100252, 100044, 100074.
100218	0.9257	FLORIDA HOSPITAL OF ST PETERSBURG	100067, 100239, 100032, 100186, 100238, 100180, 100126, 100145, 100203, 100235.
100219	0.8717	ST AUGUSTINE GENERAL HOSPITAL	100090, 100016, 100232, 100117, 100226, 100118, 100179, 100196, 100083, 100088.
100220	0.9298	SW FLORIDA REGIONAL MEDICAL CENTER	100012, 100107, 100244, 100047, 100077, 100236, 100018, 100267, 100175, 100070.
100221	0.9784	HUMANA HOSPITAL LUCERNE	100006, 100129, 100007, 100021, 100162, 100030, 100263, 100089, 100110, 100051.
100222	0.9964	GOLDEN GLADES REGIONAL MEDICAL CENTER	100114, 100131, 100194, 100029, 100038, 100042, 100225, 100187, 100050, 100053.
100223	0.8377	HUMANA HOSPITAL FORT WALTON BEACH	100273, 100054, 100254, 100122, 100266, 100124, 100025, 100093, 100065, 100231.
100224	0.9825	HCA UNIVERSITY HOSPITAL	100210, 100276, 100189, 100085, 100199, 100237, 100228, 100167, 100073, 100086.
100225	1.0523	HOLLYWOOD MEDICAL CENTER INC	100042, 100194, 100038, 100230, 100114, 100222, 100039, 100200, 100131, 100167.
100226	0.8706	HUMANA HOSPITAL ORANGE PARK	100083, 100179, 100196, 100040, 100088, 100151, 100016, 100170, 100001.
100227	0.9218	HUMANA WOMENS HOSPITAL TAMPA	100075, 100143, 100206, 100128, 100069, 100255, 100271, 100173.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
100228	1.0212	HUMANA HOSPITAL BENNETT	100085, 100167, 100210, 100039, 100200, 100224, 100230, 100237, 100073, 100056.
100229	0.8571	HUMANA HOSPITAL DAYTONA BEACH	100017, 100068, 100169, 100014, 100045, 100072, 100118, 100161, 100263, 100057.
100230	1.0535	PEMBROKE PINES GENERAL HOSPITAL	100038, 100042, 100225, 100194, 100228, 100222, 100167, 100114, 100039, 100085.
100231	0.8105	WEST FLORIDA REGIONAL MEDICAL CENTER	100025, 100065, 100093, 100266, 100124, 010083, 010100, 100223, 100048, 010129.
100232	0.8763	HCA PUTNAM COMMUNITY HOSPITAL	100090, 100016, 100118, 100219, 100103, 100082, 100113, 100204, 100226, 100062.
100234	0.9798	HUMANA HOSPITAL PALM BEACHES	100262, 100010, 100080, 100207, 100275, 100269, 100258, 100253, 100002, 100176.
100235	0.9708	UNIVERSITY GENERAL HOSPITAL	100203, 100015, 100145, 100248, 100180, 100127, 100174, 100238, 100126, 100239.
100236	0.9244	FAWCETT MEMORIAL HOSPITAL	100077, 100047, 100267, 100070, 100175, 100244, 100107, 100012, 100220, 100166.
100237	0.9910	AMI NORTH RIDGE MEDICAL CENTER	100073, 100199, 100056, 100210, 100086, 100189, 100224, 100167, 100200, 100085.
100238	0.9257	HUMANA HOSPITAL NORTHSIDE	100239, 100180, 100067, 100218, 100145, 100032, 100186, 100126, 100203, 100235.
100239	0.9257	EDWARD WHITE HOSPITAL	100218, 100067, 100032, 100238, 100186, 100180, 100126, 100145, 100203, 100235.
100240	1.1280	ANNE BATES LEACH EYE HOSPITAL	100022, 100009, 100100, 100152, 100076, 100183, 100079, 100277, 100061, 100053.
100241	0.8850	RAMADAN HAND INSTITUTE	100103, 100102, 100156, 100134, 100204, 100082, 100113, 100226, 100016, 100040.
100242	0.8106	HCA GULF COAST HOSPITAL	100026, 100254, 100027, 100112, 100273, 100147, 100078, 100081, 100054, 100223.
100243	0.9009	HUMANA HOSPITAL BRANDON	100128, 100132, 100206, 100143, 100227, 100075, 100271, 100173.
100244	0.9298	CAPE CORAL HOSPITAL	100012, 100107, 100220, 100047, 100077, 100236, 100267, 100018, 100070, 100175.
100246	0.9765	LAWNWOOD MEDICAL CENTER INC	100260, 100044, 100105, 100252, 100217, 100253, 100144, 100010, 100176, 100262.
100248	0.9600	HCA MEDICAL CENTER HOSPITAL LARGO	100015, 100127, 100174, 100235, 100203, 100145, 100043, 100265, 100180, 100238.
100249	0.8535	SEVEN RIVERS COMMUNITY HOSPITAL	100023, 100071, 100212, 100264, 100062, 100139, 100084, 100256, 100211, 100063.
100252	0.9726	HCA RAULERSON HOSPITAL	100246, 100260, 100044, 100144, 100049, 100105, 100098, 100176, 100130, 100109.
100253	0.9745	JUPITER HOSPITAL	100010, 100262, 100234, 100269, 100275, 100080, 100207, 100044, 100176, 100260.
100254	0.8142	TALLAHASSEE COMMUNITY HOSPITAL	100054, 100273, 100223, 100081, 100122, 100242, 100078, 010066, 100026, 100147.
100255	0.9218	AMI TOWN & COUNTRY HOSPITAL	100069, 100075, 100227, 100143, 100206, 100128, 100271, 100173.
100256	0.8778	BAYONET POINT HUDSON REG MEDICAL CENTER	100063, 100191, 100264, 100055, 100071, 100069, 100211, 100173, 100271, 100265.
100258	0.9857	DELRAY COMMUNITY HOSPITAL	100002, 100168, 100207, 100268, 100080, 100275, 100086, 100234, 100269, 100189.
100259	0.9464	SOUTH BAY HOSPITAL	100032, 100186, 100067, 100218, 100239, 100243, 100128, 100238, 100206.
100260	0.9765	HCA MEDICAL CENTER OF PORT ST LUCIE	100044, 100246, 100105, 100252, 100253, 100144, 100010, 100176, 100217, 100262.
100262	0.9798	GOOD SAMARITAN HOSPITAL	100234, 100010, 100080, 100207, 100275, 100269, 100253, 100258, 100002, 100176.
100263	0.9833	SOUTH SEMINOLE COMMUNITY HOSPITAL	100162, 100007, 100161, 100129, 100021, 100221, 100006, 100030, 100057, 100051.
100264	0.8674	HCA OAK HILL HOSPITAL	100071, 100256, 100063, 100191, 100211, 100046, 100055, 100023, 100173, 100271.
100265	0.9593	MEASE HOSPITAL COUNTRYSIDE	100043, 100174, 100127, 100248, 100055, 100015, 100235, 100255, 100203, 100145.
100266	0.8213	GULF BREEZE HOSPITAL	100093, 100065, 100025, 100231, 100124, 010083, 100223, 100273, 100054, 010100.
100267	0.9556	ENGLEWOOD COMMUNITY HOSPITAL	100070, 100236, 100077, 100047, 100244, 100166, 100087, 100175, 100012, 100107.
100268	1.0256	WEST BOCA MEDICAL CENTER	100168, 100189, 100276, 100086, 100002, 100199, 100258, 100224, 100237, 100073.
100269	0.9798	HCA PALMS WEST HOSPITAL	100275, 100207, 100234, 100080, 100262, 100010, 100176, 100258, 100253, 100002.
100270	0.8095	EMERALD COAST HOSPITAL	100027, 100026, 100242, 100112.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
100271	0.9161	H LEE MOFFITT CANCER CENTER	100173, 100069, 100143, 100075, 100227, 100255, 100128, 100206, 100243.
100273	0.8020	HUMANA HOSPITAL DESTIN	100223, 100054, 100254, 100122, 100081, 100124, 100266, 100025, 100093, 100065.
100275	0.9782	WELLINGTON REGIONAL MEDICAL CENTER	100269, 100207, 100080, 100234, 100262, 100010, 100258, 100176, 100002, 100168.
100276	0.9980	CORAL SPRINGS MEDICAL CENTER	100189, 100224, 100199, 100086, 100210, 100268, 100237, 100073, 100085, 100228.
100277	1.0939	DOUGLAS GARDENS HOSPITAL	100034, 100060, 100022, 100029, 100009, 100059, 100100, 100240, 100172, 100131.
110001	0.8863	HAMILTON MEDICAL CENTER	110050, 110004, 440178, 110023, 440162, 440156, 440091, 440104, 440121, 110077.
110002	0.9441	UPSON REGIONAL MEDICAL CENTER	110017, 110013, 110031, 110009, 110201, 110065, 110107, 110166, 110164, 110016.
110003	0.7385	MEMORIAL HOSPITAL	110055, 110098, 110094, 110089, 110185, 110124, 110071, 110097, 110025, 110112.
110004	0.8810	HUTCHESON MEDICAL CENTER	440178, 440162, 440156, 440104, 440091, 440121, 440103, 110001, 440090, 440064.
110005	0.9717	LAKESIDE COMMUNITY HOSPITAL	110157, 110198, 110008, 110029, 110087, 110188, 110172, 110149, 110082, 110066.
110006	0.8523	ST MARYS HOSPITAL OF ATHENS	110074, 110045, 110040, 110046, 110027, 110088, 110026, 110014, 110087, 110029.
110007	0.7688	PHOEBE PUTNEY MEMORIAL HOSPITAL	110163, 110134, 110118, 110062, 110104, 110095, 110093, 110044, 110105.
110008	1.0077	R T JONES MEMORIAL HOSPITAL	110157, 110030, 110198, 110149, 110005, 110035, 110172, 110176, 110082, 110161.
110009	0.9575	PEACH COUNTY HOSPITAL	110153, 110069, 110190, 110107, 110166, 110201, 110164, 110135, 110154, 110002.
110010	0.9503	EMORY UNIVERSITY HOSPITAL	110203, 110178, 110076, 110131, 110115, 110078, 110085, 110083, 110079, 110171.
110011	0.8646	TANNER MEMORIAL CENTER	110174, 110048, 110015, 110020, 110193, 110184, 110179, 110042, 010032, 110080.
110013	0.9644	MONROE COUNTY HOSPITAL	110201, 110065, 110166, 110107, 110164, 110031, 110002, 110127, 110009, 110069.
110014	0.8106	MINNIE G BOSWELL MEMORIAL HOSPITAL	110088, 110144, 110202, 110114, 110006, 110074, 110046, 110127, 110018, 110111.
110015	0.8867	TANNER MEDICAL CENTER VILLA RICA	110184, 110048, 110042, 110011, 110179, 110143, 110117, 110080, 110183, 110174.
110016	0.7591	WEST GEORGIA MEDICAL CENTER INC	010025, 010098, 110017, 110193, 110020, 010032, 010029, 110200, 110174, 110002.
110017	0.7541	MERIWETHER MEMORIAL HOSPITAL	110002, 110016, 010025, 110200, 110129, 110031, 110064, 110186, 010031, 110193.
110018	0.9421	NEWTON GENERAL HOSPITAL	110091, 110046, 110088, 110191, 110192, 110127, 110065, 110033, 110178, 110076.
110020	0.8444	HUMANA HOSPITAL NEWNAN	110193, 110011, 110174, 110184, 110165, 110015, 110016, 110048, 110080, 110179.
110023	0.8577	GORDON HOSPITAL	110052, 110168, 110054, 110001, 110050, 110030, 110149, 110077, 110008, 110117.
110024	0.8001	CANDLER GENERAL HOSPITAL	110043, 110036, 420080, 110156, 110063, 420074, 420067, 110142, 110075, 110181.
110025	0.7883	SOUTHEAST GEORGIA REGIONAL MED CENTER	110146, 100140, 110185, 110124, 110055, 110003, 110063.
110026	0.7945	ELBERT MEMORIAL HOSPITAL	110059, 110027, 420061, 110074, 110006, 110114, 420027, 110040, 420071, 110014.
110027	0.8245	COBB MEMORIAL HOSPITAL ASSOCIATION	110059, 110026, 110040, 110032, 110074, 110006, 420027, 110041, 420009, 110188.
110028	0.9923	UNIVERSITY HOSPITAL	110034, 110039, 110162, 110177, 420082, 420075, 110111, 110113, 420016, 110100.
110029	0.9198	NORTHEAST GEORGIA MEDICAL CENTER	110188, 110005, 110187, 110040, 110045, 110041, 110087, 110198, 110157, 110032.
110030	0.9104	HUMANA HOSPITAL CARTERSVILLE	110008, 110117, 110042, 110035, 110054, 110168, 110157, 110143, 110198, 110176.
110031	0.8683	SPALDING REGIONAL HOSPITAL	110065, 110191, 110013, 110165, 110002, 110193, 110127, 110020, 110017, 110018.
110032	0.8874	STEPHENS COUNTY HOSPITAL	110041, 420009, 110056, 110140, 110027, 110059, 110040, 110188, 110029, 110187.
110033	1.0125	NORTHLAKE REGIONAL MEDICAL CENTER	110076, 110178, 110010, 110203, 110172, 110066, 110161, 110082, 110192, 110083.
110034	0.9923	MEDICAL COLLEGE OF GEORGIA	110028, 110039, 110162, 110177, 420082, 420075, 110111, 110113, 420016, 110100.
110035	0.9884	KENNESTONE HOSPITAL	110176, 110183, 110143, 110082, 110161, 110066, 110169, 110171, 110175, 110172.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
110036	0.8003	MEMORIAL MEDICAL CENTER, INC	110024, 110043, 420080, 110156, 110063, 420074, 420067, 110142, 110075, 110124.
110037	0.6751	SMITH HOSPITAL	110122, 110101, 110097, 110112, 110061, 110105, 110094, 110038, 110095, 100004.
110038	0.7507	JOHN D ARCHBOLD MEMORIAL HOSPITAL	110121, 110061, 100108, 110105, 110132, 100135, 110118, 110037, 100159, 110122.
110039	0.9923	ST JOSEPH HOSPITAL	110034, 110028, 110177, 110162, 420082, 420075, 110111, 110113, 420016, 110100.
110040	0.8638	BANKS-JACKSON-COMMERCE HOSPITAL	110188, 110027, 110074, 110029, 110006, 110045, 110041, 110032, 110059, 110026.
110041	0.8920	HABERSHAM COUNTY MEDICAL CENTER	110032, 110056, 110140, 110187, 110188, 110029, 110040, 110070, 420009, 110051.
110042	0.9194	PAULDING MEMORIAL MEDICAL CENTER	110117, 110015, 110143, 110184, 110035, 110179, 110030, 110183, 110176, 110120.
110043	0.8001	ST JOSEPHS HOSPITAL	110024, 110036, 420080, 110156, 110063, 420074, 420067, 110142, 110075, 110181.
110044	0.7808	SUMTER REGIONAL HOSPITAL	110190, 110195, 110133, 110155, 110104, 110163, 110007, 110093, 110153, 110135.
110045	0.8988	BARROW MEDICAL CENTER	110046, 110087, 110006, 110074, 110192, 110040, 110029, 110188, 110005, 110091.
110046	0.9039	WALTON COUNTY HOSPITAL	110018, 110045, 110091, 110192, 110088, 110087, 110006, 110074, 110033, 110076.
110048	0.8450	HIGGINS GENERAL HOSPITAL	110011, 110015, 110174, 110184, 110042, 110117, 110120, 110179, 010020, 110020.
110049	0.7062	JEFF DAVIS HOSPITAL	110072, 110073, 110130, 110089, 110151, 110092, 110071, 110098, 110128.
110050	0.8218	MURRAY COUNTY MEMORIAL HOSPITAL	110001, 110077, 110023, 110189, 440041, 110149, 110004, 440178, 440024, 440185.
110051	0.7708	UNION GENERAL HOSPITAL	110070, 340160, 110189, 440041, 340054, 110187, 110140, 110056, 110041, 110077.
110052	0.8209	CHATTOOGA COUNTY HOSPITAL	110168, 110054, 010012, 110023, 010022, 110001, 110120, 110004, 110050, 110030.
110054	0.8300	FLOYD MEDICAL CENTER	110168, 110120, 110052, 110117, 110023, 110030, 010022, 110042, 010012, 010020.
110055	0.7285	PIERCE COUNTY HOSPITAL	110003, 110098, 110124, 110094, 110071, 110089, 110185, 110025, 110097, 110063.
110056	0.8057	RABUN COUNTY MEMORIAL HOSPITAL	110140, 340146, 110070, 110032, 110041, 340012, 420009, 110051, 340054, 420011.
110059	0.8036	HART COUNTY HOSPITAL	110027, 110026, 420027, 420009, 110032, 110040, 420061, 110041, 110074, 110006.
110061	0.6653	BROOKS COUNTY HOSPITAL	110122, 110037, 110038, 110101, 100004, 100108, 110105, 110097, 110121, 110112.
110062	0.7885	CALHOUN MEMORIAL HOSPITAL	110108, 110103, 110093, 110194, 110118, 110163, 110007, 010001, 010055, 010069.
110063	0.7778	LIBERTY MEMORIAL HOSPITAL	110124, 110142, 110036, 110024, 110043, 110181, 110071, 110156, 110075, 110096.
110064	0.7220	THE MEDICAL CENTER	110186, 010031, 110129, 110200, 010029, 110133, 010025, 110195, 110017, 110016.
110065	0.9151	SYLVAN GROVE HOSPITAL	110127, 110031, 110191, 110013, 110018, 110091, 110165, 110144, 110088, 110201.
110066	1.0173	SOUTH FULTON MEDICAL CENTER INC	110161, 110082, 110172, 110169, 110171, 110176, 110203, 110083, 110033, 110175.
110069	0.9616	HOUSTON MEDICAL CENTER	110153, 110009, 110107, 110166, 110164, 110201, 110154, 110135, 110190, 110013.
110070	0.7416	TOWNS COUNTY HOSPITAL	110051, 340160, 110140, 110056, 340054, 340012, 110041, 340146, 110189, 440041.
110071	0.6905	APPLING GENERAL HOSPITAL	110098, 110181, 110124, 110049, 110128, 110089, 110055, 110151, 110072, 110142.
110072	0.7178	THREE RIVERS HOSPITAL & MEDICAL CENTER	110151, 110049, 110092, 110128, 110073, 110154, 110125, 110071, 110135, 110130.
110073	0.7466	DORMINY MEDICAL CENTER	110130, 110049, 110095, 110089, 110134, 110072, 110104, 110112, 110092.
110074	0.8589	ATHENS REGIONAL MEDICAL CENTER	110006, 110045, 110040, 110046, 110027, 110026, 110088, 110014, 110087, 110188.
110075	0.7489	BULLOCH COUNTY HOSPITAL	110096, 110142, 110152, 110156, 110141, 110181, 110109, 110128, 420074, 110024.
110076	0.9487	DEKALB GENERAL HOSPITAL	110178, 110010, 110203, 110115, 110131, 110078, 110085, 110033, 110083, 110079.
110077	0.8279	NORTH GEORGIA MEDICAL CENTER	110050, 110149, 110189, 440041, 110001, 110023, 110187, 110051, 110008, 340160.
110078	0.9447	CRAWFORD LONG HOSPITAL	110085, 110131, 110115, 110079, 110083, 110203, 110010, 110178, 110175, 110076.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
110079	0.9447	GRADY MEMORIAL HOSPITAL	110115, 110085, 110078, 110131, 110083, 110010, 110203, 110178, 110076, 110175.
110080	0.9351	SOUTHWEST COMMUNITY HOSPITAL	110179, 110175, 110079, 110085, 110078, 110131, 110115, 110083, 110183, 110171.
110082	1.0173	ST JOSEPHS HOSPITAL OF ATLANTA	110066, 110161, 110172, 110169, 110171, 110176, 110203, 110083, 110033, 110175.
110083	0.9521	PIEDMONT HOSPITAL	110131, 110078, 110085, 110203, 110171, 110169, 110175, 110115, 110010, 110079.
110085	0.9447	JESSE PARKER WILLIAMS HOSPITAL	110078, 110131, 110115, 110079, 110083, 110010, 110203, 110178, 110175, 110076.
110086	0.5492	MEMORIAL HOSPITAL-WASHINGTON COUNTY	110100, 110136, 110202, 110150, 110125, 110109, 110111, 110144, 110113, 110164.
110087	0.9871	GWINNETT HOSPITAL SYSTEM	110192, 110033, 110172, 110045, 110198, 110082, 110066, 110161, 110076, 110005.
110088	0.8486	MORGAN MEMORIAL HOSPITAL	110014, 110018, 110046, 110144, 110127, 110091, 110006, 110074, 110045, 110065.
110089	0.7248	COFFEE REGIONAL HOSPITAL	110098, 110130, 110073, 110049, 110112, 110095, 110071, 110003, 110094, 110055.
110091	0.9022	ROCKDALE HOSPITAL	110018, 110192, 110046, 110033, 110178, 110076, 110191, 110010, 110203, 110115.
110092	0.7520	DODGE COUNTY HOSPITAL	110154, 110072, 110135, 110151, 110125, 110049, 110155, 110153, 110104, 110073.
110093	0.7576	PATTERSON HOSPITAL	010069, 110195, 110062, 110108, 110163, 110007, 110044, 110133, 110103, 010021.
110094	0.7050	CLINCH MEMORIAL HOSPITAL	110097, 110003, 110112, 110122, 110037, 110055, 110089, 110101, 110098, 110185.
110095	0.7601	TIFT GENERAL HOSPITAL	110130, 110134, 110073, 110112, 110101, 110105, 110089, 110007, 110037.
110096	0.6882	CANDLER COUNTY HOSPITAL	110075, 110142, 110109, 110128, 110181, 110141, 110152, 110151, 110156, 110125.
110097	0.7177	LOUIS SMITH MEMORIAL HOSPITAL	110112, 110037, 110122, 110094, 110101, 110061, 110089, 110105, 110095, 110003.
110098	0.7150	BACON COUNTY HOSPITAL	110071, 110055, 110089, 110003, 110124, 110049, 110094, 110130, 110073, 110181.
110100	0.9358	JEFFERSON HOSPITAL	110113, 110086, 110141, 110109, 110111, 110202, 110162, 110177, 110039, 110034.
110101	0.6884	MEMORIAL HOSPITAL OF ADEL INC	110037, 110112, 110097, 110105, 110122, 110095, 110061, 110134, 110094, 110130.
110103	0.7363	MILLER COUNTY HOSPITAL	110194, 110108, 110062, 110132, 110118, 010001, 010055, 110121, 100142, 100138.
110104	0.7822	CRISP REGIONAL HOSPITAL	110155, 110044, 110135, 110190, 110073, 110163, 110134, 110007, 110092.
110105	0.6703	COLQUITT REGIONAL MEDICAL CENTER	110101, 110118, 110037, 110134, 110038, 110095, 110112, 110061, 110121, 110122.
110107	0.7247	MEDICAL CENTER OF CENTRAL GEORGIA	110166, 110164, 110201, 110069, 110013, 110009, 110136, 110150, 110153, 110154.
110108	0.7386	EARLY MEMORIAL HOSPITAL	110062, 110103, 110194, 010001, 010055, 110093, 010021, 010069, 110118, 110132.
110109	0.7050	EMANUEL COUNTY HOSPITAL	110096, 110141, 110128, 110125, 110100, 110075, 110151, 110113, 110086, 110152.
110111	0.9875	MCDUFFIE COUNTY HOSPITAL	110177, 110114, 110039, 110162, 110034, 110028, 110202, 110100, 110014, 110086.
110112	0.7074	BERRIEN COUNTY HOSPITAL	110101, 110097, 110037, 110095, 110122, 110094, 110105, 110130, 110089, 110061.
110113	0.9867	BURKE COUNTY HOSPITAL	110141, 110100, 110162, 110152, 110039, 110034, 110028, 110177, 110109, 420016.
110114	0.8577	WILLS MEMORIAL HOSPITAL	110111, 110014, 110026, 110202, 420061, 110074, 110006, 110177, 110088, 420075.
110115	0.9447	GEORGIA BAPTIST MEDICAL CENTER	110079, 110085, 110078, 110131, 110010, 110083, 110203, 110178, 110076, 110175.
110117	0.8874	ROCKMART-ARAGON HOSPITAL	110042, 110120, 110030, 110054, 110015, 110168, 110048, 110143, 110184, 110035.
110118	0.7438	MITCHELL COUNTY HOSPITAL	110105, 110007, 110121, 110103, 110163, 110134, 110132, 110062, 110038, 110194.
110120	0.8249	POLK GENERAL HOSPITAL	110117, 110054, 110168, 010020, 110042, 010022, 110048, 110015, 110030, 010146.
110121	0.7660	GRADY GENERAL HOSPITAL	110038, 110132, 110118, 100159, 100108, 100135, 110105, 110061, 110103, 110194.
110122	0.6676	SOUTH GEORGIA MEDICAL CENTER	110037, 110061, 110097, 110101, 110112, 110094, 100004, 110105, 110038, 100108.
110124	0.7311	WAYNE MEMORIAL HOSPITAL	110063, 110071, 110055, 110098, 110003, 110181, 110025, 110142, 110089, 110128.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
110125	0.7633	FAIRVIEW PARK HOSPITAL	110154, 110092, 110151, 110109, 110072, 110086, 110135, 110128, 110069, 110153.
110127	0.5967	JASPER MEMORIAL HOSPITAL	110065, 110144, 110018, 110088, 110013, 110150, 110031, 110091, 110191, 110136.
110128	0.6776	DR JOHN M MEADOWS MEMORIAL HOSPITAL	110151, 110181, 110096, 110142, 110072, 110109, 110071, 110125, 110075, 110049.
110129	0.7220	ST FRANCIS HOSPITAL	110064, 110200, 110186, 010031, 010029, 010025, 110133, 110017, 110195, 110016.
110130	0.7307	IRWIN COUNTY HOSPITAL	110073, 110095, 110089, 110049, 110112, 110134, 110101, 110104, 110072.
110131	0.9447	ATLANTA HOSPITAL	110078, 110085, 110115, 110079, 110083, 110203, 110010, 110178, 110175, 110076.
110132	0.7549	MEMORIAL HOSPITAL	110121, 110194, 110103, 100159, 110118, 110038, 100135, 100142, 110108, 110062.
110133	0.7099	MARION MEMORIAL HOSPITAL	110195, 110044, 110190, 110129, 110064, 110186, 110200, 010031, 110009, 110155.
110134	0.7747	WORTH COUNTY HOSPITAL	110007, 110095, 110163, 110105, 110118, 110130, 110073, 110104, 110101.
110135	0.7795	TAYLOR REGIONAL HOSPITAL	110154, 110153, 110092, 110155, 110069, 110190, 110104, 110009, 110125, 110072.
110136	0.7099	MEDICAL SURGICAL CENTER OF CENTRAL STATE	110150, 110202, 110086, 110144, 110164, 110166, 110107, 110201, 110127, 110013.
110140	0.7951	RIDGECREST HOSPITAL	110056, 340146, 110070, 110032, 340012, 110041, 420009, 110051, 340054, 340160.
110141	0.6543	JENKINS COUNTY HOSPITAL	110152, 110113, 110109, 110075, 110100, 110096, 420031, 110162, 420016, 420072.
110142	0.6479	EVANS MEMORIAL HOSPITAL	110181, 110096, 110075, 110128, 110063, 110156, 110071, 110151, 110109, 110124.
110143	0.9710	COBB HOSPITAL AND MEDICAL CENTER	110183, 110179, 110176, 110175, 110035, 110169, 110171, 110080, 110184, 110083.
110144	0.5308	PUTNAM GENERAL HOSPITAL	110127, 110150, 110088, 110014, 110202, 110136, 110065, 110018, 110013, 110164.
110146	0.8535	GILMAN HOSPITAL	100140, 110185, 100001, 100170, 100151, 110025, 100088, 100040, 100117.
110149	0.9156	PICKENS GENERAL HOSPITAL	110077, 110008, 110005, 110187, 110023, 110157, 110050, 110030, 110198, 110189.
110150	0.7085	BALDWIN COUNTY HOSPITAL	110136, 110144, 110202, 110086, 110164, 110166, 110107, 110201, 110127, 110014.
110151	0.6860	WHEELER COUNTY HOSPITAL	110072, 110128, 110092, 110049, 110125, 110181, 110071, 110109, 110096, 110154.
110152	0.6447	SCREVEN COUNTY HOSPITAL	110141, 110075, 420031, 110113, 420072, 110156, 110096, 110109, 420074, 420016.
110153	0.9595	PERRY GENERAL HOSPITAL	110009, 110069, 110135, 110154, 110190, 110155, 110107, 110166, 110164, 110201.
110154	0.9179	BLECKLEY COUNTY HOSPITAL	110135, 110092, 110153, 110069, 110125, 110009, 110155, 110072, 110190, 110107.
110155	0.7256	DOOLY MEDICAL CENTER	110104, 110135, 110190, 110044, 110153, 110154, 110092, 110009, 110073.
110156	0.8027	EFFINGHAM COUNTY HOSPITAL	420074, 110075, 110043, 110024, 110036, 420080, 420067, 110152, 110142, 420072.
110157	0.9932	WOODSTOCK HOSPITAL	110198, 110172, 110008, 110035, 110082, 110161, 110066, 110005, 110176, 110169.
110161	1.0173	NORTHSIDE HOSPITAL	110066, 110082, 110172, 110169, 110171, 110176, 110203, 110083, 110033, 110175.
110162	0.9923	GEORGIA REGIONAL HOSPITAL-AUGUSTA	110039, 110034, 110028, 110177, 420082, 110111, 110113, 420075, 420016, 110100.
110163	0.7688	HCA PALMYRA MEDICAL CENTERS	110007, 110134, 110118, 110062, 110104, 110093, 110044, 110095, 110105.
110164	0.7233	HCA COLISEUM MEDICAL CENTERS	110166, 110107, 110201, 110069, 110013, 110009, 110136, 110150, 110153, 110127.
110165	0.9292	SOUTHERN REGIONAL MEDICAL CENTER	110191, 110079, 110115, 110080, 110085, 110078, 110131, 110178, 110010, 110076.
110166	0.7233	MIDDLE GEORGIA HOSPITAL	110107, 110164, 110201, 110069, 110013, 110009, 110136, 110150, 110153, 110127.
110168	0.8300	REDMOND REGIONAL MEDICAL CENTER	110054, 110052, 110120, 110023, 110117, 110030, 010022, 010012, 110042, 010020.
110169	1.0611	METROPOLITAN HOSPITAL	110171, 110175, 110083, 110183, 110176, 110203, 110131, 110078, 110085, 110161.
110171	1.0611	WEST PACES FERRY HOSPITAL	110169, 110175, 110083, 110183, 110176, 110203, 110131, 110078, 110085, 110161.
110172	1.0237	SHALLOWFORD COMMUNITY HOSPITAL	110082, 110066, 110161, 110033, 110169, 110171, 110203, 110176, 110198, 110083.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
110174	0.8150	BOWDON AREA HOSPITAL	110011, 110048, 010032, 110015, 110020, 110193, 010098, 010078, 010038, 110184.
110175	0.9507	PHYSICIANS & SURGEONS HOSPITAL	110171, 110169, 110083, 110183, 110131, 110078, 110085, 110176, 110115, 110080.
110176	0.9830	KENNESTONE HOSPITAL AT WINDY HILL	110183, 110169, 110171, 110175, 110035, 110161, 110066, 110082, 110143, 110083.
110177	0.9937	HUMANA HOSPITAL AUGUSTA	110039, 110034, 110028, 110162, 110111, 420082, 420075, 110113, 110114, 110100.
110178	0.9487	DECATUR HOSPITAL	110076, 110010, 110203, 110115, 110131, 110078, 110085, 110079, 110083, 110033.
110179	1.0550	HCA PARKWAY MEDICAL CENTER	110080, 110143, 110184, 110183, 110175, 110171, 110169, 110176, 110083, 110078.
110181	0.6525	TATTNALL MEMORIAL HOSPITAL	110142, 110128, 110096, 110071, 110151, 110075, 110063, 110124, 110072, 110109.
110183	0.9816	SMYRNA HOSPITAL	110176, 110175, 110143, 110169, 110171, 110083, 110179, 110035, 110080, 110161.
110184	0.9455	DOUGLAS GENERAL HOSPITAL	110179, 110015, 110143, 110080, 110183, 110175, 110042, 110171, 110169, 110176.
110185	0.8176	CHARLTON MEMORIAL HOSPITAL	110146, 100140, 110003, 110025, 110055, 100151, 100170, 100134, 100001.
110186	0.7220	DOCTORS HOSPITAL OF COLUMBUS	110064, 010031, 110129, 110200, 010029, 110133, 010025, 110195, 110017, 110016.
110187	0.8898	ST JOSEPHS HOSPITAL OF DAHLONEGA	110188, 110029, 110041, 110149, 110005, 110051, 110077, 110032, 110008, 110070.
110188	0.9198	LANIER PARK HOSPITAL	110029, 110187, 110040, 110005, 110045, 110041, 110087, 110032, 110198, 110157.
110189	0.8215	FANNIN REGIONAL HOSPITAL	440041, 110077, 340160, 110051, 110050, 440024, 110070, 440054, 110001, 440185.
110190	0.7496	FLINT RIVER COMMUNITY HOSPITAL	110044, 110155, 110153, 110009, 110133, 110135, 110104, 110069, 110195, 110154.
110191	0.9133	HENRY GENERAL HOSPITAL	110165, 110091, 110079, 110065, 110031, 110115, 110178, 110018, 110085, 110078.
110192	0.9737	HUMANA HOSPITAL GWINNETT	110087, 110033, 110091, 110076, 110178, 110172, 110010, 110203, 110046, 110066.
110193	0.8441	NEWNAN HOSPITAL	110020, 110011, 110165, 110174, 110184, 110015, 110016, 110031, 110048, 110080.
110194	0.7363	DONALSONVILLE HOSPITAL INC	110103, 110132, 110108, 100142, 010001, 010055, 110062, 100138, 110118, 110121.
110195	0.7038	STEWART WEBSTER HOSPITAL INC	110133, 110044, 110093, 010069, 110064, 110186, 010031, 110129, 110190, 110200.
110198	0.9970	NORTH FULTON REGIONAL HOSPITAL	110157, 110172, 110082, 110066, 110161, 110035, 110176, 110005, 110033, 110008.
110200	0.7220	HUGHSTON SPORTS MEDICINE HOSPITAL	110129, 110064, 110186, 010031, 010025, 010029, 110133, 110017, 110195, 110016.
110201	0.7282	CHARTER NORTHSIDE HOSPITAL	110166, 110107, 110164, 110013, 110069, 110009, 110136, 110150, 110153, 110002.
110202	0.4643	HANCOCK MEMORIAL HOSPITAL	110150, 110136, 110144, 110086, 110014, 110111, 110100, 110088, 110114, 110127.
110203	0.9503	WESLEY WOODS GERIATRIC HOSPITAL	110010, 110083, 110076, 110178, 110131, 110078, 110085, 110115, 110079, 110171.
120001	1.1059	QUEENS MEDICAL CENTER	120022, 120007, 120010, 120011, 120006, 120004, 120012, 120009.
120002	1.0962	MAUI MEMORIAL HOSPITAL	120024, 120015, 120009.
120003	1.0892	KAUAI VETERANS MEMORIAL HOSPITAL	120014, 120025.
120004	1.0917	WAHIAWA GENERAL HOSPITAL	120011, 120012, 120010, 120007, 120006, 120001, 120022.
120005	1.0154	HILO HOSPITAL	120016, 120018, 120019, 120021.
120006	1.1059	CASTLE MEMORIAL HOSPITAL	120010, 120007, 120001, 120011, 120022, 120004, 120012, 120009.
120007	1.1059	KUAKINI MEDICAL CENTER	120010, 120001, 120022, 120011, 120006, 120004, 120012, 120009.
120009	1.1040	MOLOKAI GENERAL HOSPITAL	120015, 120002, 120024, 120006, 120022, 120001, 120010, 120007, 120011.
120010	1.1059	ST FRANCIS HOSPITAL	120007, 120001, 120022, 120011, 120006, 120004, 120012, 120009.
120011	1.1059	KAISER FOUNDATION HOSPITAL	120010, 120007, 120001, 120022, 120006, 120004, 120012, 120009.
120012	1.0903	KAHUKU HOSPITAL	120004, 120011, 120006, 120010, 120007, 120001, 120022.
120014	1.0910	G N WILCOX MEMORIAL HOSPITAL	120025, 120003.
120015	1.1077	LANAI COMMUNITY HOSPITAL	120009, 120002, 120024.
120016	1.0990	HONOKAA HOSPITAL	120021, 120005, 120019.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
120018	1.0229	KAU HOSPITAL	120019, 120005.
120019	1.0977	KONA HOSPITAL	120018, 120005, 120016, 120021.
120021	1.0944	KOHALA HOSPITAL	120016, 120024, 120005, 120019.
120022	1.1059	STRAUB HOSPITAL	120001, 120007, 120010, 120011, 120006, 120004, 120012, 120009.
120024	1.0962	KULA HOSPITAL	120002, 120015, 120009, 120021
120025	1.0910	SAMUEL MAHELONA MEMORIAL HOSPITAL	120014, 120003.
130001	0.9729	SHOSHONE MEDICAL CENTER	130051, 130037, 130049.
130002	0.7740	MAGIC VALLEY REGIONAL MEDICAL CENTER	130036, 130029, 130010, 130026, 130019.
130003	0.8134	ST JOSEPH REGIONAL MEDICAL CENTER	500057, 130011, 500065, 500090, 500074, 130009, 130008, 500094.
130005	0.9117	POCATELLO REGIONAL MEDICAL CENTER	130028, 130022, 130030, 130031, 130018, 130048.
130006	0.8746	ST LUKES REGIONAL MEDICAL CENTER	130007, 130050, 130013, 130034, 130014, 130027, 380052.
130007	0.8746	ST ALPHONSUS REGIONAL MEDICAL CENTER	130006, 130050, 130013, 130034, 130014, 130027, 380052.
130008	0.8164	ST MARYS HOSPITAL	130016, 130009, 130003, 500057.
130009	0.8182	CLEARWATER VALLEY HOSPITAL	130008, 130003, 500057, 130011, 130016, 500065.
130010	0.7740	GOODING COUNTY MEMORIAL HOSPITAL	130029, 130002, 130036, 130040, 130027.
130011	0.8813	GRITMAN MEMORIAL HOSPITAL	500065, 500074, 130003, 500057, 500090, 130009, 130037.
130012	0.8448	MCCALL MEMORIAL HOSPITAL	130056, 130054.
130013	0.8746	MERCY MEDICAL CENTER	130050, 130014, 130007, 130006, 130034, 380052.
130014	0.8746	WEST VALLEY MEDICAL CENTER	130050, 130013, 130034, 130007, 130006, 380052, 130035.
130015	0.8741	COMMUNITY HOSPITAL (BOUNDARY)	130024, 270035.
130016	0.8213	SYRINGA GENERAL HOSPITAL	130008, 130009.
130017	0.8776	BEAR LAKE MEMORIAL HOSPITAL	130031, 130045, 530023, 460015, 130048.
130018	0.9216	EASTERN IDAHO REGIONAL MEDICAL CENTER	130025, 130022, 130005, 130028, 130044.
130019	0.7935	MINIDOKA MEMORIAL HOSPITAL	130026, 130030, 130036, 130002, 130029.
130021	0.9163	LOST RIVERS HOSPITAL	130040.
130022	0.9172	BINGHAM MEMORIAL HOSPITAL	130005, 130028, 130018, 130030.
130024	0.9414	BONNER GENERAL HOSPITAL	500097, 130015, 130049, 270035, 500132.
130025	0.9216	MADISON MEMORIAL HOSPITAL	130018, 130044.
130026	0.7931	CASSIA MEMORIAL HOSPITAL & MED CENTER	130019, 130036, 130002, 130029, 130030.
130027	0.8567	ELMORE MEMORIAL HOSPITAL	130006, 130007, 130010.
130028	0.9117	BANNOCK MEMORIAL HOSPITAL	130005, 130022, 130030, 130031, 130018, 130048.
130029	0.7740	ST BENEDICTS FAMILY MEDICAL CENTER	130002, 130036, 130010, 130026, 130019.
130030	0.8842	HARMS MEMORIAL HOSPITAL	130028, 130005, 130019, 130022, 130026.
130031	0.9361	CARIBOU MEMORIAL HOSPITAL	130017, 530023, 130045, 130005, 130028, 130048.
130034	0.8746	WALTER KNOX MEMORIAL HOSPITAL	130014, 130050, 130007, 130013, 130006, 380052, 130035, 130054.
130035	0.8702	MEMORIAL HOSPITAL	380052, 130034, 130056, 130014, 130054, 130050.
130036	0.7740	TWIN FALLS CLINIC HOSPITAL	130002, 130029, 130010, 130026, 130019.
130037	0.9862	BENEWAH COMMUNITY HOSPITAL	130001, 130049, 130051, 500119, 130011, 500035, 500054, 500044, 500077, 500074.
130039	0.7740	MORITZ COMMUNITY HOSPITAL	130040.
130040	0.7740	BLAINE COUNTY MEDICAL CENTER	130039, 130010, 130021.
130043	0.6200	STEELE MEMORIAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
130044	0.9215	TETON VALLEY HOSPITAL	530015, 130025, 130018.
130045	0.9289	FRANKLIN COUNTY MEDICAL CENTER	130048, 460015, 130017, 460039, 130031, 460017.
130048	0.9060	ONEIDA COUNTY HOSPITAL	130045, 460015, 130031, 130017, 460039, 130028, 130005, 460017.
130049	0.9885	KOOTENAI MEDICAL CENTER	500119, 130037, 500077, 500035, 500054, 500044, 130001, 500097, 500132, 130024.
130050	0.8746	IDAHO STATE HOSPITAL	130013, 130014, 130007, 130006, 130034, 380052, 130035.
130051	0.8993	HENRY L DAY MEDICAL CENTER	130001, 130037, 130049.
130054	0.8738	VALLEY COUNTY HOSPITAL	130056, 130012, 130035, 130034.
130056	0.8692	COUNCIL COMMUNITY HOSPITAL	130012, 130054, 130035.
140001	0.8216	GRAHAM HOSPITAL ASSOCIATION	140112, 140120, 140209, 140067, 140013, 140089, 140121, 140040, 140064, 140014.
140002	0.8484	ALTON MEMORIAL HOSPITAL	140168, 140052, 140070, 260180, 260159, 140125, 260033, 140289, 260104.
140003	0.7259	SARAH D CULBERTSON MEMORIAL HOSPITAL	140089, 140112, 140058, 140081, 140139, 140001, 140159, 140015, 160008.
140004	0.8402	ABRAHAM LINCOLN MEMORIAL HOSPITAL	140121, 140146, 140053, 140148, 140135, 140285, 140127, 140162, 140166.
140005	0.7301	HARDIN COUNTY GENERAL HOSPITAL	180121, 180095, 140210, 140042, 180102, 180104, 140246, 180122, 180054, 140184.
140007	1.0640	ST JOSEPH MEDICAL CENTER	140213, 140231, 140029, 140101, 140062, 140217, 140174, 140297, 140288, 140250.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
140008	1.0257	GOTTLIEB MEMORIAL HOSPITAL	140240, 140295, 140063, 140049, 140276, 140200, 140251, 140083, 140117, 140098.
140010	0.9698	EVANSTON HOSPITAL	140051, 140080, 140087, 140114, 140197, 140182, 140082, 140192, 140072, 140115.
140011	0.6678	HERRIN HOSPITAL	140184, 140215, 140164, 140035, 140140, 140037, 140210, 140246, 140055, 140170.
140012	0.8591	KATHERINE SHAW BETHEA HOSPITAL	140043, 140038, 140173, 140025, 140160, 140027, 140228, 160080, 140239.
140013	0.8355	PROCTOR COMMUNITY HOSPITAL	140067, 140209, 140120, 140014, 140121, 140001, 140127, 140162, 140036.
140014	0.8376	EUREKA COMMUNITY HOSPITAL	140067, 140209, 140013, 140120, 140127, 140121, 140162, 140161, 140039.
140015	0.7157	BLESSING HOSPITAL	140159, 260025, 160008, 140081, 140139, 260127, 140003, 160122.
140016	0.7094	CLAY COUNTY HOSPITAL	140147, 140138, 140165, 140032, 140046, 140294, 140034, 140045, 140024, 140129.
140018	1.0939	MT SINAI HOSPITAL MEDICAL CENTER	140095, 140150, 140152, 140124, 140119, 140212, 140151, 140206, 140180, 140226.
140019	0.7637	SHELBY MEMORIAL HOSPITAL	140271, 140189, 140032, 140102, 140166, 140135, 140045, 140193, 140199, 140230.
140024	0.7018	LAWRENCE COUNTY MEMORIAL HOSPITAL	150042, 140147, 140190, 140129, 150020, 150061, 150013, 150123, 150066, 140016.
140025	0.8053	MENDOTA COMMUNITY HOSPITAL	140110, 140026, 140234, 140143, 140203, 140038, 140027, 140012, 140286, 140101.
140026	0.8082	ST MARYS HOSPITAL	140234, 140143, 140110, 140025, 140027, 140203, 140101, 140012, 140161, 140038.
140027	0.7991	PERRY MEMORIAL HOSPITAL	140143, 140234, 140026, 140025, 140036, 140110, 140012, 140043, 140041, 140173.
140029	1.0302	COPLEY MEMORIAL HOSPITAL	140217, 140174, 140231, 140211, 140154, 140288, 140203, 140292, 140007, 140242.
140030	1.0324	SHERMAN HOSPITAL	140290, 140291, 140154, 140211, 140281, 140252, 140292, 140174, 140105, 140176.
140031	0.8197	PARIS COMMUNITY HOSPITAL	150060, 150023, 150046, 150050, 140189, 140093, 150013, 150027, 140190, 140091.
140032	0.7036	ST ANTHONYS MEMORIAL HOSPITAL	140019, 140189, 140045, 140016, 140271, 140147, 140165, 140190, 140137, 140193.
140033	0.9687	ST THERESE MEDICAL CENTER	140084, 140100, 140202, 140130, 140108, 520021, 520069, 140116, 140291, 140105.
140034	0.7371	ST MARYS HOSPITAL	140165, 140046, 140294, 140069, 140145, 140137, 140045, 140016, 140055, 140037.
140035	0.6876	FRANKLIN HOSPITAL	140215, 140011, 140037, 140171, 140184, 140294, 140046, 140055, 140164, 140140.
140036	0.8290	KEWANEE HOSPITAL	140041, 140027, 140064, 140040, 140275, 140123, 140280, 140143, 160025, 140013.
140037	0.6893	MARSHALL BROWNING HOSPITAL	140055, 140215, 140035, 140140, 140011, 140164, 140109, 140069, 140184, 140294.
140038	0.8600	ROCHELLE COMMUNITY HOSPITAL	140286, 140012, 140228, 140233, 140025, 140205, 140128, 140239, 140203, 140043.
140039	0.8228	FAIRBURY HOSPITAL	140161, 140220, 140162, 140127, 140236, 140014, 140167, 140155, 140186.
140040	0.7838	GALESBURG COTTAGE HOSPITAL	140064, 140047, 140218, 140036, 140001, 160057, 140041, 140280, 140089, 140275.
140041	0.8303	HAMMOND-HENRY HOSPITAL	140275, 140123, 160025, 140280, 160104, 160033, 140036, 160080, 140173.
140042	0.7382	MASSAC MEMORIAL HOSPITAL	180102, 180104, 180121, 140005, 180026, 180116, 140170, 180095, 140184, 260110.
140043	0.8044	CGH MEDICAL CENTER	140012, 140173, 160080, 140229, 140160, 140038, 140041, 140027, 140025.
140045	0.7331	FAYETTE COUNTY HOSPITAL	140137, 140193, 140165, 140271, 140032, 140199, 140034, 140145, 140019, 140086.
140046	0.7224	GOOD SAMARITAN REGIONAL HEALTH CENTER	140294, 140034, 140035, 140165, 140171, 140215, 140037, 140138, 140069, 140055.
140047	0.7767	COMMUNITY MEMORIAL HOSPITAL	140040, 140064, 140218, 160057, 140089, 160122, 140280, 140001, 160013.
140048	1.0777	SOUTH CHICAGO COMMUNITY HOSPITAL	140181, 140177, 140068, 140253, 140088, 140103, 140172, 140179, 140133, 140118.
140049	1.0330	WEST SUBURBAN HOSPITAL MEDICAL CENTER	140083, 140063, 140152, 140151, 140240, 140008, 140276, 140206, 140251, 140098.
140051	1.0167	RUSH NORTH SHORE MEDICAL CENTER	140010, 140080, 140223, 140299, 140117, 140114, 140087, 140197, 140192, 140182.
140052	0.8304	ST ANTHONY HEALTH CENTER	140002, 140070, 140168, 260180, 260159, 140125, 260033, 140289, 140059.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
140053	0.8324	ST JOHNS HOSPITAL	140148, 140285, 140004, 140102, 140135, 140166, 140058, 140146, 140271, 140112.
140054	1.0582	MAC NEAL MEMORIAL HOSPITAL	140276, 140083, 140063, 140049, 140095, 140152, 140240, 140018, 140065, 140151.
140055	0.6798	PINCKNEYVILLE COMMUNITY HOSPITAL	140037, 140109, 140069, 140215, 140140, 140035, 140245, 140164, 140011, 140294.
140058	0.8446	PASSAVANT AREA HOSPITAL	140148, 140285, 140139, 140003, 140188, 140053, 140141, 140112, 140059, 260127.
140059	0.8830	JERSEY COMMUNITY HOSPITAL DISTRICT	140188, 140052, 140002, 140070, 140168, 260159, 260180, 260005, 260191.
140061	0.7971	ST CLEMENT HOSPITAL	140109, 260164, 260023, 140187, 140245, 140185, 140077, 260077, 140069, 260103.
140062	1.1017	PALOS COMMUNITY HOSPITAL	140208, 140118, 140179, 140191, 140133, 140250, 140068, 140065, 140297, 140122.
140063	1.0484	OAK PARK HOSPITAL	140049, 140083, 140276, 140240, 140008, 140054, 140152, 140151, 140295, 140251.
140064	0.8041	ST MARY MEDICAL CENTER	140040, 140047, 140218, 140036, 140001, 140041, 140280, 140275, 140123, 160057.
140065	1.0955	LA GRANGE MEMORIAL HOSPITAL	140297, 140122, 140242, 140276, 140054, 140288, 140240, 140063, 140200, 140295.
140066	0.9245	ST MARYS HOSPITAL OF EAST ST LOUIS	260105, 260054, 260002, 260042, 140077, 260103, 260051, 260014, 260032, 140125.
140067	0.8354	ST FRANCIS MEDICAL CENTER	140209, 140013, 140120, 140014, 140121, 140001, 140127, 140162, 140112.
140068	1.0807	ROSELAND COMMUNITY HOSPITAL	140118, 140048, 140179, 140181, 140177, 140208, 140103, 140191, 140133, 140088.
140069	0.7871	WASHINGTON COUNTY HOSPITAL	140055, 140109, 140145, 140034, 140037, 140046, 140294, 140061, 140187, 140185.
140070	0.8484	WOOD RIVER TOWNSHIP HOSPITAL	140168, 140002, 140052, 260180, 260159, 140125, 260033, 140289, 260104.
140072	0.9856	MARTHA WASHINGTON HOSPITAL	140192, 140182, 140197, 140114, 140115, 140082, 140132, 140087, 140098, 140258.
140074	0.7758	GALENA-STAUSS HOSPITAL	160056, 160069, 160117, 520178, 520110, 140229, 520146, 160119, 140160.
140075	1.0938	MICHAEL REESE HOSPITAL & MEDICAL CENTER	140158, 140226, 140172, 140212, 140150, 140088, 140119, 140253, 140124, 140018.
140077	0.8869	CENTREVILLE TOWNSHIP HOSPITAL	140066, 140185, 260002, 260103, 260054, 140187, 260105, 260042, 260014, 260051.
140079	1.0664	ST JAMES HOSPITAL MEDICAL CENTER	140250, 150090, 140191, 150125, 150004, 140118, 150008, 140068, 150132, 140062.
140080	0.9698	ST FRANCIS HOSPITAL OF EVANSTON	140087, 140010, 140051, 140114, 140197, 140182, 140082, 140192, 140072, 140115.
140081	0.7299	MEMORIAL HOSPITAL	160008, 160122, 140089, 160057, 140003, 140159, 140015, 140047, 160106.
140082	1.0279	LOUIS A WEISS MEMORIAL HOSPITAL	140115, 140197, 140182, 140087, 140072, 140132, 140192, 140224, 140114, 140090.
140083	1.0453	LORETTO HOSPITAL	140049, 140063, 140152, 140151, 140054, 140095, 140276, 140018, 140206, 140240.
140084	0.9687	VICTORY MEMORIAL HOSPITAL	140033, 140100, 140130, 140202, 140108, 520021, 520069, 140116, 140291, 140105.
140086	0.7771	COMMUNITY MEMORIAL HOSPITAL	140199, 140193, 140002, 140141, 140052, 140168, 140070, 140137, 140289.
140087	0.9903	EDGEWATER MEDICAL CENTER	140197, 140182, 140114, 140082, 140192, 140072, 140115, 140080, 140132, 140224.
140088	1.0478	UNIVERSITY OF CHICAGO HOSPITALS	140172, 140253, 140103, 140177, 140181, 140075, 140158, 140133, 140226, 140048.
140089	0.7434	MC DONOUGH DISTRICT HOSPITAL	140081, 140003, 140001, 140112, 140047, 160057, 160122, 160008, 140040.
140090	1.0402	COLUMBUS HOSPITAL	140224, 140207, 140132, 140258, 140115, 140082, 140094, 140180, 140072, 140182.
140091	0.8045	CARLE FOUNDATION HOSPITAL	140113, 140126, 140230, 140220, 140093, 140146, 140135, 140166, 140162, 140031.
140093	0.8297	UNITED SAMARITANS MEDICAL CENTER-SAGER	150103, 140091, 140113, 140126, 150060, 150022, 140031, 150003, 150109, 140220.
140094	1.0789	ST ELIZABETH HOSPITAL OF CHICAGO INC	140180, 140206, 140151, 140258, 140207, 140119, 140124, 140152, 140132, 140090.
140095	1.0939	ST ANTHONYS HOSPITAL	140018, 140152, 140150, 140124, 140119, 140212, 140151, 140226, 140206, 140180.
140098	0.9755	BELMONT COMMUNITY HOSPITAL	140251, 140192, 140072, 140114, 140182, 140094, 140206, 140180, 140258, 140151.
140100	0.9450	AMERICAN INTERNATIONAL HOSPITAL	140084, 140033, 520021, 520069, 140202, 140130, 140108, 520094, 520096, 140116.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
140101	0.9742	MORRIS HOSPITAL	140007, 140213, 140110, 140203, 140029, 140217, 140174, 140231, 140186, 140026.
140102	0.8310	ST VINCENT MEMORIAL HOSPITAL	140271, 140285, 140053, 140148, 140019, 140166, 140135, 140193, 140199, 140141.
140103	1.0437	ST BERNARD HOSPITAL	140088, 140172, 140253, 140177, 140133, 140181, 140075, 140158, 140048, 140179.
140105	1.0366	HOLY FAMILY HOSPITAL	140223, 140299, 140252, 140281, 140117, 140051, 140251, 140010, 140108, 140080.
140107	0.8547	CARMI TOWNSHIP HOSPITAL	140171, 140246, 140138, 150082, 140210, 150025, 180122, 140129, 180056, 150100.
140108	1.0420	HIGHLAND PARK HOSPITAL	140130, 140202, 140051, 140105, 140010, 140223, 140299, 140033, 140281, 140252.
140109	0.7738	SPARTA COMMUNITY HOSPITAL DISTRICT	140055, 140245, 140061, 140069, 260164, 140037, 140140, 140187, 140215, 140185.
140110	0.9016	COMMUNITY HOSPITAL OF OTTAWA	140026, 140234, 140025, 140143, 140203, 140101, 140027, 140029, 140217, 140007.
140112	0.8365	MASON DISTRICT HOSPITAL	140001, 140120, 140003, 140089, 140121, 140004, 140209, 140067, 140013, 140148.
140113	0.8045	COVENANT MEDICAL CENTER-URBANA	140126, 140091, 140230, 140220, 140093, 140146, 140135, 140166, 140162, 140031.
140114	0.9793	SWEDISH COVENANT HOSPITAL	140192, 140182, 140197, 140072, 140087, 140082, 140115, 140098, 140080, 140132.
140115	1.0425	THOREK HOSPITAL AND MEDICAL CENTER	140082, 140132, 140182, 140224, 140197, 140072, 140090, 140192, 140258, 140207.
140116	0.9880	NORTHERN ILLINOIS MEDICAL CENTER	140176, 140291, 140202, 140144, 140033, 140030, 140130, 140084, 140290, 140100.
140117	1.0465	RESURRECTION MEDICAL CENTER	140251, 140299, 140223, 140098, 140008, 140114, 140051, 140105, 140192, 140072.
140118	1.0699	ST FRANCIS HOSPITAL & HEALTH CENTER	140068, 140191, 140179, 140208, 140250, 140062, 140048, 140133, 150004, 140177.
140119	1.0939	RUSH-PRESBYTERIAN-ST LUKES MED CENTER	140124, 140150, 140212, 140018, 140180, 140095, 140152, 140151, 140226, 140206.
140120	0.8331	PEKIN MEMORIAL HOSPITAL	140209, 140067, 140013, 140121, 140001, 140014, 140112, 140004, 140127.
140121	0.8373	HOPEDALE HOSPITAL	140120, 140004, 140209, 140067, 140127, 140014, 140162, 140013, 140146.
140122	1.0955	HINSDALE HOSPITAL	140242, 140297, 140065, 140288, 140276, 140054, 140200, 140240, 140295, 140063.
140123	0.8243	UNITED MEDICAL CENTER WEST	140275, 140280, 160025, 160033, 160104, 140041, 160062, 140218, 160080, 160013.
140124	1.0939	COOK COUNTY HOSPITAL	140119, 140150, 140212, 140018, 140095, 140152, 140180, 140151, 140206, 140226.
140125	0.9051	ST ELIZABETH MEDICAL CENTER	140066, 260051, 260180, 260105, 260042, 260032, 260008, 260014, 260054, 260033.
140126	0.8078	COVENANT MEDICAL CENTER-CHAMPAIGN	140113, 140091, 140230, 140220, 140093, 140146, 140135, 140166, 140162, 140189.
140127	0.7881	BROMENN HEALTHCARE	140162, 140014, 140121, 140146, 140039, 140220, 140004, 140120, 140161.
140128	0.8759	ST JOSEPH HOSPITAL	140205, 140233, 140228, 140239, 140144, 140176, 140286, 520100, 140038, 140116.
140129	0.7937	WABASH GENERAL HOSPITAL DISTRICT	150020, 150123, 150042, 140024, 140147, 140138, 140107, 150082, 150025, 150061.
140130	1.0625	LAKE FOREST HOSPITAL	140202, 140108, 140033, 140084, 140105, 140100, 140281, 140252, 140223, 140299.
140132	1.0363	ILLINOIS MASONIC MEDICAL CENTER	140224, 140090, 140258, 140207, 140115, 140082, 140072, 140182, 140094, 140192.
140133	1.0659	HOLY CROSS HOSPITAL	140103, 140179, 140208, 140088, 140172, 140177, 140253, 140095, 140181, 140075.
140135	0.8332	DECATUR MEMORIAL HOSPITAL	140166, 140146, 140230, 140102, 140004, 140053, 140019, 140285, 140148, 140271.
140137	0.7745	EDWARD A UTLAUT MEMORIAL HOSPITAL	140045, 140193, 140086, 140145, 140199, 140289, 140165, 140034, 140141, 140002.
140138	0.6888	FAIRFIELD MEMORIAL HOSPITAL	140016, 140171, 140107, 140294, 140046, 140147, 140129, 140165, 140035, 140034.
140139	0.7235	ILLINI COMMUNITY HOSPITAL	260127, 260025, 140188, 140058, 140159, 140015, 140003, 140059, 260134.
140140	0.6749	ST JOSEPH MEMORIAL HOSPITAL	140164, 140011, 140037, 140215, 140184, 140055, 140170, 140035, 140245, 140109.
140141	0.7633	CARLINVILLE AREA HOSPITAL	140199, 140086, 140193, 140059, 140188, 140052, 140002, 140168, 140070.
140143	0.8070	ST MARGARETS HOSPITAL	140234, 140026, 140027, 140110, 140025, 140203, 140036, 140101, 140012, 140161.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
140144	0.8848	HARVARD COMMUNITY MEMORIAL HOSPITAL	140176, 140128, 140205, 520102, 140116, 520100, 140233, 520059, 140228, 140239.
140145	0.7908	ST JOSEPHS HOSPITAL	140069, 140137, 140034, 140289, 140187, 140185, 140165, 140077, 140086, 140125.
140146	0.8066	DR JOHN WARNER HOSPITAL	140135, 140004, 140230, 140166, 140162, 140127, 140121, 140126, 140113.
140147	0.7128	RICHLAND MEMORIAL HOSPITAL	140024, 140016, 140190, 140129, 150042, 140138, 140032, 150020, 150013, 140165.
140148	0.8336	MEMORIAL MEDICAL CENTER	140285, 140053, 140102, 140004, 140058, 140135, 140166, 140141, 140112, 140271.
140150	1.0939	UNIVERSITY OF ILLINOIS HOSPITAL	140124, 140119, 140212, 140018, 140095, 140152, 140226, 140151, 140180, 140206.
140151	1.0896	SACRED HEART HOSPITAL	140206, 140152, 140180, 140094, 140124, 140018, 140119, 140150, 140095, 140212.
140152	1.0850	BETHANY HOSPITAL	140151, 140018, 140095, 140206, 140124, 140150, 140119, 140180, 140083, 140094.
140154	1.0322	DELNOR COMMUNITY HOSPITAL-ST CHARLES	140211, 140030, 140174, 140217, 140292, 140290, 140029, 140231, 140288, 140291.
140155	1.0023	ST MARYS HOSPITAL	140186, 140236, 140167, 140079, 140213, 150126, 150090, 140007, 140101, 140250.
140158	1.0915	MERCY HOSPITAL AND MEDICAL CENTER	140075, 140226, 140212, 140150, 140119, 140124, 140172, 140018, 140095, 140088.
140159	0.7157	ST MARY HOSPITAL INC	140015, 260025, 160008, 140081, 140139, 260127, 140003, 160122, 140089.
140160	0.8623	FREEPORT MEMORIAL HOSPITAL	520028, 140239, 140228, 140229, 140043, 140233, 140012, 140173, 520100, 520110.
140161	0.8257	ST JAMES HOSPITAL	140039, 140220, 140127, 140162, 140014, 140236, 140101, 140110, 140234.
140162	0.7881	ST JOSEPH MEDICAL CENTER	140127, 140014, 140121, 140146, 140039, 140220, 140004, 140161, 140120.
140164	0.6924	MEMORIAL HOSPITAL	140140, 140011, 140184, 140170, 140215, 140037, 140035, 140055, 140245, 260110.
140165	0.7450	PUBLIC HOSPITAL OF THE TOWN OF SALEM	140034, 140046, 140016, 140294, 140045, 140145, 140137, 140069, 140138, 140032.
140166	0.8332	ST MARYS HOSPITAL	140135, 140146, 140230, 140102, 140019, 140053, 140004, 140271, 140285, 140148.
140167	0.8337	IROQUOIS MEMORIAL HOSPITAL	140236, 140155, 140186, 150078, 140220, 140039, 150103, 140161, 140093, 150126.
140168	0.8484	ST JOSEPHS HOSPITAL	140070, 140002, 140052, 260180, 260159, 140125, 260033, 140289, 260104.
140170	0.7299	UNION COUNTY HOSPITAL	260110, 140164, 260183, 140140, 140184, 140011, 260165, 140042, 140215, 180102.
140171	0.6749	HAMILTON MEMORIAL HOSPITAL	140107, 140035, 140246, 140138, 140294, 140046, 140210, 140215, 140011, 140184.
140172	1.0478	CHICAGO OSTEOPATHIC MEDICAL CENTER	140088, 140253, 140103, 140075, 140177, 140158, 140181, 140226, 140133, 140048.
140173	0.8206	MORRISON COMMUNITY HOSPITAL	140043, 160080, 140229, 140012, 140041, 160062, 140275, 140123, 140160.
140174	1.0354	MERCY CENTER FOR HEALTH CARE SERVICES	140217, 140029, 140211, 140231, 140154, 140288, 140292, 140203, 140030, 140242.
140176	0.9803	MEMORIAL HOSPITAL	140116, 140144, 140291, 140128, 140205, 140030, 520102, 140202, 140290, 520059.
140177	1.0479	JACKSON PARK HOSPITAL FOUNDATION	140181, 140253, 140048, 140088, 140103, 140172, 140068, 140133, 140179, 140075.
140179	1.0816	LITTLE COMPANY OF MARY HOSPITAL	140208, 140133, 140068, 140118, 140103, 140177, 140048, 140181, 140088, 140253.
140180	1.0926	ST MARY OF NAZARETH HOSPITAL CENTER	140094, 140206, 140151, 140258, 140119, 140124, 140152, 140150, 140207, 140212.
140181	1.0479	SOUTH SHORE HOSPITAL	140177, 140048, 140253, 140088, 140103, 140172, 140068, 140133, 140179, 140075.
140182	0.9963	RAVENSWOOD HOSPITAL & MEDICAL CENTER	140197, 140072, 140192, 140114, 140082, 140115, 140087, 140132, 140224, 140258.
140184	0.6665	MARION MEMORIAL HOSPITAL	140011, 140164, 140215, 140140, 140035, 140210, 140170, 140246, 140037, 140171.
140185	0.8880	MEMORIAL HOSPITAL	140187, 140077, 140066, 260103, 260002, 260054, 260105, 260042, 140125, 260014.
140186	1.0023	RIVERSIDE MEDICAL CENTER	140155, 140236, 140167, 140079, 140213, 140007, 150090, 140101, 150126, 140250.
140187	0.8514	ST ELIZABETH HOSPITAL	140185, 140077, 140066, 260103, 260002, 260054, 260105, 260042, 140125, 140289.
140188	0.7719	THOMAS H BOYD MEMORIAL HOSPITAL	140059, 140141, 140052, 140139, 140002, 140070, 140168, 140058, 260127.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
140189	0.7821	SARAH BUSH LINCOLN HEALTH CENTER	140019, 140032, 140031, 140271, 140166, 140135, 140230, 140126, 140190, 140113.
140190	0.7841	CRAWFORD MEMORIAL HOSPITAL	150013, 140024, 140147, 150042, 150066, 150046, 150023, 150061, 140032, 140129.
140191	1.0708	INGALLS MEMORIAL HOSPITAL	140250, 140118, 140068, 150004, 140079, 140179, 150125, 140208, 140062, 140048.
140192	0.9856	LINCOLN WEST HOSPITAL	140072, 140182, 140114, 140197, 140087, 140115, 140082, 140098, 140132, 140258.
140193	0.7384	HILLSBORO AREA HOSPITAL	140199, 140137, 140086, 140141, 140045, 140271, 140102, 140289, 140019, 140145.
140197	1.0279	METHODIST HOSPITAL OF CHICAGO	140182, 140087, 140082, 140192, 140114, 140072, 140115, 140132, 140224, 140090.
140199	0.7662	ST FRANCIS HOSPITAL	140193, 140141, 140086, 140137, 140045, 140271, 140102, 140002, 140052.
140200	1.0799	ELMHURST MEMORIAL HOSPITAL	140295, 140240, 140008, 140276, 140292, 140063, 140242, 140122, 140288, 140065.
140202	1.0220	CONDELL MEMORIAL HOSPITAL	140130, 140033, 140108, 140084, 140291, 140100, 140281, 140252, 140105, 140116.
140203	0.9633	SANDWICH COMMUNITY HOSPITAL	140029, 140217, 140174, 140110, 140025, 140286, 140211, 140101, 140154, 140231.
140205	0.8759	HIGHLAND HOSPITAL INC	140128, 140233, 140228, 140239, 140144, 140176, 140286, 520100, 140038, 140116.
140206	1.0886	NORWEGIAN-AMERICAN HOSPITAL	140180, 140151, 140094, 140152, 140124, 140119, 140258, 140150, 140018, 140212.
140207	1.0371	GRANT HOSPITAL OF CHICAGO	140090, 140258, 140224, 140132, 140115, 140094, 140180, 140082, 140206, 140072.
140208	1.0886	CHRIST HOSPITAL	140179, 140133, 140118, 140062, 140068, 140103, 140177, 140088, 140048, 140181.
140209	0.8354	METHODIST MEDICAL CENTER OF ILLINOIS	140067, 140013, 140120, 140014, 140121, 140001, 140127, 140162, 140112.
140210	0.6670	HARRISBURG MEDICAL CENTER	140246, 140184, 140011, 140005, 140171, 140035, 180122, 140107, 140215, 140164.
140211	1.0292	DELNOR COMMUNITY HOSPITAL	140154, 140174, 140217, 140029, 140231, 140030, 140292, 140290, 140288, 140200.
140212	1.0874	ST CABRINI HOSPITAL	140119, 140150, 140124, 140226, 140018, 140095, 140180, 140158, 140152, 140151.
140213	1.0850	SILVER CROSS HOSPITAL	140007, 140062, 140231, 140250, 140297, 140029, 140288, 140191, 140122, 140242.
140215	0.6876	U M W OF A UNION HOSPITAL	140035, 140037, 140011, 140184, 140055, 140164, 140140, 140294, 140046, 140171.
140217	1.0302	ST JOSEPH HOSPITAL	140029, 140174, 140231, 140211, 140154, 140288, 140292, 140203, 140007, 140242.
140218	0.8202	MERCER COUNTY HOSPITAL	140047, 140280, 160013, 140123, 160033, 140064, 160025, 160104, 140040, 140275.
140220	0.8375	GIBSON COMMUNITY HOSPITAL	140039, 140113, 140126, 140091, 140162, 140127, 140161, 140230, 140146.
140223	1.0311	LUTHERAN GENERAL HOSPITAL	140299, 140105, 140117, 140051, 140252, 140281, 140251, 140080, 140010, 140114.
140224	1.0402	ST JOSEPH HOSPITAL	140090, 140132, 140207, 140258, 140115, 140082, 140072, 140182, 140094, 140180.
140226	1.0815	LAKESIDE COMMUNITY HOSPITAL	140158, 140075, 140212, 140150, 140119, 140124, 140018, 140095, 140172, 140152.
140228	0.8609	SWEDISH AMERICAN HOSPITAL	140239, 140233, 140205, 140128, 520100, 140038, 140144, 140286, 520066, 140160.
140229	0.7941	SAVANNA CITY HOSPITAL	160080, 140173, 140074, 160062, 140043, 140160, 160056, 160069, 140012.
140230	0.8231	JOHN AND MARY KIRBY HOSPITAL	140126, 140113, 140091, 140146, 140135, 140166, 140220, 140162, 140127.
140231	1.0752	EDWARD HOSPITAL	140288, 140217, 140029, 140174, 140242, 140297, 140211, 140292, 140122, 140065.
140233	0.8743	ST ANTHONY MEDICAL CENTER	140228, 140239, 140205, 140128, 520100, 140144, 140038, 140286, 140176, 520066.
140234	0.8070	ILLINOIS VALLEY COMMUNITY HOSPITAL	140026, 140143, 140110, 140027, 140025, 140203, 140101, 140161, 140036, 140012.
140236	0.9449	CENTRAL COMMUNITY HOSPITAL	140155, 140186, 140167, 140039, 140161, 140220, 140101, 150078, 140079, 140213.
140239	0.8609	ROCKFORD MEMORIAL HOSPITAL	140228, 140233, 140205, 140128, 520100, 520066, 140144, 140038, 140160, 140286.
140240	1.0433	WESTLAKE COMMUNITY HOSPITAL	140008, 140295, 140063, 140276, 140049, 140200, 140083, 140054, 140251, 140098.
140242	1.0955	CENTRAL DUPAGE HOSPITAL	140122, 140297, 140065, 140288, 140276, 140200, 140054, 140240, 140295, 140063.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
140245	0.7012	MEMORIAL HOSPITAL	260164, 140109, 140061, 140055, 140140, 140037, 260116, 260163, 140164, 260023.
140246	0.6516	FERRELL HOSPITAL INC	140210, 140171, 140107, 140184, 140011, 140035, 180122, 140005, 140215, 180095.
140250	1.0834	SOUTH SUBURBAN HOSPITAL	140191, 140079, 140118, 150004, 150125, 140062, 140068, 150090, 140179, 140208.
140251	0.9626	OUR LADY OF THE RESURRECTION MED CENTER	140098, 140117, 140049, 140192, 140114, 140072, 140008, 140206, 140182, 140094.
140252	1.0729	NORTHWEST COMMUNITY HOSPITAL	140281, 140105, 140290, 140223, 140299, 140117, 140291, 140292, 140200, 140295.
140253	1.0478	HYDE PARK HOSPITAL	140088, 140172, 140177, 140103, 140181, 140075, 140158, 140048, 140226, 140133.
140258	1.0318	ALEXIAN BROTHERS MEDICAL CENTER	140207, 140132, 140090, 140224, 140094, 140180, 140115, 140206, 140072, 140182.
140271	0.7642	PANA COMMUNITY HOSPITAL	140019, 140102, 140193, 140045, 140199, 140032, 140166, 140135, 140189, 140137.
140275	0.8270	ILLINI HOSPITAL	140123, 160025, 140280, 160104, 160033, 140041, 160062, 160080, 140218.
140276	1.0644	FOSTER G MCGAW HOSPITAL	140063, 140240, 140054, 140083, 140049, 140008, 140295, 140065, 140122, 140200.
140280	0.8243	FRANCISCAN MEDICAL CENTER	160025, 160033, 140123, 160104, 140275, 140041, 140218, 160013, 160062, 160080.
140281	1.0729	NORTHWESTERN MEMORIAL HOSPITAL	140252, 140105, 140290, 140223, 140299, 140291, 140117, 140292, 140200, 140295.
140285	0.8314	DOCTORS HOSPITAL	140148, 140053, 140102, 140058, 140004, 140135, 140166, 140141, 140271, 140199.
140286	0.9297	KISHWAUKEE COMMUNITY HOSPITAL	140038, 140154, 140205, 140211, 140128, 140203, 140030, 140174, 140217, 140029.
140288	1.0990	GOOD SAMARITAN HOSPITAL	140242, 140122, 140297, 140065, 140200, 140292, 140231, 140295, 140276, 140240.
140289	0.8099	ANDERSON HOSPITAL	140125, 140066, 140185, 140077, 260180, 140168, 140070, 140002, 140187.
140290	1.0728	HUMANA HOSPITAL HOFFMAN ESTATES	140252, 140281, 140030, 140291, 140292, 140105, 140154, 140299, 140223, 140200.
140291	1.0726	GOOD SHEPHERD HOSPITAL	140290, 140030, 140281, 140252, 140202, 140116, 140105, 140130, 140223, 140299.
140292	1.0695	GLENOAKS MEDICAL CENTER INC	140200, 140288, 140295, 140290, 140242, 140122, 140240, 140008, 140252, 140297.
140294	0.7224	CROSSROADS COMMUNITY HOSPITAL	140046, 140034, 140035, 140165, 140171, 140215, 140037, 140138, 140069, 140055.
140295	1.0382	LEYDEN COMMUNITY HOSPITAL	140200, 140008, 140240, 140276, 140063, 140049, 140251, 140083, 140117, 140054.
140297	1.0955	SUBURBAN HOSPITAL & SANITARIUM COOK CTY	140122, 140065, 140242, 140288, 140276, 140054, 140200, 140240, 140063, 140295.
140299	1.0311	PARKSIDE LUTHERAN HOSPITAL	140223, 140105, 140117, 140051, 140252, 140281, 140251, 140080, 140010, 140114.
150001	0.9266	JOHNSON MEMORIAL HOSPITAL	150097, 150038, 150128, 150033, 150057, 150134, 150112, 150032, 150074, 150024.
150002	0.9930	THE METHODIST HOSPITAL OF GARY INC	150132, 150126, 150034, 150035, 150090, 150125, 150008, 150004, 140079, 140191.
150003	0.8456	ST ELIZABETH HOSPITAL MEDICAL CENTER	150109, 150043, 150103, 150036, 150022, 150104, 150072, 150010, 150007, 150078.
150004	1.0521	ST MARGARET HOSPITAL & HEALTH CENTER	150008, 150125, 140191, 140068, 140048, 140118, 150090, 140250, 140079, 140181.
150005	1.0006	HENDRICKS COMMUNITY HOSPITAL	150057, 150129, 150032, 150024, 150056, 150084, 150014, 150136, 150128, 150027.
150006	0.8939	LA PORTE HOSPITAL	150015, 150077, 150035, 150102, 230161, 150058, 150012, 150099, 150029, 150034.
150007	0.8408	HOWARD COMMUNITY HOSPITAL	150010, 150053, 150094, 150067, 150043, 150011, 150072, 150059, 150105, 150113.
150008	1.0266	ST CATHERINE HOSPITAL	150004, 150125, 140048, 140068, 140181, 150090, 140191, 140177, 140118, 150034.
150009	0.9458	CLARK COUNTY MEMORIAL HOSPITAL	180137, 180040, 180081, 180085, 180088, 150044, 180014, 180130, 180123, 180037.
150010	0.8408	ST JOSEPH HOSPITAL & HEALTH CENTER	150007, 150053, 150067, 150094, 150072, 150043, 150011, 150105, 150059, 150113.
150011	0.8033	MARION GENERAL HOSPITAL	150114, 150105, 150094, 150091, 150007, 150067, 150010, 150063, 150075, 150053.
150012	0.8899	ST JOSEPHS MEDICAL CENTER	150058, 150099, 150029, 230137, 230161, 150018, 150110, 230125, 150026, 230199.
150013	0.7985	MARY SHERMAN HOSPITAL	150066, 140190, 150046, 150023, 140024, 150042, 150061, 150050, 140031, 150060.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
150014	1.0029	WINONA MEMORIAL HOSPITAL	150084, 150056, 150024, 150032, 150129, 150074, 150136, 150033, 150128, 150057.
150015	0.9227	ST ANTHONY HOSPITAL	150077, 150006, 150035, 150034, 150008, 150002, 230161, 150132, 150004, 150126.
150017	0.8713	LUTHERAN HOSPITAL OF INDIANA INC	150047, 150021, 150101, 150106, 150091, 150045, 150075, 150063, 360136, 360140.
150018	0.8899	ELKHART GENERAL HOSPITAL	150029, 150099, 150026, 150012, 150058, 230137, 150110, 230161, 230199, 230125.
150019	0.8396	ST JOSEPHS HOSPITAL OF HUNTINGBURG	150115, 150123, 150130, 150061, 150070, 150071, 150020, 150100, 150042, 150082.
150020	0.8467	GIBSON GENERAL HOSPITAL	140129, 150123, 150042, 150130, 150082, 140024, 150025, 150100, 150061, 150019.
150021	0.8726	PARKVIEW MEMORIAL HOSPITAL INC	150047, 150017, 150101, 150045, 150106, 360140, 360136, 150075, 150091, 150073.
150022	0.8457	AMI CULVER UNION HOSPITAL	150104, 150043, 150103, 150109, 150003, 150005, 150027, 150136, 140093, 150129.
150023	0.8076	UNION HOSPITAL INC	150046, 150060, 150050, 140031, 150013, 150027, 150066, 140190, 140093, 150022.
150024	1.0029	WILLIAM N WISHARD MEMORIAL HOSPITAL	150032, 150056, 150084, 150014, 150129, 150074, 150128, 150033, 150136, 150057.
150025	0.8448	WELBORN BAPTIST HOSPITAL	150082, 150100, 180056, 150130, 180122, 180015, 180038, 150020, 150123, 140107.
150026	0.9014	GOSHEN GENERAL HOSPITAL	150018, 150110, 150029, 150099, 150096, 150012, 150133, 150058, 230096, 230015.
150027	0.9188	PUTNAM COUNTY HOSPITAL	150050, 150005, 150057, 150038, 150060, 150022, 150023, 150046, 150129, 150032.
150029	0.8921	ST JOSEPH HOSPITAL OF MISHAWAKA	150099, 150012, 150058, 150018, 230137, 230161, 150110, 150026, 230125, 150076.
150030	0.8139	HENRY COUNTY MEMORIAL HOSPITAL	150089, 150088, 150113, 150037, 150135, 150092, 150064, 150048, 150054, 150085.
150031	0.7703	JAY COUNTY HOSPITAL	360058, 150085, 150114, 150054, 150063, 150075, 150106, 150089, 360044, 360032.
150032	1.0029	INDIANA UNIVERSITY HOSPITALS	150024, 150056, 150084, 150014, 150129, 150128, 150074, 150033, 150136, 150057.
150033	1.0029	ST FRANCIS HOSPITAL CENTER	150128, 150074, 150032, 150024, 150056, 150084, 150014, 150129, 150136, 150057.
150034	0.9930	ST MARY MEDICAL CENTER	150035, 150002, 150132, 150126, 150125, 150008, 150090, 150004, 140079, 140191.
150035	0.9487	PORTER MEMORIAL HOSPITAL	150034, 150002, 150132, 150126, 150008, 150125, 150090, 150004, 150015, 150077.
150036	0.8316	WHITE COUNTY MEMORIAL HOSPITAL	150072, 150078, 150095, 150003, 150109, 150067, 150111, 150010, 150043, 150102.
150037	0.9993	HANCOCK MEMORIAL HOSPITAL	150074, 150033, 150097, 150128, 150014, 150084, 150056, 150092, 150024, 150032.
150038	0.9530	MORGAN COUNTY MEMORIAL HOSPITAL	150057, 150001, 150005, 150128, 150033, 150051, 150032, 150024, 150027, 150056.
150039	0.8654	CAMERON MEMORIAL COMMUNITY HOSPITAL	150045, 150073, 230022, 150096, 230096, 360121, 360140, 230037, 230113, 230015.
150042	0.7114	GOOD SAMARITAN HOSPITAL	140024, 150061, 140129, 150020, 150123, 140190, 140147, 150013, 150066, 150115.
150043	0.8789	CLINTON COUNTY HOSPITAL	150104, 150109, 150003, 150007, 150010, 150053, 150022, 150059, 150136, 150094.
150044	0.9458	FLOYD MEMORIAL HOSPITAL	150009, 180040, 180081, 180137, 180088, 180085, 180014, 180037, 180130, 180123.
150045	0.8899	DEKALB MEMORIAL HOSPITAL INC	150073, 360140, 150039, 150021, 150047, 150017, 360121, 360136, 150101, 150096.
150046	0.8245	TERRE HAUTE REGIONAL HOSPITAL	150023, 150060, 150050, 140031, 150013, 150066, 150027, 140190, 150051, 140189.
150047	0.8713	ST JOSEPH MEDICAL CENTER	150017, 150021, 150101, 150045, 150106, 150091, 150075, 150063, 360140, 360136.
150048	0.8371	REID MEMORIAL HOSPITAL	150135, 150064, 360044, 150054, 360046, 150030, 150085, 150092, 360052, 360132.
150049	0.7810	DUNN MEMORIAL HOSPITAL	150124, 150071, 150051, 150098, 150065, 150066, 150061, 150052, 150115, 150112.
150050	0.8268	CLAY COUNTY HOSPITAL	150027, 150023, 150046, 150060, 140031, 150013, 150005, 150066, 150038, 150057.
150051	0.8048	BLOOMINGTON HOSPITAL	150124, 150049, 150038, 150066, 150001, 150112, 150057, 150065, 150027, 150050.
150052	0.9017	SCOTT COUNTY MEMORIAL HOSPITAL	150098, 150065, 150069, 150127, 150044, 180138, 150009, 180042, 180137, 180040.
150053	0.8871	TIPTON COUNTY MEMORIAL HOSPITAL	150094, 150007, 150010, 150059, 150113, 150088, 150043, 150104, 150136, 150011.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
150054	0.8096	RANDOLPH COUNTY HOSPITAL	150085, 360044, 150031, 150089, 150048, 150135, 150030, 360058, 150114, 150088.
150056	1.0029	METHODIST HOSPITAL OF INDIANA INC	150024, 150084, 150032, 150014, 150129, 150074, 150128, 150033, 150136, 150057.
150057	0.9974	KENDRICK MEMORIAL HOSPITAL	150038, 150005, 150128, 150032, 150024, 150033, 150056, 150129, 150084, 150014.
150058	0.8899	MEMORIAL HOSPITAL OF SOUTH BEND	150012, 150099, 150029, 230137, 230161, 150018, 150110, 230125, 230199, 150026.
150059	1.0396	RIVERVIEW HOSPITAL	150136, 150053, 150088, 150113, 150014, 150074, 150084, 150094, 150129, 150056.
150060	0.8192	VERMILLION COUNTY HOSPITAL	150023, 140031, 150046, 150050, 150027, 140093, 150022, 150013, 150005, 150066.
150061	0.7366	DAVIESS COUNTY HOSPITAL	150042, 150115, 150123, 150019, 150066, 140024, 150020, 150013, 140129, 150071.
150062	0.8143	DECATUR COUNTY MEMORIAL HOSPITAL	150122, 150134, 150097, 150092, 150112, 150127, 150064, 150001, 150086, 150065.
150063	0.8594	WELLS COMMUNITY HOSPITAL	150075, 150106, 150091, 150114, 150031, 150017, 150047, 150021, 150011, 150105.
150064	0.7908	FAYETTE MEMORIAL HOSPITAL ASSOCIATION	150092, 150135, 150048, 360046, 150030, 150122, 150062, 150134, 360132, 150037.
150065	0.7924	JACKSON COUNTY-SCHNECK MEMORIAL HOSPITAL.	150127, 150052, 150112, 150098, 150069, 150049, 150124, 150062, 150051, 150001.
150066	0.8086	GREENE COUNTY GENERAL HOSPITAL	150013, 150061, 140190, 150046, 150051, 150042, 150124, 150023, 150050, 150049.
150067	0.8097	DUKES MEMORIAL HOSPITAL	150072, 150105, 150010, 150111, 150007, 150011, 150091, 150095, 150036, 150053.
150069	0.8266	THE KINGS DAUGHTERS HOSPITAL	180042, 150052, 150127, 180138, 150065, 180065, 150086, 150098, 150009, 180130.
150070	0.8145	PERRY COUNTY MEMORIAL HOSPITAL	180094, 180038, 180015, 150130, 150019, 150079, 180041, 150115, 150100, 180060.
150071	0.7625	ORANGE COUNTY HOSPITAL	150098, 150049, 150124, 150115, 150019, 150079, 150052, 150061, 150044, 150065.
150072	0.8308	MEMORIAL HOSPITAL	150067, 150036, 150010, 150111, 150095, 150007, 150105, 150043, 150003, 150109.
150073	0.8969	MCCRAY MEMORIAL HOSPITAL	150045, 150096, 150039, 150101, 150021, 230096, 150047, 360140, 150017, 150026.
150074	1.0018	COMMUNITY HOSPITAL INDIANAPOLIS	150056, 150084, 150014, 150033, 150024, 150032, 150128, 150129, 150136, 150037.
150075	0.8594	CAYLOR-NICKEL MEDICAL CENTER	150063, 150106, 150091, 150114, 150017, 150031, 150047, 150021, 150011, 150105.
150076	0.8826	HOLY CROSS PARKVIEW HOSPITAL	150110, 150102, 150111, 150029, 150099, 150012, 150058, 150133, 150095, 150006.
150077	0.9197	MEMORIAL HOSPITAL OF MICHIGAN CITY	150015, 150006, 150035, 150034, 150008, 230161, 150002, 150132, 150004, 150125.
150078	0.8895	JASPER COUNTY HOSPITAL	150036, 150095, 140167, 150126, 150102, 150003, 140155, 150002, 150109, 150132.
150079	0.9510	HARRISON COUNTY HOSPITAL	180133, 180037, 150044, 180088, 180040, 180081, 180137, 180085, 150009, 180014.
150082	0.8448	DEACONESS HOSPITAL INC	150025, 150100, 180056, 150130, 150020, 150123, 180122, 180015, 180038, 140107.
150084	1.0029	ST VINCENT HOSPITAL & HEALTH CENTER	150014, 150056, 150024, 150032, 150129, 150074, 150033, 150128, 150136, 150057.
150085	0.7794	UNION CITY MEMORIAL HOSPITAL	150054, 360044, 150031, 360058, 150048, 150135, 360149, 150089, 360184, 360174.
150086	0.9312	DEARBORN COUNTY HOSPITAL	360113, 360234, 360038, 360134, 360163, 360003, 360016, 360179, 180035, 180045.
150088	0.9246	ST JOHNS HEALTH CARE CORPORATION	150113, 150089, 150094, 150059, 150030, 150037, 150053, 150136, 150074, 150114.
150089	0.8437	BALL MEMORIAL HOSPITAL	150113, 150088, 150030, 150114, 150054, 150094, 150031, 150011, 150085, 150053.
150090	1.0098	OUR LADY OF MERCY HOSPITAL	150125, 140079, 150132, 150004, 150002, 140250, 150126, 140191, 150008, 150034.
150091	0.8590	HUNTINGTON MEMORIAL HOSPITAL	150105, 150075, 150063, 150101, 150017, 150011, 150047, 150021, 150106, 150067.
150092	0.7664	RUSH MEMORIAL HOSPITAL	150134, 150064, 150097, 150037, 150062, 150030, 150122, 150135, 150048, 150001.
150094	0.8727	MERCY HOSPITAL INC	150053, 150113, 150088, 150007, 150059, 150010, 150089, 150011, 150114, 150136.
150095	0.7767	PULASKI MEMORIAL HOSPITAL	150102, 150111, 150036, 150072, 150076, 150078, 150067, 150110, 150006, 150133.
150096	0.8939	VENCOR HOSPITAL-LAGRANGE	230096, 150073, 150026, 150039, 230015, 150045, 150018, 230022, 230190, 150101.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
150097	0.9550	MAJOR HOSPITAL	150134, 150001, 150092, 150037, 150062, 150033, 150128, 150112, 150074, 150032.
150098	0.9071	WASHINGTON COUNTY MEMORIAL HOSPITAL	150052, 150071, 150049, 150044, 150065, 150124, 150009, 180040, 180137, 180081.
150099	0.8899	MICHIANA COMMUNITY HOSPITAL INC	150012, 150029, 150058, 150018, 230137, 230161, 150110, 150026, 230125, 230199.
150100	0.8476	ST MARYS MEDICAL CENTER	150025, 150082, 180056, 150130, 180015, 180038, 150123, 150020, 180122, 180060.
150101	0.8701	WHITLEY COUNTY MEMORIAL HOSPITAL	150133, 150047, 150017, 150021, 150091, 150073, 150045, 150105, 150026, 150075.
150102	0.8745	STARKE MEMORIAL HOSPITAL	150076, 150095, 150006, 150110, 150111, 150015, 150058, 150012, 150077, 150035.
150103	0.8188	COMMUNITY HOSPITAL ASSOCIATION INC	140093, 150003, 150109, 150022, 150043, 140167, 150036, 150104, 150060, 150078.
150104	1.0050	WITHAM MEMORIAL HOSPITAL	150043, 150136, 150129, 150022, 150005, 150059, 150014, 150084, 150056, 150024.
150105	0.7984	WABASH COUNTY HOSPITAL	150091, 150067, 150011, 150111, 150101, 150072, 150010, 150075, 150063, 150007.
150106	0.8676	ADAMS COUNTY MEMORIAL HOSPITAL	150075, 150063, 360071, 150017, 150021, 150047, 150031, 360136, 360058, 150091.
150109	0.8456	LAFAYETTE HOME HOSPITAL INC	150003, 150043, 150103, 150036, 150022, 150104, 150072, 150010, 150007, 150078.
150110	0.8898	COMMUNITY HOSPITAL OF BREMEN	150076, 150029, 150099, 150012, 150058, 150026, 150018, 150133, 150102, 150111.
150111	0.7790	WOODLAWN HOSPITAL	150095, 150067, 150076, 150072, 150133, 150102, 150105, 150110, 150036, 150101.
150112	0.8240	BARTHOLOMEW COUNTY HOSPITAL	150065, 150127, 150001, 150062, 150097, 150134, 150038, 150051, 150122, 150092.
150113	0.8673	COMMUNITY HOSPITAL OF ANDERSON	150088, 150094, 150089, 150059, 150053, 150030, 150037, 150114, 150136, 150011.
150114	0.8322	BLACKFORD COUNTY HOSPITAL	150011, 150089, 150031, 150063, 150075, 150094, 150054, 150113, 150091, 150088.
150115	0.7389	MEMORIAL HOSPITAL & HEALTH CARE CENTER	150019, 150061, 150123, 150071, 150130, 150020, 150042, 150070, 150124, 150049.
150122	0.7830	MARGARET MARY COMMUNITY HOSPITAL	150062, 150086, 150092, 150064, 150134, 360046, 150127, 150097, 360113, 360234.
150123	0.8451	WIRTH OSTEOPATHIC HOSPITAL	150020, 150019, 150130, 140129, 150115, 150061, 150042, 150082, 150100, 150025.
150124	0.7810	BEDFORD MEDICAL CENTER	150049, 150071, 150051, 150098, 150065, 150066, 150061, 150115, 150052, 150112.
150125	1.0410	COMMUNITY HOSPITAL	150090, 150004, 150008, 140079, 140191, 150132, 140250, 150002, 140118, 140068.
150126	0.9835	ST ANTHONY MEDICAL CENTER INC	150002, 150132, 150034, 150090, 150125, 150035, 140079, 150008, 150004, 140250.
150127	0.7853	JENNINGS COMMUNITY HOSPITAL	150065, 150112, 150052, 150069, 150062, 150122, 180042, 150134, 150098, 150097.
150128	1.0029	COMMUNITY HOSPITAL SOUTH INC	150033, 150032, 150024, 150056, 150074, 150084, 150014, 150129, 150057, 150136.
150129	1.0030	WESTVIEW HOSPITAL	150014, 150084, 150024, 150056, 150032, 150136, 150074, 150128, 150033, 150005.
150130	0.8464	WARRICK HOSPITAL INC	150100, 150082, 150025, 150123, 180056, 180038, 180015, 150019, 150020, 150070.
150132	0.9930	METHODIST HOSPITALS, INC	150002, 150126, 150034, 150090, 150125, 150035, 150008, 150004, 140079, 140191.
150133	0.8391	KOSCIUSKO COMMUNITY HOSPITAL INC	150101, 150110, 150026, 150111, 150076, 150091, 150105, 150073, 150018, 150029.
150134	0.8911	NORTH CLARK COMMUNITY HOSPITAL	150097, 150092, 150062, 150001, 150037, 150112, 150122, 150033, 150128, 150064.
150135	0.8371	RICHMOND STATE HOSPITAL	150048, 150064, 360044, 150030, 150054, 360046, 150085, 150092, 360052, 360132.
150136	1.0042	HUMANA WOMENS HOSPITAL INDIANAPOLIS	150129, 150014, 150084, 150056, 150024, 150032, 150074, 150033, 150059, 150128.
160001	0.8114	MARSHALLTOWN MEDICAL & SURGICAL CENTER	160035, 160085, 160147, 160032, 160088, 160034, 160030, 160067, 160040.
160002	0.7094	HOLY FAMILY HOSPITAL	160124, 240102, 160118, 160112, 240166, 240091, 240158, 240171, 160071, 240201.
160003	0.6666	SIOUX VALLEY MEMORIAL HOSPITAL	160066, 160151, 160131, 160071, 160140, 160074, 160126, 160112, 160091, 160109.
160005	0.6544	ST ANTHONY REGIONAL HOSPITAL	160111, 160072, 160021, 160014, 160098, 160091, 160018, 160131, 160031, 160075.
160007	0.8119	BELMOND COMMUNITY HOSPITAL	160046, 160095, 160036, 160059, 160064, 160076, 160141, 160152, 160034, 160143.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
160008	0.7280	KEOKUK AREA HOSPITAL	140081, 160122, 160057, 140015, 140159, 140089, 160054, 260173, 160106.
160009	0.7873	DELAWARE COUNTY MEMORIAL HOSPITAL	160086, 160119, 160135, 160063, 160103, 160097, 160093, 160045, 160079, 160129.
160012	0.9155	WASHINGTON COUNTY HOSPITAL	160106, 160115, 160120, 160058, 160029, 160013, 160089, 160073, 160054, 160057.
160013	0.9089	MUSCATINE GENERAL HOSPITAL	140218, 160033, 140280, 160104, 160025, 160029, 140123, 160058, 140275, 160012.
160014	0.6689	CRAWFORD COUNTY MEMORIAL HOSPITAL	160111, 160005, 160131, 160031, 160098, 160091, 160072, 160107, 160065, 160066.
160016	0.7190	TRINITY REGIONAL HOSPITAL	160152, 160076, 160123, 160046, 160142, 160072, 160026, 160021, 160007, 160091.
160018	0.7243	GUTHRIE COUNTY HOSPITAL	160098, 160075, 160021, 160070, 160039, 160005, 160111, 160052, 160026, 160133.
160020	0.6994	ST JOSEPHS MERCY HOSPITAL	160077, 260128, 260082, 160060, 160113, 160061, 160089, 260173, 160050, 260143.
160021	0.7528	GREENE COUNTY MEDICAL CENTER	160075, 160005, 160018, 160072, 160026, 160123, 160111, 160098, 160016, 160030.
160023	0.6889	VETERANS MEMORIAL HOSPITAL	160132, 160081, 240135, 520134, 160129, 160063, 160068, 240150, 520024, 160097.
160024	0.8628	IOWA LUTHERAN HOSPITAL	160102, 160083, 160082, 160101, 160133, 160052, 160032, 160075, 160088, 160030.
160025	0.8243	ST LUKES HOSPITAL	160104, 160033, 140280, 140123, 140275, 140041, 160062, 140218, 160013, 160080.
160026	0.8423	BOONE COUNTY HOSPITAL	160123, 160030, 160075, 160088, 160021, 160076, 160133, 160101, 160016, 160083.
160027	0.7038	ST JOSEPH COMMUNITY HOSPITAL	160037, 160138, 160068, 160094, 160129, 160108, 160081, 160135, 240150, 160132.
160028	0.9656	MERCY HOSPITAL	160047, 280030, 280085, 280013, 280088, 280060, 280040, 280081, 280105.
160029	0.9087	MERCY HOSPITAL	160058, 160079, 160045, 160012, 160013, 160073, 160103, 160120, 160093, 160119.
160030	0.8550	MARY GREELEY MEDICAL CENTER	160088, 160026, 160123, 160075, 160101, 160133, 160024, 160083, 160102, 160076.
160031	0.7843	SHELBY COUNTY MYRTUE MEMORIAL HOSPITAL	160098, 160111, 160039, 160014, 160065, 160047, 160005, 160028, 280047, 160018.
160032	0.8542	SKIFF MEDICAL CENTER	160147, 160044, 160001, 160114, 160102, 160024, 160083, 160088, 160101, 160082.
160033	0.8243	MERCY HOSPITAL	160104, 160025, 140280, 140123, 140275, 160062, 140041, 160013, 140218, 160080.
160034	0.7810	ELLSWORTH MUNICIPAL HOSPITAL	160085, 160036, 160035, 160076, 160046, 160007, 160088, 160001, 160030, 160123.
160035	0.8244	GRUNDY COUNTY MEMORIAL HOSPITAL	160085, 160040, 160067, 160001, 160110, 160034, 160094, 160036, 160093.
160036	0.8139	FRANKLIN GENERAL HOSPITAL	160034, 160007, 160085, 160046, 160035, 160064, 160059, 160076, 160094, 160037.
160037	0.8312	FLOYD COUNTY MEMORIAL HOSPITAL	160027, 160108, 160094, 160064, 160059, 160138, 160068, 160036, 160040, 160110.
160039	0.7864	CASS COUNTY MEMORIAL HOSPITAL	160098, 160031, 160070, 160090, 160041, 160018, 160111, 160116, 160028, 160047.
160040	0.8144	SARTORI MEMORIAL HOSPITAL	160110, 160067, 160094, 160035, 160138, 160086, 160135, 160093, 160085.
160041	0.7080	MERCY HOSPITAL	160116, 160043, 160090, 160070, 160048, 160039, 160092, 160052, 260050, 160049.
160043	0.6777	CLARINDA MUNICIPAL HOSPITAL	160092, 160090, 160041, 260050, 160099, 260066, 160048, 160116, 280062, 280028.
160044	0.7859	PELLA COMMUNITY HOSPITAL	160114, 160050, 160032, 160147, 160077, 160120, 160061, 160089, 160102, 160024.
160045	0.9073	ST LUKES HOSPITAL	160079, 160103, 160093, 160058, 160029, 160073, 160119, 160086, 160009, 160067.
160046	0.7426	COMMUNITY MEMORIAL HOSPITAL	160007, 160076, 160152, 160036, 160095, 160016, 160034, 160143, 160059, 160123.
160047	0.9656	JENNIE EDMUNDSON HOSPITAL	160028, 280030, 280085, 280013, 280088, 280060, 280081, 280040, 280105.
160048	0.6583	RINGGOLD COUNTY HOSPITAL	160055, 160116, 160041, 160049, 260086, 260109, 160043, 260050, 160070, 160052.
160049	0.8337	CLARKE COUNTY PUBLIC HOSPITAL	160055, 160061, 160052, 160113, 160116, 160048, 160114, 160070, 160082, 160102.
160050	0.7122	MAHASKA COUNTY HOSPITAL	160044, 160077, 160120, 160089, 160114, 160147, 160032, 160061, 160115, 160060.
160051	0.8517	MERRILL PIONEER COMMUNITY HOSPITAL	240128, 160145, 240127, 430054, 160130, 160126, 160109, 430016, 430027, 160074.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
160052	0.8635	MADISON COUNTY MEMORIAL HOSPITAL	160070, 160049, 160116, 160133, 160082, 160083, 160101, 160102, 160024, 160018.
160054	0.7418	VAN BUREN COUNTY MEMORIAL HOSPITAL	160115, 260173, 160060, 160106, 160089, 160122, 160008, 160012, 160057, 160120.
160055	0.6595	DECATUR COUNTY HOSPITAL	160049, 160113, 160048, 160061, 260109, 160116, 260128, 260082, 160052, 160020.
160056	0.7667	JACKSON COUNTY PUBLIC HOSPITAL	160069, 160117, 140074, 520178, 160119, 520146, 140229, 160097, 520110, 160103.
160057	0.7460	BURLINGTON MEDICAL CENTER	160122, 140047, 160106, 140081, 160008, 140218, 140089, 140040, 140064.
160058	0.9087	UNIVERSITY OF IOWA HOSPITAL & CLINIC	160029, 160079, 160045, 160012, 160073, 160013, 160103, 160120, 160093, 160119.
160059	0.8420	NORTH IOWA MEDICAL CENTER	160064, 160141, 160108, 160095, 160007, 160037, 160036, 240043, 160046, 240117.
160060	0.7477	DAVIS COUNTY HOSPITAL	160089, 160020, 160054, 260173, 160077, 160115, 260082, 260128, 160050, 260022.
160061	0.6558	LUCAS COUNTY MEMORIAL HOSPITAL	160113, 160114, 160049, 160077, 160020, 160055, 160044, 160050, 260128, 160052.
160062	0.8281	DEWITT COMMUNITY HOSPITAL	160080, 160104, 160025, 160033, 140123, 140275, 140280, 140229, 140173.
160063	0.7022	CENTRAL COMMUNITY HOSPITAL	160097, 160132, 520134, 160129, 160009, 160135, 160023, 520146, 160138, 160081.
160064	0.8420	ST JOSEPH MERCY HOSPITAL	160059, 160141, 160108, 160037, 160007, 160095, 160036, 240043, 240117, 160046.
160065	0.9637	COMMUNITY MEMORIAL HOSPITAL	280047, 280081, 160047, 280085, 280088, 280013, 160028, 280040, 280030.
160066	0.6700	BUENA VISTA COUNTY HOSPITAL	160003, 160091, 160131, 160142, 160072, 160112, 160151, 160071, 160118, 160014.
160067	0.8144	COVENANT MEDICAL CENTER	160110, 160040, 160094, 160035, 160086, 160093, 160135, 160138, 160085.
160068	0.6934	HOWARD COUNTY HOSPITAL	240150, 160081, 160027, 240105, 240135, 160023, 160129, 160108, 160132, 160037.
160069	0.7683	MERCY HEALTH CENTER	160117, 160056, 140074, 520178, 520146, 160097, 520110, 160119, 140229, 160009.
160070	0.7114	ADAIR COUNTY MEMORIAL HOSPITAL	160116, 160052, 160041, 160018, 160039, 160098, 160049, 160075, 160090, 160048.
160071	0.6873	COMMUNITY MEMORIAL HOSPITAL	160151, 160112, 160126, 160130, 160124, 160003, 160074, 240022, 160109, 160002.
160072	0.7024	STEWART MEMORIAL COMMUNITY HOSPITAL	160091, 160005, 160021, 160111, 160016, 160142, 160014, 160066, 160131, 160098.
160073	0.9052	MARENGO MEMORIAL HOSPITAL	160045, 160079, 160093, 160058, 160029, 160147, 160120, 160012, 160103, 160001.
160074	0.6403	ORANGE CITY MUNICIPAL HOSPITAL	160109, 160126, 160140, 160145, 160134, 160151, 160051, 160071, 160003, 160130.
160075	0.8619	DALLAS COUNTY HOSPITAL	160026, 160021, 160018, 160133, 160123, 160101, 160030, 160083, 160082, 160024.
160076	0.7633	HAMILTON COUNTY PUBLIC HOSPITAL	160016, 160123, 160046, 160034, 160026, 160152, 160007, 160030, 160036, 160088.
160077	0.7005	MONROE COUNTY HOSPITAL	160020, 160089, 160050, 160061, 160114, 160060, 160044, 160113, 160120, 260128.
160079	0.9073	MERCY MEDICAL CENTER	160045, 160103, 160093, 160058, 160029, 160073, 160119, 160086, 160009, 160067.
160080	0.8318	SAMARITAN HOSPITAL SOUTH	140173, 160062, 140229, 140043, 140041, 140275, 160025, 140123, 160104.
160081	0.6873	WINNESHIEK COUNTY MEMORIAL HOSPITAL	160023, 160068, 160132, 240135, 240150, 160129, 160027, 160138, 160063, 520134.
160082	0.8628	IOWA METHODIST MEDICAL CENTER	160083, 160024, 160102, 160101, 160133, 160052, 160075, 160032, 160030, 160088.
160083	0.8628	MERCY HOSPITAL MEDICAL CENTER	160024, 160082, 160102, 160101, 160133, 160052, 160075, 160032, 160030, 160088.
160085	0.8193	ELDORA COMMUNITY HOSPITAL	160034, 160035, 160001, 160036, 160088, 160030, 160040, 160076, 160067.
160086	0.8212	PEOPLES MEMORIAL HOSPITAL	160135, 160009, 160093, 160067, 160110, 160040, 160138, 160094, 160045.
160088	0.8494	STORY COUNTY HOSPITAL	160030, 160026, 160123, 160001, 160085, 160101, 160032, 160024, 160083, 160102.
160089	0.7036	OTTUMWA REGIONAL HEALTH CENTER	160060, 160077, 160115, 160050, 160120, 160054, 160020, 160044, 160012, 160114.
160090	0.9066	MONTGOMERY COUNTY MEMORIAL HOSPITAL	160092, 160043, 160041, 160039, 160028, 160047, 160099, 280030, 280062, 280085.
160091	0.6962	LORING HOSPITAL	160072, 160066, 160131, 160005, 160142, 160014, 160111, 160003, 160016, 160021.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
160092	0.7523	SHENANDOAH MEMORIAL HOSPITAL	160043, 160099, 160090, 280062, 260066, 280028, 160041, 260050, 280051, 160028.
160093	0.8201	VIRGINIA GAY HOSPITAL	160086, 160045, 160079, 160067, 160073, 160110, 160040, 160009, 160103.
160094	0.8123	WAVERLY MUNICIPAL HOSPITAL	160040, 160110, 160067, 160138, 160027, 160037, 160135, 160035, 160086.
160095	0.8141	HANCOCK COUNTY MEMORIAL HOSPITAL	160141, 160007, 160143, 160046, 160059, 160064, 160152, 240162, 160036, 160118.
160097	0.7613	GUTTENBERG MUNICIPAL HOSPITAL	160063, 520134, 520146, 160009, 160117, 160069, 520178, 520114, 160132, 160056.
160098	0.6822	AUDUBON COUNTY MEMORIAL HOSPITAL	160111, 160031, 160018, 160039, 160005, 160014, 160021, 160070, 160072, 160075.
160099	0.6657	GRAPE COMMUNITY HOSPITAL	280062, 160092, 280028, 260066, 280051, 160043, 280052, 280107, 160090, 280017.
160101	0.8628	BROADLAWNS MEDICAL CENTER	160083, 160024, 160082, 160133, 160102, 160075, 160052, 160030, 160088, 160032.
160102	0.8628	DES MOINES GENERAL HOSPITAL	160024, 160083, 160082, 160101, 160133, 160052, 160032, 160075, 160088, 160030.
160103	0.9036	ANAMOSA COMMUNITY HOSPITAL	160119, 160079, 160045, 160009, 160029, 160058, 160093, 160056, 160086, 160117.
160104	0.8243	DAVENPORT OSTEOPATHIC HOSPITAL	160033, 160025, 140280, 140123, 140275, 160062, 140041, 160013, 140218, 160080.
160106	0.7517	HENRY COUNTY HEALTH CENTER	160115, 160012, 160057, 160054, 160122, 160008, 160120, 160089, 160013.
160107	0.8204	BURGESS MEMORIAL HOSPITAL	280045, 280055, 280038, 280047, 160065, 160153, 160014, 160146, 160131, 280077.
160108	0.8513	MITCHELL COUNTY MEMORIAL HOSPITAL	160037, 160064, 160059, 240117, 160027, 240105, 160068, 240043, 160141, 240150.
160109	0.6410	COMMUNITY HOSPITAL AND HEALTH CENTER	160074, 160145, 160134, 160126, 160140, 160051, 430054, 160151, 160130, 160071.
160110	0.8118	ALLEN MEMORIAL HOSPITAL	160067, 160040, 160094, 160086, 160135, 160035, 160138, 160093, 160027.
160111	0.6763	MANNING GENERAL HOSPITAL	160005, 160098, 160014, 160031, 160072, 160018, 160021, 160091, 160039, 160131.
160112	0.6820	SPENCER MUNICIPAL HOSPITAL	160071, 160124, 160118, 160002, 160151, 240102, 160003, 160130, 160126, 160066.
160113	0.6496	WAYNE COUNTY HOSPITAL	160061, 160055, 160020, 260128, 260082, 160049, 160077, 260143, 160114, 160060.
160114	0.8542	KNOXVILLE AREA COMMUNITY HOSPITAL	160044, 160061, 160050, 160077, 160032, 160102, 160024, 160082, 160083, 160101.
160115	0.7121	JEFFERSON COUNTY HOSPITAL	160054, 160106, 160089, 160012, 160120, 160060, 160050, 260173, 160122, 160077.
160116	0.6998	GREATER COMMUNITY HOSPITAL	160070, 160041, 160052, 160048, 160049, 160039, 160055, 160043, 160090, 160018.
160117	0.7683	FINLEY HOSPITAL	160069, 160056, 140074, 520178, 520146, 160097, 160119, 520110, 140229, 160009.
160118	0.7053	PALO ALTO COUNTY HOSPITAL	160002, 160112, 160143, 160142, 160124, 160152, 240102, 240166, 160071, 160066.
160119	0.7946	JOHN MCDONALD HOSPITAL	160103, 160009, 160056, 160045, 160079, 160117, 160069, 160086, 160097, 140074.
160120	0.9206	KEOKUK COUNTY HOSPITAL	160050, 160089, 160012, 160115, 160044, 160073, 160077, 160147, 160058, 160029.
160122	0.7325	FT MADISON COMMUNITY HOSPITAL	160008, 160057, 140081, 160106, 160054, 140089, 140047, 160115, 260173.
160123	0.7596	STORY CITY MEMORIAL HOSPITAL	160026, 160076, 160030, 160016, 160021, 160075, 160088, 160034, 160046, 160072.
160124	0.7234	DICKINSON COUNTY MEMORIAL HOSPITAL	160002, 240102, 240091, 160112, 160071, 240201, 240022, 160118, 240158, 160130.
160126	0.6905	NORTHWEST IOWA HEALTH CENTER	160151, 160130, 160074, 160071, 160109, 160145, 160051, 240127, 160140, 240022.
160129	0.6763	PALMER LUTHERAN HEALTH CENTER	160132, 160138, 160135, 160063, 160081, 160027, 160023, 160068, 520134, 160086.
160130	0.7087	OSCEOLA COMMUNITY HOSPITAL	160126, 240022, 240127, 160071, 160051, 160151, 240128, 160145, 160124, 160109.
160131	0.7838	HORN MEMORIAL HOSPITAL	160014, 160066, 160091, 160003, 160005, 160072, 160111, 160107, 160140, 160153.
160132	0.6896	COMMUNITY MEMORIAL HOSPITAL	160023, 160129, 160063, 160081, 520134, 160097, 160138, 160135, 160068, 240135.
160133	0.8628	CHARTER COMMUNITY HOSPITAL	160101, 160082, 160083, 160024, 160102, 160075, 160052, 160030, 160088, 160032.
160134	0.7364	HAWARDEN COMMUNITY HOSPITAL	160109, 160145, 160074, 160140, 430054, 430029, 430057, 160051, 160126, 160146.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
160135	0.8119	MERCY HOSPITAL OF FRANCISCAN SISTERS	160086, 160138, 160129, 160110, 160009, 160067, 160063, 160094, 160040.
160138	0.8113	COMMUNITY MEMORIAL HOSPITAL	160135, 160129, 160027, 160094, 160110, 160040, 160086, 160067, 160132.
160140	0.7968	FLOYD VALLEY HOSPITAL	160074, 160109, 160134, 160146, 160153, 160145, 160003, 160126, 160151, 430029.
160141	0.8399	FOREST CITY COMMUNITY HOSPITAL	160095, 160059, 160064, 240043, 160007, 160143, 240136, 240162, 160046, 160108.
160142	0.7084	POCAHONTAS COMMUNITY HOSPITAL	160152, 160118, 160091, 160066, 160016, 160143, 160072, 160112, 160003, 160046.
160143	0.7237	KOSSUTH COUNTY HOSPITAL	160095, 160152, 160118, 160142, 160141, 160007, 160046, 160002, 160016, 240162.
160145	0.8099	HEGG MEMORIAL HEALTH CENTER	160109, 430054, 160051, 160134, 160074, 160126 160140, 160130, 430016, 240128.
160146	0.7985	ST LUKES REGIONAL MEDICAL CENTER	160153, 160140, 430029, 280055, 160134, 280115, 160107, 160074, 160109, 160003.
160147	0.7593	GRINNELL GENERAL HOSPITAL	160032, 160001, 160044, 160050, 160073, 160114, 160120, 160088, 160035, 160102.
160151	0.6663	BAUM HARMON MEMORIAL HOSPITAL	160071, 160126, 160074, 160130, 160112, 160003, 160109, 160145, 160140, 160124.
160152	0.7187	HUMBOLDT COUNTY MEMORIAL HOSPITAL	160016, 160142, 160143, 160046, 160076, 160007, 160095, 160118, 160123, 160072.
160153	0.7985	MARIAN HEALTH CENTER	160146, 160140, 280055, 430029, 280115, 160134, 160107, 160074, 160109, 160003.
170001	0.8376	NEWMAN MEMORIAL COUNTY HOSPITAL	170070, 170094, 170051, 170025, 170032, 170115, 170014, 170035, 170026.
170003	0.7316	ST ANTHONY HOSPITAL	170013, 170030, 170119, 170092, 170077, 170121, 170112, 170066, 170033, 170031.
170004	0.7361	HIAWATHA COMMUNITY HOSPITAL	170067, 170164, 280017, 170057, 170022, 170160, 280107, 260006, 260066, 280073.
170006	0.7599	MT CARMEL MEDICAL CENTER	170098, 170043, 260073, 260013, 260007, 260001, 170058, 170159, 260137, 170021.
170008	0.6339	CITIZENS MEDICAL CENTER	170134, 170069, 170063, 170097, 170060, 170064, 170080.
170009	0.9096	ST JOHN HOSPITAL	170133, 170131, 260062, 170022, 170146, 170148, 260096, 260048, 260031, 260177.
170010	0.7347	MERCY HOSPITAL INDEPENDENCE	170073, 170145, 170018, 170120, 170106, 170159, 170143, 370018, 370021.
170011	0.7072	ST JOHNS HOSPITAL	170012, 170101, 170114, 170126, 170056, 170088, 170105, 170115, 170074, 170026.
170012	0.7072	ASBURY-SALINA REGIONAL MEDICAL CENTER	170011, 170101, 170114, 170126, 170056, 170088, 170105, 170115, 170074, 170026.
170013	0.7316	HAYS MEDICAL CENTER	170003, 170030, 170119, 170092, 170077, 170121, 170112, 170066, 170031, 170033.
170014	0.9226	RANSOM MEMORIAL HOSPITAL	170109, 170035, 170137, 170049, 170176, 170094, 170086, 170016, 170104, 260016.
170015	0.6364	MITCHELL COUNTY HOSPITAL	170095, 170168, 170041, 170056, 170126, 170024, 280064, 170093, 280014, 170054.
170016	0.8738	ST FRANCIS HOSPITAL & MEDICAL CENTER	170086, 170137, 170131, 170160, 170128, 170014, 170045, 170133, 170044, 170009.
170017	0.9633	SUSAN B ALLEN MEMORIAL HOSPITAL	170171, 170123, 170087, 170122, 170147, 170032, 170103, 170144, 170051, 170025.
170018	0.7165	FREDONIA REGIONAL HOSPITAL	170073, 170143, 170010, 170120, 170032, 170106, 170116, 170145, 170159.
170019	0.9720	WILLIAM NEWTON MEMORIAL HOSPITAL	170150, 170039, 170140, 170171, 170087, 170152, 370030, 170123, 170122.
170020	0.9527	HUTCHINSON HOSPITAL CORPORATION	170144, 170075, 170105, 170103, 170052, 170038, 170101, 170147, 170122, 170026.
170021	0.7432	BAXTER MEMORIAL HOSPITAL	260001, 260007, 260137, 170043, 370004, 260053, 170159, 260013, 170006.
170022	0.8027	ATCHISON HOSPITAL	260006, 170131, 170009, 170133, 170067, 260090, 170004, 260062, 170160, 170146.
170023	0.7351	ST CATHERINE HOSPITAL	170100, 170085, 170110, 170139, 170108, 170174, 170079, 170175, 170090.
170024	0.6418	REPUBLIC COUNTY HOSPITAL	170095, 280050, 280064, 170168, 170076, 280001, 170015, 170099, 170054, 280014.
170025	0.7309	ST LUKE HOSPITAL	170051, 170026, 170115, 170103, 170075, 170105, 170070, 170144, 170101, 170017.
170026	0.7637	SALEM HOSPITAL INC	170025, 170051, 170075, 170103, 170105, 170115, 170101, 170144, 170020, 170012.
170027	0.6289	PRATT REGIONAL MEDICAL CENTER	170038, 170125, 170053, 170052, 170102, 170170, 170072, 170036, 170151, 170081.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
170030	0.7291	RUSSELL REGIONAL HOSPITAL	170003, 170013, 170112, 170092, 170088, 170119, 170033, 170056, 170062, 170041.
170031	0.7076	GRAHAM COUNTY HOSPITAL	170077, 170092, 170080, 170063, 170084, 170061, 170013, 170003, 170060.
170032	0.7171	GREENWOOD COUNTY HOSPITAL	170017, 170018, 170171, 170094, 170001, 170143, 170073, 170116, 170051, 170106.
170033	0.7283	CENTRAL KANSAS MEDICAL CENTER	170062, 170112, 170125, 170119, 170038, 170030, 170088, 170003, 170072, 170013.
170034	0.6792	MINNEOLA DISTRICT HOSPITAL	170050, 170175, 170055, 170173, 170036, 170053, 170072, 170090, 370108, 170139.
170035	0.8024	ANDERSON COUNTY HOSPITAL	170014, 170094, 170116, 170109, 170058, 170143, 260034, 170049, 170001, 170137.
170036	0.6923	COMANCHE COUNTY HOSPITAL	170050, 170053, 370108, 170034, 170027, 170081, 170173, 170072, 370080, 170175.
170037	0.8268	MEMORIAL HOSPITAL	170142, 170128, 170044, 170074, 170045, 170054, 170114, 170070, 170115, 170016.
170038	0.7355	DISTRICT HOSPITAL 4—STAFFORD	170125, 170027, 170062, 170033, 170052, 170020, 170072, 170112, 170053.
170039	0.9691	ST LUKES HOSPITAL	170140, 170152, 170019, 170150, 170087, 170147, 170123, 170122, 170151, 170124.
170040	0.9442	UNIVERSITY OF KANSAS MEDICAL CENTER	260138, 260031, 260112, 260048, 260085, 170148, 260107, 260027, 170146, 170104.
170041	0.6615	OSBORNE COUNTY MEMORIAL HOSPITAL	170093, 170015, 170092, 170168, 170056, 170061, 170030, 280014, 280056, 170003.
170043	0.7625	MAUDE NORTON MEMORIAL CITY HOSPITAL	170021, 170159, 260001, 260007, 260137, 170006, 370004, 170120, 170098.
170044	0.7077	DECHAIRO HOSPITAL	170045, 170128, 170142, 170037, 170160, 170113, 170074, 170054, 170057, 170099.
170045	0.8472	COMMUNITY HOSPITAL ONAGA INC	170044, 170160, 170128, 170057, 170142, 170037, 170164, 170113, 170067, 170016.
170049	0.9548	OLATHE COMMUNITY HOSPITAL	170176, 170104, 260016, 260107, 260027, 170040, 260112, 260138, 260031, 170148.
170050	0.6847	ASHLAND DISTRICT HOSPITAL	170034, 170036, 370108, 170055, 170053, 170175, 370082, 170173.
170051	0.7403	HOSPITAL DISTRICT 1 RICE COUNTY	170025, 170026, 170115, 170103, 170075, 170070, 170105, 170144, 170017, 170001.
170052	0.9551	KINGMAN COMMUNITY HOSPITAL	170102, 170151, 170170, 170027, 170038, 170020, 170124, 170147, 170122, 170144.
170053	0.6918	KIOWA COUNTY MEMORIAL HOSPITAL	170072, 170036, 170027, 170173, 170034, 170050, 170175, 170125, 170038, 170090.
170054	0.6972	CLAY COUNTY HOSPITAL	170142, 170095, 170074, 170037, 170076, 170114, 170126, 170044, 170099, 170024.
170055	0.7045	MEADE DISTRICT HOSPITAL	170034, 170050, 370082, 170068, 170139, 370108, 170175, 170036, 170089.
170056	0.7186	LINCOLN COUNTY HOSPITAL	170126, 170088, 170015, 170012, 170011, 170030, 170041, 170101, 170095, 170114.
170057	0.6707	NEMAHA VALLEY COMMUNITY HOSPITAL	170164, 280073, 280107, 170045, 170004, 280017, 170113, 170067, 170160, 170044.
170058	0.6671	MERCY HOSPITAL	260061, 170098, 170006, 260073, 170116, 260035, 260034, 170143, 170035, 260147.
170060	0.6445	DECATUR COUNTY HOSPITAL	170069, 280021, 170063, 170084, 170008, 170031.
170061	0.6168	PHILLIPS COUNTY HOSPITAL	280102, 170084, 170093, 280056, 170031, 170092, 170041, 280014, 280108.
170062	0.7302	ELLINWOOD DISTRICT HOSPITAL	170033, 170112, 170125, 170038, 170088, 170119, 170030, 170020, 170105, 170101.
170063	0.6175	SHERIDAN COUNTY HOSPITAL	170080, 170134, 170031, 170008, 170060, 170077, 170069, 170084.
170064	0.6366	CHEYENNE COUNTY HOSPITAL	280082, 170097, 060053, 170069, 060037, 170008.
170066	0.7202	HOSPITAL DISTRICT 2—NESS COUNTY	170121, 170090, 170108, 170119, 170077, 170013, 170003, 170173, 170072, 170080.
170067	0.7445	HORTON COMMUNITY HOSPITAL	170004, 170160, 170164, 170022, 170131, 280017, 170057, 170045, 260006, 260090.
170068	0.6934	SOUTHWEST MEDICAL CENTER	170089, 370082, 170139, 170055, 370138, 170110, 450534, 170166.
170069	0.6233	RAWLINS COUNTY HOSPITAL	170060, 170008, 280082, 280021, 170064, 170063, 170097, 170134.
170070	0.7251	MORRIS COUNTY HOSPITAL	170115, 170001, 170074, 170051, 170025, 170037, 170142, 170128, 170114, 170026.
170072	0.7193	EDWARDS COUNTY HOSPITAL	170173, 170053, 170090, 170175, 170125, 170027, 170038, 170119, 170033, 170034.
170073	0.7198	WILSON COUNTY HOSPITAL	170018, 170010, 170143, 170120, 170145, 170106, 170159, 170116, 170098, 170032.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
170074	0.7429	GEARY COMMUNITY HOSPITAL	170037, 170142, 170114, 170115, 170128, 170054, 170070, 170044, 170011, 170012.
170075	0.9525	MERCY HOSPITAL INC	170144, 170103, 170105, 170026, 170020, 170025, 170101, 170051, 170147, 170122.
170076	0.6315	WASHINGTON COUNTY HOSPITAL	170099, 170113, 280001, 170024, 170054, 170095, 280054, 280050, 170044.
170077	0.7184	TREGO COUNTY-LEMKE MEMORIAL HOSPITAL	170080, 170031, 170121, 170013, 170003, 170092, 170063, 170066, 170119, 170108.
170079	0.7017	HAMILTON COUNTY HOSPITAL	170100, 170117, 170110, 170082, 170174, 170023, 060007.
170080	0.7119	GOVE COUNTY HOSPITAL	170077, 170063, 170031, 170134, 170121, 170108, 170066, 170008, 170013, 170092.
170081	0.6415	KIOWA DISTRICT HOSPITAL	370080, 370110, 170170, 170124, 170102, 170151, 170152, 170036, 170027, 170052.
170082	0.7097	GREELEY COUNTY HOSPITAL	170174, 170079, 060043, 170085, 170100, 060007.
170084	0.6324	NORTON COUNTY HOSPITAL	170061, 280102, 170031, 170060, 170063, 280021, 280108, 170092, 280056.
170085	0.7281	SCOTT COUNTY HOSPITAL	170108, 170174, 170023, 170082, 170100, 170134, 170121, 170066.
170086	0.8738	STORMONT VAIL REGIONAL MEDICAL CENTER	170016, 170137, 170131, 170160, 170128, 170014, 170045, 170133, 170009, 170044.
170087	0.9601	ST JOSEPH MEDICAL CENTER	170123, 170122, 170147, 170171, 170017, 170144, 170103, 170039, 170140, 170019.
170088	0.7314	ELLSWORTH COUNTY VETERANS MEM HOSPITAL	170056, 170101, 170112, 170012, 170062, 170011, 170030, 170105, 170033, 170126.
170089	0.6820	STEVENS COUNTY HOSPITAL	170068, 170139, 170110, 170166, 370138, 170117, 370082, 170055.
170090	0.7273	HODGEMAN COUNTY HEALTH CENTER	170173, 170175, 170072, 170066, 170121, 170108, 170119, 170053, 170034, 170023.
170092	0.7226	PLAINVILLE RURAL HOSPITAL	170003, 170013, 170031, 170077, 170030, 170041, 170061, 170093, 170080, 170119.
170093	0.6114	SMITH COUNTY MEMORIAL HOSPITAL	280056, 170041, 280014, 170061, 170168, 280102, 280064, 170015, 170092.
170094	0.7198	COFFEY COUNTY HOSPITAL	170035, 170116, 170001, 170014, 170032, 170143, 170018, 170070, 170109.
170095	0.6356	ST JOSEPH HOSPITAL	170024, 170015, 170054, 170168, 170126, 170076, 280064, 280050, 170056, 170099.
170097	0.6164	NORTHWEST KANSAS REGIONAL MEDICAL CENTER.	060037, 170064, 170008, 170134, 170069, 060043, 280082.
170098	0.7129	HOSPITAL DISTRICT 1—CRAWFORD COUNTY	170006, 170058, 170043, 170120, 170159, 260073, 170143, 260061, 170021, 260007.
170099	0.6181	HOSPITAL DISTRICT 1—WASHINGTON COUNTY	170076, 170113, 280001, 280054, 170054, 170024, 280073, 280050, 170057.
170100	0.7142	KEARNY COUNTY HOSPITAL	170023, 170079, 170110, 170117, 170139, 170174, 170085, 170082.
170101	0.7411	LINDSBORG COMMUNITY HOSPITAL	170105, 170012, 170011, 170075, 170026, 170088, 170114, 170020, 170025, 170115.
170102	0.6482	MEDICINE LODGE MEMORIAL HOSPITAL	170170, 170151, 170124, 170081, 170052, 170152, 170027, 170140, 170039, 370110.
170103	0.9591	NEWTON MEDICAL CENTER	170144, 170075, 170026, 170122, 170147, 170123, 170087, 170025, 170020, 170051.
170104	0.9524	SHAWNEE MISSION MEDICAL CENTER	170040, 260107, 260138, 260016, 260112, 260027, 260031, 170176, 170148, 170146.
170105	0.7648	MEMORIAL HOSPITAL	170101, 170075, 170026, 170020, 170144, 170103, 170012, 170025, 170011, 170051.
170106	0.7299	SEDAN CITY HOSPITAL	170010, 170145, 370018, 170073, 370012, 170018, 170019, 370021, 170150.
170108	0.7177	LANE COUNTY HOSPITAL	170085, 170066, 170121, 170090, 170023, 170080, 170174, 170077, 170134.
170109	0.9079	MIAMI COUNTY HOSPITAL	170014, 170049, 170176, 260036, 170035, 170104, 260016, 260190, 260034, 260107.
170110	0.7284	BOB WILSON MEM GRANT COUNTY HOSPITAL	170117, 170139, 170100, 170089, 170079, 170023, 170068, 170166.
170112	0.7290	CLARA BARTON HOSPITAL	170033, 170062, 170030, 170119, 170088, 170003, 170013, 170125, 170038, 170056.
170113	0.6306	COMMUNITY MEMORIAL HOSPITAL	170099, 170076, 170057, 280073, 280054, 170044, 170045, 280001, 170054.
170114	0.7396	MEMORIAL HOSPITAL	170074, 170011, 170012, 170115, 170126, 170054, 170101, 170142, 170037, 170070.
170115	0.7322	HERINGTON MUNICIPAL HOSPITAL	170070, 170114, 170051, 170025, 170074, 170026, 170011, 170012, 170101, 170037.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
170116	0.7261	ALLEN COUNTY HOSPITAL	170143, 170094, 170035, 170058, 170018, 170073, 170098, 170120, 170032, 170014.
170117	0.7075	STANTON COUNTY HOSPITAL	170110, 170079, 170089, 170100, 170139, 170166, 060085.
170119	0.7358	RUSH COUNTY MEMORIAL HOSPITAL	170013, 170003, 170112, 170033, 170066, 170121, 170030, 170062, 170090, 170072.
170120	0.6899	LABETTE COUNTY MEDICAL CENTER	170159, 170073, 170043, 170010, 170098, 170143, 170145, 170006, 170018, 170021.
170121	0.7218	GRISELL MEMORIAL HOSPITAL	170066, 170077, 170108, 170119, 170080, 170013, 170003, 170090, 170085.
170122	0.9601	ST FRANCIS REGIONAL MEDICAL CENTER	170123, 170147, 170087, 170171, 170144, 170103, 170017, 170039, 170140, 170019.
170123	0.9601	WESLEY MEDICAL CENTER	170122, 170087, 170147, 170171, 170017, 170144, 170103, 170039, 170140, 170019.
170124	0.6158	HOSPITAL DISTRICT 6-HARPER COUNTY	170151, 170170, 170102, 170152, 170081, 170140, 370110, 170039, 170052, 370080.
170125	0.7387	ST JOHN PRIMARY CARE HOSPITAL	170038, 170027, 170033, 170062, 170072, 170112, 170053, 170052, 170020, 170119.
170126	0.7089	OTTAWA COUNTY HOSPITAL	170011, 170012, 170056, 170114, 170095, 170015, 170054, 170088, 170101, 170074.
170128	0.8709	WAMEGO CITY HOSPITAL	170037, 170142, 170044, 170045, 170074, 170016, 170086, 170160, 170070, 170054.
170131	0.8960	JEFFERSON COUNTY MEMORIAL HOSPITAL	170009, 170133, 170022, 170137, 170160, 170067, 170016, 170086, 170146, 170148.
170133	0.9144	CUSHING MEMORIAL HOSPITAL	170009, 170131, 170146, 170148, 260062, 170022, 260096, 260048, 260031, 170040.
170134	0.6223	LOGAN COUNTY HOSPITAL	170008, 170063, 170080, 170097, 170085, 170069, 170077, 170108.
170137	0.9204	LAWRENCE MEMORIAL HOSPITAL	170086, 170016, 170049, 170131, 170176, 170014, 170104, 170133, 170009, 170146.
170139	0.7473	SATANTA DISTRICT HOSPITAL	170110, 170089, 170068, 170055, 170100, 170023, 170117, 170034, 370082.
170140	0.9691	WELLINGTON HOSPITAL	170039, 170152, 170019, 170150, 170087, 170147, 170123, 170122, 170151, 170124.
170142	0.7059	ST MARYS HOSPITAL	170037, 170128, 170044, 170074, 170054, 170045, 170114, 170070, 170115, 170113.
170143	0.7081	NEOSHO MEMORIAL HOSPITAL	170116, 170018, 170073, 170120, 170098, 170010, 170058, 170094, 170159, 170006.
170144	0.9552	HALSTEAD HOSPITAL	170103, 170075, 170020, 170147, 170122, 170123, 170087, 170105, 170026, 170171.
170145	0.7412	COFFEYVILLE REGIONAL MEDICAL CENTER	170010, 370021, 370018, 170073, 170120, 170159, 170106, 170018, 370065.
170146	0.9402	PROVIDENCE ST MARGARET HEALTH CENTER	170148, 260048, 260031, 170040, 260138, 260096, 260085, 260112, 170104, 260107.
170147	0.9634	RIVERSIDE HOSPITAL	170122, 170123, 170087, 170171, 170144, 170103, 170017, 170039, 170140, 170075.
170148	0.9402	BETHANY MEDICAL CENTER	170146, 260048, 260031, 170040, 260138, 260085, 260096, 260112, 260107, 170104.
170150	0.8480	ARKANSAS CITY MEMORIAL HOSPITAL	170019, 170140, 170039, 370030, 370006, 170152, 370133, 170106, 170087.
170151	0.6482	HOSPITAL DISTRICT 5-HARPER COUNTY	170102, 170124, 170170, 170052, 170152, 170081, 170140, 170039, 370110, 170027.
170152	0.6626	HOSPITAL DISTRICT 1-SUMNER COUNTY	170140, 170039, 370030, 170124, 170151, 170150, 170102, 170170, 370006, 170019.
170159	0.7616	OSWEGO MEMORIAL HOSPITAL	170043, 170120, 170021, 370004, 170145, 170098, 170006, 260001, 260007.
170160	0.8731	HOLTON CITY HOSPITAL	170067, 170045, 170131, 170016, 170004, 170086, 170057, 170164, 170022, 170044.
170164	0.6684	SABETHA COMMUNITY HOSPITAL	170057, 170004, 280017, 280107, 170067, 280073, 170160, 170045, 280028, 260066.
170166	0.6672	MORTON COUNTY HOSPITAL	170089, 370138, 370146, 170117, 060085, 170068, 170110.
170168	0.6357	JEWELL COUNTY HOSPITAL	280064, 170015, 280014, 170024, 170093, 170095, 170041, 280056, 280050.
170170	0.6426	HOSPITAL DISTRICT 1-ATTICA	170102, 170151, 170124, 170081, 170052, 170152, 370110, 170027, 370080, 170140.
170171	0.9597	AUGUSTA MEDICAL COMPLEX INC	170017, 170087, 170123, 170122, 170147, 170103, 170019, 170144, 170032, 170039.
170173	0.6928	SPEARVILLE DISTRICT HOSPITAL	170175, 170072, 170090, 170053, 170034, 170066, 170036, 170050, 170125.
170174	0.7055	WICHITA COUNTY HOSPITAL	170082, 170085, 170100, 170079, 170023, 170108.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
170175	0.7340	HUMANA HOSPITAL DODGE CITY	170173, 170090, 170034, 170072, 170053, 170050, 170055, 170023, 170036, 170066.
170176	0.9489	HUMANA HOSPITAL OVERLAND PARK	170049, 170104, 260016, 260107, 260027, 260112, 170040, 260138, 260031, 260085.
180001	0.9344	ST LUKE HOSPITAL	180045, 180035, 360163, 360179, 360016, 360038, 360003, 360134, 360001, 360113.
180002	0.7823	WHITESBURG APPALACHIAN REGIONAL HOSPITAL.	180006, 490010, 490027, 490114, 490001, 490131, 180029, 490012, 180028, 180129.
180004	0.7658	MUHLENBERG COMMUNITY HOSPITAL	180093, 180041, 180060, 180051, 180066, 180054, 180033, 180013, 180015, 180124.
180005	0.7705	HIGHLANDS REGIONAL MEDICAL CENTER	180078, 180032, 180028, 180044, 510077, 180069, 180125, 180128, 180006, 180029.
180006	0.7623	JENKINS COMMUNITY HOSPITAL	490131, 180002, 490010, 490001, 490027, 180028, 180044, 490114, 180032, 180029.
180007	0.8342	GOOD SAMARITAN HOSPITAL	180067, 180010, 180103, 180136, 180072, 180101, 180092, 180046, 180127, 180049.
180009	0.8501	KINGS DAUGHTERS MEDICAL CENTER	180036, 360007, 510055, 510007, 360008, 180128, 360050, 360054.
180010	0.8342	ST JOSEPH HOSPITAL	180067, 180103, 180007, 180136, 180072, 180101, 180092, 180046, 180127, 180049.
180011	0.7539	MARYMOUNT HOSPITAL	180080, 180043, 180115, 180063, 180132, 180055, 180021, 180129, 180020, 440180.
180012	0.9111	HARDIN MEMORIAL HOSPITAL	180025, 180070, 180133, 180094, 180024, 180037, 150079, 180014, 180087, 180088.
180013	0.7663	THE MEDICAL CENTER AT BOWLING GREEN	180124, 180120, 180075, 180066, 180017, 180118, 440095, 180070, 440078, 180004.
180014	0.9458	HUMANA HOSPITAL AUDUBON	180085, 180088, 180081, 180137, 180040, 180130, 180123, 180037, 150009, 150044.
180015	0.8488	MERCY HOSPITAL	180038, 180060, 150070, 150130, 180056, 150100, 180041, 150025, 150082, 180094.
180016	0.9432	UNITED MEDICAL CENTER SHELBYVILLE	180138, 180127, 180123, 180130, 180014, 180085, 180137, 180081, 180040, 180088.
180017	0.7463	T J SAMSON COMMUNITY HOSPITAL	180118, 180075, 180105, 180013, 180124, 180047, 180034, 180108, 440078, 180070.
180018	0.7777	ST CLAIRE MEDICAL CENTER	180125, 180053, 180064, 180059, 180019, 180092, 180046, 180078, 180128, 180058.
180019	0.8077	MEADOWVIEW REGIONAL HOSPITAL	360129, 360116, 180053, 180059, 180079, 360236, 180018, 180023, 180046.
180020	0.7714	MIDDLESBORO APPALACHIAN REG HOSPITAL	180021, 440057, 180063, 440180, 180050, 440033, 440079, 180080, 440067, 180043.
180021	0.7480	PINEVILLE COMMUNITY HOSPITAL	180020, 180063, 180050, 440057, 180080, 440079, 180043, 440180, 180129, 490012.
180023	0.8965	GRANT COUNTY HOSPITAL	180065, 180079, 180101, 180042, 180035, 180001, 180045, 180059, 180046, 360163.
180024	0.7525	SPRINGVIEW HOSPITAL	180087, 180025, 180030, 180062, 180048, 180047, 180099, 180012, 180034, 180031.
180025	0.8954	FLAGET MEMORIAL HOSPITAL	180024, 180012, 180133, 180016, 180037, 180123, 180030, 180014, 180130, 180085.
180026	0.7393	MARSHALL COUNTY HOSPITAL	180116, 180027, 180104, 180102, 180033, 180054, 180121, 140042, 180095, 180117.
180027	0.7461	MURRAY-CALLOWAY COUNTY HOSPITAL	180026, 180116, 440132, 180033, 440061, 440182, 180117, 180104, 440149, 180102.
180028	0.7729	MCDOWELL APPALACHIAN REGIONAL HOSPITAL	180032, 180044, 180005, 180006, 180078, 490131, 180029, 180069, 180002, 510077.
180029	0.7662	ARH REGIONAL MEDICAL CENTER	180129, 180002, 180028, 180006, 180043, 180050, 180032, 490114, 490010, 490027.
180030	0.8185	JAMES B HAGGIN MEMORIAL HOSPITAL	180048, 180031, 180099, 180072, 180024, 180103, 180010, 180067, 180136, 180007.
180031	0.7998	GARRARD COUNTY MEMORIAL HOSPITAL	180099, 180048, 180055, 180030, 180049, 180115, 180136, 180062, 180103, 180010.
180032	0.7729	OUR LADY OF THE WAY HOSPITAL	180028, 180005, 180044, 180078, 510077, 180069, 180006, 180029, 490131, 180002.
180033	0.7000	TRIGG COUNTY HOSPITAL	180051, 180054, 180026, 180027, 440035, 180121, 180095, 180093, 180004, 440149.
180034	0.6681	WESTLAKE CUMBERLAND HOSPITAL	180134, 180047, 180087, 180108, 180062, 180126, 180106, 180118, 180017, 180024.
180035	0.9344	ST ELIZABETH MEDICAL CENTER	180045, 180001, 360163, 360179, 360038, 360003, 360016, 360134, 360113, 360001.
180036	0.8501	OUR LADY OF BELLEFONTE HOSPITAL	360007, 180009, 510055, 510007, 360008, 360050, 180128, 360054.
180037	0.9484	STS MARY & ELIZABETH HOSPITAL	180088, 180014, 180133, 180081, 180040, 180085, 180137, 150009, 180130, 180123.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
180038	0.8488	OWENSBORO-DAVIESS COUNTY HOSPITAL	180015, 180060, 150070, 150130, 150100, 180056, 180041, 150025, 150082, 180094.
180040	0.9458	JEWISH HOSPITAL	180081, 180137, 180088, 180085, 150009, 180014, 180037, 150044, 180130, 180123.
180041	0.7704	OHIO COUNTY HOSPITAL	180060, 180004, 180015, 180038, 180070, 180093, 180094, 150070, 180013, 180124.
180042	0.8154	CARROLL COUNTY MEMORIAL HOSPITAL	150069, 180065, 180138, 180023, 150052, 150127, 150086, 180016, 180127, 180130.
180043	0.7494	MEMORIAL HOSPITAL INC	180011, 180129, 180063, 180080, 180021, 180029, 180050, 180115, 180020, 180058.
180044	0.7578	THE METHODIST HOSPITAL OF KENTUCKY INC	180028, 180032, 180069, 510077, 180006, 180005, 490131, 490127, 180078, 180002.
180045	0.9344	ST LUKE HOSPITAL WEST	180001, 180035, 360163, 360179, 360038, 360003, 360016, 360134, 360113, 360001.
180046	0.8310	BOURBON GENERAL HOSPITAL	180079, 180059, 180092, 180101, 180007, 180067, 180136, 180064, 180010, 180103.
180047	0.7329	JANE TODD CRAWFORD MEMORIAL HOSPITAL	180087, 180034, 180118, 180134, 180024, 180017, 180062, 180108, 180012, 180105.
180048	0.7727	EPHRAIM MCDOWELL REGIONAL MEDICAL CENTER.	180030, 180099, 180031, 180062, 180055, 180049, 180024, 180072, 180103, 180115.
180049	0.8179	PATTIE A CLAY HOSPITAL	180055, 180058, 180031, 180092, 180136, 180103, 180067, 180010, 180007, 180099.
180050	0.7447	HARLAN APPALACHIAN REGIONAL HOSPITAL	180021, 490012, 440079, 180129, 180020, 180063, 490114, 440057, 180002, 180029.
180051	0.7102	JENNIE STUART MEDICAL CENTER INC	180033, 440035, 180054, 180004, 180066, 180093, 440065, 440149, 180026, 180027.
180053	0.7528	FLEMING COUNTY HOSPITAL	180059, 180019, 180018, 180079, 180064, 360129, 180046, 360116, 180092, 180125.
180054	0.7302	CALDWELL COUNTY HOSPITAL	180033, 180095, 180121, 180051, 180093, 180026, 140005, 180004, 180104, 180102.
180055	0.7523	BEREA HOSPITAL	180049, 180031, 180115, 180058, 180099, 180048, 180030, 180092, 180136, 180011.
180056	0.8496	COMMUNITY UNITED METHODIST HOSPITAL	150025, 150100, 150082, 180122, 150130, 180015, 180038, 180060, 140107, 150123.
180058	0.8122	MARCUM & WALLACE MEMORIAL HOSPITAL	180049, 180055, 180092, 180064, 180115, 180031, 180136, 180103, 180067, 180099.
180059	0.7885	NICHOLAS COUNTY HOSPITAL	180079, 180046, 180053, 180064, 180019, 180092, 180101, 180018, 180007, 180136.
180060	0.8364	MCLEAN COUNTY GENERAL HOSPITAL INC	180015, 180038, 180093, 180041, 180004, 180056, 150100, 150025, 180122, 150082.
180062	0.7306	CASEY COUNTY WAR MEMORIAL HOSPITAL	180099, 180134, 180087, 180132, 180034, 180048, 180024, 180031, 180047, 180115.
180063	0.7583	KNOX COUNTY HOSPITAL	180021, 180080, 180020, 180043, 180011, 180050, 440180, 180129, 440057, 440033.
180064	0.8016	MARY CHILES HOSPITAL	180092, 180046, 180059, 180136, 180018, 180058, 180053, 180007, 180067, 180049.
180065	0.8077	OWEN COUNTY MEMORIAL HOSPITAL	180023, 180042, 180127, 180101, 180138, 180079, 180016, 150069, 180072, 180046.
180066	0.7558	LOGAN MEMORIAL HOSPITAL	180120, 180124, 180013, 440065, 440095, 180004, 180051, 440035, 180075, 440003.
180067	0.8342	UNIVERSITY OF KENTUCKY HOSPITAL	180007, 180010, 180103, 180136, 180072, 180101, 180092, 180046, 180127, 180049.
180069	0.7668	WILLIAMSON APPALACHIAN REGIONAL HOSPITAL	510077, 180044, 510048, 510004, 510035, 180032, 490127, 180005, 180028, 180078.
180070	0.7793	GRAYSON COUNTY HOSPITAL	180094, 180012, 180118, 180041, 180013, 180017, 180124, 150070, 180047, 180038.
180072	0.8353	WOODFORD MEMORIAL HOSPITAL	180010, 180103, 180067, 180007, 180127, 180136, 180101, 180030, 180046, 180092.
180075	0.7710	ALLEN COUNTY WAR MEMORIAL HOSPITAL	440078, 180120, 180124, 440095, 180013, 180017, 440196, 180105, 440003, 180118.
180078	0.7769	PAUL B HALL REGIONAL MEDICAL CENTER	180005, 180032, 180128, 180125, 180028, 180044, 510077, 180069, 510048, 510004.
180079	0.8312	HARRISON MEMORIAL HOSPITAL	180046, 180059, 180101, 180023, 180007, 180053, 180067, 180010, 180092, 180103.
180080	0.7611	BAPTIST REGIONAL MEDICAL CENTER	180011, 180063, 180043, 180021, 440180, 180132, 180020, 180115, 440052, 180126.
180081	0.9458	METHODIST EVANGELICAL HOSPITAL	180040, 180137, 180088, 180085, 150009, 180014, 180037, 180130, 150044, 180123.
180085	0.9458	ST ANTHONY MEDICAL CENTER	180137, 180081, 180040, 180088, 180014, 150009, 180130, 180123, 180037, 150044.
180087	0.7521	TAYLOR COUNTY HOSPITAL	180047, 180024, 180034, 180062, 180134, 180118, 180025, 180048, 180099, 180012.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
180088	0.9458	NORTON HOSP/KOSAIR CHILDRENS HOSPITAL	180081, 180040, 180137, 180085, 180014, 150009, 180037, 180130, 150044, 180123.
180092	0.8268	CLARK REGIONAL MEDICAL CENTER	180136, 180064, 180046, 180007, 180067, 180103, 180010, 180049, 180101, 180058.
180093	0.7497	REGIONAL MEDICAL CENTER-HOPKINS COUNTY	180060, 180004, 180054, 180095, 180041, 180122, 180051, 180015, 180038, 180056.
180094	0.8236	BRECKINRIDGE MEMORIAL HOSPITAL	150070, 180070, 180012, 150079, 180038, 180041, 180015, 180133, 180060, 180037.
180095	0.7367	CRITTENDEN COUNTY HOSPITAL	180121, 140005, 180054, 180122, 180093, 180104, 180102, 140042, 180033, 140210.
180099	0.7691	FORT LOGAN HOSPITAL	180031, 180048, 180030, 180055, 180062, 180115, 180049, 180024, 180132, 180136.
180101	0.8355	HCA SCOTT GENERAL HOSPITAL	180007, 180010, 180067, 180103, 180072, 180046, 180136, 180127, 180079, 180092.
180102	0.7330	LOURDES HOSPITAL	180104, 140042, 180026, 180121, 180116, 140005, 180095, 180027, 180054, 140170.
180103	0.8342	CENTRAL BAPTIST HOSPITAL	180067, 180010, 180007, 180136, 180072, 180101, 180092, 180046, 180127, 180049.
180104	0.7362	WESTERN BAPTIST HOSPITAL	180102, 140042, 180026, 180116, 180121, 140005, 180095, 180027, 180054, 180117.
180105	0.6388	MONROE COUNTY MEDICAL CENTER	440141, 180108, 440078, 440087, 180017, 180075, 180106, 440187, 440196, 440186.
180106	0.6200	CLINTON COUNTY HOSPITAL INC	180108, 180126, 440141, 440083, 440187, 180134, 180105, 180034, 440052, 440087.
180108	0.6215	CUMBERLAND COUNTY HOSPITAL	180106, 180105, 440141, 180034, 180134, 180126, 440187, 180017, 180047, 440083.
180115	0.7589	ROCKCASTLE HOSPITAL	180055, 180011, 180099, 180031, 180132, 180049, 180058, 180062, 180048, 180080.
180116	0.7386	COMMUNITY HOSPITAL	180026, 180027, 180117, 180104, 180102, 140042, 440130, 440061, 440132, 180033.
180117	0.7130	PARKWAY REGIONAL HOSPITAL	440130, 440061, 180116, 180027, 260113, 440182, 440132, 180026, 440072, 440177.
180118	0.7445	CAVERNA MEMORIAL HOSPITAL	180017, 180047, 180013, 180070, 180124, 180034, 180087, 180075, 180105, 180108.
180120	0.8169	FRANKLIN-SIMPSON MEMORIAL HOSPITAL	440095, 180066, 180075, 180124, 440065, 180013, 440003, 440194, 440078, 440196.
180121	0.7285	LIVINGSTON COUNTY HOSPITAL INC	180095, 140005, 180054, 180104, 180102, 140042, 180026, 180122, 180033, 140210.
180122	0.8397	UNION COUNTY METHODIST HOSPITAL	180056, 180095, 150025, 150082, 140246, 150100, 140005, 140210, 140107, 180093.
180123	0.9458	HUMANA HOSPITAL SUBURBAN	180130, 180014, 180085, 180137, 180081, 180040, 180088, 150009, 180037, 150044.
180124	0.7704	HCA GREENVIEW HOSPITAL	180013, 180120, 180075, 180066, 180017, 440095, 180118, 180070, 440078, 440065.
180125	0.7623	MORGAN COUNTY APPALACHIAN REG HOSPITAL	180018, 180078, 180005, 180064, 180128, 180032, 180058, 180028, 180053, 180092.
180126	0.7327	WAYNE COUNTY HOSPITAL INC	180106, 180134, 180132, 180108, 440052, 440083, 180034, 180062, 180080, 440141.
180127	0.8348	HCA KINGS DAUGHTERS MEMORIAL HOSPITAL	180072, 180016, 180101, 180010, 180007, 180067, 180103, 180136, 180065, 180138.
180128	0.8735	HUMANA HOSPITAL LOUISA	510055, 180078, 510007, 180009, 180036, 360007, 180005, 180125, 510077.
180129	0.7410	MARY BRECKINRIDGE HOSPITAL	180029, 180043, 180050, 180002, 180021, 180063, 490012, 180011, 490114, 180006.
180130	0.9458	BAPTIST HOSPITAL EAST	180123, 180014, 180085, 180137, 180081, 180040, 180088, 150009, 180037, 150044.
180132	0.7465	HUMANA HOSPITAL LAKE CUMBERLAND	180126, 180062, 180115, 180134, 180011, 180080, 180099, 180034, 180055, 180031.
180133	0.9484	HUMANA HOSPITAL SOUTHWEST	180037, 180088, 180014, 180081, 180040, 180085, 180137, 150009, 180123, 180130.
180134	0.7160	RUSSELL COUNTY HOSPITAL	180034, 180126, 180062, 180108, 180132, 180087, 180047, 180106, 180024, 180105.
180136	0.8342	HUMANA HOSPITAL LEXINGTON	180103, 180067, 180007, 180010, 180092, 180072, 180101, 180046, 180049, 180127.
180137	0.9458	HUMANA HOSPITAL UNIVERSITY OF LOUISVILLE	180040, 180081, 180085, 180088, 150009, 180014, 180130, 180037, 180123, 150044.
180138	0.9294	TRI COUNTY COMMUNITY HOSPITAL	180016, 180130, 180123, 150009, 180085, 180014, 180137, 180040, 180081, 180042.
190001	0.8374	WASHINGTON ST TAMMANY REG MEDICAL CENTER.	190095, 190049, 250023, 250117, 190045, 250140, 190177, 250107, 190147, 190010.
190002	0.8209	LAFAYETTE GENERAL MEDICAL CENTER	190205, 190102, 190006, 190196, 190136, 190012, 190119, 190110, 190034, 190044.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
190003	0.7753	DAUTERIVE HOSPITAL INC	190054, 190034, 190196, 190002, 190205, 190102, 190006, 190136, 190018, 190043.
190004	0.8267	THIBODAUX HOSPITAL & HEALTH CENTERS	190109, 190008, 190155, 190183, 190029, 190014, 190120, 190193, 190207.
190005	0.8478	CHARITY HOSPITAL OF NEW ORLEANS	190176, 190138, 190035, 190075, 190135, 190162, 190187, 190158, 190046, 190036.
190006	0.8209	UNIVERSITY MEDICAL CENTER	190205, 190102, 190002, 190196, 190136, 190012, 190119, 190110, 190044, 190034.
190007	0.8188	NATCHITOCHES PARISH HOSPITAL	190134, 190047, 190090, 190118, 190083, 190130, 190164, 450700, 190026.
190008	0.8331	TERREBONNE GENERAL MEDICAL CENTER	190183, 190109, 190004, 190048, 190014, 190155, 190029, 190193, 190039.
190009	0.8639	HUEY P LONG REGIONAL MEDICAL CENTER	190026, 190019, 190099, 190148, 190145, 190106, 190130, 190164, 190090.
190010	0.9113	LALLIE KEMP REGIONAL MEDICAL CENTER	190147, 190198, 190015, 190103, 190023, 190049, 190177, 190045, 190202, 190020.
190011	0.7714	E A CONWAY MEMORIAL HOSPITAL	190125, 190160, 190197, 190178, 190151, 190116, 190140, 190190, 190184, 190086.
190012	0.8112	RAYNE BRANCH HOSPITAL	190044, 190006, 190205, 190102, 190196, 190110, 190002, 190043, 190136, 190053.
190013	0.7828	W CALCASIEU CAMERON HOSPITAL	190201, 190027, 190161, 190060, 190186, 450005, 190033, 190133, 190037, 450123.
190014	0.7283	LAKEWOOD HOSPITAL	190018, 190155, 190004, 190008, 190183, 190120, 190109, 190029, 190054, 190003.
190015	0.9649	SEVENTH WARD GENERAL HOSPITAL	190198, 190010, 190177, 190045, 190147, 190202, 190103, 190193, 190207, 190049.
190017	0.7519	OPELOUSAS GENERAL HOSPITAL	190191, 190119, 190110, 190167, 190078, 190025, 190136, 190102, 190006, 190205.
190018	0.7719	FRANKLIN FOUNDATION HOSPITAL	190014, 190054, 190003, 190155, 190120, 190034, 190004, 190131, 190196, 190002.
190019	0.8730	ST FRANCES CABRINI HOSPITAL	190026, 190009, 190099, 190148, 190145, 190106, 190164, 190167, 190130.
190020	0.8513	LANE MEMORIAL HOSPITAL	190122, 190199, 190065, 190128, 190059, 190202, 190142, 190064, 190103, 190131.
190023	0.7547	E S PIKE MEMORIAL HOSPITAL	190103, 190147, 250049, 190049, 190010, 250097, 250107, 250088, 190198, 190015.
190025	0.7332	SAVOY MEDICAL CENTER	190167, 190078, 190106, 190017, 190191, 190110, 190133, 190148, 190119, 190044.
190026	0.8639	RAPIDES GENERAL HOSPITAL	190009, 190019, 190099, 190148, 190145, 190106, 190164, 190130, 190090.
190027	0.7779	ST PATRICK HOSPITAL	190060, 190161, 190201, 190013, 190186, 190033, 190133, 450005, 190053, 190037.
190029	0.9569	ST JAMES PARISH HOSPITAL	190193, 190120, 190207, 190155, 190004, 190206, 190109, 190182, 190146.
190033	0.7771	WELSH GENERAL HOSPITAL	190053, 190133, 190060, 190161, 190027, 190201, 190044, 190013, 190012, 190078.
190034	0.7788	ABBEVILLE GENERAL HOSPITAL	190043, 190196, 190003, 190054, 190002, 190006, 190205, 190102, 190012, 190044.
190035	0.8478	HOTEL DIEU HOSPITAL	190005, 190176, 190138, 190075, 190135, 190158, 190187, 190046, 190162, 190036.
190036	0.8674	OSCHSNER FOUNDATION HOSPITAL	190092, 190075, 190135, 190035, 190182, 190005, 190176, 190138, 190158, 190046.
190037	0.8357	SOUTH CAMERON MEMORIAL HOSPITAL	190201, 190161, 190060, 190027, 450096, 450005, 190013, 450123, 450518, 450514.
190039	0.8643	WEST JEFFERSON MEDICAL CENTER	190046, 190158, 190187, 190135, 190152, 190035, 190005, 190176, 190138, 190036.
190040	0.9463	SLIDELL GENERAL HOSPITAL	190204, 250117, 190200, 190124, 250045, 190045, 190177, 190175, 190185, 190162.
190041	0.9118	SCHUMPERT MEDICAL CENTER	190127, 190115, 190112, 190098, 190111, 190194, 190113, 190189, 190071, 190144.
190043	0.7756	ABRAM KAPLAN MEMORIAL HOSPITAL	190034, 190044, 190012, 190196, 190006, 190002, 190205, 190102, 190053, 190003.
190044	0.8061	AMERICAN LEGION HOSPITAL	190012, 190053, 190110, 190043, 190006, 190196, 190205, 190102, 190002, 190078.
190045	0.9065	ST TAMMANY PARISH HOSPITAL	190177, 190015, 190198, 190040, 250117, 190204, 190010, 190095, 190001, 190049.
190046	0.8641	TOURO INFIRMARY	190158, 190135, 190187, 190039, 190035, 190005, 190176, 190138, 190075, 190036.
190047	0.6576	SABINE MEDICAL CENTER	190007, 450700, 190164, 190134, 190118, 450473, 190090, 190050.
190048	0.8813	LADY OF THE SEA GENERAL HOSPITAL	190183, 190008, 190109, 190039, 190152, 190004, 190046, 190158, 190187.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
190049	0.8468	RIVERSIDE MEDICAL CENTER	190095, 190001, 190147, 190023, 250107, 190010, 190103, 190045, 250049, 190177.
190050	0.7729	BEAUREGARD MEMORIAL HOSPITAL	190166, 190164, 190186, 190106, 190133, 450573, 190013, 190027, 450700, 190060.
190053	0.7587	JENNINGS AMERICAN LEGION HOSPITAL	190033, 190044, 190012, 190133, 190078, 190043, 190110, 190060, 190161, 190027.
190054	0.7753	IBERIA GENERAL HOSPITAL & MEDICAL CENTER	190003, 190034, 190196, 190018, 190002, 190205, 190102, 190006, 190136, 190043.
190059	0.8516	POINTE COUPEE GENERAL HOSPITAL	190142, 190199, 190020, 190122, 190065, 190128, 190064, 190202, 250088, 190131.
190060	0.7779	LAKE CHARLES MEMORIAL HOSPITAL	190161, 190027, 190201, 190013, 190033, 190186, 190053, 190133, 450005, 190037.
190064	0.8625	OUR LADY OF THE LAKE REGIONAL MED CENTER	190128, 190065, 190202, 190122, 190131, 190207, 190020, 190120, 190059, 190199.
190065	0.8619	BATON ROUGE GENERAL MEDICAL CENTER	190128, 190122, 190064, 190202, 190131, 190020, 190207, 190059, 190120, 190142.
190071	0.9118	NORTH CADDO MEMORIAL HOSPITAL	190189, 190112, 190127, 190041, 190098, 190115, 190113, 190111, 190194, 190144.
190075	0.8479	MERCY HOSPITAL	190035, 190005, 190176, 190138, 190135, 190092, 190162, 190036, 190158, 190046.
190077	0.7886	TRI WARD GENERAL HOSPITAL	190170, 190114, 190086, 190165, 190132, 040088, 190178, 190160, 190197, 190125.
190078	0.7186	MOOSA MEMORIAL HOSPITAL	190025, 190110, 190167, 190191, 190017, 190044, 190012, 190133, 190053, 190119.
190081	0.7222	WEST CARROLL PARISH HOSPITAL	190208, 190149, 250079, 190116, 040105, 190151, 040024, 190156, 190178, 190197.
190083	0.7434	JACKSON PARISH HOSPITAL	190086, 190165, 190090, 190011, 190160, 190184, 190190, 190130, 190125, 190134.
190086	0.7729	LINCOLN GENERAL HOSPITAL	190165, 190083, 190077, 190170, 190160, 190125, 190011, 190197, 190114, 190178.
190088	0.8519	HUMANA HOSPITAL SPRINGHILL	190132, 040067, 190114, 190144, 190113, 450615, 190112, 190115, 190127, 190041.
190089	0.6905	RIVERLAND MEDICAL CENTER	250084, 250122, 250060, 190145, 250068, 250035, 190130, 190140, 190190, 190184.
190090	0.6823	HUMANA HOSPITAL WINN PARISH	190130, 190083, 190007, 190184, 190145, 190190, 190134, 190086, 190009.
190092	0.8755	ELMWOOD MEDICAL CENTER	190036, 190182, 190075, 190146, 190035, 190005, 190176, 190135, 190138, 190158.
190095	0.8374	BOGALUSA COMMUNITY MEDICAL CENTER	190001, 190049, 250023, 250117, 190045, 250140, 190177, 250107, 190147, 190010.
190098	0.9118	LOUISIANA STATE UNIVERSITY HOSPITAL	190111, 190194, 190041, 190127, 190115, 190112, 190113, 190189, 190071, 190144.
190099	0.8424	HUMANA HOSPITAL MARKSVILLE	190148, 190019, 190009, 190026, 190167, 190106, 190025, 190145, 190142.
190102	0.8209	OUR LADY OF LOURDES REGIONAL MED CENTER	190205, 190006, 190002, 190196, 190136, 190012, 190119, 190110, 190044, 190034.
190103	0.7948	ST HELENA PARISH HOSPITAL	190147, 190023, 190010, 190198, 250049, 190049, 190020, 190199, 250088, 190015.
190106	0.7748	HUMANA HOSPITAL OAKDALE	190025, 190167, 190133, 190148, 190078, 190050, 190017, 190019, 190191, 190099.
190109	0.8719	ST ANNE GENERAL HOSPITAL	190008, 190183, 190004, 190029, 190048, 190193, 190206, 190155, 190039.
190110	0.8148	ACADIA ST LANDRY PARISH HOSPITAL	190191, 190078, 190012, 190017, 190119, 190044, 190006, 190102, 190205, 190002.
190111	0.9118	WILLIS KNIGHTON MEDICAL CENTER	190194, 190098, 190041, 190127, 190115, 190112, 190113, 190189, 190071, 190144.
190112	0.9118	HIGHLAND HOSPITAL	190115, 190127, 190041, 190098, 190111, 190194, 190113, 190189, 190071, 190144.
190113	0.9118	BOSSIER MEDICAL CENTER	190112, 190115, 190127, 190041, 190098, 190194, 190111, 190189, 190071, 190144.
190114	0.7303	HOMER MEMORIAL HOSPITAL	190132, 190165, 190144, 190077, 190088, 190086, 190170, 040067, 040088, 190113.
190115	0.9118	DOCTORS HOSPITAL INC	190112, 190127, 190041, 190098, 190194, 190111, 190113, 190189, 190071, 190144.
190116	0.7643	MOREHOUSE GENERAL HOSPITAL	190178, 190197, 190125, 190160, 190151, 190011, 190170, 190149, 040024, 190081.
190118	0.9030	DESOTO GENERAL HOSPITAL	190134, 190071, 450473, 190189, 190098, 190111, 190194, 450210, 190041, 190127.
190119	0.8253	ST LUKE GENERAL HOSPITAL	190136, 190191, 190017, 190110, 190102, 190205, 190006, 190002, 190196, 190012.
190120	0.8838	PREVOST MEMORIAL HOSPITAL	190207, 190155, 190029, 190131, 190064, 190004, 190202, 190128, 190193, 190065.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
190122	0.8594	EARL K LONG MEMORIAL HOSPITAL	190065, 190128, 190202, 190064, 190020, 190131, 190059, 190207, 190199, 190142.
190124	0.8556	PENDLETON MEMORIAL METHODIST HOSPITAL	190200, 190175, 190185, 190162, 190173, 190075, 190138, 190176, 190005, 190035.
190125	0.7725	ST FRANCIS MEDICAL CENTER INC	190160, 190011, 190197, 190178, 190151, 190116, 190170, 190086, 190140, 190190.
190127	0.9118	PHYSICIANS AND SURGEONS HOSPITAL INC	190041, 190115, 190112, 190098, 190111, 190194, 190113, 190189, 190071, 190144.
190128	0.8625	WOMANS HOSPITAL	190065, 190064, 190202, 190122, 190020, 190131, 190207, 190120, 190059, 190199.
190130	0.6630	HARDTNER MEDICAL CENTER	190184, 190145, 190190, 190090, 190140, 190083, 190089, 190011, 190009.
190131	0.8655	RIVER WEST MEDICAL CENTER	190064, 190065, 190128, 190207, 190120, 190202, 190122, 190155, 190020, 190029.
190132	0.7303	NORTH CLAIBORNE HOSPITAL	190114, 190088, 040067, 190077, 190144, 040088, 190165, 190170, 190086, 190113.
190133	0.7576	ALLEN PARISH HOSPITAL	190033, 190053, 190078, 190025, 190106, 190060, 190027, 190161, 190186, 190201.
190134	0.8789	L S HUCKABAY MEMORIAL HOSPITAL	190118, 190007, 190071, 190047, 190189, 190083, 190090, 190098, 190041, 190127.
190135	0.8641	SOUTHERN BAPTIST HOSPITAL	190158, 190046, 190035, 190187, 190005, 190176, 190138, 190075, 190036, 190039.
190136	0.7948	GARY MEMORIAL HOSPITAL	190102, 190205, 190002, 190006, 190119, 190196, 190110, 190012, 190191, 190003.
190138	0.8478	EYE EAR NOSE AND THROAT HOSPITAL	190176, 190005, 190035, 190075, 190162, 190135, 190187, 190158, 190046, 190036.
190140	0.7762	FRANKLIN PARISH HOSPITAL	190190, 190184, 190151, 190011, 190125, 190160, 190130, 190197, 190156, 190149.
190142	0.8499	WEST FELICIANA PARISH HOSPITAL	190059, 190199, 190020, 190122, 250088, 190065, 190128, 190202, 190064, 190103.
190144	0.8964	MINDEN MEDICAL CENTER INC	190071, 190114, 190113, 190189, 190165, 190112, 190115, 190127, 190041, 190098.
190145	0.8391	LASALLE GENERAL HOSPITAL	190130, 190089, 190184, 190190, 190009, 190026, 190090, 190019, 250084.
190146	0.8770	E JEFFERSON GENERAL HOSPITAL	190182, 190092, 190036, 190206, 190075, 190035, 190005, 190135, 190176, 190138.
190147	0.8766	HOOD MEMORIAL HOSPITAL	190010, 190103, 190023, 190198, 190015, 190049, 190045, 190177, 250049, 190020.
190148	0.8416	BUNKIE GENERAL HOSPITAL	190099, 190167, 190025, 190106, 190019, 190026, 190009, 190017, 190191, 190078.
190149	0.7647	RICHLAND PARISH HOSPITAL DELHI	190151, 190081, 190208, 190156, 190116, 190197, 190178, 190125, 190011, 190160.
190151	0.7614	RICHLAND MEDICAL CENTER	190149, 190197, 190011, 190125, 190116, 190160, 190140, 190178, 190156, 190081.
190152	0.8665	MEADOWCREST HOSPITAL	190173, 190187, 190039, 190046, 190158, 190135, 190138, 190176, 190005, 190035.
190155	0.8689	ASSUMPTION GENERAL HOSPITAL	190120, 190004, 190029, 190014, 190207, 190018, 190131, 190109, 190008, 190193.
190156	0.6881	MADISON PARISH HOSPITAL	250031, 250032, 190149, 190151, 190208, 250068, 190140, 190081, 250079, 190116.
190158	0.8641	ST CHARLES GENERAL HOSPITAL	190046, 190135, 190187, 190035, 190005, 190039, 190176, 190138, 190075, 190036.
190160	0.7725	GLENWOOD REGIONAL MEDICAL CENTER	190125, 190011, 190197, 190178, 190116, 190151, 190170, 190086, 190140, 190190.
190161	0.7779	DR WALTER O MOSS REGIONAL HOSPITAL	190060, 190201, 190027, 190013, 190033, 190186, 190053, 190133, 450005, 190037.
190162	0.8550	UNITED MEDICAL CENTER NEW ORLEANS	190138, 190176, 190005, 190035, 190075, 190173, 190187, 190185, 190135, 190158.
190164	0.8576	BYRD MEMORIAL HOSPITAL	190050, 190166, 190047, 450700, 190106, 450573, 190019, 190026, 190009.
190165	0.7252	BIENVILLE GENERAL HOSPITAL	190086, 190114, 190144, 190083, 190077, 190170, 190132, 190071, 190160, 190189.
190166	0.7812	MERRYVILLE GENERAL HOSPITAL	190050, 190186, 450573, 190164, 190013, 190133, 190027, 450570, 190060, 190201.
190167	0.7204	HUMANA HOSPITAL VILLE PLATTE	190025, 190017, 190191, 190078, 190148, 190110, 190106, 190119, 190133, 190012.
190170	0.7711	UNION GENERAL HOSPITAL	190077, 190178, 190197, 190086, 190160, 190116, 190125, 190011, 190165, 040024.
190173	0.8426	JO ELLEN SMITH MEMORIAL HOSPITAL	190185, 190162, 190187, 190152, 190138, 190176, 190005, 190175, 190035, 190046.
190175	0.8487	CHALMETTE GENERAL HOSPITAL	190185, 190173, 190162, 190200, 190124, 190138, 190176, 190005, 190152, 190187.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
190176	0.8478	TULANE MEDICAL CENTER HOSPITAL	190138, 190005, 190035, 190075, 190135, 190162, 190187, 190158, 190046, 190036.
190177	0.9065	HIGHLAND PARK HOSPITAL	190045, 190015, 190198, 190040, 190204, 190010, 250117, 190095, 190001, 190049.
190178	0.7679	STERLINGTON HOSPITAL INC	190116, 190197, 190160, 190125, 190170, 190011, 190151, 190149, 190077, 190086.
190182	0.8770	LAKESIDE HOSPITAL	190146, 190092, 190036, 190206, 190075, 190035, 190135, 190005, 190176, 190138.
190183	0.8331	SOUTH LOUISIANA MEDICAL CENTER	190008, 190109, 190004, 190048, 190014, 190155, 190029, 190193, 190039.
190184	0.7780	CITIZENS MEDICAL CENTER	190190, 190140, 190130, 190011, 190125, 190160, 190145, 190090, 190151, 190197.
190185	0.8392	DE LA RONDE HOSPITAL INC	190175, 190173, 190162, 190138, 190176, 190124, 190005, 190200, 190187, 190035.
190186	0.7734	DEQUINCY MEMORIAL HOSPITAL	190013, 190027, 190060, 190201, 190166, 190161, 190050, 190133, 450005, 190033.
190187	0.8390	NEW ORLEANS GENERAL HOSPITAL	190046, 190158, 190135, 190176, 190138, 190005, 190035, 190039, 190173, 190162.
190189	0.9118	RIVERSIDE COMMUNITY HOSPITAL	190098, 190127, 190112, 190071, 190041, 190115, 190111, 190194, 190113, 190144.
190190	0.7780	CALDWELL MEMORIAL HOSPITAL	190184, 190140, 190130, 190011, 190125, 190160, 190145, 190090, 190151, 190197.
190191	0.7519	DOCTORS HOSPITAL OF OPELOUSAS	190017, 190119, 190110, 190167, 190078, 190025, 190136, 190102, 190006, 190205.
190193	0.9675	RIVER PARISHES HOSPITAL	190206, 190029, 190146, 190182, 190092, 190036, 190075, 190135, 190035.
190194	0.9118	WILLIS KNIGHTON MEDICAL CENTER-SOUTH	190111, 190098, 190041, 190127, 190115, 190112, 190113, 190189, 190071, 190144.
190196	0.7780	WOMENS AND CHILDRENS HOSPITAL	190002, 190006, 190205, 190102, 190012, 190136, 190034, 190043, 190003, 190044.
190197	0.7643	HCA NORTH MONROE HOSPITAL	190125, 190160, 190178, 190011, 190116, 190151, 190170, 190086, 190149, 190140.
190198	0.8957	WESTPARK COMMUNITY HOSPITAL	190015, 190010, 190147, 190177, 190045, 190103, 190202, 190049, 190128, 190023.
190199	0.8499	VILLA FELICIANA CHRONIC DISEASE HOSPITAL	190142, 190020, 190059, 250088, 190122, 190103, 190065, 190128, 190202, 190064.
190200	0.8556	HUMANA HOSPITAL NEW ORLEANS	190124, 190175, 190185, 190162, 190173, 190075, 190138, 190176, 190005, 190035.
190201	0.7779	HUMANA HOSPITAL LAKE CHARLES	190161, 190027, 190060, 190013, 190186, 190033, 450005, 190037, 190053, 190133.
190202	0.8684	MEDICAL CENTER OF BATON ROUGE	190128, 190064, 190065, 190122, 190020, 190207, 190131, 190120, 190198, 190015.
190204	0.9463	NORTHSHORE REGIONAL MEDICAL CENTER	190040, 250117, 250045, 190200, 190124, 190045, 190177, 190175, 190185, 190162.
190205	0.8209	HAMILTON MEDICAL CENTER HOSPITAL	190102, 190006, 190002, 190196, 190136, 190012, 190119, 190110, 190044, 190034.
190206	0.8603	AMI ST JUDE MEDICAL CENTER	190146, 190182, 190092, 190036, 190075, 190135, 190035, 190193, 190005.
190207	0.8809	AMI RIVERVIEW MEDICAL CENTER	190120, 190064, 190131, 190029, 190202, 190128, 190155, 190065, 190122, 190193.
190208	0.6821	EAST CARROLL PARISH HOSPITAL	190081, 250079, 190149, 190156, 190151, 250032, 040105, 250031, 250119, 190116.
200001	0.8923	ST JOSEPH HOSPITAL	200033, 200050, 200051, 200028, 200013, 200066, 200038, 200062, 200039, 200012.
200002	0.9356	MILES MEMORIAL HOSPITAL	200006, 200021, 200063, 200025, 200015, 200044, 200034, 200024, 200013.
200003	0.8886	MILLINOCKET REGIONAL HOSPITAL	200062, 200066, 200023.
200006	0.9424	ST ANDREWS HOSPITAL	200021, 200002, 200025, 200044, 200063, 200034, 200015, 200024, 200008.
200007	0.9433	NORTHERN CUMBERLAND MEMORIAL HOSPITAL	200032, 300015, 200024, 200034, 200043, 200017, 200009, 200008, 200016, 300022.
200008	0.9478	MERCY HOSPITAL	200009, 200017, 200043, 200019, 200044, 200025, 200040, 200021, 200024, 200034.
200009	0.9478	MAINE MEDICAL CENTER	200008, 200017, 200043, 200019, 200044, 200025, 200040, 200021, 200024, 200034.
200012	0.8437	REDINGTON FAIRVIEW GENERAL HOSPITAL	200041, 200039, 200028, 200037, 200015, 200066, 200013, 200016, 200001.
200013	0.9073	WALDO COUNTY GENERAL HOSPITAL	200063, 200051, 200039, 200033, 200001, 200050, 200041, 200028, 200002, 200015.
200015	0.9191	KENNEBEC VALLEY MEDICAL CENTER	200041, 200039, 200002, 200034, 200024, 200021, 200037, 200044, 200025.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
200016	0.9066	RUMFORD COMMUNITY HOSPITAL	200037, 200032, 300022, 200024, 200034, 200007, 200015, 200012, 300015.
200017	0.9478	BRIGHTON MEDICAL CENTER	200009, 200008, 200043, 200019, 200044, 200025, 200040, 200021, 200024, 200034.
200018	0.7839	THE AROOSTOOK MEDICAL CENTER	200031, 200026, 200052.
200019	0.9644	SOUTHERN MAINE MEDICAL CENTER	200040, 200043, 200017, 200009, 200008, 300014, 300018, 200020, 300029, 300006.
200020	1.0309	YORK HOSPITAL	300029, 300018, 300023, 300014, 200040, 220131, 200019, 220029, 220041, 220128.
200021	0.9502	MID COAST HOSPITAL	200025, 200044, 200006, 200002, 200034, 200024, 200015, 200008, 200009.
200023	0.8836	CHARLES A DEAN MEMORIAL HOSPITAL	200066, 200003, 200028.
200024	0.9363	CENTRAL MAINE MEDICAL CENTER	200034, 200032, 200044, 200025, 200021, 200007, 200015, 200043, 200017.
200025	0.9530	PARKVIEW MEMORIAL HOSPITAL	200044, 200021, 200006, 200034, 200024, 200008, 200017, 200009, 200002, 200043.
200026	0.7850	HOULTON REGIONAL HOSPITAL	200018.
200027	0.9033	DOWN EAST COMMUNITY HOSPITAL	200055, 200038, 200050.
200028	0.8867	SEBASTICOOK VALLEY HOSPITAL	200012, 200039, 200041, 200066, 200001, 200033, 200013, 200015, 200037.
200031	0.7831	CARY MEDICAL CENTER	200018, 200052.
200032	0.9248	STEPHENS MEMORIAL HOSPITAL	200007, 200024, 200034, 200016, 300015, 200044, 300022, 200025, 200037, 200043.
200033	0.8905	EASTERN MAINE MEDICAL CENTER	200001, 200050, 200051, 200028, 200013, 200066, 200038, 200062, 200039, 200041.
200034	0.9363	ST MARYS GENERAL HOSPITAL	200024, 200044, 200025, 200032, 200021, 200015, 200007, 200043, 200017.
200037	0.8986	FRANKLIN COUNTY MEMORIAL HOSPITAL	200016, 200012, 200041, 200039, 200015, 200032, 200034, 200024, 200028.
200038	0.9130	MT DESERT ISLAND HOSPITAL	200050, 200051, 200033, 200013, 200001, 200027, 200063.
200039	0.8854	MID-MAINE MEDICAL CENTER	200041, 200012, 200015, 200028, 200037, 200013, 200002, 200063, 200034.
200040	0.9644	HENRIETTA D GOODALL HOSPITAL	200019, 300014, 300018, 200020, 300006, 300029, 200043, 200017, 200009, 200008.
200041	0.8854	WATERVILLE OSTEOPATHIC HOSPITAL	200039, 200012, 200015, 200028, 200037, 200013, 200002, 200063, 200034.
200043	0.9473	WESTBROOK COMMUNITY HOSPITAL	200017, 200009, 200008, 200019, 200044, 200025, 200040, 200024, 200034, 200007.
200044	0.9530	REGIONAL MEMORIAL HOSPITAL	200025, 200021, 200006, 200034, 200024, 200008, 200017, 200009, 200043, 200002.
200050	0.9056	MAINE COAST MEMORIAL HOSPITAL	200051, 200038, 200033, 200001, 200013, 200063, 200027, 200028.
200051	0.9082	BLUE HILL MEMORIAL HOSPITAL	200050, 200038, 200013, 200033, 200001, 200063, 200028.
200052	0.7800	NORTHERN MAINE MEDICAL CENTER	200031, 200018.
200055	0.8902	CALAIS REGIONAL HOSPITAL	200027.
200062	0.8901	PENOBSCOT VALLEY HOSPITAL	200003, 200066, 200001, 200033.
200063	0.8832	PENOBSCOT BAY MEDICAL CENTER	200013, 200002, 200051, 200006, 200015, 200021, 200039, 200041, 200050.
200066	0.8824	MAYO REGIONAL HOSPITAL-HAD 4	200023, 200028, 200001, 200033, 200012, 200062, 200003, 200039, 200041.
210001	0.8318	WASHINGTON COUNTY HOSPITAL	390138, 510008, 210005, 390151, 390209, 510068, 510027, 390065, 210033, 490043.
210002	0.9152	UNVERSITY OF MARYLAND MEDICAL SYSTEM	210008, 210038, 210013, 210026, 210009, 210034, 210011, 210059, 210024.
210003	1.0919	PRINCE GEORGES HOSPITAL CENTER	210036, 090006, 090007, 210051, 090011, 090005, 090003, 210016, 090001, 090010.
210005	0.8595	FREDERICK MEMORIAL HOSPITAL	210001, 490043, 510068, 210033, 390138, 210018, 510008, 390065, 210048.
210006	0.9462	HARFORD MEMORIAL HOSPITAL	210032, 210049, 210015, 210030, 390220, 210007, 210056, 210044, 210029, 080003.
210007	0.9989	ST JOSEPH HOSPITAL	210044, 210056, 210012, 210024, 210031, 210059, 210038, 210009, 210026.
210008	0.9008	MERCY MEDICAL CENTER INC	210002, 210038, 210026, 210009, 210013, 210024, 210059, 210034, 210029.
210009	0.9008	JOHNS HOPKINS HOSPITAL	210026, 210008, 210038, 210002, 210029, 210024, 210013, 210034, 210059.
210010	0.9092	DORCHESTER GENERAL HOSPITAL	210037, 080006, 210039, 210019, 210028, 210023, 080002, 210045, 210054, 210035.
210011	0.9089	ST AGNES HOSPITAL	210013, 210002, 210038, 210008, 210034, 210058, 210059, 210026, 210009.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
210012	1.0097	SINAI HOSPITAL	210031, 210059, 210024, 210044, 210007, 210056, 210058, 210038, 210013.
210013	0.9088	BON SECOURS HOSPITAL	210002, 210011, 210038, 210008, 210059, 210026, 210009, 210034, 210031.
210015	0.9718	FRANKLIN SQUARE HOSPITAL	210056, 210029, 210007, 210009, 210024, 210026, 210044, 210008, 210038.
210016	1.1231	WASHINGTON ADVENTIST HOSPITAL	090006, 210036, 090011, 090003, 210003, 090005, 210022, 090010, 090004.
210017	0.8076	GARRETT COUNTY MEMORIAL HOSPITAL	510005, 510061, 210046, 510020, 510026, 510036, 510024, 510001, 390015, 210027.
210018	1.0439	MONTGOMERY GENERAL HOSPITAL INC	210048, 210055, 210022, 210016, 210036, 090006, 210051, 090011.
210019	0.8964	PENINSULA GENERAL HOSPITAL	080006, 210010, 210045, 080007, 210037, 080002.
210022	1.0835	SUBURBAN HOSPITAL ASSOCIATION	210016, 090004, 090011, 090006, 090003, 090010, 090001, 490129, 490050.
210023	0.9166	ANNE ARUNDEL GENERAL HOSPITAL	210043, 210051, 210034, 210055, 210003, 210029, 210036, 210011, 210026, 210002.
210024	0.9427	UNION MEMORIAL HOSPITAL	210031, 210038, 210059, 210056, 210009, 210008, 210026, 210002, 210012.
210025	0.8048	MEMORIAL HOSPITAL & MED CTR CUMBERLAND	210027, 210046, 510036, 390015, 510061, 510027, 390039, 390117, 210017, 510008.
210026	0.9008	CHURCH HOSPITAL CORPORATION	210009, 210008, 210038, 210002, 210029, 210024, 210013, 210034, 210059.
210027	0.8015	SACRED HEART HOSPITAL	210025, 210046, 390015, 510061, 510036, 390039, 510027, 390117, 210017, 390112.
210028	0.9154	ST MARYS HOSPITAL	210039, 210035, 490084, 210010, 210054, 490122, 490113, 490022, 090002, 090008.
210029	0.9032	FRANCIS SCOTT KEY MEDICAL CENTER	210009, 210026, 210008, 210038, 210002, 210034, 210024, 210013, 210056.
210030	0.9414	KENT & QUEEN ANNES HOSPITAL	210015, 210006, 210029, 210049, 210009, 210026, 210023, 210034, 210008, 080004.
210031	0.9317	CHILDRENS HOSPITAL INC	210059, 210012, 210024, 210058, 210038, 210013, 210002, 210008, 210056.
210032	1.0278	UNION HOSPITAL-CECIL COUNTY	210006, 390220, 080003, 080001, 080005, 310091, 390148, 390179, 390076, 210049.
210033	0.9771	CARROLL COUNTY GENERAL HOSPITAL	210040, 390233, 210044, 210012, 210058, 390065, 210007, 210031, 210059, 210005.
210034	0.8933	HARBOR HOSPITAL CENTER	210002, 210008, 210026, 210013, 210011, 210038, 210009, 210029, 210059.
210035	1.0123	PHYSICIANS MEMORIAL HOSPITAL	490122, 210054, 490113, 210039, 090002, 490107, 090008, 490040, 490008, 490014.
210036	1.1140	EUGENE LELAND MEMORIAL HOSPITAL	210003, 090006, 210016, 210051, 090011, 090003, 090005, 090007, 090010.
210037	0.9379	MEMORIAL HOSPITAL AT EASTON	210010, 080006, 210023, 210039, 210030, 080002, 210019, 210043, 080004, 210054.
210038	0.9248	MARYLAND GENERAL HOSPITAL	210008, 210002, 210026, 210009, 210013, 210024, 210059, 210031, 210011.
210039	0.9993	CALVERT MEMORIAL HOSPITAL	210028, 210035, 210054, 210010, 490122, 090008, 090002, 090007, 210037, 210023.
210040	0.9958	BALTIMORE COUNTY GENERAL HOSPITAL	210058, 210012, 210031, 210059, 210044, 210011, 210013, 210024, 210007.
210043	0.9159	NORTH ARUNDEL HOSPITAL	210034, 210011, 210002, 210013, 210008, 210026, 210029, 210009, 210038, 210023.
210044	0.9967	GREATER BALTIMORE MEDICAL CENTER	210007, 210056, 210012, 210031, 210024, 210059, 210038, 210058, 210009.
210045	0.8182	EDWARD W MCCREADY MEMORIAL HOSPITAL	210019, 490037, 210010, 210028, 080006, 490084.
210046	0.7999	FROSTBURG COMMUNITY HOSPITAL	210027, 210025, 390015, 510061, 390039, 510036, 210017, 510027, 390117, 510005.
210048	0.9010	HOWARD COUNTY GENERAL HOSPITAL INC	210055, 210018, 210058, 210011, 210040, 210013, 210059, 210034, 210002, 210043.
210049	0.9786	FALLSTON GENERAL HOSPITAL	210015, 210007, 210044, 210056, 210006, 210024, 210012, 210029, 210009.
210051	1.1072	DOCTORS COMMUNITY HOSPITAL	210036, 210003, 210016, 090006, 210055, 090011, 090007, 090003, 090005.
210054	1.0945	SOUTHERN MARYLAND HOSPITAL	090008, 090002, 490122, 090007, 490107, 490014, 490040, 090005, 210003, 490008.
210055	1.0602	GREATER LAUREL BELTSVILLE HOSPITAL	210051, 210048, 210036, 210016, 210018, 210003, 090006, 210022, 090011.
210056	0.9989	GOOD SAMARITAN HOSPITAL	210007, 210024, 210044, 210012, 210031, 210059, 210009, 210038, 210026.
210058	0.9237	JAMES LAWRENCE KERNAN HOSPITAL INC	210059, 210031, 210011, 210013, 210012, 210038, 210002, 210024, 210008.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
210059	0.9237	LIBERTY MEDICAL CENTER	210031, 210024, 210013, 210038, 210012, 210058, 210002, 210008, 210011.
220001	1.0174	BURBANK HOSPITAL	220094, 220095, 220098, 220058, 300011, 300020, 220003, 220049, 300007, 220062.
220002	1.2433	MT AUBURN HOSPITAL	220133, 220011, 220004, 220068, 220036, 220120, 220086, 220110, 220075.
220003	0.9820	ATHOL MEMORIAL HOSPITAL	220095, 220016, 220001, 220094, 220050, 300007, 470011, 300019, 220015, 220058.
220004	1.1705	SOMERVILLE HOSPITAL	220068, 220011, 220133, 220002, 220075, 220071, 220070, 220086, 220092, 220036.
220006	1.1271	SALEM HOSPITAL	220114, 220035, 220033, 220106, 220042, 220154, 220064, 220097, 220092.
220008	1.0703	STURDY MEMORIAL HOSPITAL	410001, 410012, 220073, 220079, 410004, 410007, 410010, 410011, 410005.
220010	1.0364	LAWRENCE GENERAL HOSPITAL	220080, 220041, 220082, 220045, 220063, 300017, 220131, 220029, 300020.
220011	1.2467	THE CAMBRIDGE HOSPITAL	220068, 220133, 220004, 220002, 220075, 220071, 220086, 220116, 220110.
220012	1.1349	CAPE COD HOSPITAL	220135, 220123, 220074, 220060, 220081, 220021, 220055, 220020, 220073, 220052.
220015	1.0214	THE COOLEY DICKINSON HOSPITAL INC	220153, 220024, 220023, 220099, 220077, 220066, 220065, 220016, 220030, 220050.
220016	0.9582	FRANKLIN MEDICAL CENTER	470011, 220003, 220015, 220051, 220024, 220153, 300019, 220050, 220095, 220023.
220017	1.2084	CARNEY HOSPITAL	220108, 220102, 220067, 220119, 220104, 220031, 220088, 220110, 220086.
220019	1.1145	HARRINGTON MEMORIAL HOSPITAL	220025, 070003, 070008, 220050, 220030, 220115, 220057, 220026, 220062, 220163.
220020	1.0726	ST ANNES HOSPITAL CORPORATION	220055, 220021, 410002, 410007, 410010, 410005, 220073, 410009, 410006, 410012.
220021	1.0680	ST LUKES HEALTHCARE INC	220055, 220020, 220074, 220135, 410006, 220123, 220073, 410002, 410007, 220060.
220023	1.0310	THE PROVIDENCE HOSPITAL INC	220153, 220077, 220024, 220066, 220065, 220099, 220015, 220030, 220050, 070008.
220024	1.0310	HOLYOKE HOSPITAL INC	220153, 220023, 220077, 220066, 220099, 220015, 220065, 220030, 220050, 070008.
220025	1.0969	HUBBARD REGIONAL HOSPITAL	070003, 220019, 220115, 220090, 220028, 220026, 410011, 220057, 220062, 220163.
220026	1.1032	THE MEDICAL CTR CENTRAL MASS-MEMORIAL	220057, 220062, 220115, 220163, 220028, 220058, 220049, 220090, 220025, 220089.
220028	1.1032	ST VINCENT HOSPITAL	220163, 220026, 220062, 220057, 220115, 220049, 220090, 220058, 220089, 220025.
220029	1.0745	ANNA JAQUES HOSPITAL	220131, 220041, 300023, 220010, 220080, 220128, 220033, 220114, 300029.
220030	1.0322	WING MEMORIAL HOSPITAL	220099, 220050, 220066, 220024, 220077, 220153, 220023, 070008, 220019, 220015.
220031	1.2257	UNIVERSITY HOSPITAL	220104, 220116, 220102, 220086, 220075, 220071, 220110, 220088, 220011.
220033	1.1193	BEVERLY HOSPITAL	220114, 220006, 220035, 220128, 220106, 220064, 220042, 220154, 220105.
220035	1.1172	ATLANTICARE MEDICAL CENTER INC	220006, 220114, 220106, 220042, 220154, 220064, 220097, 220092, 220105.
220036	1.2472	ST ELIZABETHS HOSPITAL	220120, 220002, 220133, 220086, 220110, 220088, 220011, 220068, 220004.
220038	1.0346	FAIRVIEW HOSPITAL	220107, 220046, 330094, 070026, 070004, 070011, 220065, 330049, 330004, 330224.
220041	1.0466	HAVERHILL MUNICIPAL HOSPITAL	220010, 220080, 220131, 220029, 220082, 300017, 220045, 220033, 300023.
220042	1.1918	WHIDDEN MEMORIAL HOSPITAL	220154, 220092, 220097, 220071, 220075, 220068, 220004, 220106, 220070, 220064.
220045	1.1458	ST JOSEPHS HOSPITAL	220082, 220063, 220080, 220010, 300020, 300011, 220171, 220098, 220084, 220041.
220046	0.9315	BERKSHIRE MEDICAL CENTER	220107, 220051, 220038, 330180, 330003, 330232, 470012, 330013, 330094, 220015.
220048	1.1316	LEONARD MORSE HOSPITAL	220089, 220083, 220101, 220076, 220126, 220119, 220036, 220120, 220088.
220049	1.1137	MARLBOROUGH HOSPITAL	220089, 220058, 220028, 220084, 220163, 220048, 220026, 220062, 220057, 220115.
220050	1.0251	MARY LANE HOSPITAL	220030, 220099, 220019, 220024, 220153, 220066, 220077, 220023, 220015, 220115.
220051	0.9530	NORTH ADAMS REGIONAL HOSPITAL	470012, 220046, 220107, 330020, 220016, 330180, 330232, 330082, 470011, 330003.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
220052	1.1003	BROCKTON HOSPITAL	220156, 220111, 220100, 220067, 220108, 220126, 220073, 220017, 220079, 220102.
220055	1.0720	CHARLTON MEMORIAL HOSPITAL	220020, 220021, 410002, 220073, 410007, 410010, 410005, 410012, 410009, 410004.
220057	1.0916	MEDICAL CENTER OF CENTRAL MASSACHUSETTS	220062, 220026, 220115, 220163, 220028, 220058, 220049, 220090, 220025, 220019.
220058	1.0840	THE CLINTON HOSPITAL	220049, 220094, 220163, 220062, 220057, 220026, 220098, 220028, 220115, 220001.
220060	1.1497	JORDAN HOSPITAL INC	220074, 220052, 220100, 220073, 220156, 220111, 220021, 220135, 220012, 220067.
220062	1.0916	ADCARE HOSPITAL OF WORCESTER INC	220057, 220026, 220115, 220163, 220028, 220058, 220049, 220090, 220025, 220019.
220063	1.1411	LOWELL GENERAL HOSPITAL	220045, 220082, 300020, 300011, 220080, 220010, 220098, 220171, 220084, 300017.
220064	1.2502	NEW ENGLAND MEMORIAL HOSPITAL	220106, 220092, 220105, 220070, 220042, 220004, 220154, 220068, 220171, 220011.
220065	1.0749	NOBLE HOSPITAL	220023, 220077, 220066, 220153, 220024, 220099, 220015, 220030, 070013, 070036.
220066	1.0418	MERCY HOSPITAL	220077, 220023, 220099, 220024, 220153, 220065, 220030, 220015, 070008, 070012.
220067	1.2321	QUINCY HOSPITAL	220108, 220017, 220102, 220100, 220119, 220104, 220031, 220088, 220116, 220110.
220068	1.1726	HERITAGE HOSPITAL	220004, 220011, 220133, 220002, 220075, 220071, 220070, 220086, 220116, 220092.
220070	1.1551	LAWRENCE MEMORIAL HOSPITAL OF MEDFORD	220092, 220064, 220105, 220004, 220068, 220106, 220011, 220042, 220133, 220002.
220071	1.1769	MASSACHUSETTS GENERAL HOSPITAL	220075, 220116, 220031, 220011, 220104, 220068, 220086, 220004, 220133.
220073	1.0486	MORTON HOSPITAL & MEDICAL CENTER	220008, 220156, 220052, 220111, 220055, 410001, 220020, 410012, 220079, 410007.
220074	1.1256	TOBEY HOSPITAL INC	220060, 220021, 220135, 220073, 220055, 220123, 220020, 220012, 220052, 220156.
220075	1.1769	MASSACHUSETTS EYE AND EAR INFIRMARY	220071, 220116, 220031, 220011, 220104, 220086, 220068, 220004, 220133.
220076	1.1848	WALTHAM HOSPITAL	220101, 220036, 220002, 220120, 220084, 220133, 220004, 220068, 220083, 220011.
220077	1.0418	BAYSTATE MEDICAL CENTER	220066, 220023, 220153, 220024, 220099, 220065, 220030, 220015, 070008, 070012.
220079	1.0621	SOUTHWOOD COMMUNITY HOSPITAL	220126, 220008, 410011, 220111, 220090, 220156, 220048, 220083, 220089.
220080	1.0364	HOLY FAMILY HOSPITAL & MEDICAL CENTER	220010, 220041, 220082, 220045, 220063, 300017, 220131, 300020, 220029.
220081	1.1269	NANTUCKET COTTAGE HOSPITAL	220123, 220012, 220135, 220074, 220021.
220082	1.1458	ST JOHNS HOSPITAL	220045, 220063, 220080, 220010, 300020, 300011, 220171, 220084, 220098, 220041.
220083	1.2188	GLOVER MEMORIAL HOSPITAL	220101, 220048, 220119, 220126, 220120, 220036, 220088, 220110, 220086.
220084	1.1969	EMERSON HOSPITAL	220076, 220171, 220101, 220049, 220089, 220048, 220105, 220002, 220070, 220036.
220086	1.2085	BETH ISRAEL HOSPITAL	220110, 220088, 220104, 220031, 220120, 220036, 220116, 220075, 220133.
220088	1.2057	NEW ENGLAND BAPTIST HOSPITAL	220110, 220086, 220104, 220031, 220120, 220119, 220036, 220102, 220116.
220089	1.1391	FRAMINGHAM UNION HOSPITAL	220048, 220049, 220083, 220101, 220076, 220084, 220090, 220126, 220036, 220120.
220090	1.1070	MILFORD WHITINSVILLE REGIONAL HOSPITAL	410011, 220028, 220089, 220079, 220163, 220048, 220026, 220049, 220062.
220092	1.1770	THE MALDEN HOSPITAL	220070, 220064, 220106, 220042, 220105, 220004, 220068, 220154, 220011, 220133.
220094	1.0940	LEOMINSTER HOSPITAL	220001, 220058, 220098, 220095, 220049, 220163, 220062, 220057, 220026, 220115.
220095	1.0175	HENRY HEYWOOD MEMORIAL HOSPITAL	220001, 220094, 220003, 220058, 220098, 300007, 220062, 220057, 220026, 220115.
220097	1.2056	WINTHROP COMMUNITY HOSPITAL	220154, 220042, 220071, 220116, 220075, 220031, 220104, 220011, 220068, 220004.
220098	1.0372	THE NASHOBA COMMUNITY HOSPITAL INC	220094, 220001, 220058, 220063, 300011, 220084, 220045, 300020, 220082, 220049.
220099	1.0310	LUDLOW HOSPITAL	220066, 220077, 220030, 220024, 220023, 220153, 220050, 220065, 220015, 070008.
220100	1.0952	SOUTH SHORE HOSPITAL	220067, 220052, 220156, 220111, 220108, 220017, 220102, 220126, 220119, 220104.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
220101	1.2632	NEWTON-WELLESLEY HOSPITAL	220083, 220076, 220036, 220120, 220048, 220002, 220119, 220088, 220110.
220102	1.2008	ST MARGARETS HOSPITAL FOR WOMEN	220104, 220031, 220017, 220088, 220116, 220110, 220086, 220119, 220075.
220104	1.2257	BOSTON CITY HOSPITAL	220031, 220116, 220086, 220102, 220110, 220088, 220075, 220071, 220011.
220105	1.2217	WINCHESTER HOSPITAL	220064, 220070, 220106, 220092, 220171, 220042, 220004, 220068, 220011, 220002.
220106	1.2017	MELROSE-WAKEFIELD HOSPITAL	220064, 220092, 220105, 220070, 220042, 220154, 220035, 220004, 220068, 220171.
220107	0.9253	HILLCREST HOSPITAL	220046, 220038, 220051, 330180, 330003, 330232, 330013, 330094, 330057, 470012.
220108	1.2084	MILTON MEDICAL CENTER	220017, 220067, 220119, 220102, 220088, 220104, 220031, 220110, 220086.
220110	1.2085	BRIGHAM AND WOMANS HOSPITAL	220086, 220088, 220104, 220120, 220031, 220036, 220116, 220133, 220075.
220111	1.1039	GODDARD MEMORIAL HOSPITAL	220156, 220052, 220100, 220126, 220108, 220067, 220079, 220017, 220073, 220119.
220114	1.1134	J B THOMAS HOSPITAL	220006, 220035, 220033, 220106, 220064, 220042, 220154, 220105, 220092.
220115	1.0916	WORCESTER CITY HOSPITAL	220057, 220026, 220062, 220163, 220028, 220058, 220049, 220090, 220025, 220019.
220116	1.2257	NEW ENGLAND MEDICAL CENTER HOSPITAL	220075, 220071, 220031, 220104, 220086, 220110, 220102, 220088, 220011.
220119	1.2091	FAULKNER HOSPITAL	220088, 220110, 220086, 220120, 220102, 220017, 220036, 220104, 220031.
220120	1.2428	HANNEMANN HOSPITAL	220036, 220110, 220086, 220088, 220002, 220133, 220011, 220119, 220068.
220123	1.1269	MARTHA'S VINEYARD HOSPITAL	220135, 220012, 220021, 220074, 220081, 220055, 220020, 220060, 410006, 220073.
220126	1.1117	NORWOOD HOSPITAL	220083, 220108, 220111, 220119, 220079, 220048, 220017, 220156, 220067, 220101.
220128	1.1079	ADDISON GILBERT HOSPITAL	220033, 220006, 220114, 220029, 220035, 220131, 220041, 220106, 220097.
220131	1.0717	AMESBURY HOSPITAL	220029, 220041, 300023, 220080, 220010, 300029, 300017, 220033, 220128.
220133	1.1771	STILLMAN INFIRMARY-HARVARD UNIVERSITY	220011, 220002, 220068, 220004, 220036, 220120, 220086, 220075, 220071.
220135	1.1269	FALMOUTH HOSPITAL	220123, 220074, 220021, 220012, 220060, 220055, 220020, 220081, 220073, 410006.
220153	1.0310	SOLDIERS HOME OF HOLYOKE	220024, 220023, 220077, 220066, 220099, 220015, 220065, 220030, 220050, 070008.
220154	1.2147	L F QUIGLEY MEM HOSPITAL SOLDIERS HOME	220042, 220097, 220071, 220075, 220092, 220116, 220068, 220004, 220011, 220106.
220156	1.1039	CARDINAL CUSHING GENERAL HOSPITAL	220111, 220052, 220100, 220126, 220108, 220067, 220079, 220017, 220073, 220119.
220163	1.1032	UNIVERSITY OF MASS MEDICAL CENTER	220026, 220062, 220057, 220115, 220028, 220058, 220049, 220090, 220089, 220025.
220171	1.1909	MARY AND ARTHUR CLAPHAM HOSPITAL	220105, 220064, 220070, 220092, 220106, 220076, 220004, 220068, 220002, 220133.
230001	0.8492	FRANCIS A BELL MEMORIAL HOSPITAL	230054, 230194, 230056.
230002	1.0625	ST MARY HOSPITAL	230151, 230244, 230098, 230071, 230142, 230024, 230019, 230020, 230270, 230130.
230003	0.9822	ZEELAND COMMUNITY HOSPITAL	230072, 230174, 230237, 230059, 230038, 230236, 230042, 230032, 230276, 230004.
230004	0.9824	MERCY HOSPITAL	230066, 230159, 230174, 230106, 230171, 230003, 230072, 230038, 230237, 230059.
230005	0.9791	EMMA L BIXBY MEDICAL CENTER	230120, 230113, 230175, 230212, 360069, 230259, 360068, 230037, 230184, 230092.
230006	0.9890	HAYES GREEN BEACH MEMORIAL HOSPITAL	230153, 230129, 230167, 230157, 230230, 230217, 230087, 230040, 230075.
230007	1.0323	OAKWOOD DOWNRIVER MEDICAL CENTER	230140, 230020, 230146, 230270, 230266, 230221, 230142, 230098, 230104, 230169.
230012	1.1350	NEW CENTER HOSPITAL	230053, 230076, 230150, 230128, 230104, 230273, 230173, 230221, 230266, 230090.
230013	1.0279	NORTH OAKLAND MEDICAL CENTER	230207, 230029, 230254, 230130, 230269, 230071, 230186, 230019, 230151, 230277.
230014	0.8713	ROGERS CITY HOSPITAL	230036, 230034, 230133.
230015	1.0460	THREE RIVERS HOSPITAL	230190, 230096, 150096, 230172, 230199, 230017, 150018, 230117, 150026, 230137.
230017	1.0901	BRONSON METHODIST HOSPITAL	230117, 230134, 230190, 230172, 230043, 230075, 230042, 230015, 230040.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
230019	1.0499	PROVIDENCE HOSPITAL	230071, 230024, 230130, 230151, 230186, 230264, 230223, 230150, 230173, 230012.
230020	1.1682	OAKWOOD HOSPITAL	230007, 230140, 230270, 230244, 230098, 230142, 230146, 230266, 230221, 230053.
230021	0.8764	MERCY MEMORIAL MEDICAL CENTER INC	230078, 230125, 230199, 230161, 230137, 230085, 230172, 150058, 150012, 150099.
230022	0.9356	COMMUNITY HEALTH CENTER	230037, 150039, 230096, 230217, 230087, 230075, 230043, 230190, 150096.
230024	1.1513	SINAI HOSPITAL	230019, 230071, 230150, 230264, 230012, 230053, 230173, 230151, 230130, 230223.
230027	0.9634	IONIA COUNTY MEMORIAL HOSPITAL	230035, 230178, 230208, 230040, 230103, 230236, 230032, 230276, 230059, 230038.
230029	1.0259	ST JOSEPH MERCY HOSPITAL	230013, 230207, 230254, 230130, 230269, 230186, 230071, 230019, 230151, 230223.
230030	0.9071	GRATIOT COMMUNITY HOSPITAL	230080, 230208, 230178, 230222, 230103, 230155, 230180, 230035, 230122.
230031	1.0039	MERCY HOSPITAL	230216, 230241, 230232, 230257, 230227, 230047, 230253, 230254, 230269, 230082.
230032	0.9760	BLODGETT MEMORIAL MEDICAL CENTER	230236, 230276, 230059, 230237, 230038, 230003, 230035, 230027, 230040, 230072.
230034	0.8705	COMMUNITY MEMORIAL HOSPITAL	230162, 230105, 230014, 230133, 230124.
230035	0.9640	UNITED MEMORIAL HOSPITAL	230178, 230027, 230155, 230208, 230276, 230032, 230236, 230038, 230059.
230036	0.8651	ALPENA GENERAL HOSPITAL	230014.
230037	0.8899	HILLSDALE COMMUNITY HEALTH CENTER	230175, 230022, 230113, 230087, 150039, 230092, 230184, 230005, 230217, 360121.
230038	0.9761	BUTTERWORTH HOSPITAL	230237, 230059, 230276, 230032, 230236, 230003, 230035, 230072, 230174, 230027.
230040	1.0093	PENNOCK HOSPITAL	230134, 230075, 230043, 230006, 230027, 230236, 230032, 230117, 230059.
230041	0.9883	BAY MEDICAL CENTER	230070, 230122, 230077, 230222, 230235, 230205, 230201, 230188, 230132.
230042	1.0696	ALLEGAN GENERAL HOSPITAL	230134, 230117, 230172, 230017, 230003, 230072, 230085, 230040, 230078, 230236.
230043	1.0753	BATTLE CREEK ADVENTIST HOSPITAL	230075, 230217, 230117, 230017, 230190, 230087, 230040, 230134, 230006.
230046	1.2109	UNIVERSITY HOSPITAL	230156, 230144, 230212, 230259, 230002, 230142, 230098, 230244, 230120, 230270.
230047	0.9924	ST JOSEPH HOSPITAL EAST WEST	230227, 230257, 230195, 230204, 230269, 230063, 230223, 230186, 230065, 230165.
230053	1.1350	HENRY FORD HOSPITAL	230012, 230076, 230128, 230104, 230273, 230221, 230150, 230266, 230173, 230090.
230054	0.8507	MARQUETTE GENERAL HOSPITAL	230001, 230116.
230055	0.8579	DICKINSON COUNTY MEMORIAL HOSPITAL	230138, 230194, 230149, 230101.
230056	0.8386	BARAGA COUNTY MEMORIAL HOSPITAL	230108, 230145, 230219, 230001, 230194, 230149.
230058	0.8783	MERCY HOSPITAL	230189, 230180, 230095, 230080, 230081, 230205, 230222, 230086, 230093, 230030.
230059	0.9760	ST MARYS HEALTH SERVICES	230237, 230038, 230276, 230032, 230236, 230003, 230035, 230072, 230040, 230027.
230060	0.9007	WEST SHORE HOSPITAL	230110, 230062, 230171, 230081, 230086, 230097, 230228.
230062	0.8855	PAUL OLIVER MEMORIAL HOSPITAL	230060, 230097, 230228, 230107, 230110, 230081.
230063	0.9939	SARATOGA GENERAL HOSPITAL	230204, 230065, 230165, 230195, 230135, 230089, 230173, 230264, 230223, 230119.
230065	1.1423	HOLY CROSS HOSPITAL	230063, 230264, 230173, 230204, 230195, 230223, 230150, 230012, 230165, 230053.
230066	0.9824	HACKLEY HOSPITAL	230004, 230159, 230174, 230106, 230171, 230003, 230072, 230038, 230237, 230059.
230068	1.0390	ST JOSEPH HOSPITAL	230132, 230141, 230197, 230114, 230111, 230193, 230121, 230277, 230077, 230235.
230069	1.1952	MCPHERSON HOSPITAL	230277, 230259, 230156, 230046, 230114, 230121, 230197, 230141, 230167, 230230.
230070	1.0194	ST LUKES HOSPITAL	230122, 230077, 230041, 230222, 230235, 230141, 230197, 230132, 230114.
230071	1.0639	STRAITH MEMORIAL HOSPITAL	230019, 230151, 230024, 230130, 230186, 230002, 230264, 230223, 230150, 230244.
230072	0.9783	HOLLAND COMMUNITY HOSPITAL	230003, 230174, 230042, 230237, 230059, 230038, 230236, 230032, 230276, 230085.
230075	1.0753	BATTLE CREEK HEALTH SYSTEM	230043, 230217, 230117, 230017, 230087, 230190, 230040, 230006, 230134.
230076	1.1436	HUTZEL HOSPITAL	230128, 230273, 230104, 230053, 230012, 230221, 230090, 230266, 230147, 230119.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
230077	1.0194	ST MARYS MEDICAL CENTER	230070, 230122, 230041, 230222, 230235, 230141, 230132, 230197, 230114.
230078	0.9623	COMMUNITY HOSPITAL	230021, 230085, 230199, 230125, 230172, 230137, 230161, 230042, 230017, 230134.
230080	0.8798	CENTRAL MICHIGAN COMMUNITY HOSPITAL	230030, 230180, 230222, 230155, 230189, 230208, 230178, 230058, 230093.
230081	0.8918	MERCY HOSPITAL	230086, 230058, 230211, 230228, 230097, 230093, 230180, 230060, 230189, 230062.
230082	0.9133	MARLETTE COMMUNITY HOSPITAL	230253, 230232, 230235, 230188, 230154, 230193, 230118, 230111, 230068, 230201.
230085	0.9720	SOUTH HAVEN COMMUNITY HOSPITAL	230078, 230172, 230042, 230021, 230072, 230199, 230134, 230125, 230003, 230017.
230086	0.8337	REED CITY HOSPITAL	230093, 230081, 230155, 230106, 230180, 230058, 230080, 230171.
230087	0.9274	ALBION COMMUNITY HOSPITAL	230217, 230092, 230153, 230184, 230075, 230043, 230006, 230175, 230037.
230089	1.0381	BON SECOURS HOSPITAL	230135, 230165, 230119, 230063, 230147, 230090, 230065, 230273, 230076, 230128.
230090	1.1436	DOCTORS HOSPITAL	230147, 230119, 230273, 230104, 230128, 230076, 230266, 230221, 230053, 230012.
230092	0.9222	W A FOOTE MEMORIAL HOSPITAL	230184, 230175, 230087, 230259, 230153, 230037, 230217, 230120, 230005, 230212.
230093	0.8501	MECOSTA COUNTY GENERAL HOSPITAL	230086, 230155, 230106, 230080, 230180, 230035, 230081, 230178.
230095	0.9038	TOLFREE MEMORIAL HOSPITAL	230205, 230189, 230058, 230100, 230180, 230222.
230096	1.0083	STURGIS HOSPITAL	150096, 230015, 230022, 230190, 150039, 150073, 150026, 150018, 150045, 230017.
230097	0.9088	MUNSON MEDICAL CENTER	230228, 230211, 230107, 230062, 230081, 230124, 230060.
230098	1.0652	WESTLAND MEDICAL CENTER	230142, 230244, 230270, 230020, 230007, 230002, 230140, 230146, 230151, 230024.
230099	1.0133	MERCY-MEMORIAL HOSPITAL	230176, 230169, 360074, 360094, 360112, 360119, 360068, 360103, 360081, 230270.
230100	0.9090	TAWAS ST JOSEPH HOSPITAL	230205, 230201, 230095, 230118, 230188.
230101	0.8648	ST FRANCIS HOSPITAL	230115, 230138, 230055.
230103	0.9742	CLINTON MEMORIAL HOSPITAL	230121, 230157, 230230, 230208, 230167, 230129, 230027, 230030, 230178, 230006.
230104	1.1436	HARPER GRACE HOSPITAL	230128, 230273, 230076, 230221, 230053, 230266, 230090, 230147, 230012, 230119.
230105	0.9092	NORTHERN MICHIGAN HOSPITALS	230124, 230133, 230034, 230107, 230162, 230211.
230106	0.9616	GERBER MEMORIAL HOSPITAL	230159, 230004, 230066, 230171, 230093, 230174, 230155, 230086, 230038.
230107	0.9061	LEELANAU MEMORIAL HOSPITAL	230124, 230097, 230228, 230211, 230105, 230062, 230133.
230108	0.8319	PORTAGE VIEW HOSPITAL	230145, 230056, 230219.
230110	0.9109	MEMORIAL MEDICAL CENTER OF WEST MICHIGAN	230060, 230171, 230106, 230086, 230062.
230111	1.0284	WHEELOCK MEMORIAL HOSPITAL	230068, 230193, 230132, 230141, 230114, 230197, 230207, 230013, 230277, 230029.
230113	0.9877	MORENCI AREA HOSPITAL	360069, 230005, 230037, 230175, 360121, 230120, 360165, 360090, 360048, 360068.
230114	1.0388	GENESEE MEMORIAL HOSPITAL	230197, 230141, 230132, 230068, 230111, 230193, 230121, 230069, 230277, 230077.
230115	0.9195	SCHOOLCRAFT MEMORIAL HOSPITAL	230116, 230101, 230191.
230116	0.8566	MUNISING MEMORIAL HOSPITAL	230115, 230054.
230117	1.0901	BORGESS MEDICAL CENTER	230017, 230134, 230190, 230043, 230172, 230075, 230042, 230015, 230040.
230118	0.9074	HURON MEMORIAL HOSPITAL	230201, 230188, 230213, 230154, 230253, 230235, 230082, 230100, 230041.
230119	1.1436	DETROIT RIVERVIEW HOSPITAL	230147, 230090, 230273, 230128, 230104, 230076, 230266, 230053, 230221, 230012.
230120	1.2247	HERRICK MEMORIAL HEALTH CARE CENTER	230005, 230212, 230259, 230156, 230046, 230175, 230144, 230113, 230099, 230184.
230121	1.0403	MEMORIAL HOSPITAL	230103, 230114, 230197, 230141, 230132, 230230, 230157, 230167, 230068, 230129.
230122	1.0194	SAGINAW GENERAL HOSPITAL	230070, 230077, 230041, 230222, 230235, 230141, 230197, 230132, 230114.
230124	0.9091	CHARLEVOIX AREA HOSPITAL	230105, 230107, 230133, 230211, 230228, 230097, 230034, 230162.
230125	0.8737	BERRIEN GENERAL HOSPITAL	230137, 230161, 230199, 230021, 230078, 150058, 150012, 150099, 150029, 150018.
230128	1.1436	GRACE HOSPITAL NORTHWESTERN UNIT	230104, 230273, 230076, 230053, 230221, 230012, 230266, 230090, 230147, 230119.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
230129	0.9771	INGHAM MEDICAL CENTER	230167, 230230, 230157, 230153, 230006, 230103, 230121, 230069, 230027, 230092.
230130	1.0414	WILLIAM BEAUMONT HOSPITAL	230186, 230019, 230071, 230223, 230024, 230264, 230029, 230151, 230269, 230195.
230132	1.0388	HURLEY MEDICAL CENTER	230141, 230197, 230114, 230068, 230111, 230193, 230121, 230277, 230077, 230069.
230133	0.9068	OTSEGO COUNTY MEMORIAL HOSPITAL	230105, 230211, 230124, 230034, 230107, 230014, 230228.
230134	1.0843	PIPP COMMUNITY HOSPITAL	230117, 230042, 230017, 230172, 230040, 230043, 230190, 230075, 230085.
230135	1.0216	COTTAGE HOSPITAL	230089, 230165, 230063, 230119, 230065, 230147, 230204, 230090, 230173, 230273.
230137	0.8737	PAWATING HOSPITAL	230161, 230125, 150058, 150012, 150099, 150029, 230199, 150018, 230021, 230078.
230138	0.8579	ANDERSON MEMORIAL HOSPITAL	230055, 230194, 230149, 230101.
230140	1.0323	OUTER DRIVE HOSPITAL	230007, 230146, 230020, 230270, 230266, 230221, 230169, 230104, 230142, 230098.
230141	1.0388	MCLAREN GENERAL HOSPITAL	230197, 230114, 230132, 230068, 230111, 230193, 230121, 230069, 230277, 230077.
230142	1.0652	ANNAPOLIS HOSPITAL	230098, 230244, 230270, 230020, 230007, 230140, 230002, 230146, 230151, 230024.
230143	0.7965	GRAND VIEW HOSPITAL	520173, 520131, 520091, 230219.
230144	1.1838	BEYER MEMORIAL HOSPITAL	230046, 230156, 230212, 230142, 230098, 230002, 230244, 230270, 230020, 230151.
230145	0.8338	CALUMET PUBLIC HOSPITAL	230108, 230056, 230219.
230146	1.0352	WYANDOTTE HOSPITAL & MEDICAL CENTER	230140, 230007, 230169, 230020, 230270, 230176, 230266, 230221, 230142, 230098.
230147	1.1436	MERCY HOSPITAL	230090, 230119, 230273, 230104, 230128, 230076, 230266, 230221, 230053, 230012.
230149	0.7796	IRON COUNTY GENERAL HOSPITAL	230194, 520120, 520159, 230055, 230138, 230056, 520019.
230150	1.1356	DETROIT OSTEOPATHIC HOSPITAL	230012, 230173, 230053, 230076, 230128, 230273, 230104, 230264, 230221, 230266.
230151	1.0608	BOTSFORD GENERAL HOSPITAL	230071, 230002, 230019, 230024, 230244, 230130, 230098, 230186, 230142, 230150.
230153	0.9818	EATON RAPIDS COMMUNITY HOSPITAL	230006, 230129, 230167, 230157, 230230, 230087, 230217, 230092, 230184, 230075.
230154	0.8550	DECKERVILLE COMMUNITY HOSPITAL	230253, 230082, 230213, 230118, 230188, 230232, 230201, 230235, 230216, 230031.
230155	0.8461	KELSEY MEMORIAL HOSPITAL	230035, 230178, 230093, 230080, 230208, 230030, 230106, 230086, 230027.
230156	1.2109	ST JOSEPH MERCY HOSPITAL	230046, 230144, 230212, 230259, 230002, 230142, 230098, 230244, 230120, 230270.
230157	0.9731	ST LAWRENCE HOSPITAL	230230, 230129, 230167, 230103, 230153, 230006, 230121, 230027, 230069, 230208.
230159	0.9824	MUSKEGON GENERAL HOSPITAL	230004, 230066, 230174, 230106, 230171, 230003, 230038, 230237, 230072, 230059.
230161	0.8667	VISITORS HOSPITAL	230137, 230125, 150058, 150012, 150099, 150029, 230199, 230021, 150018, 150006.
230162	0.8377	MACKINAC STRAITS HOSPITAL & HLTH CENTER	230034, 230105, 230124, 230239.
230165	1.0048	ST JOHN HOSPITAL & MEDICAL CENTER	230135, 230089, 230063, 230204, 230065, 230119, 230195, 230173, 230147, 230090.
230167	0.9771	LANSING GENERAL HOSPITAL	230129, 230230, 230157, 230153, 230006, 230103, 230121, 230069, 230027, 230092.
230169	1.0352	RIVERSIDE OSTEOPATHIC HOSPITAL	230176, 230146, 230140, 230270, 230007, 230020, 230142, 230098, 230266, 230221.
230171	0.9163	LAKESHORE COMMUNITY HOSPITAL	230106, 230110, 230159, 230066, 230004, 230174, 230093, 230060, 230086.
230172	1.0758	LAKE VIEW COMMUNITY HOSPITAL	230017, 230117, 230078, 230190, 230199, 230134, 230042, 230085, 230015, 230125.
230173	1.1347	NORTH DETROIT GENERAL HOSPITAL	230150, 230012, 230065, 230053, 230264, 230076, 230128, 230273, 230104, 230221.
230174	0.9789	NORTH OTTAWA COMMUNITY HOSPITAL	230004, 230066, 230159, 230003, 230072, 230038, 230237, 230059, 230276, 230032.
230175	0.9240	ADDISON COMMUNITY HOSPITAL	230092, 230184, 230037, 230005, 230120, 230087, 230113, 230259, 230212, 230022.
230176	1.0356	SEAWAY HOSPITAL	230169, 230146, 230270, 230140, 230007, 230020, 230142, 230098, 230099, 230244.
230178	0.8979	SHERIDAN COMMUNITY HOSPITAL	230035, 230208, 230027, 230155, 230030, 230103, 230080, 230276, 230032.
230180	0.8768	MIDMICHIGAN REGIONAL MEDICAL CTR-CLARE	230080, 230189, 230058, 230030, 230222, 230093, 230155, 230086, 230205.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
230184	0.9222	DOCTORS HOSPITAL OF JACKSON	230092, 230175, 230259, 230087, 230153, 230037, 230120, 230217, 230005, 230212.
230186	1.0347	MADISON COMMUNITY HOSPITAL	230223, 230130, 230264, 230195, 230019, 230269, 230204, 230065, 230071, 230024.
230188	0.9173	HILLS AND DALE GENERAL HOSPITAL	230118, 230201, 230235, 230082, 230253, 230154, 230213, 230041, 230232.
230189	0.9263	MIDMICHIGAN REGIONAL MEDICAL CTR-GLADWIN	230058, 230180, 230095, 230205, 230222, 230080, 230041, 230030, 230122.
230190	1.0849	BRONSON VICKSBURG HOSPITAL	230017, 230117, 230015, 230172, 230043, 230075, 230096, 230134, 230022.
230191	0.8803	HELEN NEWBERRY JOY HOSPITAL	230115.
230193	1.0657	LAPEER REGIONAL HOSPITAL	230111, 230068, 230132, 230141, 230197, 230114, 230082, 230254, 230207, 230232.
230194	0.8500	CRYSTAL FALLS COMMUNITY HOSPITAL	230149, 230055, 230138, 520120, 230001, 520159, 230056.
230195	0.9714	MACOMB HOSPITAL CENTER	230204, 230223, 230063, 230065, 230264, 230186, 230047, 230165, 230173, 230227.
230197	1.0388	FLINT OSTEOPATHIC HOSPITAL	230141, 230114, 230132, 230068, 230111, 230193, 230121, 230069, 230277, 230077.
230199	0.8743	LEE MEMORIAL HOSPITAL	230125, 230137, 230161, 230078, 230021, 230172, 150058, 150012, 150018, 150099.
230201	0.8954	SCHEURER HOSPITAL	230118, 230188, 230235, 230213, 230100, 230041, 230154, 230205, 230253.
230204	0.9863	BI-COUNTY COMMUNITY HOSPITAL	230195, 230063, 230065, 230223, 230264, 230165, 230173, 230186, 230135, 230089.
230205	0.9147	STANDISH COMMUNITY HOSPITAL	230095, 230189, 230041, 230222, 230100, 230201, 230058, 230070, 230122.
230207	1.0279	PONTIAC OSTEOPATHIC HOSPITAL	230013, 230029, 230254, 230130, 230269, 230071, 230186, 230277, 230019, 230151.
230208	0.8949	CARSON CITY HOSPITAL	230178, 230030, 230103, 230027, 230035, 230155, 230080, 230157, 230121.
230211	0.9019	KALKASKA MEMORIAL HEALTH CENTER	230228, 230097, 230133, 230107, 230081, 230124, 230105.
230212	1.1994	SALINE COMMUNITY HOSPITAL	230156, 230046, 230144, 230120, 230259, 230005, 230142, 230098, 230002, 230099.
230213	0.8305	HARBOR BEACH COMMUNITY HOSPITAL	230118, 230154, 230253, 230201, 230188, 230082, 230235, 230232.
230216	0.9904	PORT HURON HOSPITAL	230031, 230241, 230232, 230257, 230227, 230253, 230047, 230082, 230154, 230254.
230217	0.9977	OAKLAWN HOSPITAL	230087, 230075, 230043, 230006, 230153, 230022, 230092, 230184, 230117.
230219	0.7565	ONTONAGON MEMORIAL HOSPITAL	230108, 230056, 230143, 230145.
230221	1.1445	MICHIGAN HEALTH CENTER	230266, 230104, 230128, 230076, 230273, 230053, 230012, 230090, 230147, 230150.
230222	0.9424	MIDMICHIGAN REGIONAL MED CTR-MIDLAND	230041, 230122, 230070, 230077, 230030, 230080, 230205, 230189, 230180.
230223	0.9867	OAKLAND GENERAL HOSPITAL	230186, 230264, 230195, 230065, 230204, 230130, 230173, 230019, 230063, 230150.
230227	0.9924	MT CLEMENS GENERAL HOSPITAL	230047, 230257, 230195, 230204, 230269, 230063, 230223, 230165, 230186, 230065.
230228	0.9088	GRAND TRAVERSE COMMUNITY HOSPITAL	230097, 230211, 230107, 230062, 230081, 230124, 230060, 230133.
230230	0.9731	EDWARD W SPARROW HOSPITAL	230157, 230167, 230129, 230153, 230103, 230006, 230121, 230069, 230027, 230208.
230232	0.9617	YALE COMMUNITY HOSPITAL INC	230082, 230253, 230216, 230031, 230154, 230193, 230241, 230254, 230111, 230188.
230235	0.9457	CARO COMMUNITY HOSPITAL	230188, 230082, 230041, 230077, 230070, 230122, 230201, 230193, 230253.
230236	0.9760	METROPOLITIAN HOSPITAL	230032, 230059, 230237, 230276, 230038, 230003, 230035, 230040, 230027, 230072.
230237	0.9761	FERGUSON HOSPITAL	230059, 230038, 230276, 230032, 230236, 230003, 230035, 230072, 230174, 230027.
230239	0.8613	CHIPPEWA COUNTY WAR MEMORIAL HOSPITAL	230162.
230241	0.9870	RIVER DISTRICT HOSPITAL	230031, 230216, 230257, 230227, 230047, 230232, 230269, 230195, 230204, 230165.
230244	1.0706	GARDEN CITY OSTEOPATHIC HOSPITAL	230098, 230142, 230020, 230002, 230270, 230151, 230007, 230024, 230140, 230071.
230253	0.8594	MCKENZIE MEMORIAL HOSPITAL	230154, 230082, 230232, 230188, 230118, 230235, 230213, 230201, 230216, 230193.
230254	0.9859	CRITTENTON HOSPITAL	230269, 230029, 230013, 230207, 230186, 230130, 230047, 230223, 230227, 230195.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
230257	0.9920	ST JOHN HOSPITAL-MACOMB CENTER	230227, 230047, 230195, 230204, 230063, 230165, 230135, 230065, 230269, 230223.
230259	1.2087	CHELSEA COMMUNITY HOSPITAL	230156, 230046, 230212, 230184, 230092, 230144, 230069, 230120, 230175, 230005.
230264	1.1493	MONSIGNOR CLEMENT KERN HOSPITAL	230065, 230223, 230173, 230150, 230186, 230204, 230195, 230012, 230063, 230053.
230266	1.1436	SOUTHWEST DETROIT HOSPITAL	230221, 230104, 230128, 230273, 230076, 230053, 230090, 230012, 230147, 230119.
230269	0.9829	WILLIAM BEAUMONT HOSPITAL	230254, 230186, 230223, 230130, 230047, 230029, 230195, 230227, 230013, 230204.
230270	1.0353	HERITAGE HOSPITAL	230142, 230098, 230020, 230007, 230140, 230146, 230244, 230169, 230176, 230266.
230273	1.1436	DETROIT REC HOSPITAL & UNIV HLTH CENTER	230128, 230104, 230076, 230090, 230147, 230053, 230221, 230012, 230266, 230119.
230276	0.9760	KENT COMMUNITY HOSPITAL	230038, 230059, 230032, 230237, 230236, 230003, 230035, 230027, 230072, 230040.
230277	1.0272	HURON VALLEY HOSPITAL	230207, 230013, 230029, 230002, 230151, 230069, 230071, 230130, 230019, 230254.
240001	1.0344	NORTH MEMORIAL MEDICAL CENTER	240175, 240057, 240004, 240196, 240080, 240049, 240053, 240132, 240048, 240078.
240002	0.9218	ST MARYS MEDICAL CENTER	240019, 240047, 520058, 240045, 240051, 240121.
240003	1.0575	DIVINE REDEEMER MEMORIAL HOSPITAL	240038, 240063, 240210, 240106, 240048, 240049, 240080, 240196, 240004, 240057.
240004	1.0383	HENNEPIN COUNTY MEDICAL CENTER	240057, 240196, 240080, 240049, 240175, 240001, 240048, 240053, 240078, 240038.
240005	0.9181	WHITE COMMUNITY HOSPITAL	240084, 240155, 240200, 240040, 240051.
240006	0.9937	OLMSTED COMMUNITY HOSPITAL	240061, 240010, 240172, 240105, 240090, 240008, 240117, 240018, 240069, 240150.
240007	0.7120	WEINER MEMORIAL MEDICAL CENTER	240009, 240145, 240184, 240170, 240077, 240073, 240099, 240125, 240124, 240082.
240008	0.9853	ST ELIZABETH HOSPITAL	240090, 520171, 240018, 520142, 240172, 240006, 240061, 240044, 240010, 520003.
240009	0.7087	TRACY MUNICIPAL HOSPITAL	240007, 240125, 240073, 240145, 240179, 240124, 240184, 240201, 240171, 240192.
240010	0.9939	ST MARYS HOSPITAL	240061, 240006, 240172, 240105, 240090, 240008, 240117, 240069, 240018, 240089.
240011	0.8962	GLENCOE AREA HEALTH CENTER	240161, 240187, 240056, 240021, 240104, 240133, 240076, 240037, 240023, 240083.
240013	0.9353	ST GABRIELS HOSPITAL	240142, 240193, 240075, 240036, 240110, 240139, 240144, 240183, 240137, 240141.
240014	1.0362	NORTHFIELD CITY HOSPITAL	240071, 240097, 240089, 240037, 240207, 240059, 240069, 240172, 240104, 240078.
240016	0.8038	ST JOSEPHS HOSPITAL	240025, 240103, 240101, 240144, 240100, 240096.
240017	0.8345	NORTHWEST MEDICAL CENTER	240085, 240180, 240041, 240156, 240079, 350019.
240018	0.8270	ST JOHNS REGIONAL HEALTH CENTER	240090, 240089, 240172, 520010, 240059, 240008, 520171, 520123, 520156, 240097.
240019	0.9218	MILLER-DWAN HOSPITAL MEDICAL CENTER	240002, 240047, 520058, 240045, 240051, 240121.
240020	0.9642	MEMORIAL HOSPITAL ASSOCIATION INC	240169, 240028, 240141, 240152, 240183, 240050, 240115, 520130, 520157, 520112.
240021	0.8920	MINNESOTA VALLEY MEMORIAL HOSPITAL	240023, 240161, 240037, 240093, 240011, 240056, 240083, 240104, 240146, 240071.
240022	0.7516	WORTHINGTON REGIONAL HOSPITAL	240127, 160130, 240201, 240091, 240073, 160124, 240171, 240102, 240128, 240125.
240023	0.8689	ST PETER COMMUNITY HOSPITAL	240021, 240093, 240161, 240037, 240083, 240146, 240129, 240011, 240071, 240056.
240025	0.8401	TRI COUNTY HOSPITAL	240144, 240167, 240103, 240016, 240142, 240030, 240101, 240075, 240140, 240052.
240027	0.7845	GLACIAL RIDGE HOSPITAL	240160, 240107, 240030, 240087, 240110, 240031, 240142, 240167, 240109, 240122.
240028	1.0470	CHISAGO HEALTH SERVICES	240050, 520157, 520112, 240020, 240169, 240066, 240132, 240115, 520026, 240210.
240029	0.9198	ST FRANCIS MEDICAL CENTER	350032, 240052, 240140, 240112, 240109, 350004, 350020, 350011, 240031.
240030	0.7821	DOUGLAS COUNTY HOSPITAL	240027, 240167, 240160, 240142, 240107, 240031, 240109, 240110, 240087, 240025.
240031	0.7850	ST MICHAELS HOSPITAL	240087, 240109, 240160, 240107, 240065, 240112, 240027, 240030, 240052, 240116.
240036	0.9392	ST CLOUD HOSPITAL	240193, 240141, 240094, 240183, 240013, 240122, 240076, 240110, 240133, 240139.
240037	1.0472	QUEEN OF PEACE HOSPITAL	240104, 240021, 240014, 240207, 240097, 240071, 240056, 240023, 240161, 240078.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
240038	1.0575	UNITED HOSPITALS INC	240063, 240106, 240210, 240048, 240003, 240049, 240080, 240196, 240004, 240057.
240040	0.9249	MESABI REGIONAL MEDICAL CENTER	240084, 240064, 240200, 240005, 240154, 240163.
240041	0.8445	RIVERVIEW HOSPITAL	350019, 240085, 240017, 240114, 350027, 350033, 240079, 240148, 240180.
240043	0.8671	NAEVE HOSPITAL ASSOCIATION	240136, 240117, 160141, 240069, 240146, 160059, 240162, 160064, 160108, 160095.
240044	0.9205	COMMUNITY MEMORIAL HOSPITAL	520142, 520087, 520004, 520122, 240135, 240008, 240150, 520121, 240006, 240061.
240045	0.9172	COMMUNITY MEMORIAL HOSPITAL	520058, 240002, 240019, 240047, 240121, 240051, 240058.
240047	0.9218	ST LUKES HOSPITAL OF DULUTH	240019, 240002, 520058, 240045, 240051, 240121.
240048	1.0575	MIDWAY HOSPITAL	240049, 240038, 240080, 240063, 240106, 240196, 240004, 240210, 240057, 240003.
240049	1.0550	UNIVERSITY OF MINNESOTA HOSPITAL	240080, 240004, 240196, 240057, 240048, 240175, 240001, 240038, 240063, 240106.
240050	1.1111	DISTRICT MEMORIAL HOSPITAL	240028, 520157, 240066, 240132, 520112, 240115, 240210, 240106, 520026, 240063.
240051	0.9229	LAKEVIEW MEMORIAL HOSPITAL INC	240047, 240019, 240002, 520058, 240045, 240005, 520173.
240052	0.7971	LAKE REGION HOSPITAL	240140, 240109, 240029, 240103, 240031, 240167, 240112, 240101, 350032, 240030.
240053	1.0325	METHODIST HOSPITAL	240078, 240057, 240175, 240196, 240004, 240001, 240080, 240049, 240048, 240207.
240056	1.0456	RIDGEVIEW MEDICAL CENTER	240104, 240011, 240053, 240161, 240078, 240076, 240037, 240175, 240207, 240001.
240057	1.0383	ABBOTT-NORTHWESTERN HOSPITAL	240196, 240004, 240080, 240049, 240175, 240001, 240053, 240048, 240078, 240038.
240058	0.8344	NORTH PINE AREA HOSPITAL DISTRICT	240121, 520130, 240152, 240169, 240139, 240020, 240045, 240183, 240086.
240059	1.1240	REGINA MEDICAL COMPLEX	240003, 240097, 520010, 520156, 240089, 240210, 240038, 240063, 240106, 240207.
240061	0.9937	ROCHESTER METHODIST HOSPITAL	240010, 240006, 240172, 240105, 240090, 240008, 240117, 240069, 240018, 240150.
240063	1.0575	ST JOSEPHS HOSPITAL	240106, 240038, 240210, 240048, 240003, 240049, 240080, 240196, 240004, 240057.
240064	0.8372	ITASCA MEMORIAL CENTER	240154, 240040, 240163, 240086.
240065	0.6776	HOLY TRINITY HOSPITAL	240112, 240111, 430010, 240087, 240031, 430064, 240116, 240109, 240143, 240107.
240066	1.1245	LAKEVIEW MEMORIAL HOSPITAL	520156, 520026, 240210, 240106, 240063, 240003, 520010, 240038, 240050, 240048.
240069	0.9686	HEALTH ONE OWATONNA HOSPITAL	240146, 240071, 240014, 240043, 240117, 240172, 240089, 240136, 240010, 240037.
240071	0.9355	RICE COUNTY DISTRICT ONE HOSPITAL	240014, 240069, 240146, 240089, 240037, 240097, 240172, 240207, 240021, 240023.
240072	0.8237	FALLS MEMORIAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
240073	0.7532	MURRAY COUNTY MEMORIAL HOSPITAL	240125, 240009, 240201, 240127, 240145, 240022, 240123, 240007, 240128, 240171.
240075	0.9191	ST JOSEPHS MEDICAL CENTER	240137, 240086, 240013, 240144, 240139, 240142, 240025, 240183.
240076	1.0363	HEALTH CENTRAL OF BUFFALO	240094, 240056, 240115, 240175, 240001, 240053, 240132, 240036, 240011, 240141.
240077	0.6758	CANBY COMMUNITY HOSPITAL	240099, 240184, 240108, 430065, 240143, 240007, 240145, 430088, 240082, 240116.
240078	1.0325	FAIRVIEW SOUTHDALE HOSPITAL	240053, 240196, 240057, 240004, 240080, 240049, 240175, 240207, 240001, 240048.
240079	0.8129	FOSSTON MUNICIPAL HOSPITAL	240096, 240148, 240100, 240114, 240017, 240041.
240080	1.0353	RIVERSIDE MEDICAL CENTER	240049, 240196, 240004, 240057, 240048, 240175, 240001, 240038, 240053, 240063.
240082	0.8111	CHIPPEWA COUNTY-MONTEVIDEO HOSPITAL	240170, 240108, 240116, 240143, 240077, 240088, 240007, 240107, 240173, 240124.
240083	0.7990	SIOUX VALLEY HOSPITAL	240130, 240129, 240179, 240157, 240192, 240023, 240093, 240161, 240021, 240134.
240084	0.9068	VIRGINIA REGIONAL MEDICAL CENTER	240005, 240040, 240200, 240155.
240085	0.8434	WARREN COMMUNITY HOSPITAL	240180, 350019, 240017, 240041, 350047, 240138, 240156, 350005.
240086	0.8488	RIVERWOOD HEALTH CARE CENTER	240137, 240075, 240139, 240121, 240058, 240064, 240152, 240013.
240087	0.7725	STEVENS COMMUNITY MEMORIAL HOSPITAL	240031, 240107, 240160, 240027, 240065, 240116, 240109, 240111, 240112, 240030.
240088	0.8335	RICE MEMORIAL HOSPITAL	240122, 240173, 240133, 240170, 240082, 240187, 240107, 240124, 240110, 240027.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
240089	1.0435	CANNON FALLS COMMUNITY HOSPITAL	240014, 240097, 240059, 240172, 240018, 240071, 240207, 240003, 520010, 240038.
240090	0.9909	LAKE CITY HOSPITAL	240008, 240018, 520171, 240172, 240006, 240061, 240010, 240089, 520010, 520003.
240091	0.7413	LAKEFIELD MUNICIPAL HOSPITAL	240102, 240201, 240171, 160124, 240022, 240134, 240158, 160002, 240125, 240192.
240093	0.8312	IMMANUEL-ST JOSEPHS HOSPITAL	240023, 240021, 240129, 240146, 240083, 240161, 240136, 240037, 240157, 240071.
240094	1.0377	MONTICELLO-BIG LAKE COMMUNITY HOSPITAL	240076, 240141, 240115, 240036, 240132, 240001, 240175, 240056, 240020, 240053.
240096	0.8070	CLEARWATER COUNTY MEMORIAL HOSPITAL	240079, 240100, 240148, 240016.
240097	1.0919	SOUTH SUBURBAN MEDICAL CENTER	240207, 240014, 240089, 240059, 240003, 240078, 240038, 240063, 240048, 240104.
240098	0.7035	LAKEWOOD HEALTH CENTER	NO PROVIDER WITHIN 50 MILES.
240099	0.6675	HENDRICKS COMMUNITY HOSPITAL ASSOCIATION	240184, 240077, 430065, 240145, 430008, 430088, 240007, 430041, 240108, 240123.
240100	0.8337	NORTH COUNTRY HOSPITAL	240096, 240079, 240016.
240101	0.9136	ST MARYS REGIONAL HEALTH CENTER	240103, 240140, 240148, 240052, 240016, 240025, 350020, 350011, 350004.
240102	0.7437	JACKSON MUNICIPAL HOSPITAL	240091, 160124, 160002, 240158, 240171, 240201, 240134, 240166, 240022, 240157.
240103	0.7960	MEMORIAL HOSPITAL	240101, 240025, 240140, 240052, 240167, 240016, 240144, 240109.
240104	1.0830	ST FRANCIS MEDICAL CENTER	240078, 240207, 240053, 240056, 240175, 240057, 240037, 240196, 240004, 240001.
240105	0.9899	COMMUNITY MEMORIAL HOSPITAL	240150, 240006, 240010, 240061, 160068, 240117, 160108, 240135, 160081, 240172.
240106	1.0575	ST PAUL RAMSEY MEDICAL CENTER	240063, 240210, 240038, 240048, 240003, 240049, 240080, 240196, 240004, 240057.
240107	0.8288	SWIFT COUNTY-BENSON HOSPITAL	240160, 240027, 240087, 240031, 240116, 240030, 240088, 240082, 240109, 240065.
240108	0.6573	JOHNSON MEMORIAL HOSPITAL	240143, 240082, 240077, 240116, 240170, 240111, 430065, 240184, 430010, 240099.
240109	0.7936	GRANT COUNTY HOSPITAL	240031, 240052, 240087, 240112, 240030, 240167, 240160, 240029, 240027, 240065.
240110	0.9272	MELROSE HOSPITAL	240193, 240142, 240122, 240027, 240013, 240030, 240036, 240160, 240088, 240107.
240111	0.6592	ORTONVILLE MUNICIPAL HOSPITAL	430010, 240065, 240116, 240143, 240087, 240108, 240112, 240031, 430064, 430065.
240112	0.7332	WHEATON COMMUNITY HOSPITAL	240065, 240031, 350032, 240109, 430064, 240087, 240029, 240111, 240052, 430010.
240114	0.9233	ADA MUNICIPAL HOSPITAL	240148, 350027, 350011, 350020, 240041, 350004, 240079, 350033, 240101.
240115	1.0304	HEALTH ONE MERCY HOSPITAL	240132, 240001, 240175, 240004, 240057, 240049, 240196, 240080, 240053, 240048.
240116	0.6802	APPLETON MUNICIPAL HOSPITAL	240143, 240108, 240111, 240082, 240087, 240107, 430010, 240065, 240170, 240077.
240117	0.9833	ST OLAFS HOSPITAL	240043, 160108, 240105, 240069, 240010, 240061, 240006, 240136, 160064, 240146.
240119	0.8280	COOK COUNTY NORTH SHORE HOSPITAL	NO PROVIDER WITHIN 50 MILES.
240121	0.9175	MERCY HOSPITAL	240058, 240045, 520058, 240002, 240019, 240047, 240086, 520130, 240152.
240122	0.9287	PAYNESVILLE COMMUNITY HOSPITAL	240193, 240133, 240110, 240088, 240036, 240027, 240187, 240142, 240160, 240076.
240123	0.8146	PIPESTONE COUNTY MEDICAL CENTER	430041, 430023, 240145, 240128, 240073, 430008, 240127, 240184, 240099, 430016.
240124	0.8385	REDWOOD FALLS MUNICIPAL HOSPITAL	240173, 240179, 240130, 240170, 240192, 240009, 240007, 240083, 240125, 240088.
240125	0.7462	DR HENRY SCHMIDT MEMORIAL HOSPITAL	240073, 240009, 240201, 240171, 240134, 240192, 240179, 240091, 240022, 240007.
240127	0.7247	ARNOLD MEMORIAL HOSPITAL	240128, 240022, 160130, 160051, 240073, 160126, 240201, 240123, 160145, 240091.
240128	0.8613	LUVERNE COMMUNITY HOSPITAL	240127, 160051, 240123, 430016, 430027, 430023, 160130, 430054, 240022, 160145.
240129	0.8050	MADELIA COMMUNITY HOSPITAL	240157, 240083, 240093, 240130, 240192, 240158, 240134, 240166, 240023, 240179.
240130	0.7864	SLEEPY EYE MUNICIPAL HOSPITAL	240083, 240179, 240192, 240157, 240129, 240124, 240134, 240171, 240173, 240023.
240132	1.0511	HEALTH ONE UNITY HOSPITAL	240001, 240115, 240175, 240004, 240049, 240057, 240080, 240196, 240048, 240106.
240133	0.9440	MEEKER COUNTY MEMORIAL HOSPITAL	240187, 240122, 240088, 240011, 240076, 240173, 240036, 240193, 240094, 240056.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
240184	0.6906	MOUNTAIN LAKE COMMUNITY HOSPITAL	240171, 240192, 240157, 240158, 240201, 240091, 240179, 240102, 240125, 240129.
240135	0.8195	TWEETEN LUTHERAN HEALTH CARE CENTER	240150, 160081, 160023, 520004, 520087, 160068, 240044, 160132, 520024, 240105.
240136	0.8406	WELLS HOSPITAL	240043, 240162, 240146, 240093, 160141, 240069, 240166, 240117, 240129, 240023.
240137	0.8417	CUYUNA RANGE DISTRICT HOSPITAL	240086, 240075, 240139, 240013, 240144.
240138	0.8405	KITTSON MEMORIAL HOSPITAL	240180, 350038, 350047, 240156, 240085, 350005.
240139	0.8653	MILLE LACS HOSPITAL	240183, 240152, 240086, 240137, 240075, 240141, 240013, 240058, 240020, 240169.
240140	0.9178	PELICAN VALLEY HEALTH CENTER	240052, 240101, 240103, 240029, 350004, 350020, 240109, 350011, 240167.
240141	0.9797	FAIRVIEW PRINCETON HOSPITAL	240183, 240020, 240094, 240036, 240152, 240076, 240115, 240139, 240169, 240028.
240142	0.8465	LONG PRAIRIE MEMORIAL HOSPITAL	240110, 240013, 240167, 240030, 240193, 240144, 240027, 240025, 240075, 240160.
240143	0.6573	MADISON HOSPITAL	240108, 240116, 240077, 240082, 240111, 430010, 430065, 240170, 240099, 240184.
240144	0.8459	UNITED DISTRICT HOSPITAL	240025, 240142, 240075, 240167, 240013, 240016, 240103, 240137, 240030, 240110.
240145	0.6843	A L VADHEIM MEMORIAL HOSPITAL	240184, 240007, 240099, 240123, 240009, 240073, 430041, 430008, 240077, 240125.
240146	0.8587	WASECA AREA MEMORIAL HOSPITAL	240069, 240071, 240093, 240136, 240023, 240043, 240014, 240037, 240021, 240117.
240148	0.9214	MAHNOMEN COUNTY AND VILLAGE HOSPITAL	240079, 240114, 240096, 240101, 240041, 350011, 350020.
240150	0.9678	HARMONY COMMUNITY HOSPITAL	160068, 240135, 160081, 240105, 160023, 160027, 240044, 160132, 240006, 240061.
240152	0.8251	KANABEC HOSPITAL	240183, 240169, 240020, 240139, 240141, 240058, 520130, 240028, 520112.
240153	0.8355	ROSEAU AREA HOSPITAL DISTRICT	240156, 240180.
240154	0.8480	COMMUNITY MEMORIAL HOSPITAL	240064, 240163, 240040.
240155	0.9180	ELY BLOOMENSON COMMUNITY HOSPITAL	240005, 240200, 240084.
240156	0.8368	GREENBUSH COMMUNITY HOSPITAL	240180, 240153, 240138, 240017, 240085.
240157	0.7774	WATONWAN MEMORIAL HOSPITAL	240129, 240134, 240158, 240192, 240130, 240083, 240171, 240166, 240179, 240102.
240158	0.7035	TRIMONT COMMUNITY HOSPITAL	240157, 240166, 240134, 240102, 240171, 240091, 240129, 160002, 240192, 240201.
240160	0.7713	MINNEWASKA DISTRICT HOSPITAL	240027, 240107, 240087, 240030, 240031, 240109, 240110, 240116, 240167, 240142.
240161	0.8769	ARLINGTON MUNICIPAL HOSPITAL	240011, 240021, 240023, 240056, 240187, 240037, 240083, 240104, 240093, 240130.
240162	0.8007	UNITED HOSPITAL	240166, 240136, 240158, 240129, 160141, 240157, 240043, 240093, 160002, 160095.
240163	0.8525	NORTHERN ITASCA HOSPITAL DISTRICT	240154, 240064, 240040, 240200.
240166	0.7376	FAIRMONT COMMUNITY HOSPITAL	240158, 240162, 160002, 240157, 240102, 240129, 240134, 160124, 240091, 240136.
240167	0.7948	PARKERS PRAIRIE DISTRICT HOSPITAL	240030, 240025, 240142, 240144, 240103, 240109, 240027, 240052, 240160, 240110.
240169	0.8370	RUSH CITY HOSPITAL	520130, 240020, 240152, 240028, 520112, 520157, 240050, 240058, 240183.
240170	0.8129	GRANITE FALLS MUNICIPAL HOSPITAL	240082, 240108, 240173, 240124, 240007, 240088, 240143, 240116, 240077, 240009.
240171	0.7555	WINDOM AREA HOSPITAL INC	240134, 240201, 240091, 240102, 240192, 240125, 240158, 240157, 240179, 240022.
240172	0.9943	ZUMBROTA HOSPITAL	240089, 240018, 240010, 240061, 240006, 240090, 240014, 240071, 240069, 240008.
240173	0.8330	RENVILLE COUNTY HOSPITAL	240124, 240088, 240170, 240187, 240133, 240130, 240179, 240082, 240083, 240011.
240175	1.0344	GOLDEN VALLEY HEALTH CENTER	240001, 240057, 240004, 240196, 240053, 240080, 240049, 240078, 240132, 240048.
240179	0.7727	SPRINGFIELD COMMUNITY HOSPITAL	240192, 240130, 240134, 240124, 240083, 240157, 240125, 240171, 240129, 240009.
240180	0.8355	KARLSTAD MEMORIAL HOSPITAL	240156, 240085, 240138, 240017, 350047, 240153, 350019, 240041.
240183	0.9794	FAIRVIEW MILACA HOSPITAL	240141, 240152, 240139, 240020, 240036, 240094, 240169, 240013, 240076, 240115.
240184	0.6675	DIVINE PROVIDENCE HOSPITAL	240099, 240145, 240077, 240007, 430008, 430065, 240123, 430088, 430041, 240108.
240187	0.8822	HUTCHINSON COMMUNITY HOSPITAL	240011, 240133, 240161, 240056, 240173, 240076, 240021, 240088, 240122, 240083.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
240192	0.7682	COMFREY HOSPITAL INC	240179, 240134, 240130, 240157, 240171, 240129, 240083, 240158, 240125, 240201.
240193	0.9325	ALBANY AREA HOSPITAL	240110, 240122, 240036, 240013, 240142, 240133, 240027, 240088, 240030, 240141.
240196	1.0383	METROPOLITAN MT SINAI MEDICAL CENTER	240057, 240004, 240080, 240049, 240175, 240048, 240001, 240053, 240078, 240038.
240200	0.8252	COOK COMMUNITY HOSPITAL	240084, 240005, 240040, 240155, 240163.
240201	0.7558	HERON LAKE MUNICIPAL HOSPITAL	240091, 240171, 240022, 240125, 240102, 240134, 240073, 160124, 240158, 240192.
240207	1.0213	FAIRVIEW RIDGES HOSPITAL	240078, 240097, 240053, 240104, 240196, 240057, 240080, 240048, 240003, 240049.
240210	1.0575	ST JOHNS NE COMMUNITY HOSPITAL	240106, 240063, 240038, 240003, 240048, 240049, 240080, 240196, 240004, 240057.
250001	0.7446	UNIVERSITY OF MISSISSIPPI MEDICAL CENTER	250048, 250129, 250102, 250072, 250138, 250096, 250134, 250038, 250065.
250002	0.6986	TISHOMINGO HEALTH SERVICES INC	250009, 250044, 010115, 010124, 010019, 010006, 010123, 440109, 250137, 440051.
250003	0.7136	NORTH MS MEDICAL CTR PONTOTOC HOSPITAL	250004, 250006, 250021, 250017, 250137, 250016, 250034, 250086, 250112, 250025.
250004	0.7104	NORTH MISSISSIPPI MEDICAL CENTER	250003, 250086, 250021, 250137, 250025, 250006, 250017, 250044, 250008, 010115.
250005	0.6829	PERRY COUNTY GENERAL HOSPITAL	250078, 250094, 250058, 250077, 250036, 250140, 010134, 250105.
250006	0.6996	BAPTIST MEMORIAL HOSPITAL-UNION COUNTY	250003, 250010, 250137, 250004, 250034, 250044, 250012, 250086, 250021, 250061.
250007	0.7817	BILOXI REGIONAL MEDICAL CENTER	250125, 250019, 250123, 250040, 250045, 250046, 010152, 250036, 250117, 010144.
250008	0.6957	ABERDEEN MONROE COUNTY HOSPITAL	250025, 250067, 250021, 010080, 250017, 250100, 250050, 250004, 250086.
250009	0.6243	MAGNOLIA HOSPITAL	440051, 250044, 250002, 250010, 440109, 250137, 440181, 010115, 250006.
250010	0.6961	TIPPAH COUNTY HOSPITAL	250006, 250044, 250137, 250012, 250009, 250003, 440051, 250004, 250002, 440181.
250012	0.8423	MEMORIAL HOSPITAL OF HOLLY SPRINGS	250010, 250006, 250126, 440147, 440170, 250034, 440183, 440159, 440168, 440049.
250015	0.5732	GRENADA LAKE MEDICAL CENTER	250066, 250024, 250099, 250051, 250112, 250016, 250061, 250020, 250071, 250128.
250016	0.6815	COMMUNITY HOSPITAL OF CALHOUN COUNTY	250112, 250017, 250061, 250003, 250015, 250034, 250021, 250020, 250024, 250004.
250017	0.7005	TRACE REGIONAL HOSPITAL	250021, 250112, 250016, 250008, 250003, 250067, 250025, 250004, 250020, 250050.
250018	0.6128	JASPER HEALTH CARE INSTITUTION	250139, 250058, 250124, 250073, 250105, 250089, 250029, 250065, 250077.
250019	0.8229	MEMORIAL HOSPITAL AT GULFPORT	250123, 250125, 250007, 250045, 250040, 250117, 190204, 190040, 250046, 250023.
250020	0.5687	WEBSTER GENERAL HOSPITAL	250047, 250051, 250050, 250112, 250066, 250017, 250016, 250067, 250027, 250015.
250021	0.7151	OKOLONA COMMUNITY HOSPITAL	250017, 250025, 250008, 250004, 250003, 250086, 250067, 250016, 250112, 250137.
250023	0.7099	PEARL RIVER COUNTY HOSPITAL	250140, 190001, 190095, 250046, 250117, 190049, 250085, 250078, 250094, 250107.
250024	0.6261	TALLAHATCHIE GENERAL HOSPITAL	250131, 250015, 250061, 250128, 250042, 250071, 250099, 250062, 250016, 250034.
250025	0.7309	GILMORE MEMORIAL HOSPITAL	250008, 250021, 250086, 250004, 010080, 250017, 010044, 250067, 250003.
250027	0.5678	WINSTON COUNTY COMMUNITY HOSPITAL	250047, 250109, 250043, 250050, 250059, 250020, 250076, 250091, 250051, 250030.
250029	0.6560	S E LACKEY MEMORIAL HOSPITAL	250073, 250033, 250091, 250139, 250030, 250096, 250018, 250134, 250038.
250030	0.5938	LEAKE MEMORIAL HOSPITAL	250091, 250043, 250059, 250033, 250038, 250029, 250101, 250073, 250027, 250083.
250031	0.7403	VICKSBURG MEDICAL CENTER	250032, 190156, 250068, 250072, 250102, 250001, 250129, 250048, 190208, 190149.
250032	0.7403	MERCY REGIONAL MEDICAL CENTER	250031, 190156, 250068, 250072, 250102, 250001, 250129, 250048, 190208, 190149.
250033	0.7158	LAIRD HOSPITAL	250043, 250091, 250073, 250029, 250030, 250104, 250081, 250069, 250076.
250034	0.6317	BAPTIST MEM HOSPITAL-NORTH MISSISSIPPI	250061, 250128, 250006, 250003, 250016, 250126, 250012, 250024, 250112, 250131.
250035	0.6734	FRANKLIN COUNTY MEMORIAL HOSPITAL	250060, 250057, 250122, 250084, 250097 250088, 250049, 250068, 190089, 250039.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
250036	0.7401	GEORGE COUNTY HOSPITAL	250046, 010144, 010087, 010152, 010113, 010119, 010090, 250005, 250040.
250037	0.6810	JEFFERSON DAVIS COUNTY HOSPITAL	250063, 250105, 250124, 250085, 250065, 250057, 250094, 250039, 250078, 250139.
250038	0.7460	MADISON GENERAL HOSPITAL	250138, 250129, 250048, 250001, 250102, 250096, 250030, 250072, 250134.
250039	0.7285	HARDY WILSON MEMORIAL HOSPITAL	250057, 250065, 250063, 250068, 250072, 250134, 250037, 250124, 250102, 250060.
250040	0.7503	SINGING RIVER HOSPITAL SYSTEM	250007, 250125, 010152, 250019, 250123, 010144, 010087, 010113, 010090, 010119.
250042	0.6250	NW MISSISSIPPI REGIONAL MEDICAL CENTER	250131, 250062, 040085, 250024, 250128, 250093, 250071, 040064, 250126, 250061.
250043	0.6826	NESHOBA COUNTY GENERAL HOSPITAL	250091, 250033, 250030, 250076, 250027, 250073, 250059, 250029, 250104.
250044	0.6933	BAPTIST MEMORIAL HOSPITAL BOONEVILLE	250137, 250009, 250010, 250002, 010115, 250006, 250086, 250004, 440051, 250003.
250045	0.8845	HANCOCK GENERAL HOSPITAL	250123, 250019, 250125, 190204, 190040, 250117, 250007, 190200, 190124, 190175.
250046	0.7319	METHODIST HOSPITAL OF STONE COUNTY	250140, 250023, 250036, 250007, 250125, 250019, 250123, 250078, 250117.
250047	0.5921	CHOCTAW COUNTY HOSPITAL	250027, 250020, 250050, 250051, 250059, 250066, 250109, 250067, 250101, 250100.
250048	0.7446	ST DOMINIC JACKSON MEMORIAL HOSPITAL	250129, 250001, 250102, 250138, 250072, 250096, 250134, 250038, 250065.
250049	0.6609	BEACHAM MEMORIAL HOSPITAL	250097, 190023, 250107, 190103, 190049, 190147, 250088, 250035, 250057, 250085.
250050	0.6029	OKITBBEHA COUNTY HOSPITAL	250067, 250100, 250047, 250020, 250027, 250008, 250109, 250017, 250112.
250051	0.5836	KILMICHAEL HOSPITAL	250066, 250020, 250047, 250015, 250059, 250101, 250099, 250112, 250083, 250027.
250057	0.6344	KINGS DAUGHTERS HOSPITAL	250063, 250039, 250035, 250097, 250037, 250060, 250049, 250068, 250107, 250065.
250058	0.6786	JONES COUNTY COMMUNITY HOSPITAL	250105, 250018, 250077, 250005, 250078, 250094, 250139, 250089, 250124.
250059	0.5670	MONTFORT JONES MEMORIAL HOSPITAL	250101, 250030, 250083, 250051, 250047, 250027, 250091, 250066, 250043, 250020.
250060	0.6993	JEFFERSON COUNTY HOSPITAL	250068, 250035, 250084, 250122, 190089, 250057, 250039, 250097, 250088, 250031.
250061	0.6021	YALOBUSHA GENERAL HOSPITAL	250034, 250016, 250128, 250024, 250112, 250015, 250131, 250003, 250017, 250126.
250062	0.6224	SHELBY COMMUNITY HOSPITAL	250093, 250071, 250042, 250131, 250024, 250095, 040053, 040064, 040093, 250082.
250063	0.6252	LAWRENCE COUNTY HOSPITAL	250037, 250057, 250085, 250039, 250105, 250097, 250124, 250107, 250065, 250049.
250065	0.7388	SIMPSON GENERAL HOSPITAL	250124, 250139, 250134, 250096, 250039, 250037, 250102, 250105, 250072.
250066	0.5870	TYLER HOLMES MEMORIAL HOSPITAL	250051, 250015, 250099, 250020, 250101, 250047, 250059, 250083, 250112, 250016.
250067	0.6232	CLAY COUNTY MEDICAL CENTER	250050, 250100, 250008, 250017, 250025, 250021, 010080, 250020, 250047.
250068	0.7067	CLAIBORNE COUNTY HOSPITAL	250060, 250031, 250032, 250039, 190156, 250035, 190089, 250084, 250122, 250057.
250069	0.7136	RUSH FOUNDATION HOSPITAL	250081, 250104, 010138, 250073, 250089, 250033, 250076, 010122, 250043.
250071	0.6134	NORTH SUNFLOWER COUNTY HOSPITAL	250093, 250062, 250095, 250099, 250024, 250042, 250082, 250120, 250015, 250131.
250072	0.7446	METHODIST MEDICAL CENTER, INC	250102, 250001, 250048, 250129, 250134, 250138, 250096, 250038, 250065.
250073	0.7114	RUSH HOSPITAL NEWTON	250029, 250033, 250081, 250069, 250104, 250018, 250091, 250139, 250089.
250076	0.7165	KEMPER COMMUNITY HOSPITAL	250043, 250109, 010138, 250033, 250104, 250081, 250069, 250027, 250091.
250077	0.6278	WAYNE GENERAL HOSPITAL	010134, 250058, 250089, 250005, 010122, 010128, 250018, 010091.
250078	0.6876	FORREST GENERAL HOSPITAL	250094, 250005, 250140, 250085, 250105, 250058, 250037, 250023, 250046.
250079	0.6329	SHARKEY ISAQUENA COMMUNITY HOSPITAL	190208, 250119, 190081, 250098, 040105, 250120, 190149, 250082, 190156, 250032.
250081	0.7136	F G RILEY MEMORIAL HOSPITAL	250069, 250104, 010138, 250073, 250089, 250033, 250076, 010122, 250043.
250082	0.6087	DELTA MEDICAL CENTER	250120, 040105, 250095, 040093, 250093, 250098, 250071, 250079, 040053, 250062.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
250083	0.6150	METHODIST HOSPITAL OF MIDDLE MISSISSIPPI	250101, 250098, 250059, 250119, 250099, 250066, 250051, 250038, 250030, 250095.
250084	0.6940	JEFFERSON DAVIS MEMORIAL HOSPITAL	250122, 190089, 250060, 250035, 250088, 250068, 190145, 190099, 250057, 250097.
250085	0.6897	MARION COUNTY GENERAL HOSPITAL	250107, 250094, 250078, 250037, 250140, 250063, 250105, 250023, 250097, 250049.
250086	0.7207	ITAWAMBA COUNTY HOSPITAL	250004, 010115, 250025, 250137, 010044, 250021, 250044, 250003, 250008, 250006.
250088	0.7162	FIELD MEMORIAL HOSPITAL	190199, 190142, 190103, 250035, 190023, 250049, 190020, 250097, 190059, 250122.
250089	0.6996	H C WATKINS MEMORIAL HOSPITAL	250069, 250081, 250104, 250077, 010122, 250018, 250073, 250058.
250091	0.5806	THAGGARD HOSPITAL	250030, 250043, 250033, 250029, 250073, 250059, 250038, 250027, 250076, 250101.
250093	0.6263	BOLIVAR COUNTY HOSPITAL	250071, 250062, 250095, 250082, 250120, 250099, 250042, 040093, 250024, 040053.
250094	0.6876	METHODIST HOSPITAL	250078, 250005, 250085, 250140, 250105, 250058, 250037, 250023, 250046.
250095	0.6170	SOUTH SUNFLOWER COUNTY HOSPITAL	250082, 250120, 250071, 250093, 250098, 250099, 040105, 250062, 250083, 040093.
250096	0.7446	RANKIN MEDICAL CENTER	250134, 250048, 250102, 250129, 250001, 250138, 250072, 250038, 250065.
250097	0.6628	SW MISSISSIPPI GENERAL HOSPITAL	250049, 250107, 190023, 250057, 250035, 250063, 190103, 250088, 250085, 190049.
250098	0.6222	HUMPHREYS COUNTY MEMORIAL HOSPITAL	250083, 250095, 250119, 250099, 250079, 250101, 250082, 250120, 250071, 040105.
250099	0.5899	GREENWOOD LEFLORE HOSPITAL	250095, 250066, 250071, 250015, 250098, 250083, 250093, 250051, 250024, 250101.
250100	0.6380	GOLDEN TRIANGLE REGIONAL MEDICAL CENTER	250067, 250050, 010109, 250008, 010080, 250109, 010045, 250025, 250047.
250101	0.6027	DISTRICT 2 COMMUNITY HOSPITAL	250083, 250059, 250051, 250030, 250066, 250098, 250119, 250038, 250099, 250047.
250102	0.7446	MISSISSIPPI BAPTIST MEDICAL CENTER	250001, 250048, 250129, 250072, 250138, 250096, 250134, 250038, 250065.
250104	0.7136	JEFF ANDERSON REGIONAL MEDICAL CENTER	250069, 250081, 010138, 250073, 250089, 250033, 250076, 010122, 250043.
250105	0.6846	COVINGTON COUNTY HOSPITAL	250037, 250124, 250058, 250094, 250078, 250139, 250018, 250063, 250065.
250107	0.6726	WALTHALL COUNTY GENERAL HOSPITAL	250049, 250097, 250085, 190049, 190023, 190001, 190095, 250063, 190147, 190103.
250109	0.5991	NOXUBEE GENERAL HOSPITAL	250027, 010109, 250076, 250100, 250050, 250047, 250067, 250043, 010051.
250112	0.5904	HILLCREST HOSPITAL	250016, 250017, 250020, 250061, 250015, 250021, 250003, 250051, 250066, 250034.
250117	0.8616	LUCIUS OLEN CROSBY MEMORIAL HOSPITAL	190204, 190040, 190095, 190001, 190045, 250045, 190177, 250023, 250123, 250019.
250119	0.7184	KINGS DAUGHTERS HOSPITAL	250098, 250079, 250083, 250038, 250101, 250138, 190208, 250129, 250048, 250001.
250120	0.6183	KINGS DAUGHTERS HOSPITAL	250082, 040105, 250095, 040093, 250093, 250098, 250071, 250079, 040053, 040051.
250122	0.6940	HUMANA HOSPITAL NATCHEZ	250084, 190089, 250060, 250035, 250088, 250068, 190145, 190099, 250057, 250097.
250123	0.8229	AMI GARDEN PARK COMMUNITY HOSPITAL	250019, 250125, 250007, 250045, 250040, 250117, 190204, 190040, 250046, 250023.
250124	0.6657	MAGEE GENERAL HOSPITAL	250065, 250139, 250105, 250037, 250018, 250063, 250134, 250058, 250096.
250125	0.8229	GULF COAST MEDICAL CENTER	250007, 250019, 250123, 250045, 250040, 250046, 250117, 190204, 190040, 250023.
250126	0.8398	SENATOBIA COMMUNITY HOSPITAL	250128, 440049, 250012, 250034, 250131, 440159, 040085, 440183, 440170, 440147.
250128	0.6348	SOUTH PANOLA COMMUNITY HOSPITAL	250131, 250061, 250034, 250126, 250024, 250042, 040085, 250016, 250015, 250012.
250129	0.7446	ST DOMINICS DOCTORS HOSPITAL	250048, 250001, 250102, 250138, 250072, 250096, 250134, 250038, 250065.
250131	0.6288	QUITMAN COUNTY HOSPITAL	250042, 250128, 250024, 040085, 250126, 250062, 250061, 250034, 250071, 250015.
250134	0.7446	WHITFIELD MEDICAL SURGICAL HOSPITAL	250096, 250102, 250048, 250001, 250129, 250072, 250138, 250065, 250038.
250137	0.6946	BALDWYN SATELLITE HOSPITAL	250044, 250004, 250006, 250086, 250010, 010115, 250003, 250002, 250009, 250021.
250138	0.7447	RIVER OAKS HOSPITAL	250129, 250048, 250001, 250102, 250096, 250072, 250134, 250038, 250029.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
250139	0.6595	SMITH COUNTY GENERAL HOSPITAL	250018, 250124, 250065, 250105, 250029, 250073, 250058, 250134, 250096.
250140	0.7048	LUMBERTON CITIZENS HOSPITAL	250023, 250046, 250078, 250094, 250085, 190001, 190095, 250117, 250005, 250107.
260001	0.7432	ST JOHNS REGIONAL MEDICAL CENTER	260007, 260137, 170021, 260013, 260053, 170043, 370004, 170006, 170159.
260002	0.9347	LUTHERAN MEDICAL CENTER	260103, 260054, 260105, 260042, 260014, 260032, 260021, 140066, 260051, 260091.
260003	0.7690	AURORA COMMUNITY HOSPITAL	260012, 260123, 260197, 260065, 260040, 260089, 260049, 260094, 260013.
260004	0.8807	COOPER COUNTY MEMORIAL HOSPITAL	260111, 260146, 260141, 260068, 260178, 260142, 260009, 260026, 260074, 260011.
260005	1.0183	ST JOSEPH HEALTH CENTER	260200, 260104, 260191, 260162, 260159, 260179, 260020, 260033, 260108, 260180.
260006	0.7703	HEARTLAND WEST HOSPITAL	260090, 170022, 260057, 260062, 170009, 170133, 170004, 170067, 170131, 260050.
260007	0.7432	FREEMAN HOSPITAL	260001, 260137, 170021, 260013, 260053, 170043, 370004, 170006, 170159.
260008	0.9313	ST LOUIS REGIONAL MEDICAL CENTER	260032, 260051, 260014, 260021, 260091, 260042, 260105, 260054, 260033, 260002.
260009	0.8924	BOTHWELL REGIONAL HEALTH CENTER	260026, 260097, 260142, 260004, 260175, 260111, 260141, 260063, 260146, 260068.
260011	0.8671	ST MARYS HEALTH CENTER	260037, 260047, 260131, 260141, 260068, 260178, 260146, 260158, 260004, 260186.
260012	0.7778	ST VINCENTS HOSPITAL	260003, 260123, 260053, 260013, 260137, 260007, 260001, 260049, 260197, 260065.
260013	0.7388	MCCUNE BROOKS HOSPITAL	260007, 260137, 260001, 260053, 170021, 260049, 260073, 260012, 170043, 170006.
260014	0.9346	BARNES HOSPITAL	260032, 260051, 260021, 260042, 260008, 260105, 260054, 260091, 260002, 260103.
260015	0.6985	TWIN RIVERS REGIONAL MEDICAL CENTER	040045, 260070, 040069, 040039, 040122, 440072, 040070, 260160, 260120, 260119.
260016	0.9387	LAKESIDE HOSPITAL	260107, 260027, 260112, 260138, 170104, 170040, 260188, 260085, 260031, 260048.
260017	0.7238	PHELPS COUNTY REGIONAL MEDICAL CENTER	260172, 260115, 260186, 260024, 260059, 260037, 260047, 260011, 260039.
260018	0.6229	ST FRANCIS HOSPITAL	260078, 260024, 260189, 260182, 040035, 260172, 260080, 040126.
260019	0.6771	ARCADIA VALLEY HOSPITAL	260163, 260030, 260116, 260092, 260039, 260189, 260164, 260023, 140245, 260172.
260020	0.9828	ST JOHNS MERCY MEDICAL CENTER	260108, 260162, 260179, 260176, 260081, 260091, 260104, 260021, 260008, 260033.
260021	0.9346	DEACONESS HOSPITAL	260091, 260014, 260032, 260008, 260051, 260042, 260105, 260054, 260002, 260103.
260022	0.7558	KIRKSVILLE OSTEOPATHIC HEALTH CENTER	260129, 260143, 260082, 260173, 260128, 260100, 260079, 160060, 160020, 160054.
260023	0.8501	JEFFERSON MEMORIAL HOSPITAL	140061, 260092, 260077, 260164, 260039, 260081, 260176, 260116, 260103, 260002.
260024	0.7474	TEXAS COUNTY MEMORIAL HOSPITAL	260018, 260172, 260182, 260078, 260059, 260017.
260025	0.7206	HANNIBAL REGIONAL HEALTHCARE SYSTEM	140159, 140015, 260127, 140139, 260064, 160008, 140003, 140081.
260026	0.7797	SWEET SPRINGS COMMUNITY HOSPITAL	260142, 260097, 260009, 260063, 260067, 260004, 260122, 260111, 260193, 260175.
260027	0.9387	RESEARCH MEDICAL CENTER	260107, 260112, 260016, 260138, 170040, 260085, 260188, 260031, 260048, 170104.
260029	0.8814	EXCELSIOR SPRINGS MEDICAL CENTER	260177, 260122, 260062, 260166, 260095, 260096, 260063, 260193, 260188, 260048.
260030	0.7108	MADISON MEMORIAL HOSPITAL	260019, 260163, 260116, 260092, 260189, 260164, 260039, 140245, 260165, 260183.
260031	0.9424	TRINITY LUTHERAN HOSPITAL	260048, 260085, 170040, 260138, 260112, 170148, 170146, 260107, 260027, 260096.
260032	0.9346	JEWISH HOSPITAL	260014, 260051, 260008, 260021, 260042, 260105, 260054, 260091, 260002, 260103.
260033	0.9205	METROPOLITAN MEDICAL CENTER NORTH	260008, 260159, 260180, 260051, 260032, 260091, 260014, 260021, 260104, 260042.
260034	0.7217	BATES COUNTY MEMORIAL HOSPITAL	260147, 260036, 260061, 260175, 260035, 170109, 170058, 260148, 170035, 260190.
260035	0.6780	CEDAR COUNTY MEMORIAL HOSPITAL	260061, 260148, 260147, 260073, 260034, 260049, 260195, 170058, 260175, 170006.
260036	0.9206	CASS MEDICAL CENTER	260190, 260102, 260016, 170176, 260193, 170109, 260027, 260188, 260107, 170049.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
260037	0.8671	CHARLES E STILL HOSPITAL	260011, 260047, 260131, 260141, 260068, 260178, 260146, 260158, 260004, 260186.
260039	0.6985	WASHINGTON COUNTY MEMORIAL HOSPITAL	260092, 260116, 260163, 260019, 260115, 260023, 260164, 260030, 140061, 260172.
260040	0.7720	COX MEDICAL CENTER	260089, 260065, 260197, 260003, 260195, 260049, 260182, 260012, 260094.
260042	0.9346	BETHESDA GENERAL HOSPITAL	260105, 260054, 260014, 260032, 260051, 260021, 260002, 260103, 260008, 260091.
260044	0.7222	HEDRICK MEDICAL CENTER	260055, 260079, 260067, 260057, 260143, 260109, 260122, 260063, 260029, 260086.
260047	0.8671	MEMORIAL COMMUNITY HOSPITAL	260037, 260011, 260131, 260141, 260068, 260178, 260146, 260004, 260186, 260158.
260048	0.9424	TRUMAN MEDICAL CENTER	260031, 260085, 170040, 260138, 260112, 170148, 170146, 260096, 260107, 260027.
260049	0.7577	DADE COUNTY MEMORIAL HOSPITAL	260073, 260013, 260195, 260003, 260012, 260035, 260040, 260089, 260197.
260050	0.7409	ST FRANCIS HOSPITAL	260066, 260086, 160043, 160092, 260006, 260090, 160048, 280017, 260109, 160099.
260051	0.9346	CENTRAL MEDICAL CENTER INC	260032, 260014, 260008, 260042, 260105, 260021, 260054, 260091, 260002, 260103.
260052	1.0046	ST JOHNS MERCY HOSPITAL	260198, 260158, 260179, 260191, 260115, 260176, 260200, 260162, 260108, 260020.
260053	0.7449	SALE HOSPITAL INC	260137, 260001, 260007, 260013, 170021, 260012, 370004, 260123, 370113.
260054	0.9346	INCARNATE WORD HOSPITAL	260105, 260042, 260014, 260002, 260032, 260103, 260051, 260021, 260008, 260091.
260055	0.6900	WRIGHT MEMORIAL HOSPITAL	260044, 260109, 260143, 260079, 260086, 260057, 260082, 260128, 160055, 260067.
260057	0.7944	CAMERON COMMUNITY HOSPITAL	260090, 260062, 260006, 260029, 260177, 260044, 260086, 260122, 260109, 260055.
260059	0.7697	BREECH MEDICAL CENTER	260186, 260195, 260182, 260089, 260024, 260040, 260065, 260017, 260197.
260061	0.6621	NEVADA CITY HOSPITAL	260035, 170058, 260073, 260034, 260147, 170006, 170098, 260148, 260049, 260013.
260062	0.9043	SPELMAN MEMORIAL HOSPITAL	260177, 260029, 260096, 170009, 170133, 170146, 170148, 260095, 260048, 260031.
260063	0.8440	LAFAYETTE REGIONAL HEALTH CENTER	260122, 260029, 260193, 260067, 260166, 260026, 260177, 260095, 260102, 260097.
260064	0.8795	AUDRAIN MEDICAL CENTER	260131, 260178, 260068, 260146, 260141, 260074, 260158, 260111, 260127, 260011.
260065	0.7720	ST JOHNS REGIONAL HEALTH CENTER	260197, 260040, 260089, 260003, 260195, 260182, 260049, 260012, 260094.
260066	0.6676	FAIRFAX COMMUNITY HOSPITAL	280017, 280028, 160099, 260050, 160092, 280107, 160043, 280062, 170004, 170164.
260067	0.7444	CARROLL COUNTY MEMORIAL HOSPITAL	260063, 260142, 260122, 260044, 260026, 260079, 260029, 260111, 260097, 260057.
260068	0.8708	BOONE HOSPITAL CENTER	260141, 260178, 260146, 260131, 260004, 260111, 260064, 260011, 260047, 260037.
260070	0.6958	PEMISCOT MEMORIAL HOSPITAL	260015, 440072, 040069, 040045, 440114, 440130, 040070, 040039, 260160, 180117.
260073	0.7497	BARTON COUNTY MEMORIAL HOSPITAL	260049, 170006, 260061, 260013, 260035, 170098, 170058, 260007, 260001, 260137.
260074	0.8847	MOBERLY REGIONAL MEDICAL CENTER	260100, 260111, 260146, 260064, 260178, 260068, 260141, 260004, 260079, 260142.
260077	0.9701	ST ANTHONYS MEDICAL CENTER	260081, 260176, 260103, 260091, 260002, 260108, 260021, 260020, 260054, 260042.
260078	0.6209	OZARKS MEDICAL CENTER	260018, 040035, 040126, 040027, 260024, 260182, 040115, 040037, 260080.
260079	0.7532	PERSHING MEMORIAL HOSPITAL	260044, 260100, 260143, 260055, 260067, 260129, 260022, 260074, 260142, 260111.
260080	0.6640	RIPLEY COUNTY MEMORIAL HOSPITAL	040122, 260119, 260120, 040047, 260189, 040045, 040126, 040008, 260160, 260018.
260081	0.9712	ST JOSEPHS HOSPITAL	260176, 260108, 260077, 260020, 260091, 260179, 260162, 260021, 260014, 260008.
260082	0.7247	PERRY COUNTY MEMORIAL HOSPITAL	260128, 260143, 160020, 160113, 260022, 260129, 160060, 160077, 260173, 260055.
260085	0.9422	ST JOSEPH HEALTH CENTER	260048, 260031, 260138, 260112, 170040, 260027, 260107, 260188, 170148, 260096.
260086	0.7368	GENTRY COUNTY MEMORIAL HOSPITAL	260109, 260050, 160048, 260057, 260055, 260090, 260006, 160055, 160043, 260044.
260089	0.7720	SPRINGFIELD GENERAL OSTEOPATHIC HOSPITAL	260040, 260065, 260197, 260195, 260003, 260049, 260182, 260012, 260094.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
260090	0.8014	HEARTLAND EAST HOSPITAL	260006, 170022, 260057, 260062, 170009, 170133, 170004, 170067, 260177, 170131.
260091	0.9346	ST MARYS HEALTH CENTER	260021, 260008, 260014, 260032, 260051, 260042, 260105, 260054, 260002, 260103.
260092	0.6994	BONNE TERRE HOSPITAL	260116, 260163, 260039, 260019, 260023, 260164, 260030, 140061, 260115, 140245.
260094	0.7472	SKAGGS COMMUNITY HOSPITAL	040109, 040017, 040005, 260123, 260003, 260197, 040115, 260065, 260012.
260095	0.9396	INDEPENDENCE REGIONAL HEALTH CENTER	260166, 260188, 260085, 260096, 260048, 260031, 260112, 260138, 260102, 260027.
260096	0.9314	NORTH KANSAS CITY HOSPITAL	260048, 170148, 170146, 260085, 260031, 260095, 170040, 260138, 260112, 260188.
260097	0.8132	WESTERN MISSOURI MEDICAL CENTER	260026, 260009, 260175, 260063, 260036, 260193, 260190, 260102, 260142, 260122.
260100	0.7603	SAMARITAN MEMORIAL HOSPITAL	260074, 260079, 260129, 260022, 260111, 260143, 260064.
260102	0.9043	TRUMAN MEDICAL CENTER EAST	260190, 260188, 260193, 260166, 260095, 260027, 260016, 260107, 260112, 260085.
260103	0.9347	ALEXIAN BROTHERS HOSPITAL	260002, 260054, 260105, 260042, 260014, 260032, 260021, 140066, 260051, 260091.
260104	1.0183	DEPAUL HEALTH CENTER	260005, 260200, 260159, 260162, 260033, 260020, 260179, 260108, 260191, 260180.
260105	0.9346	ST LOUIS UNIVERSITY HOSPITAL	260042, 260054, 260014, 260032, 260051, 260002, 260021, 260103, 260008, 260091.
260107	0.9387	BAPTIST MEDICAL CENTER	260027, 260112, 260016, 260138, 170040, 260085, 260031, 260188, 260048, 170104.
260108	0.9828	MISSOURI BAPTIST MEDICAL CENTER	260020, 260162, 260179, 260176, 260081, 260091, 260021, 260104, 260008, 260033.
260109	0.7034	HARRISON COUNTY COMMUNITY HOSPITAL	260086, 260055, 160048, 160055, 260057, 260044, 260050, 260143, 160113, 260090.
260110	0.7175	SOUTHEAST MISSOURI HOSPITAL	260183, 260165, 140170, 260113, 140164, 140140, 140042, 260160, 140184, 260030.
260111	0.8782	ALBERT M KELLER MEMORIAL HOSPITAL	260004, 260146, 260141, 260068, 260074, 260178, 260142, 260026, 260064, 260009.
260112	0.9370	MENORAH MEDICAL CENTER	260138, 260107, 170040, 260027, 260085, 260031, 260048, 260016, 260188, 170148.
260113	0.7211	MISSOURI DELTA MEDICAL CENTER	260160, 260165, 260183, 260110, 180117, 260120, 260119, 440130, 140170, 140042.
260115	0.7552	MISSOURI BAPTIST HOSPITAL SULLIVAN	260039, 260052, 260017, 260092, 260158, 260023, 260172, 260176, 260077, 260081.
260116	0.7000	MINERAL AREA OSTEOPATHIC HOSPITAL	260163, 260092, 260019, 260039, 260030, 260164, 260023, 140245, 140061, 140109.
260119	0.6828	DOCTORS REGIONAL MEDICAL CENTER	260120, 260160, 260080, 040122, 040045, 260189, 260015, 260113, 040047, 260165.
260120	0.6828	LUCY LEE HOSPITAL	260119, 260160, 260080, 040122, 040045, 260189, 260015, 260113, 040047, 260165.
260122	0.8544	RAY COUNTY MEMORIAL HOSPITAL	260063, 260029, 260193, 260177, 260067, 260166, 260095, 260102, 260062, 260188.
260123	0.6877	SOUTH BARRY COUNTY MEMORIAL	260012, 040005, 260003, 040048, 040010, 040109, 260053, 260094, 040075, 040022.
260127	0.7341	PIKE COUNTY MEMORIAL HOSPITAL	140139, 260025, 260134, 140188, 140159, 140015, 140059, 260198, 260064, 140058.
260128	0.7248	PUTNAM COUNTY MEMORIAL HOSPITAL	260082, 160020, 260143, 160113, 260022, 260129, 160060, 160077, 160061, 160055.
260129	0.7558	GRIM-SMITH HOSPITAL AND CLINIC	260022, 260143, 260082, 260173, 260128, 260100, 260079, 160060, 160020, 160054.
260131	0.8674	CALLAWAY MEMORIAL HOSPITAL	260178, 260068, 260141, 260146, 260011, 260064, 260037, 260047, 260158, 260004.
260134	0.9136	LINCOLN COUNTY MEMORIAL HOSPITAL	260198, 260191, 260200, 260005, 260052, 260158, 260104, 260179, 140059, 260127.
260137	0.7386	OAK HILL HOSPITAL	260007, 260001, 170021, 260013, 260053, 170043, 370004, 170006, 260012.
260138	0.9374	ST LUKES HOSPITAL OF KANSAS CITY	260112, 170040, 260031, 260085, 260048, 260107, 260027, 170148, 170146, 260016.
260141	0.8708	UNIVERSITY OF MISSOURI HOSPITAL & CLINIC	260068, 260146, 260178, 260131, 260004, 260111, 260011, 260047, 260037, 260064.
260142	0.7856	JOHN FITZGIBBON MEMORIAL HOSPITAL	260026, 260067, 260111, 260004, 260009, 260063, 260097, 260122, 260146, 260074.
260143	0.7503	SULLIVAN COUNTY MEMORIAL HOSPITAL	260082, 260128, 260055, 260022, 260129, 260079, 260044, 160113, 160020, 260109.
260146	0.8708	FISCHEL ELLIS STATE CANCER HOSPITAL	260068, 260141, 260178, 260004, 260131, 260111, 260064, 260011, 260047, 260037.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
260147	0.7084	SAC-OSAGE HOSPITAL	260034, 260175, 260148, 260035, 260061, 260036, 260097, 170058, 170109, 260195.
260148	0.7074	ELLETT MEMORIAL HOSPITAL	260147, 260035, 260175, 260195, 260034, 260061, 260073, 260049, 260097, 260186.
260158	0.7166	HERMANN AREA DISTRICT HOSPITAL	260052, 260131, 260198, 260134, 260011, 260037, 260115, 260047, 260064, 260191.
260159	0.9335	CHRISTIAN HOSPITAL NORTHWEST	260033, 260180, 260104, 260005, 260008, 260200, 260162, 260051, 260032, 260091.
260160	0.7380	DEXTER MEMORIAL HOSPITAL	260113, 260120, 260119, 260165, 040045, 260183, 260015, 040122, 260110, 260070.
260162	1.0228	FAITH HOSPITAL	260179, 260020, 260108, 260104, 260200, 260176, 260005, 260081, 260091, 260033.
260163	0.7000	FARMINGTON REGIONAL MEDICAL CENTER	260116, 260092, 260019, 260039, 260030, 260164, 260023, 140245, 140061, 140109.
260164	0.6951	STE GENEVIEVE COUNTY MEMORIAL HOSPITAL	140245, 140061, 140109, 260116, 260163, 260023, 260092, 140055, 260039, 260030.
260165	0.7169	CHAFFEE GENERAL HOSPITAL	260183, 260110, 260113, 140170, 260160, 260030, 140164, 140140, 140042, 260120.
260166	0.9175	MEDICAL CENTER OF INDEPENDENCE	260095, 260188, 260193, 260102, 260085, 260048, 260096, 260112, 260027, 260031.
260172	0.6741	SALEM MEMORIAL HOSPITAL DISTRICT	260017, 260024, 260115, 260039, 260019, 260189, 260018.
260173	0.7552	SCOTLAND COUNTY MEMORIAL HOSPITAL	160054, 160060, 260022, 260129, 160008, 160115, 160020, 260082, 160089, 260128.
260175	0.7510	GOLDEN VALLEY MEMORIAL	260147, 260148, 260097, 260034, 260036, 260009, 260035, 260026, 260190, 260061.
260176	0.9712	METROPOLITAN MEDICAL CENTER WEST	260081, 260108, 260020, 260179, 260077, 260162, 260091, 260021, 260008, 260014.
260177	0.9060	LIBERTY HOSPITAL	260029, 260062, 260096, 260095, 260166, 260048, 260085, 170146, 170148, 260031.
260178	0.8708	COLUMBIA REGIONAL HOSPITAL	260068, 260141, 260146, 260131, 260004, 260111, 260064, 260011, 260037, 260047.
260179	1.0274	ST LUKES EPISCOPAL PRESBYTERIAN HOSPITAL	260162, 260020, 260108, 260176, 260081, 260200, 260104, 260005, 260091, 260191.
260180	0.8852	CHRISTIAN HOSPITAL NORTHEAST	260159, 260033, 140125, 140070, 140168, 260008, 260051, 140002, 260032.
260182	0.7628	MERCY HOSPITAL	260024, 260065, 260089, 260040, 260197, 260059, 260078, 260018, 260094.
260183	0.7175	ST FRANCIS MEDICAL CENTER	260110, 260165, 140170, 260113, 140164, 140140, 260160, 260030, 140042, 140184.
260186	0.7556	LAKE OF THE OZARKS GENERAL HOSPITAL	260059, 260047, 260037, 260011, 260017, 260009, 260148.
260188	0.9310	PARK LANE MEDICAL CENTER	260027, 260095, 260085, 260112, 260102, 260107, 260166, 260138, 260031, 260048.
260189	0.6680	REYNOLDS COUNTY GENERAL MEM HOSPITAL	260019, 260030, 260080, 260119, 260120, 260018, 260172, 260163, 260116.
260190	0.9363	LEES SUMMIT HOSPITAL	260102, 260188, 260016, 260027, 260193, 260107, 260166, 260112, 260095, 260138.
260191	1.0334	ST PETERS COMMUNITY HOSPITAL	260200, 260005, 260104, 260162, 260179, 260159, 260020, 260108, 260033, 260198.
260193	0.9043	ST MARYS HOSPITAL OF BLUE SPRINGS	260166, 260102, 260095, 260188, 260190, 260085, 260027, 260112, 260107, 260016.
260195	0.7708	CITIZENS MEMORIAL HOSPITAL	260089, 260040, 260049, 260148, 260065, 260197, 260035, 260059, 260073.
260197	0.7720	SPRINGFIELD COMMUNITY HOSPITAL	260065, 260040, 260089, 260003, 260195, 260012, 260049, 260084, 260182.
260198	1.0069	MISSOURI BAPTIST HOSPITAL WENTZVILLE	260134, 260191, 260200, 260052, 260005, 260179, 260104, 260162, 260020, 260108.
260200	1.0232	ST JOSEPH HOSPITAL WEST	260005, 260191, 260104, 260162, 260179, 260020, 260159, 260108, 260033, 260176.
270002	0.6591	HOLY ROSARY HOSPITAL	270016.
270003	0.8819	ST PETERS COMMUNITY HOSPITAL	270006, 270055, 270017.
270004	0.8517	DEACONESS MEDICAL CENTER OF BILLINGS	270049, 270007, 270079, 270081.
270006	0.8761	BROADWATER HEALTH CENTER	270003, 270068, 270057.
270007	0.8517	STILLWATER COMMUNITY HOSPITAL	270029, 270030, 270049, 270004.
270009	0.8681	COMMUNITY HOSPITAL OF ANACONDA	270055, 270047, 270017.
270011	0.8012	CENTRAL MONTANA MEDICAL CENTER	NO PROVIDER WITHIN 50 MILES.
270012	0.8826	MONTANA DEACONESS MEDICAL CENTER	270013, 270072.
270013	0.8826	COLUMBUS HOSPITAL	270012, 270072, 270031.
270014	0.8388	ST PATRICK HOSPITAL	270023, 270050, 270019, 270073.
270016	0.8711	ROSEBUD HEALTH CARE CENTER	270002.
270017	0.8675	ST JAMES COMMUNITY HOSPITAL	270009, 270055, 270059, 270047, 270003.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
270019	0.8398	ST LUKE COMMUNITY HOSPITAL	270083, 270073, 270014, 270023, 270051.
270021	0.7386	COMMUNITY MEMORIAL HOSPITAL	350017, 350025.
270023	0.8388	COMMUNITY MEDICAL CENTER INC	270014, 270050, 270019, 270073.
270024	0.7000	TRINITY HOSPITAL	270060, 270044, 270036.
270026	0.8668	TOOLE COUNTY HOSPITAL	270039, 270082, 270027.
270027	0.8617	LIBERTY COUNTY HOSPITAL	270026, 270053, 270072.
270028	0.8661	BARRETT MEMORIAL HOSPITAL	270059, 270063.
270029	0.8494	CARBON COUNTY MEMORIAL HOSPITAL	270007, 530007, 530016, 530029.
270030	0.8710	SWEET GRASS COMMUNITY HOSPITAL	270080, 270007, 270033.
270031	0.8805	TETON MEDICAL CENTER	270039, 270013.
270032	0.7721	NORTHERN MONTANA HOSPITAL	270053.
270033	0.8684	WHEATLAND MEMORIAL HOSPITAL	270030.
270035	0.8219	ST JOHNS LUTHERAN HOSPITAL	130015, 130024.
270036	0.7073	DANIELS MEMORIAL HOSPITAL	270058, 270060, 270024.
270039	0.8668	PONDERA MEDICAL CENTER	270026, 270031, 270082.
270040	0.8054	NORTH VALLEY HOSPITAL	270051.
270044	0.6582	FRANCES MAHON DEACONESS HOSPITAL	270024.
270046	0.6871	PHILLIPS COUNTY HOSPITAL ASSOCIATION	NO PROVIDER WITHIN 50 MILES.
270047	0.8661	GRANITE COUNTY MEMORIAL HOSPITAL	270009, 270055, 270017, 270050.
270048	0.6969	GLENDIVE MEDICAL CENTER	NO PROVIDER WITHIN 50 MILES.
270049	0.8517	ST VINCENT HOSPITAL & HEALTH CENTER	270004, 270007, 270079, 270081.
270050	0.8342	MARCUS DALY MEMORIAL HOSPITAL	270023, 270047, 270014.
270051	0.8399	KALISPELL REGIONAL HOSPITAL	270040, 270019.
270052	0.7110	FALLON COUNTY MEDICAL COMPLEX	350023.
270053	0.8644	BIG SANDY MEDICAL CENTER	270032, 270072, 270027.
270055	0.8681	MONTANA STATE HOSPITAL-GALEN CAMPUS	270009, 270017, 270047, 270003.
270057	0.8639	BOZEMAN DEACONESS HOSPITAL	270080, 270063, 270006.
270058	0.6980	SHERIDAN MEMORIAL HOSPITAL	270036.
270059	0.8688	THE RUBY VALLEY HOSPITAL	270063, 270028, 270017.
270060	0.6989	POPLAR COMMUNITY HOSPITAL	270024, 270036.
270063	0.8680	MADISON VALLEY HOSPITAL	270059, 270057, 270028.
270068	0.8760	MOUNTAINVIEW MEMORIAL HOSPITAL	270006.
270072	0.8557	CHOUTEAU COUNTY DISTRICT HOSPITAL	270053, 270012, 270013, 270027.
270073	0.8355	MINERAL COUNTY HOSPITAL	270083, 270019, 270023, 270014.
270079	0.8494	BIG HORN COUNTY MEMORIAL HOSPITAL	270004, 270049.
270080	0.8667	LIVINGSTON MEMORIAL HOSPITAL	270057, 270030.
270081	0.8734	ROUNDUP MEMORIAL HOSPITAL	270049, 270004.
270082	0.8687	GLACIER COUNTY MEDICAL CENTER	270026, 270039.
270083	0.8399	CLARK FORK VALLEY HOSPITAL	270073, 270019.
280001	0.6074	JEFFERSON COUNTY MEMORIAL HOSPITAL	280050, 280054, 170099, 170076, 170024, 280080, 170113, 280076, 280079.
280003	0.8537	BRYAN MEMORIAL HOSPITAL	280020, 280005, 280076, 280058, 280051, 280037, 280079, 280054, 280052.
280005	0.8554	LINCOLN GENERAL HOSPITAL	280003, 280020, 280076, 280058, 280051, 280079, 280037, 280054, 280091.
280009	0.7555	GOOD SAMARITAN HOSPITAL	280022, 280108, 280117, 280032, 280023, 280056, 280102, 280070, 280084.
280011	0.6739	ANTELOPE MEMORIAL HOSPITAL	280068, 280041, 280046, 280066, 280034, 280012, 280031, 280043, 280101.
280012	0.6645	OUR LADY OF LOURDES HOSPITAL	280034, 280068, 280066, 280115, 280041, 280011, 280055, 280031, 280038, 280046.
280013	0.9656	UNIVERSITY OF NEBRASKA MEDICAL CENTER	280088, 280085, 280030, 280060, 280040, 280081, 160047, 160028, 280105.
280014	0.6934	WEBSTER COUNTY COMMUNITY HOSPITAL	280056, 280064, 170093, 170168, 280022, 280032, 280102, 170061, 280050, 170041.
280015	0.7685	MEMORIAL HEALTH CENTER	280033, 060052, 280097, 280026, 060076, 060058.
280017	0.6543	COMMUNITY HOSPITAL	170164, 170004, 280107, 260066, 280028, 280073, 170057, 170067, 280052, 160099.
280018	0.6640	CHASE COUNTY COMMUNITY HOSPITAL	280024, 060038, 280082, 060053, 280089, 060052, 060058.
280020	0.8521	ST ELIZABETH COMMUNITY HEALTH CENTER	280003, 280005, 280076, 280051, 280058, 280037, 280079, 280052, 280105, 280054.
280021	0.6522	COMMUNITY HOSPITAL	170060, 170069, 170084, 280082.
280022	0.7553	KEARNEY COUNTY COMMUNITY HOSPITAL	280009, 280108, 280056, 280032, 280102, 280014, 280023, 280117.
280023	0.7451	ST FRANCIS MEDICAL CENTER	280074, 280084, 280032, 280042, 280029, 280078, 280039, 280009, 280022.
280024	0.7191	PERKINS COUNTY COMMUNITY HOSPITAL	280089, 280018, 060052, 060038, 060058, 280097, 280065.
280025	0.6343	NIOBRARA VALLEY HOSPITAL CORPORATION	430049, 280043, 430039, 430037, 280092, 280046, 430073, 430026, 430033, 280041.
280026	0.7743	MORRILL COUNTY COMMUNITY HOSPITAL	280061, 280118, 280015, 280097, 280033.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
280028	0.6506	NEMAHA COUNTY HOSPITAL	280107, 280052, 160099, 280062, 260066, 280073, 280051, 280017, 170164, 160092.
280029	0.7112	HENDERSON COMMUNITY HOSPITAL	280074, 280039, 280080, 280042, 280079, 280023, 280035, 280032, 280058, 280078.
280030	0.9656	AMI ST JOSEPH HOSPITAL	280085, 280013, 280088, 280060, 160047, 160028, 280040, 280081, 280105.
280031	0.6818	BOONE COUNTY COMMUNITY HOSPITAL	280101, 280078, 280068, 280011, 280111, 280034, 280012, 280042, 280084, 280035.
280032	0.7490	MARY LANNING MEMORIAL HOSPITAL	280023, 280074, 280022, 280029, 280009, 280014, 280080, 280056, 280042, 280084.
280033	0.7719	KIMBALL COUNTY HOSPITAL	280015, 280026, 280061, 060076.
280034	0.6645	LUTHERAN COMMUNITY HOSPITAL	280012, 280068, 280066, 280115, 280041, 280011, 280031, 280055, 280046, 280038.
280035	0.6636	ANNIE JEFFREY MEMORIAL COUNTY HOSPITAL	280111, 280039, 280101, 280091, 280042, 280078, 280058, 280029, 280083, 280074.
280037	0.9104	SAUNDERS COUNTY COMMUNITY HOSPITAL	280077, 280091, 280083, 280020, 280040, 280003, 280060, 280105, 280081, 280005.
280038	0.7587	ST FRANCIS MEMORIAL HOSPITAL	280045, 280055, 280077, 280115, 280083, 160107, 280047, 280012, 280034, 280111.
280039	0.6850	YORK GENERAL HOSPITAL	280029, 280074, 280035, 280079, 280058, 280080, 280042, 280091, 280076, 280023.
280040	0.9656	THE NEBRASKA METHODIST HOSPITAL	280060, 280088, 280013, 280081, 280085, 280030, 280105, 160047, 160028.
280041	0.7036	PLAINVIEW PUBLIC HOSPITAL	280066, 280046, 280011, 280068, 280034, 280012, 280115, 430012, 280043, 430037.
280042	0.6930	LITZENBERG MEMORIAL COUNTY HOSPITAL	280078, 280074, 280035, 280023, 280084, 280101, 280029, 280039, 280111, 280031.
280043	0.6047	ST ANTHONYS HOSPITAL	280092, 280025, 280046, 280011, 280041 280098, 430049, 280068.
280045	0.8511	OAKLAND MEMORIAL HOSPITAL	280038, 160107, 280055, 280047, 280077, 160065, 280115, 280083, 280081, 280037.
280046	0.7007	LUNDBERG MEMORIAL HOSPITAL	280041, 280066, 280011, 280068, 280043, 430037, 280025, 430012, 280034, 280012.
280047	0.9764	MEMORIAL COMMUNITY HOSPITAL	160065, 280081, 280077, 280040, 280088, 280013, 280060, 280085, 280030.
280048	0.7427	CHADRON COMMUNITY HOSPITAL	280090, 280075, 430044, 280118.
280050	0.6157	THAYER COUNTY MEMORIAL HOSPITAL	280001, 170024, 280064, 280080, 170076, 280079, 170099, 170168, 170095, 280054.
280051	0.8614	COMMUNITY MEMORIAL HOSPITAL	280062, 280052, 280020, 280003, 280028, 160099, 280005, 280105, 280107, 280076.
280052	0.7649	JOHNSON COUNTY HOSPITAL	280028, 280073, 280107, 280051, 280062, 280054, 160099, 280017, 280020.
280054	0.8402	BEATRICE COMM HOSPITAL & HEALTH CENTER	280001, 280076, 280052, 170099, 170113, 280073, 280005, 170076, 280003.
280055	0.8141	PENDER COMMUNITY HOSPITAL	280115, 280038, 280045, 160107, 160153, 160146, 280012, 280034, 280066, 280077.
280056	0.7445	FRANKLIN COUNTY MEMORIAL HOSPITAL	280014, 170093, 280102, 280022, 170061, 280108, 170168, 280064, 280032, 280009.
280057	0.7683	JENNIE M MELHAM MEMORIAL MEDICAL CENTER	280114, 280109, 280104, 280106, 280070, 280117.
280058	0.8553	MEMORIAL HOSPITAL	280005, 280079, 280076, 280003, 280091, 280020, 280039, 280035, 280037, 280029.
280060	0.9656	ARCHBISHOP BERGAN MERCY MEDICAL CENTER	280040, 280088, 280013, 280085, 280030, 280081, 280105, 160047, 160028.
280061	0.7516	REGIONAL WEST MEDICAL CENTER	530018, 280026, 280118, 280033.
280062	0.9415	ST MARYS HOSPITAL	160099, 280051, 280028, 160092, 280052, 260066, 280105, 280107, 280020, 280030.
280064	0.6948	BRODSTONE MEMORIAL—NUCKOLLS CTY HOSPITAL.	170168, 280014, 170024, 280050, 170095, 170015, 170093, 280056, 280080, 280032.
280065	0.7415	GREAT PLAINS REGIONAL MEDICAL CENTER	280106, 280070, 280114, 280089, 280024.
280066	0.6906	OSMOND GENERAL HOSPITAL	280041, 280046, 280034, 280012, 280068, 280011, 280115, 430012, 430029, 430037.
280068	0.6877	TILDEN COMMUNITY HOSPITAL	280011, 280034, 280012, 280041, 280066, 280031, 280046, 280101, 280115, 280111.
280070	0.7704	COZAD COMMUNITY HOSPITAL	280106, 280117, 280114, 280108, 280057, 280065, 280009.
280073	0.6336	PAWNEE COUNTY MEMORIAL HOSPITAL	280107, 280052, 170057, 170164, 280028, 280017, 170113, 280054, 170004.
280074	0.7053	MEMORIAL HOSPITAL	280029, 280023, 280042, 280039, 280032, 280035, 280080, 280084, 280078, 280079.
280075	0.7375	GORDON MEMORIAL HOSPITAL	430076, 280048.
280076	0.8444	CRETE MUNICIPAL HOSPITAL	280005, 280079, 280003, 280020, 280058, 280054, 280080, 280001, 280039.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
280077	0.9619	MEMORIAL HOSPITAL OF DODGE COUNTY	280037, 280047, 280081, 280040, 280045, 280060, 280083, 280088, 280013, 280038.
280078	0.6930	FULLERTON MEMORIAL HOSPITAL	280101, 280042, 280031, 280035, 280084, 280111, 280074, 280023, 280039, 280029.
280079	0.8419	WARREN MEMORIAL HOSPITAL	280076, 280080, 280058, 280039, 280029, 280005, 280003, 280020, 280001, 280054.
280080	0.6949	FILLMORE COUNTY HOSPITAL	280079, 280029, 280039, 280050, 280074, 280076, 280001, 280058, 280032, 280064.
280081	0.9656	IMMANUEL MEDICAL CENTER	280040, 280088, 280013, 280060, 280085, 280030, 160047, 160028, 280105.
280082	0.6438	DUNDY COUNTY HOSPITAL	170064, 170069, 060053, 280018, 280021, 170097.
280083	0.7490	MEMORIAL HOSPITAL	280111, 280091, 280037, 280077, 280035, 280038, 280101, 280058, 280045, 280012.
280084	0.7309	HOWARD COUNTY COMMUNITY HOSPITAL	280023, 280042, 280078, 280074, 280104, 280101, 280031, 280032, 280029.
280085	0.9656	LUTHERAN MEDICAL CENTER	280013, 280088, 280030, 280060, 280040, 160047, 280081, 160028, 280105.
280088	0.9656	CLARKSON BISHOP MEMORIAL HOSPITAL	280013, 280085, 280030, 280060, 280040, 280081, 160047, 160028, 280105.
280089	0.7192	OGALLALA COMMUNITY HOSPITAL	280024, 060052, 280097, 280018, 280065, 060038.
280090	0.7477	COMMUNITY MEMORIAL HOSPITAL	280048, 280118.
280091	0.8492	BUTLER COUNTY HEALTH CARE CENTER	280083, 280111, 280035, 280058, 280037, 280101, 280077, 280039, 280005, 280003.
280092	0.5933	WEST HOLT MEMORIAL HOSPITAL	280043, 280098, 280025, 280110, 430087.
280094	0.5990	CHERRY COUNTY HOSPITAL	280110, 430043.
280097	0.7129	GARDEN COUNTY HOSPITAL	060052, 280089, 280015, 280026, 280024.
280098	0.5980	ROCK COUNTY HOSPITAL	280110, 280092, 430087, 280043, 430047.
280101	0.6523	GENOA COMMUNITY HOSPITAL	280078, 280111, 280035, 280031, 280042, 280083, 280091, 280084, 280039, 280074.
280102	0.7215	HARLAN COUNTY HOSPITAL	170061, 280108, 280056, 170084, 280022, 170093, 280014, 280009.
280104	0.6991	VALLEY COUNTY HOSPITAL	280109, 280084, 280057, 280031, 280078.
280105	0.9656	MIDLANDS COMMUNITY HOSPITAL	280060, 280040, 280030, 280013, 280088, 280085, 280081, 160028, 160047.
280106	0.7727	GOTHENBURG MEMORIAL HOSPITAL	280070, 280117, 280114, 280065, 280057.
280107	0.6443	COMMUNITY MEMORIAL HOSPITAL	280073, 280028, 280017, 280052, 170164, 170057, 260066, 170004, 160099, 280062.
280108	0.7446	PHELPS MEMORIAL HEALTH CENTER	280022, 280009, 280102, 280117, 280056, 280070, 170084, 170061, 280014, 280032.
280109	0.6507	SARGENT DISTRICT HOSPITAL	280057, 280104, 280114.
280110	0.5980	BROWN COUNTY HOSPITAL	280098, 280094, 280092.
280111	0.6588	COLUMBUS COMMUNITY HOSPITAL	280083, 280101, 280091, 280035, 280078, 280031, 280042, 280058, 280037, 280039.
280114	0.7706	CALLAWAY DISTRICT HOSPITAL	280057, 280106, 280070, 280117, 280109, 280065.
280115	0.7992	PROVIDENCE MEDICAL CENTER	280055, 280012, 280034, 280066, 280038, 160153, 160146, 430029, 280041, 280045.
280117	0.7668	TRI-COUNTY AREA HOSPITAL DISTRICT	280070, 280106, 280108, 280009, 280114, 280057, 280022.
280118	0.7542	BOX BUTTE GENERAL HOSPITAL	280026, 280061, 280090, 280048.
290001	1.1593	WASHOE MEDICAL CENTER	290009, 290032, 050494, 050355, 290019, 050566, 050352, 290002, 290006.
290002	1.1643	SOUTH LYON COMMUNITY HOSPITAL	290019, 290006, 050352, 290015, 290032, 290001, 290009.
290003	1.1178	HUMANA HOSPITAL SUNRISE	290018, 290022, 290033, 290007, 290021, 290005, 290012, 290010.
290005	1.1178	COMMUNITY HOSPITAL - NORTH LAS VEGAS	290021, 290007, 290018, 290003, 290022, 290033, 290012, 290010.
290006	1.1599	CHURCHILL REGIONAL MEDICAL CENTER	290002, 290032, 290001.
290007	1.1178	U M C OF SOUTHERN NEVADA	290021, 290018, 290003, 290005, 290033, 290022, 290012, 290010.
290008	1.0044	ELKO GENERAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
290009	1.1593	ST MARYS REGIONAL MEDICAL CENTER	290001, 290032, 050494, 050355, 290019, 050566, 050352, 290002.
290010	1.1178	BOULDER CITY HOSPITAL	290012, 290022, 290033, 290003, 290018, 290007, 290021, 290005.
290011	0.7330	PERSHING GENERAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
290012	1.1178	ST ROSE DOMINICAN HOSPITAL	290010, 290022, 290033, 290003, 290018, 290007, 290021, 290005.
290013	0.9037	BATTLE MOUNTAIN GENERAL HOSPITAL	290016.
290015	1.1708	MT GRANT GENERAL HOSPITAL	050450, 290002.
290016	0.9037	HUMBOLDT GENERAL HOSPITAL	290013.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
290018	1.1178	WOMENS HOSPITAL	290003, 290022, 290007, 290021, 290033, 290005, 290012, 290010.
290019	1.1569	CARSON-TAHOE HOSPITAL	050352, 290001, 290009, 290032, 050494, 290002, 050355.
290020	0.8605	NYE REGIONAL MEDICAL CENTER	NO PROVIDER WITHIN 50 MILES.
290021	1.1178	VALLEY HOSPITAL MEDICAL CENTER	290007, 290018, 290003, 290005, 290033, 290022, 290012, 290010.
290022	1.1178	DESERT SPRINGS HOSPITAL	290033, 290003, 290018, 290007, 290021, 290005, 290012, 290010.
290027	0.9076	GROVER C DILS MEDICAL CENTER	NO PROVIDER WITHIN 50 MILES.
290032	1.1593	SPARKS FAMILY HOSPITAL	290001, 290009, 290019, 050494, 050355, 050566, 290006, 050352, 290002.
290033	1.1178	ADELSON HOSPICE-NATHAN SPECIALTY HOSP	290022, 290003, 290018, 290007, 290021, 290005, 290012, 290010.
300001	1.0365	CONCORD HOSPITAL	300034, 300012, 300013, 300005, 300009, 300017, 300014, 300007, 300020, 300011.
300003	0.9926	MARY HITCHCOCK MEMORIAL HOSPITAL	300016, 470015, 300024, 470004, 300009, 300010, 470018, 300028, 470005, 300013.
300005	1.0159	LAKES REGION GENERAL HOSPITAL	300013, 300006, 300010, 300001, 300009, 300014, 200040, 300018, 300034, 300012.
300006	0.9709	HUGGINS HOSPITAL	300005, 300014, 200040, 300013, 300010, 300018, 300015, 200019, 300001, 300029.
300007	1.0401	MONADNOCK COMMUNITY HOSPITAL	300019, 220095, 220001, 220003, 300034, 300011, 300020, 220094, 300012, 220098.
300008	0.9844	LITTLETON HOSPITAL	470023, 300021, 300028, 300022, 300010, 300015, 470001, 300033, 470010, 300003.
300009	0.9993	NEW LONDON HOSPITAL ASSOCIATION INC	300013, 300024, 470015, 300016, 300003, 300001, 300005, 470018, 300010, 300019.
300010	0.9855	SPEARE MEMORIAL HOSPITAL	300005, 300013, 300006, 300009, 300016, 300003, 300028, 300015, 300008, 470015.
300011	1.0544	ST JOSEPH HOSPITAL	300020, 220063, 220045, 220082, 300017, 220098, 220080, 220010, 300012, 300034.
300012	1.0552	ELLIOT HOSPITAL	300034, 300017, 300020, 300001, 300011, 220080, 220010, 220045, 220063, 220082.
300013	1.0105	FRANKLIN REGIONAL HOSPITAL	300005, 300009, 300001, 300010, 300006, 300016, 300034, 300024, 300012, 300014.
300014	1.0123	FRISBIE MEMORIAL HOSPITAL	300018, 200040, 300029, 200020, 300006, 300023, 200019, 300005, 300001, 300012.
300015	0.9074	THE MEMORIAL HOSPITAL	200007, 200032, 300006, 300022, 300010, 300008, 300005, 300021, 200043, 200024.
300016	0.9926	ALICE PECK DAY MEMORIAL HOSPITAL	300003, 470015, 300024, 300009, 470018, 300010, 470004, 300013, 470005, 300028.
300017	1.0634	PARKLAND MEDICAL CENTER	300012, 300020, 300034, 300011, 220080, 220010, 220041, 220045, 220063, 220082.
300018	1.0240	WENTWORTH-DOUGLASS HOSPITAL	300014, 300029, 200020, 300023, 200040, 200019, 220131, 220029, 300006, 300012.
300019	0.9540	THE CHESHIRE MEDICAL CENTER	470011, 300007, 470020, 220003, 470018, 220016, 220095, 300024, 220001, 300009.
300020	1.0544	NASHUA MEMORIAL HOSPITAL	300011, 220063, 220045, 220082, 300017, 220098, 220080, 220010, 300012, 300034.
300021	0.8540	WEEKS MEMORIAL HOSPITAL	300008, 300022, 470023, 300033, 300028, 300015, 470008, 200016, 470010.
300022	0.8530	ANDROSCOGGIN VALLEY HOSPITAL	300021, 200016, 300015, 300008, 300033, 200032, 200007, 470023, 300028.
300023	1.0481	EXETER HOSPITAL INC	220131, 300029, 220029, 220041, 300018, 200020, 300017, 220080, 220010, 300014.
300024	0.9917	VALLEY REGIONAL HOSPITAL	470015, 470018, 300009, 300016, 300003, 470020, 300019, 300013, 470005, 470011.
300028	0.9872	COTTAGE HOSPITAL	300008, 470023, 470001, 300010, 300003, 300021, 470004, 300016, 470010, 300015.
300029	1.0175	PORTSMOUTH REGIONAL HOSPITAL	200020, 300018, 300023, 300014, 220131, 220029, 200040, 220041, 300017, 200019.
300033	0.8576	UPPER CONNECTICUT VALLEY HOSPITAL	300021, 300022, 470008, 470023, 300008.
300034	1.0596	CATHOLIC MEDICAL CENTER	300012, 300017, 300001, 300020, 300011, 220080, 300007, 220063, 220045, 220010.
310001	1.1182	HACKENSACK MEDICAL CENTER	310085, 310008, 310020, 310006, 310077, 310045, 310116, 310026, 310058, 310019.
310002	1.2116	NEWARK BETH ISRAEL MEDICAL CENTER	310119, 310027, 310013, 310018, 310062, 310096, 310083, 310090, 310072.
310003	1.4297	PALISADES GENERAL HOSPITAL	330046, 330024, 330230, 330119, 330281, 330199, 330247, 330390, 330142, 330270.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
310005	1.0272	HUNTERDON MEDICAL CENTER	310048, 310010, 310060, 310070, 310038, 390203, 310092, 310044, 390162, 310021.
310006	1.1381	ST MARYS HOSPITAL	310077, 310116, 310020, 310085, 310042, 310019, 310118, 310001, 310054, 310026.
310008	1.2691	HOLY NAME HOSPITAL	310001, 310045, 310085, 330012, 310020, 310058, 330034, 330240, 310003, 310006.
310009	1.2437	CLARA MAASS MEDICAL CENTER	310093, 310042, 310054, 310062, 310043, 310096, 310083, 310078, 310119, 310018.
310010	1.0501	MEDICAL CENTER AT PRINCETON	310092, 310110, 310044, 310021, 310038, 310070, 310048, 310005, 390258, 390069.
310011	0.9746	BURDETE TOMLIN MEMORIAL HOSPITAL	310047, 310032, 310064, 080007, 310087, 080002, 080004, 310088, 310069.
310012	1.1278	VALLEY HOSPITAL	310058, 310037, 310026, 310085, 310019, 310001, 310020, 310008, 310045, 310077.
310013	1.2120	IRVINGTON GENERAL HOSPITAL	310083, 310078, 310002, 310119, 310062, 310096, 310093, 310018, 310027, 310076.
310014	1.1330	COOPER HOSPITAL/UNIVERSITY MED CENTER	310022, 310029, 390226, 390277, 390059, 390174, 390051, 390023, 390132, 390170.
310015	1.1307	MORRISTOWN MEMORIAL HOSPITAL	310051, 310050, 310076, 310067, 310013, 310078, 310043, 310083, 310090, 310054.
310016	1.3655	CHRIST HOSPITAL	310049, 310040, 310074, 330290, 330064, 310105, 330100, 330133, 330389, 330169.
310017	1.1270	CHILTON MEMORIAL HOSPITAL	310019, 310026, 310050, 310012, 310077, 310020, 310116, 310085, 310054, 310006.
310018	1.2388	ST JAMES HOSPITAL	310096, 310119, 310062, 310002, 310083, 310093, 310105, 310013, 310009, 310078.
310019	1.1356	ST JOSEPHS HOSPITAL	310026, 310020, 310077, 310085, 310006, 310116, 310001, 310058, 310012, 310054.
310020	1.1093	BETH ISRAEL HOSPITAL	310077, 310006, 310116, 310085, 310019, 310001, 310026, 310042, 310118, 310008.
310021	1.0300	ST FRANCIS MEDICAL CENTER	310092, 310044, 310110, 390069, 390258, 390070, 310010, 310061, 390115, 310057.
310022	1.1441	WEST JERSEY HEALTH SYSTEM	310029, 310014, 390277, 390226, 390059, 390174, 390022, 390205, 310086, 390051.
310024	1.0922	RAHWAY MEMORIAL HOSPITAL	310090, 310108, 310121, 310072, 310063, 310027, 310039, 310002.
310025	1.0933	BAYONNE HOSPITAL	330028, 310105, 330212, 330381, 310074, 310018, 310072, 310049, 310027.
310026	1.1336	BARNERT MEMORIAL HOSPITAL CENTER	310019, 310085, 310020, 310077, 310006, 310058, 310012, 310001, 310116, 310037.
310027	1.2116	ELIZABETH GENERAL MEDICAL CENTER	310072, 310090, 310002, 310013, 310018, 310119, 310096, 310062, 310083.
310028	1.0850	NEWTON MEMORIAL HOSPITAL	310120, 310115, 310067, 310050, 390201, 330135, 310017, 310015, 330205, 310076.
310029	1.1461	OUR LADY OF LOURDES MEDICAL CENTER	310022, 310014, 390277, 390226, 390059, 390174, 390205, 390022, 390023, 390051.
310031	1.0169	DEBORAH HEART & LUNG CENTER	310057, 310061, 390069, 390070, 310110, 310041, 310084, 310021, 310092, 310022.
310032	1.0060	SOUTH JERSEY HOSPITAL SYSTEM	310087, 310069, 310088, 310047, 310091, 310011, 310086, 080004, 310064.
310034	1.1421	RIVERVIEW HOSPITAL	310075, 310112, 310073, 310036, 310111, 310039, 330160, 330196, 330242.
310036	1.1263	SOUTH AMBOY MEMORIAL HOSPITAL	310039, 310121, 310108, 310112, 310038, 310070, 310024, 310063, 330160.
310037	1.1416	PASCACK VALLEY HOSPITAL	310058, 310012, 310085, 310045, 310001, 310008, 310026, 330208, 330122, 330006.
310038	1.0783	ROBERT WOOD JOHNSON UNIVERSITY HOSPITAL	310070, 310108, 310121, 310063, 310048, 310036, 310039, 310024, 310010.
310039	1.0694	RARITAN BAY MEDICAL CENTER	310036, 310121, 310108, 310024, 310063, 310070, 310038, 310112, 310072.
310040	1.3695	ST MARYS HOSPITAL	310016, 310049, 330290, 310074, 330133, 330100, 330389, 330169, 330230, 330064.
310041	1.0402	COMMUNITY MEMORIAL HOSPITAL	310084, 310052, 310031, 310113, 310111, 310073, 310075, 310110, 310034, 310057.
310042	1.1532	WEST HUDSON HOSPITAL	310009, 310118, 310093, 310116, 310054, 310006, 310077, 310096, 310043, 310062.
310043	1.2384	MONTCLAIR COMMUNITY HOSPITAL	310054, 310078, 310009, 310093, 310083, 310062, 310042, 310076, 310119, 310096.
310044	1.0378	MERCER MEDICAL CENTER	310092, 310021, 310110, 390258, 390069, 390070, 310010, 310061, 390115, 390260.
310045	1.3088	ENGLEWOOD HOSPITAL ASSOCIATION	310008, 330006, 330122, 310001, 330034, 330012, 330399, 310037, 330009, 310058.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
310047	1.0143	SHORE MEMORIAL HOSPITAL	310064, 310011, 310032, 310087, 310088, 310113, 310069, 310086, 310022.
310048	1.0971	SOMERSET MEDICAL CENTER	310070, 310038, 310063, 310108, 310121, 310005, 310010, 310024, 310039, 310051.
310049	1.3655	ST FRANCIS COMMUNITY HEALTH CENTER	310016, 310074, 310040, 330064, 330290, 310105, 330100, 330133, 330389, 330169.
310050	1.1332	ST CLARES RIVERSIDE MEDICAL CENTER	310067, 310015, 310017, 310076, 310051, 310043, 310054, 310078, 310019, 310013.
310051	1.2137	OVERLOOK HOSPITAL	310076, 310013, 310090, 310078, 310002, 310027, 310015, 310083, 310119, 310062.
310052	1.0394	THE MEDICAL CENTER OF OCEAN COUNTY	310084, 310073, 310041, 310111, 310075, 310034, 310112, 310031, 310113, 310036.
310054	1.1532	MOUNTAINSIDE HOSPITAL	310043, 310009, 310093, 310042, 310078, 310116, 310083, 310062, 310077, 310006.
310057	1.0432	MEMORIAL HOSPITAL-BURLINGTON COUNTY	310061, 390069, 390070, 310031, 390115, 310022, 390204, 390083, 310086.
310058	1.1278	BERGEN PINES COUNTY HOSPITAL	310037, 310012, 310085, 310026, 310001, 310008, 310045, 310019, 310020, 310077.
310060	0.9954	WARREN HOSPITAL	390162, 390263, 390049, 390133, 390261, 390242, 390197, 310005, 390201, 390019.
310061	1.0141	ZURBRUGG MEM HOSPITAL—RANCOCAS VALLEY	390070, 390069, 390115, 310057, 390204, 390083, 390080, 390021, 390097.
310062	1.2370	UNITED HOSPITALS OF NEWARK	310119, 310083, 310096, 310093, 310018, 310078, 310009, 310013, 310002, 310043.
310063	1.0955	MUHLENBERG HOSPITAL	310108, 310121, 310024, 310070, 310090, 310038, 310051, 310039, 310048, 310072.
310064	1.0143	ATLANTIC CITY HOSPITAL	310047, 310088, 310113, 310011, 310087, 310032, 310069, 310086, 310022.
310067	1.1390	DOVER GENERAL HOSPITAL	310050, 310015, 310115, 310017, 310076, 310028, 310051, 310043, 310078, 310054.
310069	1.0323	ELMER COMMUNITY HOSPITAL	310087, 310091, 310032, 310081, 310086, 080005, 310088, 390148, 390180.
310070	1.0783	ST PETERS MEDICAL CENTER	310038, 310108, 310121, 310063, 310048, 310036, 310039, 310024, 310010.
310072	1.1969	ST ELIZABETH HOSPITAL	310027, 310090, 310002, 310025, 310024, 310018, 310013, 330028, 310119.
310073	1.0144	JERSEY SHORE MEDICAL CENTER	310075, 310052, 310034, 310111, 310084, 310112, 310041, 310036, 310039.
310074	1.3655	JERSEY CITY MEDICAL CENTER	310049, 310016, 310105, 310040, 330064, 330290, 330100, 330133, 330389, 330169.
310075	1.1232	MONMOUTH MEDICAL CENTER	310034, 310073, 310112, 310052, 310111, 310036, 310084, 330196, 330160.
310076	1.2363	ST BARNABAS MEDICAL CENTER	310078, 310013, 310051, 310043, 310083, 310054, 310062, 310093, 310119, 310002.
310077	1.1381	GENERAL HOSPITAL CENTER AT PASSAIC	310006, 310116, 310020, 310019, 310085, 310042, 310026, 310001, 310054, 310118.
310078	1.2329	HOSPITAL CENTER AT ORANGE	310083, 310062, 310013, 310093, 310043, 310119, 310009, 310096, 310054, 310076.
310081	1.1133	UNDERWOOD MEMORIAL HOSPITAL	390205, 390022, 390277, 310022, 310029, 310014, 310086, 390226, 390170, 390174.
310083	1.2370	EAST ORANGE GENERAL HOSPITAL	310062, 310078, 310119, 310093, 310013, 310096, 310009, 310002, 310018, 310043.
310084	1.0414	KIMBALL MEDICAL CENTER	310041, 310052, 310111, 310073, 310031, 310075, 310034, 310112, 310110, 310113.
310085	1.1073	KENNEDY MEM HOSPITAL AT SADDLE BROOK	310001, 310020, 310026, 310077, 310006, 310019, 310008, 310116, 310058, 310037.
310086	1.1030	KENNEDY MEM HOSPITAL-UNIVERSITY MED CTR	310022, 310081, 310029, 310022, 310014, 390277, 390205, 390022, 390226, 390174.
310087	1.0021	NEWCOMB MEDICAL CENTER	310032, 310069, 310088, 310091, 310047, 310086, 310081, 310022, 310011.
310088	1.0211	WILLIAM B KESSLER MEMORIAL HOSPITAL	310087, 310086, 310022, 310069, 310032, 310081, 310047, 310113, 310057, 310064.
310090	1.1971	UNION HOSPITAL	310027, 310072, 310002, 310013, 310024, 310051, 310119, 310083, 310018.
310091	1.0626	SALEM COUNTY MEMORIAL HOSPITAL	080005, 080001, 080003, 310069, 390148, 390180, 210032, 390167, 390222.
310092	1.0378	HELENE FULD MEDICAL CENTER	310044, 310021, 310110, 390258, 310010, 390069, 390070, 310061, 390115, 390260.
310093	1.2437	COLUMBUS HOSPITAL	310009, 310062, 310083, 310096, 310119, 310078, 310043, 310054, 310042, 310018.
310096	1.2335	ST MICHAELS MEDICAL CENTER	310119, 310062, 310018, 310083, 310093, 310009, 310002, 310078, 310013, 310042.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
310105	1.1943	GREENVILLE HOSPITAL	310074, 310025, 310049, 310016, 310018, 310040, 330064, 330028, 330152, 330212.
310108	1.0786	JOHN F KENNEDY MEDICAL CENTER	310121, 310039, 310063, 310024, 310036, 310070, 310038, 310090, 310072.
310110	1.0489	HAMILTON HOSPITAL	310021, 310092, 310044, 310010, 390069, 390070, 390258, 310061, 310031, 310057.
310111	1.0133	CENTRASTATE MEDICAL CENTER	310084, 310073, 310112, 310034, 310052, 310075, 310036, 310110, 310041, 310010.
310112	1.1034	BAYSHORE COMMUNITY HOSPITAL	310036, 310034, 310039, 310121, 310075, 310108, 330160, 310111, 310038.
310113	1.0412	SOUTHERN OCEAN COUNTY HOSPITAL	310041, 310031, 310088, 310064, 310084, 310052, 310047, 310057, 310022, 310111.
310115	1.0633	HACKETTSTOWN COMMUNITY HOSPITAL	310067, 310028, 310050, 310015, 390201, 310060, 310005, 310048, 390162, 310051.
310116	1.1418	WAYNE GENERAL HOSPITAL	310006, 310077, 310020, 310042, 310054, 310019, 310118, 310085, 310009, 310001.
310118	1.2695	MEADOWLANDS HOSPITAL MEDICAL CENTER	310042, 310006, 310116, 310003, 310009, 310040, 310077, 310016, 330046, 310020.
310119	1.2370	UNIVERSITY HOSPITAL	310062, 310096, 310083, 310018, 310093, 310002, 310013, 310078, 310009, 310043.
310120	1.0681	WALLKILL VALLEY GENERAL HOSPITAL	330135, 330205, 310028, 330126, 330001, 310067, 310017, 310050, 330158, 310115.
310121	1.0786	ROOSEVELT HOSPITAL	310108, 310039, 310024, 310063, 310036, 310070, 310038, 310090, 310072.
320001	0.9774	UNIVERSITY OF NEW MEXICO HOSPITAL	320021, 320074, 320009, 320019, 320017, 320076.
320002	0.9678	ST VINCENT HOSPITAL	320033, 320011, 320003, 320076, 320017.
320003	0.9712	NORTHEASTERN REGIONAL HOSPITAL	320002, 320011.
320004	0.8517	GERALD CHAMPION MEMORIAL HOSPITAL	320046.
320005	0.8996	SAN JUAN REGIONAL MEDICAL CENTER	060013, 060039, 060018.
320006	0.6964	EASTERN NEW MEXICO MEDICAL CENTER	320010, 320030.
320009	0.9774	ST JOSEPHS HOSPITAL	320074, 320021, 320001, 320019, 320017, 320076.
320010	0.6964	EASTERN NEW MEXICO MEDICAL CENTER	320006, 320030.
320011	0.9358	ESPANOLA HOSPITAL	320033, 320002, 320013, 320003.
320012	0.7836	DR DAN C TRIGG MEMORIAL HOSPITAL	320067.
320013	0.8701	HOLY CROSS HOSPITAL	320011.
320014	0.9164	MIMBRES MEMORIAL HOSPITAL	320016.
320016	0.8300	GILA REGIONAL MEDICAL CENTER	320014.
320017	0.9774	ST JOSEPH NORTHEAST HEIGHTS HOSPITAL	320076, 320001, 320009, 320021, 320074, 320019, 320002.
320018	0.9164	MEMORIAL GENERAL HOSPITAL	450646, 450668, 450002, 450107, 450024, 450179.
320019	0.9774	LOVELACE MEDICAL CENTER INC	320001, 320021, 320074, 320009, 320017, 320076.
320021	0.9774	PRESBYTERIAN HOSPITAL CENTER	320074, 320009, 320001, 320019, 320017, 320076.
320022	0.7295	CLOVIS HIGH PLAINS HOSPITAL	320023, 450063, 450269, 320031, 450155.
320023	0.7238	ROOSEVELT GENERAL HOSPITAL	320022, 450374, 450063, 320031.
320030	0.7082	ARTESIA GENERAL HOSPITAL	320063, 320010, 320006.
320031	0.6442	DE BACA HOSPITAL	320067, 320023, 320022.
320032	0.8979	SOCORRO GENERAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
320033	0.9358	LOS ALAMOS MEDICAL CENTER	320011, 320002.
320035	0.7868	SIERRA VISTA HOSPITAL	NO PROVIDER WITHIN 50 MILES.
320037	0.9646	CIBOLA GENERAL HOSPITAL	320038.
320038	0.9033	REHOBOTH MCKINLEY CHRISTIAN HOSPITAL	030004, 320037.
320046	0.7373	LINCOLN COUNTY MEDICAL CENTER	320004.
320048	0.7740	UNION COUNTY GENERAL HOSPITAL	370146, 450355.
320063	0.6935	GUADALUPE MEDICAL CENTER	320030.
320065	0.8278	LEA REGIONAL HOSPITAL	320068, 450181, 450160, 450144.
320067	0.9865	GUADALUPE COUNTY HOSPITAL	320031, 320012.
320068	0.6876	NOR-LEA GENERAL HOSPITAL	320065, 450181, 450160.
320074	0.9774	ST JOSEPH WEST MESA HOSPITAL	320021, 320009, 320001, 320019, 320017, 320076.
320076	0.9774	NORTHSIDE PRESBYTERIAN HOSPITAL	320017, 320001, 320009, 320021, 320074, 320019, 320002.
330001	1.0425	HORTON MEMORIAL HOSPITAL	330126, 330205, 330135, 330264, 310120, 330327, 330209, 330288, 330386, 330158.
330002	1.3371	PENINSULA HOSPITAL CENTER	330225, 330014, 330372, 330233, 330315, 330306, 330019, 330198, 330231, 330201.
330003	0.9138	ALBANY MEMORIAL HOSPITAL	330013, 330057, 330189, 330180, 330232, 330082, 330339, 330066, 330153, 330010.
330004	1.0239	KINGSTON HOSPITAL	330224, 330049, 330067, 330023, 330327, 330094, 070004, 330209, 070026, 330264.
330005	0.9273	BUFFALO GENERAL HOSPITAL	330161, 330029, 330118, 330078, 330219, 330244, 330091, 330279, 330102, 330095.
330006	1.2995	ST JOSEPHS HOSPITAL	330122, 330208, 330086, 330061, 310045, 330034, 330072, 330399, 330184, 330127.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
330007	0.9326	DEGRAFF MEMORIAL HOSPITAL	330102, 330244, 330078, 330219, 330118, 330091, 330005, 330161, 330029, 330065.
330008	0.9410	WYOMING COUNTY COMMUNITY HOSPITAL	330038, 330073, 330238, 330111, 330091, 330279, 330095, 330037, 330053, 330285.
330009	1.4000	BRONX-LEBANON HOSPITAL CENTER	330012, 330399, 330080, 330034, 330240, 330390, 330316, 330059, 330385, 330127.
330010	0.9022	AMSTERDAM MEMORIAL HOSPITAL	330047, 330276, 330153, 330066, 330339, 330222, 330189, 330082, 330268, 330057.
330011	0.8607	OUR LADY OF LOURDES MEMORIAL HOSPITAL	330394, 390249, 390224, 390079, 330016, 390236, 390189, 330033, 330175, 390192.
330012	1.4098	PRESBYTERIAN HOSPITAL	330009, 330399, 330034, 330240, 330080, 330390, 330316, 330059, 330127, 330024.
330013	0.9138	ALBANY MEDICAL CENTER	330057, 330003, 330189, 330180, 330232, 330339, 330082, 330066, 330153, 330010.
330014	1.3943	JAMAICA HOSPITAL	330231, 330041, 330353, 330055, 330193, 330128, 330306, 330221, 330335, 330233.
330015	0.8261	MERCY HOSPITAL OF WATERTOWN	330157, 330263, 330213, 330114, 330177, 330179, 330218.
330016	0.9314	THE HOSPITAL	330121, 330033, 330085, 390224, 330394, 330011, 330136, 330249, 330092.
330019	1.4076	COMMUNITY HOSPITAL BROOKLYN	330315, 330196, 330350, 330202, 330194, 330201, 330233, 330242, 330236, 330397.
330020	0.9007	MARY MCCLELLAN HOSPITAL	470012, 330222, 330082, 330191, 330232, 330180, 220051, 330339, 330153, 330066.
330022	0.9071	MOHAWK VALLEY GENERAL HOSPITAL	330148, 330048, 330245, 330044, 330136, 330215, 330249, 330115, 330268, 330276.
330023	1.0469	VASSAR BROTHERS HOSPITAL	330067, 330209, 330224, 330004, 330049, 330264, 330288, 330327, 330273, 070004.
330024	1.4517	MT SINAI HOSPITAL	330199, 330142, 330390, 330119, 330270, 330101, 330240, 330247, 330046, 330258.
330025	0.8953	INTER COMMUNITY MEMORIAL HOSPITAL	330163, 330053, 330188, 330007, 330065, 330102, 330244, 330219, 330078, 330091.
330027	1.4050	NASSAU COUNTY MEDICAL CENTER	330167, 330333, 330195, 330259, 330106, 330308, 330182, 330372, 330198, 330231.
330028	1.2342	ST VINCENTS MEDICAL CENTER OF RICHMOND	330212, 330381, 310025, 330160, 330242, 310105, 330194, 310072, 310074.
330029	0.9273	SHEEHAN MEMORIAL HOSPITAL	330161, 330005, 330118, 330078, 330219, 330279, 330244, 330095, 330091, 330102.
330030	0.9938	NEWARK WAYNE COMMUNITY HOSPITAL	330265, 330058, 330254, 330110, 330183, 330164, 330125, 330285, 330275.
330033	0.9288	CHENANGO MEMORIAL HOSPITAL	330016, 330249, 330085, 330136, 330175, 330121, 330011, 330394, 330115.
330034	1.4010	UNION HOSPITAL	330399, 330012, 330009, 330072, 330127, 330059, 330316, 330385, 330080, 330240.
330036	1.2980	DOBBS FERRY HOSPITAL	330208, 330304, 330061, 330122, 330234, 330338, 330006, 330104, 330261, 330086.
330037	0.9777	LAKESIDE MEMORIAL HOSPITAL	330226, 330275, 330285, 330125, 330164, 330183, 330073, 330038, 330053, 330008.
330038	0.9665	ST JEROME HOSPITAL	330073, 330008, 330053, 330037, 330163, 330226, 330285, 330275, 330164, 330091.
330039	0.7538	CUBA MEMORIAL HOSPITAL	330103, 330155, 330096, 330174, 390118, 330111, 330151, 390246, 330238, 330008.
330041	1.3592	PARKWAY HOSPITAL	330353, 330055, 330231, 330014, 330193, 330128, 330335, 330221, 330306, 330258.
330043	1.2792	SOUTHSIDE HOSPITAL	330286, 330314, 330309, 330332, 330336, 330331, 330141, 330045, 330398, 330393.
330044	0.9523	ST LUKES MEMORIAL HOSPITAL CENTER	330048, 330245, 330215, 330022, 330115, 330148, 330249, 330136, 330033, 330203.
330045	1.3194	HUNTINGTON HOSPITAL	330398, 330331, 330181, 330332, 330309, 330336, 330182, 330314, 330043, 070006.
330046	1.4881	ST LUKES-ROOSEVELT HOSPITAL CENTER	330230, 330281, 330119, 310003, 330247, 330387, 330270, 330101, 330024, 330142.
330047	0.9022	ST MARYS HOSPITAL	330010, 330276, 330153, 330066, 330339, 330222, 330268, 330189, 330057, 330082.
330048	0.9523	FAXTON HOSPITAL	330245, 330044, 330022, 330215, 330115, 330148 330249, 330136, 330033, 330203.
330049	1.0272	NORTHERN DUTCHESS HOSPITAL	330004, 330224, 330067, 330023, 070004, 330094, 330327, 070026, 330209, 220038.
330053	0.8724	MEDINA MEMORIAL HOSPITAL	330163, 330025, 330073, 330038, 330037, 330007 330091, 330244, 330102, 330219.
330055	1.3555	BOOTH MEMORIAL MEDICAL CENTER	330193, 330041, 330353, 330231, 330128, 330014, 330335, 330258, 330308, 330221.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
330056	1.4373	BROOKLYN—CALEDONIAN HOSPITAL	330152, 330397, 330236, 330396, 330064, 330202, 330350, 330100, 330201, 330169.
330057	0.9138	ST PETERS HOSPITAL	330013, 330003, 330189, 330180, 330232, 330339, 330082, 330066, 330153, 330010.
330058	0.9691	GENEVA GENERAL HOSPITAL	330265, 330110, 330030, 330097, 330235, 330254, 330164, 330183, 330285.
330059	1.4074	MONTEFIORE MEDICAL CENTER	330385, 330127, 330316, 330072, 330399, 330034, 330009, 330012, 330086, 330080.
330061	1.3510	LAWRENCE HOSPITAL	330086, 330122, 330006, 330208, 330184, 330072, 330036, 330127, 330034, 330059.
330062	0.8249	SCHUYLER HOSPITAL	330090, 330277, 330307, 330108, 330144, 330097, 390079, 330175, 330058, 330110.
330064	1.4194	NEW YORK INFIRMARY BEEKMAN DOWNTOWN	330152, 330100, 330290, 330169, 330389, 330056, 330133, 310049, 330214, 330204.
330065	0.9320	NIAGARA FALLS MEMORIAL MEDICAL CENTER	330188, 330007, 330102, 330244, 330118, 330078, 330219, 330005, 330161, 330029.
330066	0.9138	ST CLARES HOSPITAL	330153, 330339, 330189, 330057, 330003, 330082, 330232, 330013, 330180, 330010.
330067	1.0469	ST FRANCIS HOSPITAL	330023, 330224, 330004, 330049, 330209, 330264, 330288, 330327, 070004, 330273.
330072	1.4125	OUR LADY OF MERCY MEDICAL CENTER	330127, 330059, 330385, 330316, 330399, 330034, 330086, 330009, 330012, 330184.
330073	0.9621	GENESEE MEMORIAL HOSPITAL	330038, 330053, 330008, 330037, 330226, 330163, 330285, 330275, 330164, 330183.
330075	0.9169	ALBERT LINDLEY LEE MEMORIAL HOSPITAL	330218, 330140, 330241, 330203, 330159, 330235, 330254, 330110, 330030, 330115.
330078	0.9286	SISTERS OF CHARITY HOSPITAL	330118, 330219, 330244, 330005, 330161, 330029, 330091, 330102, 330279, 330007.
330079	0.8729	GENERAL HOSPITAL OF SARANAC LAKE	330176, 330252, 330084, 330250, 330179, 330197, 470003, 330116, 470013.
330080	1.4035	LINCOLN MEDICAL & MENTAL HEALTH CENTER	330240, 330390, 330009, 330199, 330024, 330012, 330142, 330258, 330399, 330119.
330082	0.9169	LEONARD HOSPITAL	330232, 330180, 330003, 330189, 330339, 330013, 330057, 330066, 330153, 330020.
330084	0.8670	ALICE HYDE MEMORIAL HOSPITAL	330223, 330197, 330079, 330250, 330176.
330085	0.9204	A O FOX MEMORIAL HOSPITAL	330136, 330016, 330121, 330033, 330092, 330268, 330249, 330022, 390224.
330086	1.3559	MT VERNON HOSPITAL	330061, 330184, 330006, 330122, 330072, 330127, 330059, 330385, 330208, 330034.
330088	1.2041	EASTERN LONG ISLAND HOSPITAL	330340, 070007, 330107, 410013, 070022, 070024, 070001, 070020, 070014, 070019.
330090	0.8349	ARNOT OGDEN MEMORIAL HOSPITAL	330108, 330277, 330062, 390079, 390213, 390189, 390236, 330144, 330307, 390043.
330091	0.9273	ST JOSEPH INTERCOMMUNITY HOSPITAL	330219, 330244, 330078, 330118, 330005, 330029, 330279, 330161, 330102, 330095.
330092	0.9493	MARGARETVILLE MEMORIAL HOSPITAL	330359, 330121, 330386, 330085, 330327, 330224, 330004, 330016, 330049.
330094	0.9700	COLUMBIA GREENE MEDICAL CENTER INC	220038, 330049, 330004, 330224, 330013, 330057, 220107, 330003, 220046, 070004.
330095	0.9273	OUR LADY OF VICTORY	330279, 330029, 330161, 330005, 330091, 330118, 330219, 330078, 330244, 330102.
330096	0.7474	JONES MEMORIAL HOSPITAL	330039, 330151, 330103, 330155, 390246, 330238, 330144, 390118, 330174, 390043.
330097	0.8125	SOLDIERS & SAILORS MEMORIAL HOSPITAL	330058, 330110, 330265, 330062, 330144, 330030, 330307, 330235, 330238.
330100	1.4512	NEW YORK EYE AND EAR INFIRMARY	330169, 330389, 330133, 330214, 330204, 330290, 330064, 330281, 330357, 330230.
330101	1.4921	NEW YORK HOSPITAL	330270, 330387, 330247, 330119, 330142, 330281, 330357, 330258, 330199, 330230.
330102	0.9286	KENMORE MERCY HOSPITAL	330244, 330007, 330078, 330118, 330219, 330005, 330161, 330091, 330029, 330279.
330103	0.7653	OLEAN GENERAL HOSPITAL	330155, 330039, 390118, 330174, 330096, 390246, 330111, 390104, 330132, 330239.
330104	1.3009	NYACK HOSPITAL	330261, 330234, 330036, 330304, 330208, 330338, 310037, 330122, 330158, 330061.
330106	1.4129	NORTH SHORE UNIVERSITY HOSPITAL	330308, 330195, 330182, 330167, 330027, 330193, 330055, 330231, 330372, 330333.
330107	1.2387	CENTRAL SUFFOLK HOSPITAL	330340, 330141, 330185, 330246, 330088, 330393, 330309, 070019, 070022, 070010.
330108	0.8349	ST JOSEPHS HOSPITAL	330090, 330277, 390079, 330062, 390213, 390189, 390236, 330307, 330144, 390043.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
330110	0.7812	TAYLOR BROWN MEMORIAL HOSPITAL	330058, 330235, 330265, 330030, 330097, 330254, 330307, 330159, 330140.
330111	0.9115	BERTRAND CHAFFEE HOSPITAL	330132, 330293, 330095, 330174, 330279, 330039, 330029, 330161, 330091, 330005.
330114	0.8164	E J NOBLE-ALEXANDRIA BAY	330177, 330015, 330157, 330263, 330211, 330213, 330179.
330115	0.9111	ONEIDA CITY HOSPITAL	330215, 330249, 330044, 330245, 330048, 330203, 330241, 330159, 330140, 330022.
330116	0.9181	MOSES LUDINGTON HOSPITAL	470006, 330252, 470005, 470004, 330191, 330176, 470003, 470013, 470001, 330079.
330118	0.9273	MILLARD FILLMORE HOSPITAL	330078, 330005, 330219, 330161, 330244, 330029, 330102, 330091, 330279, 330095.
330119	1.4772	LENOX HILL HOSPITAL	330247, 330270, 330101, 330387, 330142, 330281, 330199, 330024, 330046, 330230.
330121	0.9482	DELAWARE VALLEY HOSPITAL INC	330016, 330085, 330092, 390224, 330359, 330033, 330386, 330136, 330394.
330122	1.2881	YONKERS GENERAL HOSPITAL	330006, 330208, 330061, 330086, 310045, 330036, 330184, 330034, 330072, 330399.
330125	0.9865	ROCHESTER GENERAL HOSPITAL	330183, 330275, 330164, 330285, 330226, 330037, 330254, 330030, 330265.
330126	1.0584	ARDEN HILL HOSPITAL	330001, 330205, 330264, 330209, 330135, 330288, 310120, 330158, 330267, 330327.
330127	1.4074	BRONX MUNICIPAL HOSPITAL CENTER	330059, 330385, 330072, 330316, 330399, 330034, 330009, 330012, 330086, 330080.
330128	1.4646	CITY HOSPITAL CENTER AT ELMHURST	330335, 330353, 330258, 330041, 330357, 330055, 330221, 330193, 330142, 330101.
330132	0.8924	TRI-COUNTY MEMORIAL HOSPITAL	330293, 330111, 330229, 330174, 330095, 330279, 330239, 330029, 330161, 330005.
330133	1.4512	CABRINI MEDICAL CENTER	330389, 330169, 330100, 330214, 330204, 330290, 330281, 330230, 330064, 330357.
330135	0.9795	MERCY COMMUNITY HOSPITAL	310120, 330001, 330126, 330205, 310028, 330386, 330327, 330359, 390125, 330264.
330136	0.9115	THE MARY IMOGENE BASSETT HOSPITAL	330085, 330268, 330022, 330148, 330033, 330249, 330245, 330048, 330044.
330140	0.9096	ST JOSEPHS HOSPITAL HEALTH CENTER	330241, 330203, 330159, 330075, 330235, 330115, 330175, 330218, 330249, 330215.
330141	1.2673	BROOKHAVEN MEMORIAL HOSPITAL	330309, 330185, 330393, 330246, 330043, 330286, 330107, 330045, 330314, 330331.
330142	1.4709	BETH ISRAEL HOSPITAL NORTH	330199, 330119, 330270, 330101, 330258, 330024, 330387, 330247, 330281, 330390.
330144	0.8034	IRA DAVENPORT MEMORIAL HOSPITAL	330151, 330277, 330062, 330238, 330097, 330090, 330108, 330096, 330307.
330148	0.8941	LITTLE FALLS HOSPITAL	330022, 330048, 330245, 330044, 330136, 330276, 330268, 330047, 330215, 330010.
330151	0.7692	ST JAMES MERCY HOSPITAL	330238, 330144, 330096, 330039, 330277, 330008, 330097, 330062, 330103, 390246.
330152	1.4505	LONG ISLAND COLLEGE HOSPITAL	330056, 330064, 330236, 330397, 330396, 330100, 330169, 330389, 330290, 330133.
330153	0.9138	ELLIS HOSPITAL	330066, 330339, 330189, 330082, 330057, 330232, 330003, 330180, 330013, 330010.
330155	0.7634	ST FRANCIS HOSPITAL	330103, 390118, 330039, 330174, 330096, 390246, 330111, 390104, 330132, 390146.
330157	0.8261	HOUSE OF THE GOOD SAMARITAN	330015, 330263, 330213, 330114, 330177, 330179, 330218.
330158	1.1549	GOOD SAMARITAN HOSPITAL	310012, 330104, 310037, 310058, 310017, 310026, 330261, 310019, 330205, 330036.
330159	0.9096	COMM GEN HOSPITAL OF GREATER SYRACUSE	330203, 330241, 330140, 330235, 330075, 330115, 330175, 330218, 330249, 330215.
330160	1.2919	STATEN ISLAND UNIVERSITY HOSPITAL-NORTH	330381, 330212, 330242, 330028, 330194, 330196, 310025, 330019, 330315.
330161	0.9273	BUFFALO COLUMBUS HOSPITAL	330029, 330005, 330118, 330078, 330219, 330244, 330279, 330091, 330095, 330102.
330162	1.3367	NORTHERN WESTCHESTER HOSPITAL	330234, 330261, 330267, 330104, 330338, 330304, 070018, 070006, 070030, 330273.
330163	0.8953	LOCKPORT MEMORIAL HOSPITAL	330025, 330053, 330007, 330102, 330188, 330244, 330219, 330091, 330078, 330065.
330164	0.9865	HIGHLAND HOSPITAL	330183, 330285, 330275, 330125, 330226, 330037, 330030, 330265, 330254.
330166	0.8719	WESTFIELD MEMORIAL HOSPITAL	330229, 330239, 330293, 390063, 390009, 390005, 390198, 390193, 330132, 390040.
330167	1.4050	WINTHROP UNIVERSITY HOSPITAL	330027, 330333, 330195, 330259, 330106, 330308, 330182, 330372, 330198, 330231.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
330169	1.4512	BETH ISRAEL MEDICAL CENTER	330389, 330100, 330133, 330214, 330204, 330290, 330064, 330357, 330281, 330230.
330171	1.3549	UNITED HOSPITAL MEDICAL CENTER	070018, 330338, 330304, 070006, 330184, 070030, 330061, 330181, 330234, 330036.
330174	0.7653	SALAMANCA DISTRICT HOSPITAL	390118, 330155, 330103, 330039, 330132, 330111, 330239, 390146, 330293, 390104.
330175	0.9043	CORTLAND MEMORIAL HOSPITAL	330307, 330235, 330159, 330203, 330241, 330140, 330033, 330249, 330062, 330011.
330176	0.8729	PLACID MEMORIAL HOSPITAL	330079, 330252, 330116, 330250, 470003, 470013, 470006, 330084.
330177	0.8016	E J NOBLE-GOUVERNEUR	330114, 330179, 330211, 330263, 330015, 330197, 330157, 330213, 330223.
330179	0.8063	CLIFTON FINE HOSPITAL	330177, 330263, 330197, 330213, 330211, 330114, 330015, 330157, 330079.
330180	0.9169	SAMARITAN HOSPITAL	330232, 330082, 330003, 330189, 330013, 330057, 330339, 330066, 330153, 330020.
330181	1.4469	NORTH SHORE UNIV HOSPITAL AT GLEN COVE	330182, 330398, 330106, 330184, 330308, 330167, 330027, 330171, 330195, 330331.
330182	1.4138	ST FRANCIS HOSPITAL	330106, 330308, 330195, 330167, 330027, 330181, 330333, 330193, 330398, 330259.
330183	0.9865	GENESEE HOSPITAL	330164, 330275, 330285, 330125, 330226, 330037, 330030, 330265, 330254.
330184	1.3533	NEW ROCHELLE HOSPITAL MEDICAL CENTER	330086, 330061, 330072, 330127, 330385, 330059, 330122, 330006, 330316, 330208.
330185	1.2385	JOHN T MATHER MEMORIAL HOSPITAL	330246, 330393, 330309, 330141, 070010, 330043, 070023, 330045, 330107, 070019.
330188	0.9295	MT ST MARYS HOSPITAL	330065, 330007, 330102, 330244, 330163, 330078, 330118, 330025, 330219, 330005.
330189	0.9138	CHILDS HOSPITAL	330057, 330003, 330013, 330339, 330180, 330232, 330066, 330082, 330153, 330010.
330191	0.9037	GLENS FALLS HOSPITAL	330222, 330020, 330010, 330082, 330153, 470012, 330047, 330276, 330066, 330339.
330193	1.3748	FLUSHING HOSPITAL MEDICAL CENTER	330055, 330041, 330353, 330231, 330128, 330335, 330014, 330308, 330195, 330258.
330194	1.4019	MAIMONIDES MEDICAL CENTER	330242, 330236, 330350, 330202, 330019, 330315, 330397, 330201, 330152, 330056.
330195	1.4056	LONG ISLAND JEWISH MEDICAL CENTER	330308, 330106, 330167, 330027, 330182, 330372, 330193, 330231, 330055, 330259.
330196	1.3972	CONEY ISLAND HOSPITAL	330019, 330315, 330242, 330194, 330350, 330202, 330201, 330233, 330236, 330381.
330197	0.7687	CANTON POTSDAM HOSPITAL	330223, 330211, 330177, 330179, 330084, 330079.
330198	1.3381	SOUTH NASSAU COMMUNITY HOSPITAL	330259, 330372, 330225, 330333, 330027, 330167, 330336, 330195, 330002, 330332.
330199	1.4480	METROPOLITAN HOSPITAL CENTER	330024, 330142, 330119, 330390, 330270, 330258, 330101, 330247, 330387, 330240.
330201	1.4222	KINGSBROOK JEWISH MEDICAL CENTER	330202, 330350, 330233, 330397, 330306, 330236, 330315, 330396, 330056, 330221.
330202	1.4164	KINGS COUNTY HOSPITAL CENTER	330350, 330201, 330397, 330233, 330236, 330306, 330315, 330056, 330194, 330019.
330203	0.9096	CROUSE–IRVING MEMORIAL HOSPITAL	330241, 330159, 330140, 330235, 330075, 330115, 330175, 330218, 330249, 330215.
330204	1.4566	BELLEVUE HOSPITAL CENTER	330214, 330133, 330389, 330169, 330100, 330290, 330357, 330281, 330387, 330230.
330205	1.1133	ST ANTHONY COMMUNITY HOSPITAL	330126, 310120, 330001, 330158, 330135, 330264, 310017, 330288, 330267, 310012.
330208	1.2648	ST JOHNS RIVERSIDE HOSPITAL	330122, 330006, 330061, 330036, 330086, 310045, 330184, 330304, 330072, 310037.
330209	1.0548	ST LUKES HOSPITAL OF NEWBURGH	330264, 330288, 330023, 330067, 330267, 330126, 330273, 330001, 330205, 330327.
330211	0.8083	A BARTON HEPBURN HOSPITAL	330177, 330197, 330114, 330223, 330179, 330263.
330212	1.3216	DOCTORS HOSPITAL OF STATEN ISLAND	330028, 330381, 310025, 330242, 330160, 330194, 310105, 330236, 330152.
330213	0.8298	LEWIS COUNTY GENERAL HOSPITAL	330263, 330157, 330015, 330179, 330177, 330215, 330114, 330044, 330048.
330214	1.4566	NYU MEDICAL CENTER-UNIVERSITY HOSPITAL	330204, 330133, 330389, 330169, 330100, 330290, 330357, 330281, 330387, 330230.
330215	0.9227	ROME HOSPITAL & MURPHY MEMORIAL HOSPITAL.	330044, 330115, 330048, 330245, 330022, 330249, 330148, 330203, 330241, 330140.
330218	0.9123	OSWEGO HOSPITAL	330075, 330140, 330241, 330254, 330203, 330159, 330235, 330030, 330110, 330157.
330219	0.9286	ERIE COUNTY MEDICAL CENTER	330078, 330244, 330118, 330091, 330005, 330029, 330161, 330102, 330279, 330007.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
330221	1.4423	WYCKOFF HEIGHTS HOSPITAL	330396, 330306, 330397, 330056, 330128, 330357, 330201, 330233, 330335, 330202.
330222	0.8980	SARATOGA HOSPITAL	330191, 330010, 330153, 330020, 330066, 330339, 330082, 330047, 330232, 330180.
330223	0.7932	MASSENA MEMORIAL HOSPITAL	330197, 330084, 330211, 330177.
330224	1.0239	BENEDICTINE HOSPITAL	330004, 330049, 330067, 330023, 330327, 330094, 070004, 330209, 070026, 330264.
330225	1.3306	LONG BEACH MEMORIAL HOSPITAL	330198, 330372, 330002, 330259, 330333, 330027, 330167, 330336, 330014, 330231.
330226	0.9849	PARK RIDGE HOSPITAL	330275, 330125, 330183, 330285, 330164, 330037, 330073, 330038, 330254.
330229	0.8922	BROOKS MEMORIAL HOSPITAL	330293, 330166, 330132, 330239, 330111, 330095, 330279, 330029, 330161, 330005.
330230	1.4689	ST CLARES HOSPITAL HEALTH CENTER	330281, 330046, 330247, 330119, 330387, 330270, 330101, 330214, 330204, 330133.
330231	1.3837	QUEENS HOSPITAL CENTER	330014, 330041, 330055, 330353, 330193, 330128, 330335, 330308, 330195, 330221.
330232	0.9169	ST MARYS HOSPITAL	330180, 330082, 330003, 330189, 330013, 330057, 330339, 330066, 330153, 330020.
330233	1.4250	BROOKDALE HOSPITAL MEDICAL CENTER	330201, 330306, 330350, 330202, 330397, 330315, 330236, 330019, 330221, 330396.
330234	1.3280	WESTCHESTER COUNTY MEDICAL CENTER	330261, 330304, 330338, 330104, 330036, 330162, 330208, 330171, 070018, 330061.
330235	0.9058	AUBURN MEMORIAL HOSPITAL	330110, 330159, 330058, 330140, 330241, 330203, 330030, 330265, 330075, 330175.
330236	1.4272	METHODIST HOSPITAL OF BROOKLYN	330397, 330056, 330152, 330202, 330350, 330194, 330201, 330396, 330064, 330233.
330238	0.9416	NICHOLAS NOYES MEMORIAL HOSPITAL	330151, 330008, 330144, 330096, 330097, 330039, 330038, 330073, 330285.
330239	0.7656	WOMANS CHRISTIAN ASSOCIATION HOSPITAL	390146, 390005, 330166, 330174, 330229, 330132, 390118, 390040, 330293, 390104.
330240	1.3971	HARLEM HOSPITAL CENTER	330390, 330080, 330024, 330199, 330009, 330012, 330142, 310003, 330119, 330258.
330241	0.9096	SUNY UPSTATE MEDICAL CENTER	330203, 330159, 330140, 330235, 330075, 330115, 330175, 330218, 330249, 330215.
330242	1.3433	VICTORY MEMORIAL HOSPITAL	330194, 330381, 330212, 330196, 330019, 330160, 330315, 330236, 330028, 330350.
330244	0.9286	ST FRANCIS HOSPITAL	330219, 330078, 330118, 330091, 330102, 330005, 330161, 330029, 330007, 330279.
330245	0.9523	ST ELIZABETHS HOSPITAL	330048, 330044, 330022, 330215, 330115, 330148, 330249, 330136, 330033, 330203.
330246	1.2385	ST CHARLES HOSPITAL	330185, 330393, 330309, 330141, 070010, 070023, 330043, 330045, 070019, 330107.
330247	1.4951	MANHATTAN EYE EAR THROAT HOSPITAL	330387, 330270, 330101, 330281, 330119, 330230, 330142, 330046, 330357, 330199.
330249	0.9346	COMMUNITY MEMORIAL HOSPITAL	330115, 330033, 330245, 330044, 330048, 330215, 330022, 330136, 330203, 330159.
330250	0.8851	CHAMPLAIN VALLEY PHYSICIANS HOSPITAL	470024, 470003, 470013, 330252, 330176, 330084, 330079, 470010.
330252	0.8835	ELIZABETHTOWN COMMUNITY HOSPITAL	330176, 470006, 470003, 330116, 470013, 330079, 330250, 470024, 470001, 470004.
330254	0.9938	MYERS COMMUNITY HOSPITAL	330030, 330265, 330125, 330183, 330058, 330110, 330164, 330275, 330285.
330258	1.4857	ASTORIA GENERAL HOSPITAL	330142, 330101, 330270, 330199, 330387, 330119, 330357, 330247, 330335, 330024.
330259	1.4047	MERCY HOSPITAL	330333, 330198, 330372, 330027, 330167, 330195, 330225, 330308, 330106, 330336.
330261	1.3091	PHELPS MEMORIAL HOSPITAL	330104, 330234, 330036, 330304, 330338, 330162, 330208, 330061, 330122, 330171.
330263	0.8230	CARTHAGE AREA HOSPITAL	330213, 330157, 330015, 330177, 330114, 330179, 330211.
330264	1.0800	THE CORNWALL HOSPITAL	330209, 330288, 330267, 330126, 330001, 330023, 330273, 330205, 330067, 330162.
330265	0.9918	CLIFTON SPRINGS HOSPITAL	330030, 330058, 330110, 330097, 330254, 330164, 330183, 330285, 330125.
330267	1.2816	HUDSON VALLEY HOSPITAL CENTER	330288, 330162, 330261, 330264, 330273, 330104, 330234, 330209, 330158, 330036.
330268	0.9410	COMMUNITY HOSPITAL-SCHOHARIE COUNTY	330136, 330047, 330010, 330276, 330066, 330153, 330339, 330148, 330085, 330189.
330270	1.4921	HOSPITAL FOR SPECIAL SURGERY	330101, 330387, 330247, 330119, 330142, 330281, 330357, 330258, 330199, 330230.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
330273	1.2648	PUTNAM HOSPITAL CENTER	070033, 330267, 330162, 330288, 070015, 330209, 330264, 330261, 070034, 330234.
330275	0.9785	ST MARYS HOSPITAL	330164, 330285, 330183, 330125, 330226, 330037, 330030, 330265, 330073.
330276	0.8688	NATHAN LITTAUER HOSPITAL	330047, 330010, 330148, 330222, 330153, 330066, 330268, 330339, 330022, 330189.
330277	0.8197	CORNING HOSPITAL	330090, 330108, 330062, 330144, 390213, 390079, 390043, 330151, 390189, 330307.
330279	0.9273	MERCY HOSPITAL	330095, 330029, 330005, 330161, 330091, 330219, 330118, 330078, 330244, 330102.
330281	1.4678	MEDICAL ARTS CENTER HOSPITAL	330247, 330230, 330387, 330119, 330046, 330270, 330101, 330204, 330214, 330142.
330285	0.9785	STRONG MEMORIAL HOSPITAL	330164, 330275, 330183, 330125, 330226, 330037, 330030, 330265, 330073.
330286	1.2611	GOOD SAMARITAN HOSPITAL	330043, 330314, 330336, 330332, 330331, 330309, 330398, 330045, 330333, 330259.
330288	1.0959	JULIA BUTTERFIELD HOSPITAL	330264, 330209, 330267, 330273, 330126, 330162, 330023, 330067, 330261, 330001.
330290	1.4197	ST VINCENTS HOSPITAL MEDICAL CENTER	330133, 330100, 330389, 330169, 330214, 330204, 310040, 330064, 330230, 330281.
330293	0.9100	LAKE SHORE HOSPITAL	330132, 330229, 330111, 330095, 330279, 330029, 330161, 330005, 330166, 330118.
330304	1.3217	WHITE PLAINS HOSPITAL MEDICAL CENTER	330338, 330234, 330036, 330171, 330061, 070018, 330208, 330261, 330184, 330122.
330306	1.4222	LUTHERAN MEDICAL CENTER	330233, 330201, 330221, 330202, 330350, 330396, 330397, 330236, 330056, 330315.
330307	0.8314	TOMPKINS COMMUNITY HOSPITAL INC	330062, 330175, 330097, 330108, 330090, 330235, 330110, 330277, 390079, 330058.
330308	1.4156	DEEPDALE GENERAL HOSPITAL	330195, 330106, 330182, 330167, 330027, 330193, 330231, 330055, 330372, 330041.
330309	1.2714	COMMUNITY HOSPITAL-WESTERN SUFFOLK	330393, 330185, 330246, 330043, 330141, 330045, 330286, 330331, 330314, 330398.
330314	1.3221	BRUNSWICK HOSPITAL	330336, 330332, 330286, 330331, 330043, 330333, 330398, 330259, 330198, 330027.
330315	1.4076	KINGS HIGHWAY HOSPITAL	330019, 330350, 330196, 330202, 330201, 330233, 330194, 330236, 330242, 330397.
330316	1.4010	WESTCHESTER SQUARE HOSPITAL	330385, 330059, 330127, 330072, 330399, 330034, 330009, 330012, 330080, 330240.
330327	1.0416	ELLENVILLE COMMUNITY HOSPITAL	330386, 330359, 330001, 330023, 330067, 330126, 330224, 330209, 330004, 330264.
330331	1.3622	CENTRAL GENERAL HOSPITAL INC	330398, 330332, 330336, 330314, 330333, 330045, 330167, 330027, 330259, 330182.
330332	1.3360	MID-ISLAND HOSPITAL	330336, 330331, 330314, 330398, 330333, 330259, 330027, 330167, 330198, 330286.
330333	1.4034	HEMPSTEAD GENERAL HOSPITAL	330259, 330027, 330167, 330198, 330372, 330195, 330336, 330332, 330106, 330308.
330335	1.5154	PHYSICIANS HOSPITAL	330128, 330258, 330357, 330353, 330142, 330101, 330270, 330387, 330055, 330041.
330336	1.3360	MASSAPEQUA GENERAL HOSPITAL	330332, 330314, 330331, 330333, 330259, 330198, 330398, 330027, 330167, 330286.
330338	1.3251	ST AGNES HOSPITAL	330304, 330171, 330234, 070018, 330036, 330061, 330208, 330184, 330261, 330086.
330339	0.9138	BELLEVUE MATERNITY HOSPITAL INC	330066, 330153, 330189, 330057, 330082, 330003, 330232, 330180, 330013, 330010.
330340	1.2368	SOUTHAMPTON HOSPITAL	330107, 330088, 330141, 330185, 330246, 070007, 330393, 330309, 070022, 070001.
330350	1.4164	SUNY DOWNSTATE MEDICAL CENTER	330202, 330201, 330233, 330397, 330236, 330306, 330315, 330194, 330019, 330056.
330353	1.3592	LAGUARDIA HOSPITAL	330041, 330055, 330128, 330231, 330193, 330014, 330335, 330221, 330306, 330258.
330357	1.4759	CATHOLIC MEDICAL CTR OF BROOKLYN/QUEENS	330387, 330101, 330270, 330247, 330204, 330214, 330258, 330281, 330119, 330142.
330359	0.9672	COMMUNITY GENERAL HOSPITAL	330386, 330327, 330092, 390125, 330001, 330135, 330121, 330126, 330224.
330372	1.3557	FRANKLIN GENERAL HOSPITAL	330259, 330198, 330333, 330027, 330167, 330195, 330308, 330225, 330231, 330014.
330381	1.3218	BAYLEY SETON HOSPITAL	330212, 330028, 330242, 330160, 310025, 330194, 330236, 310105, 330196, 330152.
330385	1.4074	NORTH CENTRAL BRONX HOSPITAL	330059, 330127, 330316, 330072, 330399, 330034, 330009, 330012, 330086, 330080.
330386	0.9432	COMMUNITY GEN HOSPITAL—SULLIVAN COUNTY	330359, 330327, 330135, 330001, 390125, 330092, 330126, 310120, 330205, 330121.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
330387	1.4921	ROCKEFELLER UNIVERSITY HOSPITAL	330101, 330270, 330247, 330119, 330281, 330142, 330357, 330230, 330258, 330199.
330389	1.4512	ORTHOPAEDIC INSTITUTE	330169, 330133, 330100, 330214, 330204, 330290, 330064, 330281, 330230, 330357.
330390	1.3971	NORTH GENERAL HOSPITAL	330240, 330024, 330199, 330080, 330142, 330119, 330258, 310003, 330009, 330012.
330393	1.2404	UNIVERSITY HOSPITAL	330246, 330185, 330309, 330141, 330043, 330045, 330286, 070010, 070023, 330331.
330394	0.8651	UNITED HEALTH SERVICES	330011, 390249, 390224, 390079, 330016, 390236, 390189, 390192, 330033, 330121.
330396	1.4271	WOODHULL MEDICAL/MENTAL HEALTH CENTER	330221, 330056, 330397, 330306, 330152, 330201, 330236, 330169, 330100, 330202.
330397	1.4271	INTERFAITH MEDICAL CENTER	330236, 330056, 330202, 330350, 330201, 330396, 330152, 330233, 330306, 330221.
330398	1.4441	SYOSSET COMMUNITY HOSPITAL	330331, 330332, 330045, 330181, 330182, 330167, 330027, 330336, 330333, 330106.
330399	1.4010	ST BARNABAS HOSPITAL	330034, 330009, 330012, 330059, 330316, 330127, 330072, 330385, 330080, 330240.
340001	0.9811	CABARRUS MEMORIAL HOSPITAL	340166, 340129, 340015, 340053, 340098, 340153, 340009, 340113, 340119, 340144.
340002	0.8491	MEMORIAL MISSION MEDICAL CENTER	340105, 340023, 340025, 340017, 340088, 340087, 340018, 340013, 340011.
340003	0.9352	NORTHERN HOSPITAL OF SURRY COUNTY	340097, 490054, 490115, 340019, 340006, 340044, 340159, 340148, 340047, 340014.
340004	0.9391	HIGH POINT REGIONAL HOSPITAL	340085, 340100, 340125, 340091, 340047, 340014, 340148, 340096, 340123, 340052.
340005	0.8210	CHARLES A CANNON JR MEMORIAL HOSPITAL	340045, 340080, 340051, 340011, 440018, 340041, 440105, 440001, 340072, 440063.
340006	0.9438	HOOTS MEMORIAL HOSPITAL	340097, 340052, 340014, 340148, 340047, 340064, 340003, 340039, 340144, 340019.
340007	0.8648	ANNIE PENN MEMORIAL HOSPITAL	340060, 340159, 340091, 490075, 340125, 340070, 340034, 340100, 340019, 490079.
340008	0.8265	SCOTLAND MEMORIAL HOSPITAL	340106, 420054, 340035, 420062, 340050, 420005, 340048, 340115, 340028, 340084.
340009	0.9856	PRESBYTHERIAN SPECIALTY HOSPITAL	340053, 340153, 340098, 340113, 340166, 340032, 340001, 420002, 340130, 420032.
340010	0.8425	WAYNE MEMORIAL HOSPITAL	340135, 340027, 340090, 340126, 340120, 340024, 340040, 340071, 340124.
340011	0.8507	BLUE RIDGE HOSPITAL SYSTEM	340080, 340087, 340005, 340137, 440001, 340154, 340075, 340045, 340041.
340012	0.7278	ANGEL COMMUNITY HOSPITAL	340146, 340016, 340031, 110140, 340054, 110056, 110070, 340160, 340088, 340025.
340013	0.8205	RUTHERFORD HOSPITAL INC	340018, 340104, 340021, 340087, 340017, 340023, 420043, 420083, 420076.
340014	0.9475	FORSYTH MEMORIAL HOSPITAL	340148, 340047, 340004, 340085, 340052, 340006, 340096, 340019, 340125, 340091.
340015	0.9308	ROWAN MEMORIAL HOSPITAL	340096, 340052, 340129, 340001, 340039, 340144, 340085, 340119, 340014, 340148.
340016	0.8599	C J HARRIS COMMUNITY HOSPITAL INC	340031, 340012, 340025, 340146, 340088, 340054, 340002, 340105, 340023, 440081.
340017	0.8640	MARGARET R PARDEE MEMORIAL HOSPITAL	340023, 340088, 340018, 340002, 340105, 420081, 340013, 340025, 420033.
340018	0.8459	ST LUKES HOSPITAL	340017, 340013, 340023, 420033, 420081, 420076, 420007, 420083, 340088, 340104.
340019	0.9380	STOKES-REYNOLDS MEMORIAL HOSPITAL	340159, 490054, 340047, 340148, 340014, 340003, 340060, 340007, 340091, 490079.
340020	0.8893	CENTRAL CAROLINA HOSPITAL	340048, 340111, 340115, 340124, 340071, 340164, 340028, 340138, 340167, 340061.
340021	0.8498	CLEVELAND MEMORIAL HOSPITAL INC	340104, 340037, 420043, 340145, 340032, 340013, 420032, 420083, 340154, 340075.
340022	0.7776	BLADEN COUNTY HOSPITAL	340050, 340068, 340024, 340028, 340164, 340093, 420005, 340120, 420042, 340008.
340023	0.8557	PARK RIDGE HOSPITAL	340017, 340002, 340105, 340088, 340018, 340025, 340013, 420081, 340087.
340024	0.8008	SAMPSON COUNTY MEMORIAL HOSPITAL	340120, 340071, 340124, 340135, 340164, 340010, 340028, 340022, 340090, 340093.
340025	0.8550	HAYWOOD COUNTY HOSPITAL	340016, 340105, 340002, 340088, 340023, 340017, 340031, 440153, 340012.
340027	0.8411	LENOIR MEMORIAL HOSPITAL	340010, 340135, 340040, 340131, 340120, 340038, 340126, 340042, 340024.
340028	0.7940	CAPE FEAR VALLEY MEDICAL CENTER	340164, 340071, 340124, 340048, 340050, 340115, 340024, 340008, 340022, 340020.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
340030	0.9552	DUKE UNIVERSITY MEDICAL CENTER	340049, 340155, 340167, 340061, 340136, 340114, 340073, 340138, 340069, 340034.
340031	0.7520	SWAIN COUNTY HOSPITAL	340016, 340012, 340054, 340025, 440081, 340146, 440011, 110070, 340160, 340088.
340032	0.9682	GASTON MEMORIAL HOSPITAL	340037, 340145, 340113, 340009, 340053, 340153, 340098, 340166, 340021, 420032.
340034	0.9537	ALAMANCE COUNTY HOSPITAL	340070, 340061, 340100, 340091, 340125, 340007, 340030, 340049, 340155, 340111.
340035	0.8283	RICHMOND MEMORIAL HOSPITAL	340106, 340084, 340008, 420062, 420054, 340115, 340048, 340063, 340119, 340130.
340036	0.9178	FRANKLIN REGIONAL MEDICAL CENTER	340132, 340127, 340136, 340147, 340073, 340069, 340114, 340138, 340155, 340162.
340037	0.9635	KINGS MOUNTAIN HOSPITAL INC	340021, 340032, 340104, 420043, 340145, 420032, 420002, 340113, 340009, 340053.
340038	0.8549	BEAUFORT COUNTY HOSPITAL	340040, 340133, 340089, 340112, 340131, 340101, 340027, 340107, 340065.
340039	0.9084	IREDELL MEMORIAL HOSPITAL INC	340144, 340129, 340052, 340067, 340143, 340015, 340116, 340006, 340064, 340096.
340040	0.8620	PITT COUNTY MEMORIAL HOSPITAL	340038, 340107, 340133, 340027, 340162, 340126, 340010, 340101, 340147.
340041	0.9175	CALDWELL MEMORIAL HOSPITAL	340055, 340075, 340137, 340154, 340116, 340045, 340067, 340143, 340051, 340080.
340042	0.8179	ONSLOW MEMORIAL HOSPITAL	340131, 340093, 340142, 340120, 340027, 340094, 340141, 340024, 340076.
340044	0.7635	ALLEGHANY COUNTY MEMORIAL HOSPITAL	490115, 340072, 340097, 340064, 340003, 490038, 490105, 490111, 340051, 340006.
340045	0.8432	BLOWING ROCK HOSPITAL	340051, 340005, 340080, 340041, 340072, 340011, 340064, 340055, 340137, 340075.
340047	0.9475	NORTH CAROLINA BAPTIST HOSPITALS	340148, 340014, 340004, 340085, 340052, 340096, 340019, 340006, 340125, 340091.
340048	0.7955	ST JOSEPH OF THE PINES HOSPITAL	340115, 340020, 340028, 340035, 340164, 340106, 340063, 340008, 340111, 340124.
340049	0.9552	MCPHERSON HOSPITAL	340030, 340155, 340167, 340061, 340136, 340114, 340073, 340138, 340069, 340034.
340050	0.7922	SOUTHEASTERN GENERAL HOSPITAL	340022, 420005, 340008, 340068, 340028, 340164, 420054, 420042, 420055, 340106.
340051	0.7854	WATAUGA HOSPITAL INC	340045, 340005, 340080, 340072, 340041, 340064, 340011, 340067, 440018, 340055.
340052	0.9423	DAVIE COUNTY HOSPITAL	340096, 340015, 340039, 340006, 340144, 340014, 340148, 340047, 340085, 340129.
340053	0.9856	PRESBYTERIAN HOSPITAL	340153, 340009, 340098, 340113, 340166, 340032, 340001, 420002, 340130, 420032.
340054	0.7112	DISTRICT MEMORIAL HOSPITAL	340160, 110070, 340012, 110051, 340031, 440041, 110140, 110056, 340146, 340016.
340055	0.9225	VALDESE GENERAL HOSPITAL INC	340075, 340137, 340154, 340116, 340041, 340143, 340067, 340145, 340087, 340045.
340060	0.8637	MOREHEAD MEMORIAL HOSPITAL	340007, 340159, 490079, 490075, 340019, 490054, 340091, 340125, 340100, 340070.
340061	0.9599	UNIVERSITY OF NORTH CAROLINA HOSPITAL	340030, 340049, 340167, 340155, 340034, 340070, 340114, 340111, 340136, 340073.
340063	0.8159	MONTGOMERY MEMORIAL HOSPITAL	340119, 340115, 340123, 340048, 340084, 340035, 340111, 340106, 340020, 340001.
340064	0.8302	WILKES GENERAL HOSPITAL	340067, 340097, 340072, 340006, 340051, 340044, 340041, 340045, 340039, 340144.
340065	0.7282	CHOWAN HOSPITAL	340112, 340101, 340099, 340109, 340133, 340089, 340122, 340038, 490092, 340107.
340067	0.9211	ALEXANDER COUNTY HOSPITAL	340116, 340143, 340144, 340039, 340064, 340041, 340055, 340075, 340137, 340154.
340068	0.8173	COLUMBUS COUNTY HOSPITAL INC	340022, 340050, 420042, 340158, 420005, 420055, 340141, 420064, 420049, 340121.
340069	0.9340	WAKE COUNTY HOSPITAL SYSTEM	340138, 340073, 340114, 340167, 340049, 340090, 340030, 340155, 340136, 340036.
340070	0.9537	ALAMANCE MEMORIAL HOSPITAL	340034, 340100, 340091, 340125, 340061, 340007, 340111, 340030, 340049, 340155.
340071	0.8274	BETSY JOHNSON MEMORIAL HOSPITAL	340124, 340090, 340164, 340028, 340024, 340020, 340135, 340138, 340069, 340010.
340072	0.7381	ASHE MEMORIAL HOSPITAL	340044, 340051, 340045, 340064, 340005, 490038, 490105, 490115, 490053, 340097.
340073	0.9340	HCA RALEIGH COMMUNITY HOSPITAL INC	340069, 340114, 340138, 340167, 340049, 340030, 340155, 340136, 340036, 340090.
340075	0.9088	GRACE HOSPITAL INC	340154, 340137, 340055, 340041, 340116, 340087, 340143, 340011, 340080, 340067.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
340076	0.8409	SEA LEVEL HOSPITAL	340142, 340131, 340089, 340042.
340080	0.8476	SLOOP MEMORIAL HOSPITAL	340005, 340011, 340045, 340051, 340041, 340087, 340137, 340154, 440001, 340075.
340084	0.8283	ANSON COUNTY HOSPITAL	340035, 340106, 420062, 340130, 340119, 340063, 420054, 340008, 340115, 340048.
340085	0.9391	COMMUNITY GENERAL HOSPITAL	340004, 340096, 340014, 340047, 340148, 340123, 340100, 340125, 340091, 340052.
340087	0.8863	THE MCDOWELL HOSPITAL	340011, 340154, 340137, 340075, 340013, 340080, 340055, 340105, 340002.
340088	0.8558	TRANSYLVANIA COMMUNITY HOSPITAL INC	340017, 340023, 340025, 420081, 340002, 340105, 340018, 340016, 420011, 340146.
340089	0.8490	PUNGO DISTRICT HOSPITAL	340038, 340112, 340133, 340131, 340065, 340101, 340040, 340076, 340027.
340090	0.8801	JOHNSTON MEMORIAL HOSPITAL	340135, 340010, 340071, 340124, 340069, 340126, 340138, 340073, 340114, 340024.
340091	0.9267	THE MOSES H CONE MEMORIAL HOSPITAL	340125, 340100, 340004, 340070, 340034, 340007, 340085, 340047, 340159, 340148.
340093	0.8103	PENDER MEMORIAL HOSPITAL	340094, 340141, 340120, 340042, 340022, 340024, 340121, 340068, 340158.
340094	0.8177	CAPE FEAR MEMORIAL HOSPITAL INC	340141, 340121, 340093, 340158, 340068, 340042, 340022.
340096	0.9266	LEXINGTON MEMORIAL HOSPITAL INC	340085, 340015, 340052, 340004, 340014, 340148, 340047, 340123, 340039, 340129.
340097	0.9328	HUGH CHATHAM MEMORIAL HOSPITAL	340006, 340064, 340003, 340044, 340052, 490115, 340067, 340148, 340014, 340047.
340098	0.9856	MERCY HOSPITAL INC	340153, 340053, 340009, 340113, 340166, 340032, 340001, 420002, 340130, 420032.
340099	0.7510	ROANOKE CHOWAN HOSPITAL	340101, 340122, 340065, 490092, 340133, 340112, 340151, 340107, 340109, 490044.
340100	0.9196	SOUTHEAST SPECIALTY HOSPITAL	340125, 340091, 340004, 340070, 340034, 340085, 340007, 340123, 340047, 340148.
340101	0.8661	BERTIE MEMORIAL HOSPITAL	340133, 340112, 340099, 340122, 340065, 340107, 340038, 340040, 340162.
340104	0.8563	CRAWLEY MEMORIAL HOSPITAL	340021, 420043, 340037, 340013, 420083, 420076, 420007, 340018, 340032, 340145.
340105	0.8491	ST JOSEPHS HOSPITAL	340002, 340023, 340025, 340017, 340088, 340087, 340018, 340013, 340011.
340106	0.8244	HAMLET HOSPITAL	340035, 340008, 420062, 420054, 340084, 340115, 340048, 340063, 420005, 340050.
340107	0.8694	HERITAGE HOSPITAL	340162, 340147, 340122, 340040, 340126, 340133, 340101, 340151, 340038.
340109	0.8514	ALBEMARLE HOSPITAL	340065, 490120, 490044, 490017, 490074, 490030, 490046, 490007, 490119, 340099.
340111	0.9162	CHATHAM HOSPITAL INC	340123, 340020, 340061, 340070, 340034, 340100, 340125, 340091, 340167, 340004.
340112	0.8613	WASHINGTON COUNTY HOSPITAL	340065, 340133, 340101, 340089, 340038, 340099, 340040, 340122, 340107.
340113	0.9856	CAROLINAS MEDICAL CENTER	340009, 340153, 340053, 340098, 340166, 340032, 340001, 420002, 340130, 420032.
340114	0.9533	REX HOSPITAL	340138, 340073, 340069, 340167, 340049, 340030, 340155, 340061, 340136, 340090.
340115	0.8001	MOORE REGIONAL HOSPITAL INC	340048, 340020, 340063, 340035, 340106, 340028, 340164, 340008, 340084, 340111.
340116	0.9290	AMI FRYE REGIONAL MEDICAL CENTER	340143, 340055, 340067, 340075, 340041, 340154, 340137, 340145, 340144, 340039.
340119	0.9226	STANLY MEMORIAL HOSPITAL INC	340063, 340001, 340015, 340166, 340084, 340123, 340096, 340130, 340098, 340053.
340120	0.7655	DUPLIN GENERAL HOSPITAL	340024, 340093, 340027, 340135, 340010, 340042, 340022, 340071, 340090, 340124.
340121	0.8313	J ARTHUR DOSHER MEMORIAL HOSPITAL	340158, 340141, 340094, 340093, 340068, 420085.
340122	0.8625	OUR COMMUNITY HOSPITAL	340107, 340162, 340101, 340147, 340099, 340151, 340133, 340040, 340126.
340123	0.8814	RANDOLPH HOSPITAL	340111, 340085, 340004, 340100, 340096, 340063, 340125, 340091, 340119, 340070.
340124	0.8520	GOOD HOPE HOSPITAL	340071, 340090, 340164, 340028, 340024, 340020, 340138, 340135, 340069, 340114.
340125	0.9417	WESLEY LONG COMMUNITY HOSPITAL	340091, 340100, 340004, 340070, 340034, 340007, 340085, 340047, 340148, 340014.
340126	0.8878	WILSON MEMORIAL HOSPITAL	340162, 340147, 340010, 340135, 340090, 340107, 340040, 340069, 340036.
340127	0.9329	GRANVILLE MEDICAL CENTER	340132, 340136, 340036, 340155, 340049, 340030, 490013, 340167, 340073, 340114.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
340129	0.9544	LAKE NORMAN REGIONAL MEDICAL CENTER	340001, 340144, 340039, 340015, 340166, 340145, 340143, 340052, 340053, 340009.
340130	0.9811	UNION MEMORIAL HOSPITAL	340084, 340098, 340153, 420036, 340113, 340053, 340009, 340166, 420002, 340119.
340131	0.8365	CRAVEN REGIONAL MEDICAL CENTER	340027, 340042, 340038, 340142, 340089, 340076, 340040, 340120, 340010.
340132	0.9145	MARIA PARHAM HOSPITAL	340127, 340036, 340136, 340155, 490098, 340049, 340030, 490013, 340073, 340167.
340133	0.8613	MARTIN GENERAL HOSPITAL	340101, 340112, 340038, 340040, 340107, 340122, 340065, 340089, 340099.
340135	0.8425	CHERRY HOSPITAL-GENERAL MEDICAL	340010, 340090, 340126, 340027, 340024, 340120, 340071, 340124, 340040.
340136	0.9605	JOHN UMSTEAD HOSPITAL	340155, 340049, 340030, 340127, 340167, 340132, 340036, 340073, 340114, 340061.
340137	0.9088	BROUGHTON HOSPITAL-MEDICAL UNIT	340154, 340075, 340055, 340041, 340116, 340087, 340143, 340011, 340080, 340067.
340138	0.9533	DOROTHEA DIX HOSPITAL	340069, 340114, 340073, 340167, 340049, 340030, 340155, 340090, 340061, 340136.
340141	0.8177	NEW HANOVER MEMORIAL HOSPITAL	340094, 340121, 340158, 340093, 340068, 340022, 340042.
340142	0.8182	CARTERET GENERAL HOSPITAL	340076, 340131, 340042.
340143	0.9290	CATAWBA MEMORIAL HOSPITAL	340116, 340055, 340067, 340145, 340075, 340144, 340041, 340154, 340137, 340039.
340144	0.9419	DAVIS COMMUNITY HOSPITAL	340039, 340129, 340067, 340052, 340143, 340116, 340015, 340006, 340145, 340001.
340145	0.9143	LINCOLN COUNTY HOSPITAL	340032, 340143, 340037, 340021, 340116, 340129, 340055, 340104, 340166, 340075.
340146	0.8086	HIGHLANDS-CASHIERS HOSPITAL INC	340012, 110140, 110056, 340016, 420011, 420009, 340088, 110070, 340031, 420015.
340147	0.8846	NASH GENERAL HOSPITAL	340162, 340107, 340126, 340122, 340036, 340040, 340151, 340132, 340069.
340148	0.9475	MEDICAL PARK HOSPITAL	340014, 340047, 340004, 340085, 340052, 340006, 340096, 340019, 340125, 340091.
340151	0.7562	HALIFAX MEMORIAL HOSPITAL	490097, 340122, 490098, 340147, 340099, 340162, 340107, 340036, 490092, 340132.
340153	0.9856	ORTHOPAEDIC HOSPITAL OF CHARLOTTE	340053, 340098, 340009, 340113, 340166, 340032, 340001, 420002, 340130, 420032.
340154	0.9123	WESTERN CAROLINA CENTER HOSPITAL	340137, 340075, 340055, 340041, 340116, 340087, 340143, 340011, 340080, 340145.
340155	0.9566	DURHAM COUNTY GENERAL HOSPITAL	340049, 340030, 340167, 340136, 340061, 340114, 340073, 340138, 340069, 340127.
340158	0.8313	THE BRUNSWICK HOSPITAL	340121, 340141, 340094, 340068, 420085, 420049, 420064, 340093, 340022, 420042.
340159	0.9199	PERSON COUNTY MEMORIAL HOSPITAL	340019, 340060, 340007, 490079, 490054, 340091, 340125, 340047, 340100, 340148.
340160	0.7869	MURPHY MEDICAL CENTER	340054, 110051, 110070, 440041, 110189, 440054, 340012, 110140, 110056, 110077.
340162	0.8742	COMMUNITY HOSPITAL OF ROCKY MOUNT	340147, 340107, 340126, 340122, 340040, 340036, 340133, 340101, 340151.
340164	0.7940	HIGHSMITH RAINEY MEMORIAL HOSPITAL	340028, 340071, 340124, 340048, 340024, 340115, 340050, 340020, 340022, 340008.
340166	0.9808	UNIVERSITY MEMORIAL HOSPITAL	340053, 340098, 340153, 340009, 340113, 340001, 340129, 340032, 340130, 340145.
340167	0.9552	CHAPS KOALA CTR OF RESEARCH TRIANGLE	340049, 340030, 340155, 340114, 340061, 340073, 340138, 340069, 340136, 340034.
350001	0.8376	GARRISON MEMORIAL HOSPITAL	350039, 350050, 350043, 350006.
350002	0.8320	ST ALEXIUS MEDICAL CENTER	350015, 350016, 350058, 350050.
350003	0.7009	ST JOSEPHS HOSPITAL	350060.
350004	0.9255	DAKOTA HOSPITAL	350020, 350011, 240114, 240140, 350027, 240029, 240101.
350005	0.8444	ST ANSGARS HOSPITAL	350047, 350038, 350056, 240138, 350019, 350042, 350055, 240085.
350006	0.7364	ST JOSEPHS HOSPITAL	350043, 350036, 350001, 350035.
350007	0.7465	ST ANDREWS HOSPITAL	350010, 350024.
350008	0.7064	CARRINGTON HEALTH CENTER	350031, 350009, 350018, 350030, 350053.
350009	0.6962	JAMESTOWN HOSPITAL	350013, 350008, 350053.
350010	0.7611	HEART OF AMERICA MEDICAL CENTER	350007, 350024, 350014, 350018.
350011	0.9280	ST LUKES HOSPITALS	350020, 350004, 240114, 350027, 240140, 240029, 240101, 240148, 350033.
350012	0.7286	OAKES COMMUNITY HOSPITAL	350065, 350041, 430022.
350013	0.9034	MERCY HOSPITAL	350009, 350053, 350041.
350014	0.6658	TOWNER COUNTY MEMORIAL HOSPITAL	350024, 350030, 350010, 350056.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
350015	0.8320	MEDCENTER ONE	350002, 350016, 350058, 350050.
350016	0.8320	MEDCENTER ONE MANDAN	350015, 350002, 350039, 350050.
350017	0.6847	MERCY HOSPITAL	350025, 350034, 270021.
350018	0.7635	ST ALOISIUS MEDICAL CENTER	350031, 350010, 350008, 350050.
350019	0.8445	UNITED HOSPITAL	240041, 240085, 350033, 350027, 350047, 240017, 350005, 240180.
350020	0.9280	ST JOHNS HOSPITAL	350011, 350004, 240114, 350027, 240140, 240029, 240101, 240148.
350021	0.6926	ST LUKES HOSPITAL	350034.
350023	0.6820	ST LUKES TRI-STATE HOSPITAL	350061, 430009, 270052.
350024	0.7599	PRESENTATION MEDICAL CENTER	350014, 350010, 350007.
350025	0.7315	MCKENZIE COUNTY MEMORIAL HOSPITAL	350017, 270021, 350034.
350027	0.9325	COMMUNITY HOSPITAL ASSOCIATION	350033, 240114, 240041, 350019, 350011, 350020, 350004.
350029	0.7645	STANLEY COMMUNITY HOSPITAL	350034, 350035.
350030	0.6924	MERCY HOSPITAL	350014, 350031, 350042, 350055, 350008.
350031	0.7064	CITY HOSPITAL	350008, 350030, 350018, 350055, 350042.
350032	0.7347	ST GERARDS COMMUNITY HOSPITAL	240029, 240112, 430064, 240065, 240052, 430022, 240109, 350041.
350033	0.9247	UNION HOSPITAL	350027, 350019, 240041, 350053, 240114, 350055, 350042, 350011.
350034	0.7739	TIOGA MEDICAL CENTER	350029, 350017, 350021, 350025, 350035.
350035	0.7626	KENMARE COMMUNITY HOSPITAL	350029, 350036, 350034, 350043, 350006.
350036	0.7432	RENVILLE BOTTINEAU MEMORIAL HOSPITAL	350035, 350043, 350006.
350038	0.8452	PEMBINA COUNTY MEMORIAL HOSPITAL	350005, 350047, 240138, 350056.
350039	0.8479	SAKAKAWEA MEDICAL CENTER	350001, 350050, 350060, 350016.
350041	0.9115	COMMUNITY MEMORIAL HOSPITAL	350012, 350013, 430022, 350032.
350042	0.8507	NORTHWOOD DEACONESS HOSPITAL	350055, 350053, 350030, 350033, 350031, 350005.
350043	0.7364	TRINITY MEDICAL CENTER	350006, 350036, 350001, 350035.
350044	0.8357	JACOBSON MEMORIAL HOSPITAL CARE CENTER	430080, 350060, 350061.
350047	0.8446	UNITY HOSPITAL	350005, 350038, 240138, 240085, 350019, 240180.
350049	0.7392	ASHLEY MEDICAL CENTER	350051, 430062, 350065, 430079, 350058.
350050	0.8271	TURTLE LAKE COMMUNITY MEMORIAL HOSPITAL	350001, 350039, 350016, 350015, 350002, 350018.
350051	0.8308	WISHEK COMMUNITY HOSPITAL	350049, 350058, 430062.
350053	0.8502	GRIGGS COUNTY HOSPITAL	350055, 350042, 350013, 350033, 350009, 350008.
350055	0.8507	COMMUNITY HOSPITAL IN NELSON COUNTY	350042, 350053, 350030, 350033, 350031, 350005.
350056	0.7096	CAVALIER COUNTY MEMORIAL HOSPITAL	350038, 350005, 350014.
350058	0.8386	LINTON HOSPITAL	350051, 350049, 350002, 350015, 430062.
350060	0.7797	RICHARDTON HEALTH CENTER INC	350003, 350044, 350039.
350061	0.6871	WEST RIVER REGIONAL MEDICAL CENTER	430080, 350023, 350044.
350065	0.7209	DICKEY COUNTY MEMORIAL HOSPITAL	350012, 430014, 430022, 350049.
360001	0.9414	MERCY HOSPITAL ANDERSON	360124, 360179, 360016, 360003, 180001, 360163, 180045, 360134, 360038, 180035.
360002	0.8222	SAMARITAN HOSPITAL	360166, 360118, 360139, 360135, 360036, 360188, 360164, 360063, 360194, 360034.
360003	0.9269	UNIVERSITY OF CINCINNATI MEDICAL CENTER	360016, 360179, 360134, 360038, 360163, 180045, 180001, 180035, 360113, 360234.
360006	0.9544	RIVERSIDE METHODIST HOSPITAL	360085, 360012, 360152, 360031, 360035, 360017, 360062, 360210, 360092, 360189.
360007	0.8501	LAWRENCE COUNTY GENERAL HOSPITAL	180036, 180009, 510055, 510007, 360008, 360050, 180128, 360054.
360008	0.8523	SOUTHERN OHIO MEDICAL CENTER	360050, 180036, 360007, 180009, 360047, 360129, 510007, 510055.
360009	0.7543	LIMA MEMORIAL HOSPITAL	360066, 360169, 360032, 360176, 360071, 360197, 360013, 360058, 360136, 360128.
360010	0.8553	UNION HOSPITAL	360057, 360084, 360100, 360070, 360151, 360148, 360231, 360109, 360034, 360240.
360011	0.8115	MARION GENERAL HOSPITAL	360028, 360108, 360030, 360210, 360194, 360128, 360176, 360164, 360092, 360135.
360012	0.9504	ST ANNS HOSPITAL OF COLUMBUS	360006, 360085, 360152, 360062, 360017, 360035, 360031, 360210, 360092, 360218.
360013	0.7959	WILSON MEMORIAL HOSPITAL	360149, 360184, 360174, 360032, 360197, 360088, 360058, 360044, 360086, 360009.
360014	0.7709	O BLENESS MEMORIAL HOSPITAL	360067, 360200, 360106, 510058, 510033, 510012, 360147, 360178, 360072, 360054.
360015	0.8957	AKRON CITY HOSPITAL	360020, 360027, 360150, 360241, 360019, 360195, 360078, 360091, 360151, 360240.
360016	0.9269	JEWISH HOSPITAL OF CINCINNATI INC	360003, 360179, 360134, 360038, 360163, 180045, 180001, 180035, 360113, 360234.
360017	0.9557	GRANT MEDICAL CENTER	360035, 360062, 360152, 360085, 360031, 360012, 360006, 360189, 360210, 360170.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
360018	0.9322	ST ELIZABETH MEDICAL CENTER	360051, 360133, 360052, 360079, 360239, 360026, 360076, 360174, 360086, 360184.
360019	0.9038	BARBERTON CITIZENS HOSPITAL	360027, 360015, 360020, 360241, 360195, 360150, 360091, 360100, 360034, 360151.
360020	0.8957	ST THOMAS MEDICAL CENTER	360015, 360027, 360150, 360019, 360241, 360195, 360078, 360091, 360240, 360151.
360021	0.9399	ST JOSEPH RIVERSIDE HOSPITAL	360055, 360161, 360141, 360064, 360126, 360141, 390211, 390165, 360078, 390178.
360024	0.8018	PROVIDENCE HOSPITAL	360120, 360025, 360114, 360107, 360065, 360156, 360172, 360130, 360213, 360204.
360025	0.8018	FIRELANDS COMMUNITY HOSPITAL	360024, 360120, 360114, 360107, 360065, 360156, 360172, 360130, 360213, 360204.
360026	0.9288	GREENE MEMORIAL HOSPITAL	360079, 360051, 360018, 360133, 360052, 360239, 360187, 360086, 360175, 360076.
360027	0.8936	AKRON GENERAL MEDICAL CENTER	360015, 360020, 360150, 360019, 360241, 360195, 360078, 360091, 360151, 360100.
360028	0.8115	MEDICAL CENTER HOSPITAL INC	360011, 360108, 360030, 360210, 360194, 360128, 360176, 360164, 360092, 360135.
360029	0.9987	WOOD COUNTY HOSPITAL	360090, 360048, 360099, 360081, 360103, 360119, 360068, 360112, 360094, 360074.
360030	0.8238	BUCYRUS COMMUNITY HOSPITAL	360194, 360164, 360128, 360135, 360095, 360028, 360011, 360108, 360063, 360118.
360031	0.9544	ST ANTHONY MERCY HOSPITAL	360035, 360152, 360017, 360085, 360062, 360006, 360012, 360189, 360210, 360092.
360032	0.7580	JOINT TOWNSHIP DISTRICT MEM HOSPITAL	360058, 360066, 360009, 360013, 360071, 360149, 150031, 150085, 360197, 150106.
360034	0.8911	DUNLAP MEMORIAL HOSPITAL	360036, 360100, 360195, 360019, 360084, 360070, 360151, 360188, 360148, 360027.
360035	0.9557	MT CARMEL HEALTH CENTER	360017, 360031, 360152, 360085, 360062, 360006, 360012, 360189, 360210, 360170.
360036	0.8891	WOOSTER COMMUNITY HOSPITAL	360034, 360188, 360195, 360148, 360002, 360139, 360100, 360019, 360091, 360084.
360037	1.0607	ST VINCENT CHARITY HOSPITAL	360104, 360087, 360049, 360180, 360059, 360075, 360137, 360045, 360102.
360038	0.9269	DEACONESS HOSPITAL	360134, 360163, 360003, 360016, 360179, 180045, 180001, 360113, 180035, 360234.
360039	0.7899	GOOD SAMARITAN MEDICAL CENTER	360193, 360203, 360218, 360109, 360072, 360106, 360067, 360040, 360154, 360148.
360040	0.8181	KNOX COMMUNITY HOSPITAL	360139, 360108, 360218, 360118, 360166, 360148, 360194, 360164, 360109, 360210.
360041	0.9673	PARMA COMMUNITY GENERAL HOSPITAL	360232, 360102, 360155, 360059, 360077, 360143, 360104, 360049, 360087, 360212.
360042	0.9094	BROWN MEMORIAL HOSPITAL	360125, 360127, 390193, 390198, 390009, 390063, 390113, 360098, 390040, 390178.
360044	0.8206	WAYNE HOSPITAL	150085, 150054, 360149, 360184, 360174, 150048, 150135, 360013, 360058, 360052.
360045	1.0749	ST LUKES HOSPITAL ASSOCIATION	360180, 360137, 360075, 360049, 360101, 360037, 360104, 360122, 360144.
360046	0.8275	MCCULLOUGH-HYDE MEMORIAL HOSPITAL	360132, 360056, 360076, 150064, 360234, 150048, 150135, 360239, 360113, 150122.
360047	0.8305	PIKE COUNTY HOSPITAL	360159, 360186, 360008, 360050, 360142, 360129, 360170, 360177, 360106.
360048	0.9977	MEDICAL COLLEGE OF OHIO AT TOLEDO	360068, 360103, 360119, 360112, 360074, 360090, 360094, 360081, 360029, 230099.
360049	1.0607	ST ALEXIS HOSPITAL	360104, 360037, 360059, 360045, 360180, 360087, 360102, 360075, 360137.
360050	0.8222	OAK HILL COMMUNITY MEDICAL CENTER	360054, 360008, 510012, 360047, 360007, 180036, 360200, 180009, 510007.
360051	0.9323	MIAMI VALLEY HOSPITAL	360018, 360133, 360079, 360052, 360239, 360026, 360076, 360174, 360086, 360187.
360052	0.9322	GOOD SAMARITAN HOSPITAL & HEALTH CENTER	360133, 360018, 360051, 360079, 360239, 360026, 360174, 360076, 360184, 360086.
360054	0.8567	HOLZER MEDICAL CENTER	510012, 360200, 360050, 510018, 510007, 510055, 360007, 510085, 180009.
360055	0.9399	TRUMBULL MEMORIAL HOSPITAL	360161, 360021, 360141, 360064, 360126, 360141, 390211, 390165, 390178, 360078.
360056	0.9203	MERCY HOSPITAL OF HAMILTON & FAIRFIELD	360132, 360076, 360046, 360234, 360124, 360134, 360016, 360003, 360113, 360038.
360057	0.8504	TWIN CITY HOSPITAL	360010, 360231, 360109, 360084, 360203, 360070, 360154, 360100, 360151, 360148.
360058	0.7673	MERCER CTY JOINT TOWNSHIP COMM HOSPITAL	360032, 150031, 150085, 360071, 360013, 150106, 150054, 360044, 360149, 150063.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
360059	1.0338	METRO HEALTH MEDICAL CENTER	360104, 360102, 360087, 360049, 360037, 360180, 360045, 360212, 360075.
360062	0.9557	ST ANTHONY MEDICAL CENTER	360017, 360152, 360035, 360085, 360012, 360031, 360006, 360210, 360189, 360170.
360063	0.8231	MERCY HOSPITAL WILLARD	360135, 360065, 360107, 360164, 360030, 360095, 360194, 360118, 360166, 360089.
360064	0.9391	ST ELIZABETH HOSPITAL	360126, 360141, 360141, 360161, 360055, 390165, 390211, 360021, 390016, 390017.
360065	0.8132	FISHER TITUS MEMORIAL HOSPITAL	360107, 360063, 360120, 360024, 360025, 360213, 360130, 360172, 360135, 360114.
360066	0.7548	ST RITAS MEDICAL CENTER	360009, 360169, 360032, 360071, 360176, 360058, 360197, 360013, 360136, 150106.
360067	0.8123	DOCTORS HOSPITAL OF NELSONVILLE	360106, 360014, 360072, 360200, 360170, 510058, 510033, 360039, 360159, 360193.
360068	0.9977	TOLEDO HOSPITAL	360103, 360074, 360119, 360112, 360048, 360094, 360081, 360090, 230099, 360029.
360069	0.9802	FULTON COUNTY HEALTH CENTER	360165, 230113, 360093, 360121, 360090, 360029, 360048, 230005, 360068, 360103.
360070	0.8948	TIMKEN MERCY MEDICAL CENTER	360151, 360084, 360100, 360240, 360241, 360131, 360019, 360034, 360015, 360027.
360071	0.8133	VAN WERT COUNTY HOSPITAL	150106, 360136, 360032, 360066, 360009, 360058, 150075, 150063, 150021, 150017.
360072	0.9143	LANCASTER-FAIRFIELD COUNTY HOSPITAL	360106, 360170, 360218, 360067, 360062, 360017, 360035, 360152, 360031, 360085.
360074	0.9977	FLOWER HOSPITAL	360112, 360119, 360103, 360068, 360094, 360081, 360048, 360090, 230099, 360029.
360075	1.0652	MT SINAI MEDICAL CENTER	360137, 360180, 360045, 360101, 360037, 360049, 360104, 360087, 360059.
360076	0.9376	MIDDLETOWN REGIONAL HOSPITAL	360239, 360132, 360056, 360079, 360046, 360018, 360051, 360133, 360052, 360124.
360077	0.9621	FAIRVIEW GENERAL HOSPITAL	360212, 360232, 360192, 360155, 360123, 360102, 360087, 360059, 360041, 360104.
360078	0.8905	ROBINSON MEMORIAL HOSPITAL	360150, 360241, 360015, 360020, 360027, 360131, 360240, 360019, 360021, 360115.
360079	0.9301	KETTERING MEDICAL CENTER	360051, 360018, 360239, 360133, 360052, 360026, 360076, 360174, 360175, 360086.
360080	0.8418	EAST OHIO REGIONAL HOSPITAL	510050, 510039, 360153, 510013, 360211, 360083, 390036, 360231, 510076, 390042.
360081	0.9977	ST CHARLES HOSPITAL	360094, 360112, 360119, 360103, 360074, 360068, 360048, 360090, 360029, 230099.
360082	1.0703	EUCLID GENERAL HOSPITAL	360162, 360101, 360137, 360075, 360180, 360230, 360045, 360037, 360049.
360083	0.7966	ST JOHN MEDICAL CENTER	360211, 510023, 510076, 360096, 360238, 360080, 390036, 510050, 360231, 510039.
360084	0.8846	AULTMAN HOSPITAL	360070, 360151, 360100, 360240, 360241, 360131, 360019, 360034, 360010, 360015.
360085	0.9544	OHIO STATE UNIVERSITY HOSPITAL	360152, 360006, 360035, 360017, 360031, 360062, 360012, 360210, 360189, 360092.
360086	0.9087	MERCY MEDICAL CENTER OF SPRINGFIELD	360187, 360088, 360189, 360026, 360174, 360133, 360184, 360051, 360052, 360018.
360087	1.0338	LUTHERAN MEDICAL CENTER	360104, 360037, 360059, 360049, 360102, 360180, 360212, 360075, 360045.
360088	0.8256	MERCY MEMORIAL HOSPITAL	360086, 360187, 360197, 360092, 360189, 360184, 360174, 360013, 360149, 360026.
360089	0.7962	MERCY HOSPITAL	360095, 360099, 360156, 360128, 360107, 360030, 360063, 360029, 360065, 360135.
360090	0.9985	ST LUKES HOSPITAL	360048, 360068, 360103, 360119, 360112, 360074, 360094, 360081, 360029, 360069.
360091	0.9106	MEDINA COMMUNITY HOSPITAL	360195, 360188, 360019, 360027, 360150, 360020, 360155, 360015, 360041, 360232.
360092	0.9379	MEMORIAL HOSPITAL OF UNION COUNTY	360210, 360088, 360197, 360006, 360085, 360189, 360012, 360031, 360152, 360035.
360093	0.8005	DEFIANCE HOSPITAL INC	360165, 360121, 360136, 360140, 360069, 230113, 360071, 360029, 150045, 360169.
360094	0.9977	RIVERSIDE HOSPITAL	360112, 360119, 360103, 360081, 360074, 360068, 360048, 360090, 230099, 360029.
360095	0.7862	BLANCHARD VALLEY HOSPITAL	360089, 360128, 360099, 360030, 360063, 360156, 360107, 360135, 360164, 360194.
360096	0.8259	EAST LIVERPOOL CITY HOSPITAL	360238, 510023, 390176, 510076, 360083, 360211, 390037, 390008, 360185, 390157.
360098	1.0577	LAKE HOSPITAL SYSTEM INC	360127, 360162, 360230, 360082, 360101, 360137, 360075, 360122, 360144.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
360099	0.8681	FOSTORIA CITY HOSPITAL	360089, 360095, 360156, 360029, 360128, 360107, 360169, 360090, 360030, 360081.
360100	0.9037	MASSILLON COMMUNITY HOSPITAL	360084, 360070, 360151, 360034, 360240, 360019, 360241, 360027, 360015, 360195.
360101	1.0703	HURON ROAD HOSPITAL	360137, 360075, 360180, 360045, 360037, 360049, 360082, 360122, 360162.
360102	0.9784	DEACONESS HOSPITAL	360059, 360104, 360049, 360087, 360037, 360232, 360041, 360143, 360212, 360045.
360103	0.9977	MERCY HOSPITAL	360119, 360112, 360074, 360094, 360068, 360081, 360048, 360090, 360029, 230099.
360104	1.0607	GRACE HOSPITAL	360087, 360059, 360037, 360049, 360102, 360180, 360045, 360075, 360137.
360106	0.8905	HOCKING VALLEY COMMUNITY HOSPITAL	360067, 360072, 360014, 360170, 360159, 360218, 360039, 360193, 360062, 360017.
360107	0.7998	BELLEVUE HOSPITAL	360065, 360120, 360024, 360025, 360156, 360114, 360063, 360089, 360095, 360135.
360108	0.8323	MORROW COUNTY HOSPITAL	360194, 360028, 360011, 360164, 360030, 360210, 360118, 360040, 360166, 360135.
360109	0.7948	COSHOCTON COUNTY MEMORIAL HOSPITAL	360148, 360203, 360193, 360039, 360010, 360057, 360040, 360139, 360218, 360231.
360112	0.9977	ST VINCENTS MEDICAL CENTER	360119, 360103, 360074, 360094, 360068, 360081, 360048, 360090, 230099, 360029.
360113	0.9269	ST FRANCIS-ST GEORGE HOSPITAL INC	360038, 360134, 360163, 360003, 360234, 360016, 360179, 180045, 180035, 180001.
360114	0.9224	H B MAGRUDER MEMORIAL HOSPITAL	360025, 360024, 360120, 360156, 360107, 360065, 360081, 360089, 360094, 360112.
360115	1.0615	COMMUNITY HOSPITAL OF BEDFORD	360144, 360143, 360122, 360045, 360049, 360137, 360180, 360102, 360075.
360116	0.8477	BROWN COUNTY HOSPITAL	180019, 360129, 360236, 360142, 360001, 180053, 180001, 180035, 180045, 360124.
360118	0.8192	MANSFIELD GENERAL HOSPITAL	360166, 360164, 360135, 360002, 360194, 360139, 360108, 360030, 360063, 360040.
360119	0.9977	PARKVIEW HOSPITAL	360103, 360112, 360074, 360094, 360068, 360081, 360048, 360090, 360029, 230099.
360120	0.8018	FIRELANDS COMMUNITY HOSPITAL	360024, 360025, 360114, 360107, 360065, 360156, 360172, 360130, 360213, 360204.
360121	0.8053	COMMUNITY HOSPITAL	360140, 360093, 360069, 360165, 150039, 230113, 360136, 150045, 230037, 150073.
360122	1.0670	BRENTWOOD HOSPITAL	360144, 360143, 360115, 360045, 360137, 360180, 360075, 360101, 360049.
360123	0.9064	ST JOHN & WESTSHORE HOSPITAL	360192, 360077, 360155, 360212, 360232, 360145, 360041, 360204, 360102, 360087.
360124	0.9409	JEWISH HOSPITAL KENWOOD	360001, 360016, 360003, 360179, 360134, 360163, 360038, 360234, 180001, 180045.
360125	0.9111	ASHTABULA GENERAL HOSPITAL	360127, 360042, 360098, 390113, 390193, 390198, 390009, 390063, 360162, 390178.
360126	0.9391	YOUNGSTOWN OSTEOPATHIC HOSPITAL	360064, 360141, 360141, 360161, 390165, 390211, 360055, 360021, 390016, 390017.
360127	1.0378	MEMORIAL HOSPITAL OF GENEVA	360125, 360098, 360042, 360162, 360230, 360082, 360101, 360122, 360144, 360137.
360128	0.8145	WYANDOT MEMORIAL HOSPITAL	360095, 360030, 360089, 360011, 360028, 360176, 360099, 360194, 360164, 360108.
360129	0.7898	ADAMS COUNTY HOSPITAL	180019, 360116, 360008, 180053, 360142, 360047, 360236, 360186, 180059.
360130	0.9143	AMHERST HOSPITAL	360172, 360204, 360145, 360213, 360123, 360192, 360155, 360077, 360212, 360232.
360131	0.8648	ALLIANCE CITY HOSPITAL	360240, 360185, 360151, 360070, 360084, 360241, 360078, 360100, 360015, 360020.
360132	0.9203	FT HAMILTON HUGHES MEMORIAL HOSPITAL	360056, 360046, 360076, 360234, 360124, 360134, 360113, 360016, 360003, 360038.
360133	0.9322	GRANDVIEW HOSPITAL & MEDICAL CENTER	360018, 360051, 360052, 360079, 360239, 360026, 360174, 360076, 360184, 360086.
360134	0.9269	GOOD SAMARITAN HOSPITAL	360038, 360003, 360016, 360179, 360163, 180045, 360113, 180001, 180035, 360234.
360135	0.8161	SHELBY MEMORIAL HOSPITAL	360164, 360118, 360063, 360194, 360166, 360030, 360002, 360065, 360108, 360095.
360136	0.8704	PAULDING COUNTY HOSPITAL	360140, 360093, 360071, 150021, 360121, 150047, 150017, 150045, 150106, 360165.
360137	1.0697	UNIVERSITY HOSPITALS OF CLEVELAND	360075, 360180, 360045, 360101, 360037, 360049, 360104, 360087, 360122.
360139	0.8204	KETTERING HOSPITAL	360166, 360002, 360148, 360118, 360036, 360040, 360034, 360164, 360135, 360194.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
360140	0.8801	COMMUNITY MEMORIAL HOSPITAL	360136, 150045, 360121, 360093, 150021, 150047, 150017, 150039, 150073, 360165.
360141	0.9445	YOUNGSTOWN HOSPITAL ASSOCIATION	360064, 360126, 360064, 360126, 360161, 360055, 390165, 390211, 360161, 360021.
360142	0.8726	HIGHLAND DISTRICT HOSPITAL	360186, 360175, 360177, 360116, 360236, 360129, 360047, 360159, 360026, 360001.
360143	1.0525	MARYMOUNT HOSPITAL	360144, 360122, 360115, 360049, 360045, 360102, 360059, 360180, 360137.
360144	1.0670	MERIDIA SUBURBAN HOSPITAL	360122, 360143, 360115, 360045, 360137, 360180, 360075, 360101, 360049.
360145	0.9143	ELYRIA MEMORIAL HOSPITAL	360130, 360204, 360213, 360172, 360123, 360192, 360155, 360077, 360232, 360212.
360147	0.7450	MARIETTA MEMORIAL HOSPITAL	360178, 510033, 510058, 510065, 360014, 510072, 360067, 360200, 510063, 360154.
360148	0.8647	JOEL POMERENE MEMORIAL HOSPITAL	360139, 360036, 360034, 360109, 360010, 360100, 360002, 360040, 360084, 360057.
360149	0.8446	PIQUA MEMORIAL MEDICAL CENTER	360184, 360174, 360013, 360044, 360088, 360052, 360086, 360133, 150085, 360032.
360150	0.8869	CUYAHOGA FALLS GENERAL HOSPITAL	360020, 360015, 360027, 360241, 360019, 360078, 360195, 360091, 360115, 360041.
360151	0.8948	DOCTORS HOSPITAL INC	360070, 360084, 360100, 360240, 360241, 360131, 360019, 360015, 360034, 360027.
360152	0.9544	DOCTORS HOSPITAL	360085, 360017, 360035, 360062, 360031, 360006, 360012, 360189, 360210, 360092.
360153	0.8383	CITY HOSPITAL	510039, 510050, 360080, 510013, 360154, 360211, 360083, 360231, 390036, 390042.
360154	0.7471	BARNESVILLE HOSPITAL ASSOCIATION	360203, 360231, 510013, 360153, 510039, 360080, 510050, 360057, 510072, 510065.
360155	0.9621	SOUTHWEST GENERAL HOSPITAL	360232, 360041, 360192, 360077, 360123, 360102, 360212, 360059, 360087, 360104.
360156	0.8446	MEMORIAL HOSPITAL	360107, 360114, 360089, 360099, 360120, 360024, 360025, 360095, 360029, 360081.
360159	0.9609	MEDICAL CENTER HOSPITAL	360170, 360047, 360186, 360177, 360106, 360072, 360142, 360067, 360050, 360035.
360161	0.9432	WARREN GENERAL HOSPITAL	360055, 360021, 360141, 360064, 360126, 360141, 390211, 390165, 390178, 360185.
360162	1.0694	RICHMOND HEIGHTS GENERAL HOSPITAL	360082, 360230, 360101, 360137, 360075, 360180, 360045, 360122, 360144.
360163	0.9269	CHRIST HOSPITAL	360179, 360038, 360003, 360016, 360134, 180045, 180001, 180035, 360113, 360234.
360164	0.8279	CRESTLINE MEMORIAL HOSPITAL	360194, 360135, 360118, 360030, 360166, 360108, 360063, 360002, 360028, 360011.
360165	0.9812	HENRY COUNTY HOSPITAL	360069, 360093, 360121, 360029, 230113, 360090, 360048, 360136, 360140, 360068.
360166	0.8192	PEOPLES HOSPITAL INC	360118, 360002, 360164, 360135, 360139, 360194, 360108, 360063, 360030, 360040.
360169	0.7521	BLUFFTON COMMUNITY HOSPITAL	360009, 360066, 360176, 360099, 360128, 360032, 360071, 360093, 360029, 360095.
360170	0.9318	BERGER HOSPITAL	360159, 360072, 360177, 360035, 360017, 360031, 360062, 360106, 360152, 360085.
360172	0.9143	LORAIN COMMUNITY HOSPITAL	360130, 360204, 360145, 360213, 360123, 360192, 360077, 360155, 360212, 360232.
360174	0.9157	STOUDER MEMORIAL HOSPITAL	360184, 360149, 360052, 360013, 360133, 360018, 360051, 360044, 360086, 360187.
360175	0.9263	CLINTON MEMORIAL HOSPITAL	360026, 360142, 360177, 360186, 360239, 360079, 360076, 360051, 360018, 360133.
360176	0.7846	HARDIN MEMORIAL HOSPITAL	360128, 360197, 360169, 360011, 360028, 360009, 360066, 360092, 360030, 360095.
360177	0.8830	FAYETTE COUNTY MEMORIAL HOSPITAL	360186, 360175, 360189, 360170, 360142, 360159, 360026, 360187, 360086, 360031.
360178	0.7450	SELBY GENERAL HOSPITAL	360147, 510033, 510058, 510065, 360014, 510072, 360067, 510063, 360154, 360200.
360179	0.9269	BETHESDA HOSPITAL	360016, 360003, 360163, 360038, 360134, 180045, 180001, 180035, 360113, 360234.
360180	1.0652	CLEVELAND CLINIC HOSPITAL	360075, 360137, 360045, 360101, 360037, 360049, 360104, 360087, 360059.
360184	0.9089	DETTMER HOSPITAL INC	360174, 360149, 360013, 360044, 360052, 360133, 360086, 360018, 360051, 360088.
360185	0.9324	SALEM COMMUNITY HOSPITAL	360131, 360141, 360064, 360126, 360141, 360240, 360096, 360238, 360161, 360055.
360186	0.8348	GREENFIELD AREA MEDICAL CENTER	360177, 360142, 360159, 360175, 360047, 360170, 360026, 360189, 360129, 360116.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
360187	0.9087	COMMUNITY HOSPITAL OF SPRINGFIELD	360086, 360088, 360189, 360026, 360174, 360133, 360051, 360018, 360052, 360184.
360188	0.8899	LODI COMMUNITY HOSPITAL	360091, 360195, 360036, 360034, 360002, 360019, 360213, 360145, 360027, 360020.
360189	0.9438	MADISON COUNTY HOSPITAL INC	360187, 360086, 360031, 360088, 360035, 360085, 360006, 360152, 360017, 360092.
360192	0.9541	GEAUGA HOSPITAL	360123, 360077, 360155, 360232, 360212, 360041, 360145, 360102, 360059, 360087.
360193	0.7899	BETHESDA HOSPITAL ASSOCIATION	360039, 360218, 360203, 360109, 360072, 360106, 360040, 360067, 360154, 360148.
360194	0.8267	GALION COMMUNITY HOSPITAL	360164, 360030, 360135, 360108, 360118, 360166, 360028, 360011, 360063, 360128.
360195	0.9125	WADSWORTH RITTMAN HOSPITAL	360091, 360019, 360027, 360020, 360188, 360015, 360150, 360034, 360241, 360036.
360197	0.7877	MARY RUTAN HOSPITAL	360088, 360176, 360013, 360092, 360149, 360086, 360009, 360184, 360187, 360066.
360200	0.7624	VETERANS MEMORIAL HOSPITAL	510012, 360054, 360014, 510018, 360050, 510058, 510033, 360067, 510081, 360147.
360203	0.7766	GUERNSEY MEMORIAL HOSPITAL	360154, 360109, 360193, 360039, 360057, 360231, 360010, 360148, 360153, 510013.
360204	0.9143	ST JOSEPH HOSPITAL & HEALTH CENTER	360172, 360130, 360145, 360123, 360213, 360192, 360077, 360155, 360212, 360232.
360210	0.9213	GRADY MEMORIAL HOSPITAL	360092, 360028, 360011, 360006, 360012, 360108, 360085, 360152, 360062, 360031.
360211	0.8415	OHIO VALLEY HOSPITAL	360083, 510076, 510023, 390036, 360080, 360096, 360238, 510050, 510039, 390042.
360212	0.9921	LAKEWOOD HOSPITAL	360077, 360087, 360104, 360059, 360102, 360232, 360037, 360192, 360049, 360123.
360213	0.8623	ALLEN MEMORIAL HOSPITAL	360130, 360145, 360172, 360204, 360123, 360192, 360065, 360155, 360188, 360091.
360218	0.9140	LICKING MEMORIAL HOSPITAL	360193, 360039, 360072, 360040, 360012, 360062, 360017, 360152, 360085, 360006.
360230	1.0694	MERIDIA HILLCREST HOSPITAL	360162, 360122, 360144, 360101, 360082, 360137, 360045, 360075, 360180.
360231	0.7511	HARRISON COMMUNITY HOSPITAL	360057, 360154, 360083, 360080, 360211, 360010, 510039, 510050, 360153, 510023.
360232	0.9653	KAISER FOUNDATION HOSPITAL	360041, 360155, 360077, 360102, 360059, 360212, 360104, 360087, 360192, 360049.
360234	0.9324	PROVIDENCE HOSPITAL	360134, 360113, 360038, 360003, 360016, 360179, 360163, 180045, 360124, 180001.
360236	0.9470	CLERMONT MERCY HOSPITAL	360001, 360124, 180001, 180045, 180035, 360179, 360016, 360003, 360163, 360038.
360238	0.8259	POTTERS MEDICAL CENTER	360096, 510023, 390176, 510076, 360083, 360211, 390037, 390008, 360185, 390157.
360239	0.9324	SYCAMORE MEDICAL CENTER	360079, 360051, 360018, 360133, 360052, 360076, 360026, 360132, 360056, 360175.
360240	0.8868	MOLLY STARK HOSPITAL	360131, 360151, 360070, 360084, 360241, 360100, 360015, 360078, 360019, 360027.
360241	0.8872	EDWIN SHAW HOSPITAL	360015, 360027, 360020, 360019, 360150, 360240, 360078, 360151, 360070, 360100.
370001	0.8284	HILLCREST MEDICAL CENTER	370114, 370078, 370141, 370091, 370176, 370033, 370039, 370140, 370041, 370166.
370002	0.6181	WOODWARD HOSPITAL AND HEALTH CENTER	370007, 370108, 370177, 370080, 370042.
370004	0.7552	BAPTIST REGIONAL HEALTH CENTER	170021, 370065, 370113, 170043, 260001, 260137, 260007, 170159, 260053.
370005	0.8109	WATONGA MUNICIPAL HOSPITAL	370045, 370069, 370079, 370092, 370042, 370011, 370177, 370029, 370013, 370159.
370006	0.6673	ST JOSEPH REG MEDICAL CTR NORTH OKLAHOMA.	370030, 370133, 170150, 370060, 370139, 170152, 370012, 170019, 370140.
370007	0.6078	NEWMAN MEMORIAL HOSPITAL	370002, 450578, 370108, 450534, 370131, 370177, 370082.
370008	0.7921	NORMAN REGIONAL HOSPITAL	370161, 370123, 370106, 370158, 370094, 370037, 370105, 370093, 370035, 370159.
370011	0.8425	PARK VIEW HOSPITAL	370069, 370159, 370032, 370013, 370028, 370105, 370037, 370079, 370123, 370106.
370012	0.8159	PAWHUSKA HOSPITAL INC	370133, 370018, 370140, 170106, 370060, 370021, 370006, 370078, 370001.
370013	0.8059	MERCY HEALTH CENTER INC	370028, 370032, 370148, 370159, 370105, 370037, 370093, 370035, 370106, 370094.
370014	0.8225	MEDICAL CENTER OF SOUTHEASTERN OKLAHOMA.	450324, 370043, 370086, 450393, 450469, 370071, 450623, 370163, 370085, 370117.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
370015	0.8319	GRAND VALLEY HOSPITAL	370039, 370166, 370065, 370176, 370089, 370141, 370091, 370001, 370114, 370021.
370016	0.7067	BASS MEMORIAL BAPTIST HOSPITAL	370077, 370026, 370045, 370139, 370042, 370110, 370079, 370030, 370121, 370049.
370017	0.6543	SEMINOLE MUNICIPAL HOSPITAL	370076, 370149, 370126, 370154, 370122, 370179, 370020, 370063, 370158, 370183.
370018	0.8231	JANE PHILLIPS EPISCOPAL MEM MED CENTER	370021, 370012, 170145, 170106, 370039, 170010, 370065, 370140, 370001.
370019	0.6178	COMMUNITY HOSPITAL	370103, 370131, 370029, 370153, 370092, 370125, 450258, 450327, 370064.
370020	0.6295	VALLEY VIEW REGIONAL HOSPITAL	370095, 370154, 370085, 370156, 370017, 370122, 370071, 370086, 370158, 370076.
370021	0.7436	JANE PHILLIPS NOWATA HEALTH CENTER	370018, 370065, 170145, 370039, 370015, 370012, 170010, 370004, 170106.
370022	0.7609	JACKSON COUNTY MEMORIAL HOSPITAL	370125, 370051, 450278, 370036, 370153, 450249, 450584, 370097, 370056, 450673.
370023	0.7707	DUNCAN REGIONAL HOSPITAL	370056, 370097, 370165, 370046, 370157, 370054, 370156, 370038, 370158, 370047.
370025	0.8021	MUSKOGEE REGIONAL MEDICAL CENTER	370166, 370089, 370176, 370057, 370169, 370091, 370015, 370183, 370112, 370084.
370026	0.7067	ST MARYS HOSPITAL	370077, 370016, 370139, 370045, 370042, 370110, 370079, 370030, 370121, 370049.
370028	0.8049	BAPTIST MEDICAL CENTER OF OKLAHOMA	370032, 370159, 370105, 370037, 370093, 370035, 370013, 370106, 370123, 370094.
370029	0.6060	CLINTON REGIONAL HOSPITAL	370092, 370019, 370153, 370064, 370131, 370005, 370103, 370177, 370038, 370011.
370030	0.7322	BLACKWELL REGIONAL HOSPITAL	370006, 170152, 170150, 170140, 370133, 170039, 170019, 370139, 370026, 370077.
370032	0.8049	DEACONESS HOSPITAL	370028, 370159, 370105, 370037, 370093, 370035, 370013, 370106, 370123, 370094.
370033	0.8204	BARTLETT MEMORIAL MEDICAL CENTER INC	370091, 370114, 370078, 370141, 370001, 370176, 370041, 370059, 370057, 370140.
370034	0.6546	MCALESTER REGIONAL HEALTH CENTER	370072, 370169, 370122, 370154, 370085, 370183, 370084, 370071, 370179, 370020.
370035	0.8049	OKLAHOMA MEDICAL CENTER	370093, 370105, 370037, 370094, 370106, 370028, 370032, 370123, 370159, 370013.
370036	0.6391	HARMON MEMORIAL HOSPITAL	450185, 450369, 370125, 450249, 370022, 450217, 450278, 450327, 370103, 370153.
370037	0.8049	ST ANTHONY HOSPITAL	370105, 370093, 370035, 370106, 370028, 370032, 370123, 370159, 370094, 370013.
370038	0.8020	ANADARKO MUNICIPAL HOSPITAL	370054, 370064, 370056, 370011, 370097, 370046, 370092, 370023, 370153, 370008.
370039	0.8346	CLAREMORE REGIONAL HOSPITAL	370015, 370141, 370001, 370114, 370078, 370176, 370091, 370021, 370166, 370018.
370040	0.7153	EASTERN OKLAHOMA MEDICAL CENTER	040055, 040062, 040040, 370084, 040018, 370112, 040028, 370072, 040015, 040124.
370041	0.7922	BRISTOW MEMORIAL HOSPITAL	370059, 370063, 370033, 370099, 370057, 370126, 370179, 370091, 370078, 370114.
370042	0.7518	FAIRVIEW HOSPITAL	370045, 370177, 370005, 370016, 370077, 370026, 370110, 370080, 370079, 370069.
370043	0.8103	MARSHALL MEMORIAL HOSPITAL	370086, 370117, 370047, 370014, 370163, 450324, 450393, 370095, 450469, 450090.
370045	0.7529	OKEENE MUNICIPAL HOSPITAL	370042, 370005, 370079, 370016, 370077, 370026, 370177, 370069, 370011, 370110.
370046	0.8108	LINDSAY MUNICIPAL HOSPITAL	370158, 370156, 370054, 370023, 370008, 370161, 370038, 370095, 370123, 370106.
370047	0.6892	MEMORIAL HOSPITAL OF SOUTHERN OKLAHOMA	370117, 370163, 370157, 370043, 370086, 370095, 370156, 450090, 370014, 450109.
370048	0.7322	MCCURTAIN MEMORIAL HOSPITAL	450188, 040107, 370100, 040032, 450112, 450196, 370083, 040082, 450703, 450200.
370049	0.6642	STILLWATER MEDICAL CENTER	370139, 370099, 370060, 370121, 370059, 370063, 370140, 370133, 370148, 370041.
370051	0.7808	MEMORIAL HOSPITAL	370022, 450673, 450584, 450278, 370097, 370056, 450249, 370125, 450010, 450025.
370054	0.8142	GRADY MEMORIAL HOSPITAL	370038, 370046, 370008, 370158, 370161, 370064, 370123, 370106, 370011, 370159.
370056	0.7659	COMANCHE MEMORIAL COUNTY HOSPITAL	370097, 370023, 370051, 370038, 370064, 370054, 370165, 370022, 370046, 370153.
370057	0.7975	OKMULGEE MEMORIAL HOSPITAL	370183, 370179, 370041, 370169, 370033, 370025, 370176, 370122, 370091, 370141.
370059	0.7902	DRUMRIGHT MEMORIAL HOSPITAL	370099, 370041, 370063, 370140, 370033, 370049, 370060, 370078, 370114, 370001.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
370060	0.6269	PAWNEE MUNICIPAL HOSPITAL AUTHORITY	370140, 370133, 370049, 370139, 370099, 370059, 370006, 370012, 370041, 370030.
370063	0.6085	STROUD GENERAL HOSPITAL	370041, 370099, 370059, 370126, 370179, 370149, 370049, 370076, 370033, 370017.
370064	0.7382	CARNEGIE TRI-COUNTY MUNICIPAL HOSPITAL	370038, 370153, 370092, 370054, 370029, 370056, 370097, 370011, 370019, 370125.
370065	0.7357	CRAIG GENERAL HOSPITAL	370113, 370004, 370021, 370015, 370039, 170021, 170145, 170159, 370018.
370069	0.8284	OKARCHE MEMORIAL HOSPITAL	370079, 370011, 370013, 370159, 370005, 370032, 370028, 370148, 370121, 370105.
370071	0.7357	ATOKA MEMORIAL HOSPITAL	370085, 370083, 370086, 370014, 370043, 370020, 370100, 370095, 370034, 450324.
370072	0.6370	LATIMER COUNTY GENERAL HOSPITAL	370034, 370084, 370169, 370040, 370112, 370183, 370122.
370076	0.7645	MISSION HILL MEMORIAL HOSPITAL	370149, 370017, 370126, 370094, 370008, 370161, 370158, 370035, 370106, 370093.
370077	0.7067	ENID MEMORIAL HOSPITAL	370026, 370016, 370045, 370139, 370042, 370110, 370079, 370030, 370121, 370049.
370078	0.8268	TULSA REGIONAL MEDICAL CENTER	370001, 370114, 370141, 370091, 370033, 370176, 370039, 370140, 370041, 370059.
370079	0.8237	KINGFISHER REGIONAL HOSPITAL	370069, 370011, 370121, 370005, 370013, 370045, 370148, 370032, 370028, 370159.
370080	0.6882	SHARE MEMORIAL HOSPITAL	370110, 170081, 370042, 170170, 170124, 170102, 370002, 170151, 370016, 370077.
370082	0.6858	BEAVER COUNTY MEMORIAL HOSPITAL	170068, 170055, 450534, 370108, 170050, 370138, 170089, 370007, 170139, 170034.
370083	0.6692	PUSHMATAHA HOSPITAL	370100, 370071, 370085, 450112, 450196, 370014, 370048, 370034.
370084	0.7323	HASKELL COUNTY HOSPITAL	370112, 370169, 370072, 370040, 040055, 370025, 040062, 370034, 040018, 370183.
370085	0.6775	MARY HURLEY HOSPITAL	370071, 370020, 370086, 370034, 370083, 370014, 370095, 370154, 370043, 370122.
370086	0.7392	JOHNSTON MEMORIAL HOSPITAL	370043, 370014, 370117, 370047, 370095, 370071, 370163, 370085, 450324, 370020.
370089	0.7693	TAHLEQUAH CITY HOSPITAL	370178, 370166, 370025, 040001, 370015, 370112, 040013, 370176, 040004, 370039.
370091	0.8284	ST FRANCIS HOSPITAL INC	370141, 370114, 370001, 370078, 370176, 370033, 370039, 370166, 370041, 370140.
370092	0.6124	SOUTHWESTERN MEMORIAL HOSPITAL	370029, 370005, 370064, 370011, 370019, 370069, 370038, 370153, 370079, 370177.
370093	0.8049	HCA PRESBYTERIAN HOSPITAL	370105, 370037, 370035, 370106, 370028, 370032, 370094, 370123, 370159, 370013.
370094	0.7956	MIDWEST CITY REGIONAL HOSPITAL	370035, 370093, 370037, 370105, 370106, 370123, 370161, 370028, 370032, 370159.
370095	0.6555	ARBUCKLE MEMORIAL HOSPITAL	370156, 370117, 370047, 370086, 370020, 370043, 370157, 370046, 370085, 370163.
370097	0.7641	SOUTHWESTERN MEDICAL CENTER	370056, 370023, 370051, 370038, 370064, 370165, 370054, 370022, 450673, 370153.
370099	0.5912	CUSHING MUNICIPAL HOSPITAL	370059, 370063, 370049, 370041, 370060, 370140, 370033, 370126, 370139, 370121.
370100	0.7200	CHOCTAW MEMORIAL HOSPITAL	370083, 450112, 450196, 370048, 450188, 370071, 370014, 450623.
370103	0.6143	SAYRE MEMORIAL HOSPITAL	370019, 370131, 450327, 450258, 370125, 370153, 370029, 450185, 370036, 370022.
370105	0.8049	BONE & JOINT HOSPITAL	370037, 370093, 370035, 370106, 370028, 370032, 370123, 370159, 370094, 370013.
370106	0.7956	SOUTH COMMUNITY HOSPITAL	370123, 370037, 370105, 370093, 370035, 370161, 370094, 370159, 370032, 370028.
370108	0.6283	HARPER COUNTY COMMUNITY HOSPITAL INC	170050, 370002, 170036, 370007, 170055, 370082, 170034, 370080.
370110	0.7432	ALFALFA COUNTY HOSPITAL	370080, 170081, 170124, 370042, 370016, 370077, 170170, 370026, 170102, 170151.
370112	0.7314	SEQUOYAH MEMORIAL HOSPITAL	040055, 370084, 040018, 040062, 370178, 370040, 370089, 370025, 370169, 370072.
370113	0.6589	GROVE GENERAL HOSPITAL	040075, 370065, 370004, 260053, 040001, 040048, 170021, 370015, 260137.
370114	0.8284	ST JOHN MEDICAL CENTER INC	370001, 370141, 370078, 370091, 370176, 370033, 370039, 370140, 370041, 370166.
370117	0.6892	ARDMORE ADVENTIST HOSPITAL	370047, 370163, 370157, 370043, 370086, 370095, 370156, 450090, 370014, 450109.
370121	0.7729	LOGAN HOSPITAL AND MEDICAL CENTER	370148, 370013, 370079, 370028, 370032, 370049, 370069, 370035, 370093, 370105.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
370122	0.6438	WETUMKA GENERAL HOSPITAL	370154, 370179, 370183, 370017, 370126, 370057 370034, 370169, 370076, 370149.
370123	0.7956	HILLCREST HEALTH CENTER INC	370106, 370037, 370105, 370093, 370035, 370161, 370159, 370032, 370094, 370028.
370125	0.6064	MANGUM CITY HOSPITAL	370022, 370153, 370036, 370103, 450185, 370019, 370051, 450327, 450249, 450278.
370126	0.6387	PRAGUE MUNICIPAL HOSPITAL	370149, 370076, 370017, 370063, 370179, 370041, 370122, 370154, 370183, 370099.
370131	0.6082	ROGER MILLS MEMORIAL HOSPITAL	370019, 370103, 450258, 370029, 450327, 450578, 370007, 370092, 370153.
370133	0.6825	FAIRFAX MEMORIAL HOSPITAL	370060, 370012, 370006, 370140, 370030, 370139, 370049, 170150, 370018.
370138	0.7718	MEMORIAL HOSPITAL OF TEXAS COUNTY	170166, 170089, 170068, 450146, 450534, 370082.
370139	0.6996	PERRY MEMORIAL HOSPITAL	370049, 370060, 370026, 370077, 370016, 370121, 370006, 370099, 370133, 370030.
370140	0.8149	CLEVELAND AREA HOSPITAL AUTHORITY	370060, 370133, 370059, 370078, 370012, 370099, 370001, 370114, 370033, 370141.
370141	0.8284	DOCTORS HOSPITAL	370114, 370001, 370078, 370091, 370176, 370033, 370039, 370140, 370166, 370041.
370146	0.7762	CIMARRON MEMORIAL HOSPITAL	170166, 320048, 450355, 060085.
370148	0.7981	EDMOND MEMORIAL HOSPITAL	370013, 370028, 370032, 370035, 370093, 370105, 370037, 370094, 370159, 370121.
370149	0.7822	SHAWNEE MEDICAL CENTER HOSPITAL	370076, 370017, 370126, 370094, 370161, 370008, 370035, 370093, 370106, 370037.
370153	0.7234	ELKVIEW GENERAL HOSPITAL	370125, 370064, 370022, 370019, 370029, 370103, 370092, 370038, 370097, 370056.
370154	0.6586	HOLDENVILLE GENERAL HOSPITAL	370122, 370017, 370179, 370020, 370183, 370076, 370126, 370034, 370149, 370085.
370156	0.7400	PAULS VALLEY GENERAL HOSPITAL	370095, 370046, 370158, 370020, 370047, 370117, 370008, 370157, 370023, 370086.
370157	0.6671	HEALDTON MUNICIPAL HOSPITAL	370047, 370117, 370165, 370163, 370095, 370023, 450641, 370043, 370156, 450109.
370158	0.8126	PURCELL MUNICIPAL HOSPITAL	370008, 370046, 370161, 370156, 370123, 370106, 370054, 370076, 370094, 370149.
370159	0.8049	BETHANY GENERAL HOSPITAL & PAVILION	370032, 370028, 370105, 370037, 370093, 370106, 370123, 370035, 370013, 370094.
370161	0.7925	SOUTH COMMUNITY HOSPITAL-MOORE	370123, 370106, 370008, 370094, 370037, 370105, 370093, 370035, 370159, 370032.
370163	0.7812	LOVE COUNTY HEALTH CENTER	370117, 370047, 370043, 450090, 450109, 370157, 370086, 450324, 450641, 450393.
370165	0.7833	JEFFERSON COUNTY HOSPITAL	370157, 370023, 450276, 450641, 450010, 450025 370097, 370056, 370047, 370117.
370166	0.8317	WAGONER COMMUNITY HOSPITAL	370025, 370176, 370089, 370015, 370039, 370091, 370141, 370114, 370001, 370078.
370169	0.7087	COMMUNITY HOSPITAL LAKEVIEW	370183, 370084, 370034, 370057, 370072, 370122, 370025, 370179, 370112, 370154.
370176	0.8271	BROKEN ARROW MEDICAL CENTER INC	370091, 370141, 370114, 370001, 370078, 370033, 370166, 370039, 370025, 370015.
370177	0.6277	SEILING HOSPITAL	370042, 370045, 370002, 370005, 370029, 370092, 370080, 370007.
370178	0.7478	MEMORIAL HOSPITAL	370089, 370112, 040001, 040013, 040018, 040004, 040055, 040062, 040022, 370025.
370179	0.6187	CREEK NATION COMMUNITY HOSPITAL	370122, 370183, 370126, 370057, 370017, 370154, 370041, 370063, 370076, 370149.
370183	0.7012	HENRYETTA MEDICAL CENTER	370057, 370179, 370122, 370169, 370154, 370126, 370041, 370017, 370025, 370034.
380001	1.0643	MID-COLUMBIA MEDICAL CENTER	500068, 500085.
380002	0.9438	JOSEPHINE MEMORIAL HOSPITAL	380063, 380075, 380070, 380018, 380059, 380005, 380094.
380003	0.9566	PACIFIC COMMUNITIES HOSPITAL	380083, 380014, 380084, 380013, 380022.
380004	1.1021	ST VINCENT HOSPITAL & MEDICAL CENTER	380017, 380009, 380055, 380024, 380007, 380039, 380061, 380082, 380089.
380005	0.9288	ASHLAND COMMUNITY HOSPITAL	380018, 380075, 050217, 380063, 380002, 380050.
380006	0.9716	HOOD RIVER MEMORIAL HOSPITAL	380081, 380040, 380019, 380047.
380007	1.1024	EMANUEL HOSPITAL & HEALTH CENTER	380024, 380017, 380055, 380061, 380009, 380039, 380004, 380010, 380060.
380008	0.9588	LEBANON COMMUNITY HOSPITAL	380022, 380014, 380056, 380051, 380084, 380029, 380020, 380033, 380071.
380009	1.1005	OREGON HEALTH SCIENCES UNIV HOSPITAL	380017, 380024, 380039, 380007, 380061, 380055, 380004, 380082, 380060, 380010.
380010	1.0951	WOODLAND PARK HOSPITAL	380060, 380061, 380024, 380039, 380007, 380025, 380009, 380017, 380055, 380082.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
380011	0.8296	ST ELIZABETH HOSPITAL/HEALTH CARE CENTER .	380035.
380013	0.9495	PEACE HARBOR HOSPITAL	380065, 380090, 380003, 380033.
380014	0.9584	GOOD SAMARITAN HOSPITAL CORVALLIS	380022, 380008, 380084, 380051, 380056, 380029, 380003, 380033, 380020, 380071.
380017	1.1005	GOOD SAMARITAN HOSPITAL & MEDICAL CENTER	380007, 380024, 380055, 380009, 380004, 380061, 380039, 380082, 380060, 380010.
380018	0.9344	ROGUE VALLEY MEDICAL CENTER	380075, 380005, 380063, 380002, 050217, 380059.
380019	0.9424	PIONEER MEMORIAL HOSPITAL	380040, 380081, 380047, 380006.
380020	0.9449	MCKENZIE-WILLAMETTE MEMORIAL HOSPITAL	380033, 380036, 380008, 380014, 380022.
380021	1.1031	TUALITY COMMUNITY HOSPITAL	380068, 380004, 380037, 380017, 380055, 380009, 380089, 380007, 380024, 380039.
380022	0.9584	ALBANY GENERAL HOSPITAL	380014, 380008, 380056, 380051, 380084, 380029, 380071, 380020, 380033, 380003.
380023	0.9052	GOOD SHEPHERD COMMUNITY HOSPITAL	500053, 380066, 500023, 500058, 500043, 380062, 500002, 500049.
380024	1.1005	HOLLADAY PARK MEDICAL CENTER	380007, 380017, 380061, 380055, 380009, 380039, 380010, 380060, 380004, 380082.
380025	1.0939	MOUNT HOOD MEDICAL CENTER	380060, 380010, 380091, 380061, 380039, 380082, 380024, 380007, 380009, 380038.
380026	0.9894	COLUMBIA MEMORIAL HOSPITAL	380042, 500096, 500069, 500041.
380027	0.9665	MERCY MEDICAL CENTER INC	380064, 380094, 380059, 380087, 380036, 380090, 380065.
380029	1.0290	SILVERTON HOSPITAL	380051, 380056, 380071, 380037, 380084, 380089, 380038, 380022, 380091, 380082.
380031	0.8521	WALLOWA MEMORIAL HOSPITAL	380035.
380033	0.9449	SACRED HEART GENERAL HOSPITAL	380020, 380036, 380008, 380014, 380022, 380013.
380035	0.8590	GRANDE RONDE HOSPITAL	380011, 380066, 380031.
380036	0.9459	COTTAGE GROVE HOSPITAL	380033, 380020, 380027, 380064.
380037	1.1008	NEWBERG COMMUNITY HOSPITAL	380089, 380071, 380021, 380068, 380004, 380009, 380082, 380038, 380017, 380039.
380038	1.0880	WILLAMETTE FALLS HOSPITAL	380091, 380082, 380089, 380039, 380060, 380009, 380061, 380010, 380025, 380024.
380039	1.1015	EASTMORELAND GENERAL HOSPITAL	380082, 380009, 380061, 380024, 380060, 380007, 380017, 380091, 380010, 380055.
380040	0.9481	CENTRAL OREGON DISTRICT HOSPITAL	380047, 380019, 380081, 380006.
380042	1.0668	PROVIDENCE SEASIDE HOSPITAL	380026, 500096, 500069, 500041.
380047	0.9461	ST CHARLES MEDICAL CENTER	380040, 380019, 380081, 380006.
380048	0.9181	SOUTHERN COOS GENERAL HOSPITAL	380087, 380090, 380065, 380072.
380050	0.9333	MERLE WEST MEDICAL CENTER	380005.
380051	0.9881	SALEM HOSPITAL	380029, 380084, 380056, 380071, 380022, 380014, 380037, 380008, 380089, 380038.
380052	0.8702	HOLY ROSARY MEDICAL CENTER	130035, 130034, 130014, 130050, 130013, 130007, 130006.
380055	1.0971	BESS KAISER MEDICAL CENTER	380007, 380017, 380024, 380009, 380061, 380004, 500050, 380039, 380010.
380056	0.9881	SANTIAM MEMORIAL HOSPITAL	380029, 380051, 380008, 380022, 380084, 380014, 380071, 380037, 380038, 380089.
380059	0.9548	MERCY FOREST GLEN HOSPITAL	380094, 380064, 380027, 380063, 380002, 380070, 380075, 380087, 380018.
380060	1.0963	PORTLAND ADVENTIST MEDICAL CENTER	380010, 380061, 380039, 380024, 380091, 380082, 380007, 380009, 380025, 380017.
380061	1.1015	PROVIDENCE MEDICAL CENTER	380024, 380010, 380007, 380060, 380039, 380009, 380017, 380055, 380082, 380091.
380062	0.9008	PIONEER MEMORIAL HOSPITAL	380023, 380066.
380063	0.9438	SOUTHERN OREGON MEDICAL CENTER	380002, 380075, 380070, 380018, 380059, 380005, 380094.
380064	0.9665	DOUGLAS COMMUNITY HOSPITAL	380027, 380094, 380059, 380087, 380036, 380090.
380065	0.9436	LOWER UMPQUA HOSPITAL	380013, 380090, 380087, 380048, 380027.
380066	0.9014	ST ANTHONY HOSPITAL	380023, 500002, 500049, 380035, 500053, 500023, 380062, 500058.
380068	1.1072	TUALITY FOREST GROVE HOSPITAL	380021, 380037, 380004, 380017, 380055, 380089, 380009, 380007, 380024.
380069	0.8586	HARNEY DISTRICT HOSPITAL	NO PROVIDER WITHIN 50 MILES.
380070	0.9340	TILLAMOOK COUNTY GENERAL HOSPITAL	380002, 380063, 380072, 380059, 380094, 380075.
380071	1.0704	MCMINNVILLE COMMUNITY HOSPITAL	380037, 380051, 380084, 380068, 380029, 380021, 380089, 380004, 380038, 380009.
380072	0.9628	CURRY GENERAL HOSPITAL	380070, 050417, 380048.
380075	0.9344	PROVIDENCE HOSPITAL	380018, 380005, 380063, 380002, 050217, 380059, 380070.
380078	0.9079	BLUE MOUNTAIN HOSPITAL	NO PROVIDER WITHIN 50 MILES.
380081	0.9602	MOUNTAIN VIEW HOSPITAL	380040, 380006, 380019, 380047.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
380082	1.0979	PROVIDENCE MILWAUKIE HOSPITAL	380039, 380091, 380009, 380061, 380060, 380024, 380017, 380007, 380038, 380010.
380083	0.9655	NORTH LINCOLN HOSPITAL	380003, 380084, 380071, 380014, 380051, 380022.
380084	0.9596	VALLEY COMMUNITY HOSPITAL	380051, 380071, 380022, 380014, 380029, 380056, 380008, 380037, 380083, 380003.
380087	0.9181	COQUILLE VALLEY HOSPITAL	380048, 380090, 380065, 380027, 380064, 380094, 380059.
380088	0.8923	LAKE DISTRICT HOSPITAL	050676, 050430.
380089	1.1030	MERIDIAN PARK HOSPITAL	380082, 380038, 380009, 380039, 380004, 380091, 380017, 380024, 380007, 380061.
380090	0.9224	BAY AREA HOSPITAL	380087, 380048, 380065, 380013, 380027, 380064.
380091	1.0939	KAISER SUNNYSIDE MEDICAL CENTER	380082, 380039, 380060, 380038, 380061, 380010, 380009, 380025, 380024, 380007.
380094	0.9548	UMPQUA VALLEY COMMUNITY HOSPITAL	380059, 380064, 380027, 380063, 380002, 380087, 380070.
390001	0.8835	COMMUNITY MEDICAL CENTER	390119, 390237, 390095, 390109, 390092, 390064, 390137, 390169, 390192, 390186.
390002	1.0008	MCKEESPORT HOSPITAL	390128, 390265, 390172, 390267, 390114, 390131, 390229, 390164, 390143, 390055.
390003	0.8728	BLOOMSBURG HOSPITAL	390006, 390072, 390181, 390084, 390078, 390013, 390054, 390270, 390185.
390004	0.9723	HOLY SPIRIT HOSPITAL	390098, 390067, 390014, 390206, 390256, 390058, 390101, 390046, 390232, 390066.
390005	0.8749	CORRY MEMORIAL HOSPITAL	390040, 390122, 330239, 390146, 390198, 390009, 390063, 390193, 330166, 390113.
390006	0.8872	GEISINGER MEDICAL CENTER	390003, 390084, 390013, 390181, 390078, 390072, 390270, 390075, 390045.
390007	1.0811	ROLLING HILL HOSPITAL	390080, 390097, 390021, 390231, 390083, 390204, 390142, 390247, 390088.
390008	0.9176	ELLWOOD CITY HOSPITAL	390017, 390016, 390176, 390166, 390168, 390037, 360238, 360096, 390266, 360141.
390009	0.8843	ST VINCENT HEALTH CENTER	390063, 390198, 390193, 390040, 390005, 360042, 330166, 390113, 390122, 360125.
390010	0.9607	JEANNETTE DISTRICT MEMORIAL HOSPITAL	390103, 390145, 390219, 390267, 390217, 390002, 390128, 390265, 390172, 390147.
390011	0.8909	LEE HOSPITAL	390060, 390110, 390112, 390252, 390173, 390219, 390130, 390039, 390062, 390121.
390012	1.0333	NORTH PENNYSLVANIA HOSPITAL	390272, 390116, 390203, 390108, 390159, 390057, 390260, 390231, 390026, 390097.
390013	0.8905	EVANGELICAL COMMUNITY HOSPITAL	390084, 390006, 390078, 390045, 390075, 390270, 390003, 390106, 390181.
390014	0.9715	SEIDLE MEMORIAL HOSPITAL	390098, 390004, 390067, 390058, 390206, 390256, 390101, 390046, 390233, 390200.
390015	0.8162	MEYERSDALE COMMUNITY HOSPITAL	210046, 390039, 210027, 210025, 510061, 390184, 390252, 390112, 390117, 210017.
390016	0.9384	JAMESON MEMORIAL HOSPITAL	390017, 390165, 360126, 360141, 360064, 390008, 390211, 360141, 390266, 390178.
390017	0.9371	ST FRANCIS HOSPITAL OF NEW CASTLE	390016, 390008, 390165, 360126, 360141, 360064, 390211, 360141, 390266, 390166.
390018	1.0260	CITIZENS GENERAL HOSPITAL	390032, 390102, 390267, 390172, 390238, 390090, 390029, 390055, 390128, 390107.
390019	0.9998	PALMERTON HOSPITAL	390194, 390263, 390133, 390261, 390242, 390162, 390049, 390183, 390197, 390201.
390021	1.1053	LAWNDALE COMMUNITY HOSPITAL	390083, 390080, 390142, 390007, 390247, 390204, 390088, 390027, 390126.
390022	1.2183	ST AGNES MEDICAL CENTER	390205, 390277, 390170, 390226, 390174, 390111, 390059, 390051, 390223, 390024.
390023	1.1744	NEUMANN MEDICAL CENTER	390025, 390132, 390235, 390126, 390059, 390024, 390051, 390174, 390027.
390024	1.2106	WILLS EYE HOSPITAL	390051, 390059, 390132, 390174, 390170, 390226, 390111, 390223, 390023.
390025	1.1744	KENSINGTON HOSPITAL	390023, 390235, 390132, 390126, 390027, 390024, 390059, 390051, 390174.
390026	1.0873	CHESTNUT HILL HOSPITAL	390135, 390088, 390142, 390247, 390047, 390245, 390231, 390007, 390149, 390027.
390027	1.0787	TEMPLE UNIVERSITY HOSPITAL	390047, 390235, 390025, 390247, 390142, 390088, 390023, 390132, 390126.
390028	1.0243	MERCY HOSPITAL—PITTSBURGH	390262, 390131, 390229, 390114, 390143, 390164, 390136, 390050, 390055, 390090.
390029	1.0370	ST FRANCIS MEDICAL CENTER	390090, 390055, 390238, 390164, 390143, 390229, 390114, 390262, 390050, 390028.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
390030	0.8432	POTTSVILLE HOSPITAL-WARNE CLINIC	390031, 390181, 390183, 390185, 390054, 390194, 390003, 390066, 390232.
390031	0.8370	GOOD SAMARITAN REGIONAL MEDICAL CENTER	390030, 390181, 390183, 390185, 390054, 390194, 390003, 390072, 390066.
390032	1.0260	ALLEGHENY VALLEY HOSPITAL	390018, 390102, 390267, 390172, 390238, 390029, 390090, 390107, 390055, 390128.
390035	1.0024	QUAKERTOWN HOSPITAL ASSOCIATION	390057, 390049, 390197, 390242, 390133, 390261, 390203, 390012, 390263, 390162.
390036	0.9211	MEDICAL CENTER	390042, 390160, 390228, 510076, 360211, 390265, 360083, 390157, 390147, 510023.
390037	1.0150	SEWICKLEY VALLEY HOSPITAL	390157, 390176, 390074, 390107, 390136, 390050, 390262, 390028, 390029.
390039	0.8665	SOMERSET COMMUNITY HOSPITAL	390015, 390252, 390112, 390110, 390060, 210046, 390011, 390217, 210027, 390184.
390040	0.8740	UNION CITY MEMORIAL HOSPITAL	390005, 390198, 390009, 390122, 390063, 390193, 390113, 330166, 330239, 390171.
390041	0.9336	UNIONTOWN HOSPITAL	390184, 510024, 510001, 390150, 390147, 390217, 390145, 390265, 390103, 390010.
390042	0.9713	WASHINGTON HOSPITAL	390036, 390160, 390228, 390147, 390265, 390150, 390131, 390157, 510076, 390028.
390043	0.8524	SOLDIERS & SAILORS MEMORIAL HOSPITAL	390213, 330277, 330090, 330108, 390246, 390189, 390244, 390075, 390045, 390106.
390044	0.9390	READING HOSPITAL MEDICAL CENTER	390096, 390158, 390225, 390123, 390232, 390066, 390076, 390127, 390068.
390045	0.8787	WILLIAMSPORT HOSPITAL	390075, 390270, 390078, 390106, 390013, 390071, 390006, 390084, 390003.
390046	0.9775	YORK HOSPITAL	390101, 390200, 390233, 390061, 390100, 390256, 390068, 390098, 390014, 390004.
390047	1.1079	HOSPITAL OF THE MEDICAL COLLEGE OF PENN	390027, 390149, 390245, 390135, 390088, 390247, 390142, 390235, 390025.
390048	0.9119	LEWISTON HOSPITAL	390268, 390056, 390152, 390058, 390071, 390187, 390014, 390067, 390004, 390098.
390049	0.9858	ST LUKES HOSPITAL OF BETHLEHEM	390263, 390133, 390261, 390242, 390197, 390162, 390035, 310060, 390057, 390019.
390050	1.0220	ALLEGHENY GENERAL HOSPITAL	390136, 390262, 390028, 390143, 390229, 390164, 390131, 390114, 390029.
390051	1.2106	HAHNEMANN UNIVERSITY HOSPITAL	390024, 390059, 390174, 390226, 390170, 390132, 390111, 390223, 390023.
390052	0.8851	CLEARFIELD HOSPITAL	390187, 390086, 390199, 390154, 390152, 390161, 390191, 390130, 390268, 390073.
390054	0.8314	HAZLETON-ST JOSEPH MEDICAL CENTER	390185, 390183, 390072, 390194, 390186, 390169, 390064, 390137, 390031, 390030.
390055	1.0257	SHADYSIDE HOSPITAL	390090, 390238, 390029, 390164, 390143, 390229, 390114, 390172, 390262, 390028.
390056	0.9030	J C BLAIR MEMORIAL HOSPITAL	390152, 390073, 390121, 390062, 390048, 390268, 390187, 390117, 390130, 390209.
390057	1.0128	GRAND VIEW HOSPITAL	390035, 390012, 390203, 390272, 390116, 390123, 390108, 390159, 390197, 390260.
390058	0.9733	CARLISLE HOSPITAL	390014, 390098, 390004, 390067, 390206, 390065, 390256, 390151, 390233, 390046.
390059	1.2140	METROPOLITAN HOSPITAL	390051, 390174, 390226, 390024, 390132, 390170, 390023, 390277, 390111.
390060	0.8909	MERCY MEDICAL CENTER	390110, 390011, 390112, 390252, 390039, 390219, 390173, 390130, 390062, 390121.
390061	0.9789	ST JOSEPH HOSPITAL	390100, 390068, 390200, 390225, 390101, 390046, 390232, 390066, 390256.
390062	0.8985	NASON HOSPITAL	390121, 390073, 390056, 390117, 390112, 390152, 390060, 390011, 390110, 390130.
390063	0.8843	HAMOT MEDICAL CENTER	390009, 390193, 390198, 390040, 390005, 360042, 330166, 390113, 360125, 390122.
390064	0.8687	WILKES-BARRE GENERAL HOSPITAL	390137, 390169, 390186, 390001, 390237, 390119, 390095, 390192, 390109, 390054.
390065	0.8666	GETTYSBURG HOSPITAL	390233, 390138, 390151, 210033, 390058, 390046, 210001, 390101, 390014, 210005.
390066	0.9836	GOOD SAMARITAN HOSPITAL	390232, 390256, 390225, 390206, 390100, 390061, 390068, 390200, 390044.
390067	0.9723	POLYCLINIC MEDICAL CENTER	390004, 390098, 390206, 390014, 390256, 390058, 390232, 390066, 390101, 390046.
390068	0.9404	COMMUNITY HOSPITAL OF LANCASTER	390100, 390061, 390200, 390225, 390101, 390232, 390066, 390046, 390076.
390069	1.0203	DELAWARE VALLEY MEDICAL CENTER	390070, 310061, 390115, 390258, 310021, 310057, 310044, 310092, 390204, 310110.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
390070	1.0280	LOWER BUCKS HOSPITAL	390069, 310061, 390115, 390258, 310057, 390204, 310044, 310021, 310092, 390097.
390071	0.8389	LOCK HAVEN HOSPITAL	390106, 390244, 390045, 390075, 390268, 390013, 390270, 390078, 390048, 390084.
390072	0.8722	BERWICK HOSPITAL	390003, 390054, 390186, 390185, 390169, 390006, 390181, 390137, 390064.
390073	0.9083	ALTOONA HOSPITAL	390121, 390062, 390152, 390056, 390130, 390187, 390011, 390112, 390060, 390110.
390074	1.0168	SUBURBAN GENERAL HOSPITAL	390157, 390107, 390136, 390050, 390262, 390028, 390029, 390090, 390143.
390075	0.8787	DIVINE PROVIDENCE HOSPITAL	390045, 390270, 390078, 390106, 390013, 390071, 390006, 390084, 390003.
390076	1.0697	BRANDYWINE HOSPITAL	390179, 390220, 390127, 390153, 390123, 390222, 080003, 080001, 080005, 390155.
390078	0.8843	MUNCY VALLEY HOSPITAL	390270, 390075, 390045, 390013, 390006, 390003, 390106, 390084, 390072.
390079	0.8723	ROBERT PACKER HOSPITAL	390189, 390236, 330108, 330090, 390213, 330277, 330011, 330394, 330062, 390249.
390080	1.0811	JEANES HOSPITAL	390007, 390021, 390083, 390204, 390097, 390231, 390142, 390247, 390088.
390081	1.1769	DELAWARE COUNTY MEMORIAL HOSPITAL	390215, 390156, 390195, 390155, 390223, 390111, 390149, 390139, 390245, 390170.
390083	1.1053	JOHN F KENNEDY MEMORIAL HOSPITAL	390021, 390142, 390080, 390247, 390204, 390088, 390007, 390126, 390027.
390084	0.8872	SUNBURY COMMUNITY HOSPITAL	390013, 390006, 390003, 390181, 390078, 390270, 390045, 390075, 390072.
390086	0.8489	DUBOIS REGIONAL MEDICAL CENTER	390191, 390199, 390052, 390161, 390154, 390093, 390187, 390130, 390104, 390173.
390088	1.1086	GERMANTOWN HOSPITAL MEDICAL CENTER	390247, 390142, 390047, 390027, 390135, 390021, 390083, 390245, 390235.
390090	1.0370	WESTERN PENNSYLVANIA HOSPITAL	390029, 390055, 390238, 390164, 390143, 390229, 390114, 390262, 390028, 390050.
390091	0.8667	FRANKLIN REGIONAL MEDICAL CENTER	390171, 390122, 390266, 390113, 390093, 390178, 390040, 390165, 390211, 390166.
390092	0.8751	CARBONDALE GENERAL HOSPITAL	390109, 390095, 390125, 390237, 390119, 390001, 390192, 390249, 390224, 390064.
390093	0.8475	CLARION HOSPITAL	390191, 390171, 390091, 390199, 390086, 390163, 390122, 390161, 390266, 390166.
390095	0.8785	ST JOSEPHS HOSPITAL	390237, 390119, 390001, 390109, 390092, 390064, 390137, 390192, 390169, 390125.
390096	0.9458	COMMUNITY GENERAL HOSPITAL	390158, 390044, 390225, 390123, 390076, 390232, 390066, 390127, 390197.
390097	1.0910	HOLY REDEEMER HOSPITAL & MEDICAL CENTER	390231, 390007, 390080, 390204, 390021, 390083, 390260, 390115, 390142, 390247.
390098	0.9723	HARRISBURG HOSPITAL	390004, 390067, 390014, 390206, 390256, 390058, 390101, 390046, 390232, 390066.
390100	0.9789	LANCASTER GENERAL HOSPITAL	390061, 390068, 390200, 390225, 390101, 390232, 390066, 390046, 390256.
390101	0.9775	MEMORIAL HOSPITAL	390046, 390200, 390233, 390061, 390100, 390256, 390068, 390098, 390014, 390004.
390102	1.0293	ST MARGARET MEMORIAL HOSPITAL	390238, 390172, 390090, 390055, 390029, 390164, 390143, 390229, 390114, 390128.
390103	0.9607	MONSOUR MEDICAL CENTER	390010, 390145, 390219, 390217, 390267, 390002, 390128, 390265, 390147, 390172.
390104	0.7847	COMMUNITY HOSPITAL	390161, 390154, 390146, 390118, 390191, 330155, 330174, 330103, 330239, 390093.
390106	0.8808	JERSEY SHORE HOSPITAL	390071, 390045, 390075, 390270, 390078, 390013, 390244, 390084, 390006.
390107	1.0312	NORTH HILLS PASSAVANT HOSPITAL	390074, 390050, 390029, 390136, 390090, 390157, 390238, 390262, 390055.
390108	1.1148	MONTGOMERY HOSPITAL	390159, 390116, 390272, 390026, 390139, 390153, 390127, 390012, 390135, 390245.
390109	0.8785	MID VALLEY HOSPITAL ASSOCIATION	390095, 390237, 390119, 390001, 390092, 390192, 390125, 390064, 390137, 390169.
390110	0.8909	CONEMAUGH VALLEY MEMORIAL HOSPITAL	390060, 390011, 390112, 390252, 390039, 390219, 390173, 390130, 390062, 390121.
390111	1.2196	HOSPITAL OF UNIVERSITY OF PENNSYLVANIA	390223, 390170, 390051, 390024, 390174, 390226, 390022, 390059, 390205.
390112	0.8839	WINDBER HOSPITAL WHEELING CLINIC	390110, 390060, 390011, 390252, 390039, 390062, 390117, 390121, 390219, 390130.
390113	0.8512	MEADVILLE MEDICAL CENTER	390091, 390122, 390178, 390040, 390171, 360042, 390198, 390005, 390193, 390266.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
390114	1.0199	MAGEE-WOMENS HOSPITAL	390229, 390143, 390164, 390131, 390028, 390262, 390055, 390090, 390029, 390238.
390115	1.0250	FRANKFORD HOSPITAL	390204, 310061, 390080, 390097, 390021, 390083, 390007, 390070, 390069.
390116	1.0835	SUBURBAN GENERAL HOSPITAL	390159, 390108, 390272, 390026, 390012, 390139, 390135, 390231, 390127, 390153.
390117	0.8589	MEMORIAL HOSPITAL OF BEDFORD COUNTY	390062, 390209, 390112, 510027, 390039, 390060, 390110, 210027, 390011, 210025.
390118	0.7732	BRADFORD HOSPITAL	330155, 330174, 330103, 390104, 390146, 330039, 330239, 390246, 330096, 330132.
390119	0.8785	MOSES TAYLOR HOSPITAL	390001, 390237, 390095, 390109, 390092, 390064, 390137, 390192, 390169, 390125.
390121	0.9083	MERCY HOSPITAL	390073, 390062, 390152, 390056, 390130, 390112, 390011, 390060, 390110, 390187.
390122	0.8680	TITUSVILLE HOSPITAL	390171, 390091, 390040, 390005, 390113, 390146, 390093, 390198, 390266, 390009.
390123	1.0156	POTTSTOWN MEMORIAL MEDICAL CENTER	390127, 390272, 390153, 390108, 390158, 390159, 390116, 390057, 390096, 390012.
390125	0.9060	WAYNE MEMORIAL HOSPITAL	390092, 390109, 390095, 390119, 390237, 390001, 330386, 390224, 330359, 330135.
390126	1.0991	NORTHEASTERN HOSPITAL	390235, 390025, 390023, 390132, 390027, 390083, 390059, 390024.
390127	1.0804	PHOENIXVILLE HOSPITAL	390153, 390272, 390108, 390159, 390123, 390116, 390179, 390139, 390012, 390026.
390128	1.0098	BRADDOCK MEDICAL CENTER	390172, 390002, 390055, 390114, 390238, 390164, 390229, 390143, 390090, 390131.
390130	0.9032	MINERS HOSPITAL OF NORTH CAMBRIA	390173, 390073, 390121, 390011, 390199, 390060, 390110, 390152, 390112, 390062.
390131	1.0243	SOUTH SIDE HOSPITAL	390028, 390262, 390114, 390229, 390143, 390164, 390136, 390050, 390055, 390090.
390132	1.1503	NORTH PHILADELPHIA HEALTH SYSTEM	390023, 390024, 390051, 390059, 390025, 390174, 390235, 390226, 390170.
390133	0.9858	ALLENTOWN HOSPITAL	390261, 390242, 390049, 390263, 390197, 390162, 390035, 310060, 390019, 390057.
390135	1.0905	ROXBOROUGH MEMORIAL HOSPITAL	390245, 390047, 390149, 390088, 390027, 390247, 390142, 390026, 390195.
390136	1.0220	DIVINE PROVIDENCE HOSPITAL	390050, 390262, 390028, 390131, 390229, 390143, 390164, 390114, 390029.
390137	0.8687	NESBITT MEMORIAL HOSPITAL	390064, 390169, 390186, 390001, 390237, 390119, 390095, 390192, 390109, 390054.
390138	0.8247	WAYNESBORO HOSPITAL	210001, 390151, 390065, 390209, 210005, 510008, 390233, 210033, 510027, 510068.
390139	1.0349	BRYN MAWR HOSPITAL	390195, 390081, 390245, 390135, 390149, 390026, 390047, 390215, 390156, 390155.
390142	1.0804	ALBERT EINSTEIN MEDICAL CENTER	390247, 390088, 390027, 390021, 390083, 390047, 390235, 390135, 390080.
390143	1.0199	EYE AND EAR HOSPITAL OF PITTSBURGH	390164, 390229, 390114, 390262, 390028, 390055, 390131, 390090, 390029, 390238.
390145	0.9558	WESTMORELAND HOSPITAL ASSOCIATION	390103, 390010, 390217, 390219, 390267, 390002, 390147, 390252, 390128, 390265.
390146	0.7705	WARREN GENERAL HOSPITAL	330239, 390104, 390005, 390118, 390122, 330174, 390040, 390161, 330155, 390171.
390147	0.9609	MONONGAHELA VALLEY HOSPITAL INC	390265, 390002, 390160, 390128, 390228, 390042, 390010, 390103, 390131, 390145.
390148	1.0571	SACRED HEART HOSPITAL	390180, 390167, 390222, 390155, 080005, 390156, 390215, 390081, 080001, 080003.
390149	1.1728	JEFFERSON PARK HOSPITAL	390245, 390047, 390135, 390195, 390027, 390223, 390024, 390111, 390132.
390150	0.9002	GREENE COUNTY MEMORIAL HOSPITAL	510024, 510001, 390042, 390041, 390147, 390160, 390036, 510050, 510013, 510039.
390151	0.8316	CHAMBERSBURG HOSPITAL	390138, 390209, 210001, 390065, 390058, 390233, 510027, 510008, 390014, 210005.
390152	0.8976	TYRONE HOSPITAL	390073, 390056, 390121, 390187, 390268, 390062, 390052, 390130, 390048, 390086.
390153	1.0989	PAOLI MEMORIAL HOSPITAL	390127, 390139, 390179, 390108, 390159, 390222, 390272, 390116, 390155, 390195.
390154	0.8258	ANDREW KAUL MEMORIAL HOSPITAL	390161, 390104, 390086, 390191, 390052, 390246, 390118, 390199, 390093, 390187.
390155	1.0840	SPRINGFIELD HOSPITAL	390167, 390215, 390156, 390222, 390081, 390180, 390148, 390195, 390139, 390223.
390156	1.1588	MERCY CATHOLIC MEDICAL CENTER	390215, 390081, 390223, 390155, 390111, 390167, 390195, 390022, 390205, 390170.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
390157	0.9906	OHIO VALLEY GENERAL HOSPITAL	390074, 390136, 390050, 390107, 390262, 390028, 390037, 390131, 390228.
390158	0.9458	ST JOSEPH HOSPITAL	390096, 390044, 390123, 390225, 390076, 390127, 390232, 390066, 390197.
390159	1.1148	SACRED HEART HOSPITAL & REHAB CENTER	390108, 390116, 390272, 390026, 390139, 390153, 390012, 390135, 390127, 390245.
390160	0.9628	CANONSBURG GENERAL HOSPITAL	390042, 390036, 390228, 390265, 390147, 390131, 390157, 390028, 390262, 390136.
390161	0.8099	ELK COUNTY GENERAL HOSPITAL	390154, 390104, 390191, 390086, 390052, 390093, 390199, 390146, 390118, 390246.
390162	0.9860	EASTON HOSPITAL	310060, 390263, 390049, 390133, 390261, 390242, 390197, 390035, 390019, 390201.
390163	0.9519	ARMSTRONG COUNTY MEMORIAL HOSPITAL	390168, 390166, 390032, 390018, 390173, 390199, 390102, 390267, 390093, 390107.
390164	1.0199	PRESBYTERIAN-UNIV HOSPITAL OF PITTSBURGH	390143, 390229, 390114, 390055, 390262, 390028, 390131, 390090, 390029, 390238.
390165	0.9401	SHENANGO VALLEY MEDICAL CENTER	390211, 360141, 360126, 360064, 390178, 360141, 390016, 360161, 390017, 360055.
390166	0.8992	BROWNSVILLE GENERAL HOSPITAL	390168, 390163, 390008, 390032, 390266, 390017, 390018, 390016, 390107, 390176.
390167	1.1683	TAYLOR HOSPITAL	390180, 390155, 390156, 390215, 390148, 390081, 390222, 390205, 390111, 390022.
390168	0.9344	BUTLER MEMORIAL HOSPITAL	390166, 390163, 390032, 390008, 390018, 390266, 390017, 390107, 390102, 390037.
390169	0.8654	MERCY HOSPITAL	390064, 390137, 390186, 390001, 390237, 390119, 390095, 390054, 390072, 390185.
390170	1.2183	GRADUATE HOSPITAL	390174, 390226, 390051, 390111, 390059, 390024, 390022, 390277, 390223, 390205.
390171	0.8566	OIL CITY AREA HEALTH CENTER INC	390091, 390122, 390093, 390266, 390113, 390040, 390005, 390178, 390191, 390166.
390172	1.0293	FORBES METROPOLITAN HEALTH CENTER	390238, 390055, 390102, 390090, 390128, 390164, 390029, 390143, 390114, 390229.
390173	0.9049	INDIANA HOSPITAL	390130, 390011, 390219, 390060, 390110, 390163, 390199, 390252, 390032, 390018.
390174	1.2151	THOMAS JEFFERSON UNIVERSITY HOSPITAL	390226, 390059, 390051, 390170, 390024, 390277, 390132, 390111, 390022.
390176	0.9871	ALIQUIPPA HOSPITAL	390037, 390157, 360238, 360096, 390074, 390107, 390008, 390136, 390050.
390178	0.9501	GREENVILLE REGIONAL HOSPITAL	390211, 390165, 360161, 360141, 360055, 360126, 390266, 360064, 360021, 360141.
390179	1.1105	CHESTER COUNTY HOSPITAL	390153, 390222, 390076, 390127, 390155, 390148, 390139, 390180, 390167, 390220.
390180	1.1638	CROZER CHESTER MEDICAL CENTER	390148, 390167, 390155, 390222, 390156, 390215, 390081, 390195, 390205, 390111.
390181	0.8782	ASHLAND STATE GENERAL HOSPITAL	390031, 390030, 390003, 390006, 390072, 390084, 390183, 390185, 390054, 390013.
390183	0.9166	COALDALE STATE GENERAL HOSPITAL	390194, 390185, 390054, 390031, 390030, 390019, 390181, 390072, 390261, 390242.
390184	0.9469	HIGHLANDS HOSPITAL AND HEALTH CENTER	390041, 390217, 390145, 390147, 390103, 390010, 390252, 390219, 390039, 390265.
390185	0.8291	HAZLETON GENERAL HOSPITAL	390054, 390183, 390194, 390072, 390186, 390169, 390031, 390030, 390019, 390064.
390186	0.8654	MERCY HOSPITAL OF NANTICOKE	390169, 390137, 390064, 390072, 390054, 390185, 390001, 390237, 390119, 390095.
390187	0.9048	PHILIPSBURG STATE GENERAL HOSPITAL	390052, 390152, 390268, 390073, 390121, 390056, 390086, 390130, 390199, 390244.
390189	0.8511	SHAMOKIN STATE GENERAL HOSPITAL	390236, 390213, 390079, 330108, 330090, 330277, 390249, 390192, 390043, 330011.
390191	0.8227	BROOKVILLE HOSPITAL	390086, 390093, 390199, 390161, 390154, 390052, 390104, 390163, 390171, 390130.
390192	0.8800	TYLER MEMORIAL HOSPITAL	390237, 390095, 390119, 390001, 390109, 390137, 390064, 390249, 390169, 390092.
390193	0.8843	METRO HEALTH CENTER	390063, 390009, 390198, 390040, 360042, 390005, 330166, 390113, 360125, 390122.
390194	0.9745	GNADEN HUETTEN MEMORIAL HOSPITAL	390183, 390019, 390185, 390054, 390261, 390242, 390133, 390263, 390197, 390049.
390195	1.1438	LANKENAU HOSPITAL	390245, 390081, 390149, 390139, 390135, 390223, 390047, 390215, 390111, 390156.
390197	0.9858	SACRED HEART HOSPITAL	390242, 390261, 390133, 390049, 390263, 390035, 390162, 390057, 310060, 390019.
390198	0.8843	MILLCREEK COMMUNITY HOSPITAL	390009, 390193, 390063, 390040, 390005, 360042, 390113, 330166, 390122, 360125.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
390199	0.8550	PUNXSUTAWNEY AREA HOSPITAL	390086, 390191, 390130, 390173, 390052, 390093, 390163, 390161, 390187, 390154.
390200	0.9802	COLUMBIA HOSPITAL	390061, 390100, 390068, 390101, 390046, 390225, 390256, 390232, 390066, 390206.
390201	0.9784	POCONO MEDICAL CENTER	390019, 310115, 310060, 310028, 390162, 390263, 390049, 390194, 390133, 310067.
390203	1.0538	DOYLESTOWN HOSPITAL	390012, 390260, 390057, 390258, 390231, 390035, 390097, 390116, 390272, 390007.
390204	1.0933	NAZARETH HOSPITAL	390080, 390021, 390083, 390115, 390007, 390097, 390142, 390247, 390126.
390205	1.2217	METHODIST HOSPITAL	390022, 390277, 390170, 390226, 390174, 390111, 390059, 390051, 390223, 310014.
390206	0.9723	COMMUNITY GENERAL OSTEOPATHIC HOSPITAL	390067, 390004, 390098, 390256, 390014, 390058, 390232, 390066, 390101, 390046.
390209	0.8187	FULTON COUNTY MEDICAL CENTER	390151, 390117, 510027, 390138, 210001, 510008, 390062, 390065, 390056, 210025.
390211	0.9431	SHARON REGIONAL HEALTH SYSTEM	390165, 360141, 390178, 360126, 360064, 360141, 360161, 390016, 360055, 360021.
390213	0.8354	TROY COMMUNITY HOSPITAL INC	390189, 390236, 390079, 330108, 330090, 390043, 330277, 390270, 390075, 330062.
390215	1.1588	HAVERFORD GENERAL HOSPITAL	390156, 390081, 390223, 390155, 390111, 390167, 390195, 390022, 390205, 390170.
390217	0.9591	FRICK COMMUNITY HEALTH CENTER	390145, 390219, 390103, 390010, 390252, 390184, 390147, 390002, 390267, 390041.
390219	0.9360	LATROBE AREA HOSPITAL	390145, 390103, 390010, 390252, 390217, 390267, 390002, 390011, 390110, 390060.
390220	1.0576	SOUTHERN CHESTER COUNTY MEDICAL CENTER	080003, 390076, 080001, 210032, 390179, 080005, 390222, 390148, 390180, 210006.
390222	1.0778	RIDDLE MEMORIAL HOSPITAL	390155, 390180, 390148, 390167, 390081, 390215, 390156, 390139, 390153, 390179.
390223	1.2116	PRESBYTERIAN—UNIV OF PA MEDICAL CENTER	390111, 390170, 390024, 390051, 390174, 390226, 390059, 390022, 390132.
390224	0.8635	BARNES KASSON COUNTY HOSPITAL	390249, 330394, 330121, 330011, 330016, 390092, 390125, 390109, 390192.
390225	0.9289	EPHRATA COMMUNITY HOSPITAL	390068, 390100, 390061, 390232, 390066, 390044, 390096, 390158, 390200.
390226	1.2125	PENNSYLVANIA HOSPITAL	390174, 390059, 390170, 390051, 390277, 390024, 390022, 390132, 390205, 390111.
390228	1.0075	ST CLAIR MEMORIAL HOSPITAL	390131, 390028, 390262, 390136, 390050, 390114, 390229, 390157, 390143, 390164.
390229	1.0199	MONTEFIORE HOSPITAL	390143, 390164, 390114, 390262, 390028, 390131, 390055, 390090, 390029, 390238.
390231	1.0683	ABINGTON MEMORIAL HOSPITAL	390097, 390007, 390080, 390260, 390021, 390026, 390204, 390088, 390142, 390083.
390232	0.9836	HYMAN S CAPLAN PAV/GOOD SAM HOSPITAL	390066, 390256, 390225, 390206, 390100, 390061, 390068, 390200, 390044.
390233	0.9199	HANOVER GENERAL HOSPITAL	390065, 390046, 210033, 390101, 390014, 390200, 390138, 390058, 390098, 390004.
390235	1.1561	EPISCOPAL HOSPITAL	390025, 390023, 390126, 390027, 390132, 390024, 390059, 390051.
390236	0.8748	MEMORIAL HOSPITAL INC	390189, 390079, 390213, 330108, 330090, 390249, 390192, 330394, 330011, 330277.
390237	0.8785	MERCY HOSPITAL	390119, 390001, 390095, 390109, 390092, 390064, 390137, 390192, 390169, 390125.
390238	1.0268	PODIATRY HOSPITAL OF PITTSBURGH	390055, 390090, 390029, 390164, 390143, 390229, 390172, 390114, 390102, 390262.
390242	0.9858	ALLENTOWN OSTEOPATHIC HOSPITAL	390261, 390133, 390197, 390049, 390263, 390035, 390162, 310060, 390019, 390057.
390244	0.8452	BUCKTAIL MEDICAL GENTER	390071, 390106, 390246, 390045, 390268, 390043, 390075, 390187, 390052, 390154.
390245	1.0809	HOSP OF THE PHILA COLLEGE OF OSTEOPATHY	390149, 390135, 390047, 390195, 390027, 390223, 390088, 390024, 390247.
390246	0.7709	CHARLES COLE MEMORIAL HOSPITAL	330096, 330103, 330155, 390118, 330039, 390244, 390043, 390154, 390104, 390161.
390247	1.0855	HOSPITAL OF THE HOME FOR THE JEWISH AGED	390142, 390088, 390027, 390047, 390021, 390083, 390235, 390135, 390126.
390249	0.8953	MONTROSE GENERAL HOSPITAL INC	330394, 330011, 390224, 390192, 390092, 390109, 390236, 390095, 390237, 390119.
390252	0.9099	WESTMORELAND-MC GINNIS HOSPITAL	390219, 390217, 390110, 390060, 390011, 390145, 390112, 390039, 390103, 390010.
390256	0.9734	HERSHEY MEDICAL CTR—UNIVERSITY HOSPITAL	390206, 390067, 390004, 390098, 390232, 390066, 390014, 390200, 390101, 390046.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
390258	1.0501	ST MARY HOSPITAL	310044, 390260, 390070, 390069, 310092, 310021, 390115, 390097, 390231, 310061.
390260	1.0458	WARMINSTER GENERAL HOSPITAL	390231, 390097, 390007, 390258, 390080, 390203, 390204, 390115, 390021, 390026.
390261	0.9858	LEHIGH VALLEY HOSPITAL CENTER	390242, 390133, 390197, 390049, 390263, 390035, 390162, 310060, 390019, 390057.
390262	1.0243	CENTRAL MEDICAL CENTER HOSPITAL	390028, 390131, 390229, 390143, 390114, 390164, 390050, 390136, 390090, 390055.
390263	0.9858	MUHLENBERG HOSPITAL CENTER	390049, 390133, 390261, 390242, 390197, 390162, 310060, 390035, 390019, 390057.
390265	0.9881	JEFFERSON HOSPITAL	390002, 390147, 390128, 390228, 390131, 390114, 390028, 390229, 390143, 390164.
390266	0.8719	UNITED COMMUNITY HOSPITAL	390016, 390017, 390165, 390091, 390211, 390166, 390178, 390168, 390008, 390171.
390267	1.0355	FORBES REGIONAL HEALTH CENTER	390128, 390172, 390002, 390102, 390238, 390018, 390055, 390090, 390164, 390114.
390268	0.8944	CENTRE COMMUNITY HOSPITAL	390187, 390048, 390152, 390056, 390071, 390052, 390073, 390121, 390244, 390106.
390270	0.8843	GEISINGER WYOMING VALLEY MEDICAL CENTER	390078, 390075, 390045, 390013, 390006, 390106, 390003, 390084, 390072.
390272	1.0835	VALLEY FORGE MED CENTER & HOSPITAL	390108, 390116, 390159, 390012, 390127, 390026, 390153, 390139, 390135, 390231.
390277	1.1980	MT SINAI HOSPITAL	390022, 390205, 390226, 390174, 390170, 390059, 310014, 390051, 310022, 390111.
410001	1.0703	MEMORIAL HOSPITAL OF RHODE ISLAND	410012, 410004, 410007, 410010, 410005, 410002, 220008, 410011, 410009.
410002	1.0580	CRANSTON GENERAL HOSPITAL	410005, 410010, 410007, 410004, 410012, 410009, 410001, 220020, 220008, 220055.
410004	1.0703	ROGER WILLIAMS GENERAL HOSPITAL	410010, 410005, 410007, 410012, 410001, 410002, 410009, 220008, 410011.
410005	1.0703	ST JOSEPHS HOSPITAL	410010, 410007, 410004, 410002, 410012, 410001, 410009, 220008, 410011.
410006	1.0651	NEWPORT HOSPITAL	410008, 220020, 410009, 220055, 220021, 410002, 410005, 410010, 410007, 410004.
410007	1.0703	RHODE ISLAND HOSPITAL	410010, 410005, 410004, 410002, 410012, 410001, 410009, 220008, 410011.
410008	1.0588	SOUTH COUNTY HOSPITAL INC	410006, 410013, 410009, 220020, 410002, 220055, 410005, 410010, 410007, 410004.
410009	1.0593	KENT COUNTY MEMORIAL HOSPITAL	410002, 410005, 410010, 410007, 410004, 410012, 410001, 220020, 220055, 410006.
410010	1.0703	WOMEN AND INFANTS HOSPITAL	410007, 410005, 410004, 410002, 410012, 410001, 410009, 220008, 410011.
410011	1.0652	LANDMARK MEDICAL CENTER INC	220090, 410001, 220079, 220008, 410012, 410004, 410007, 410010, 410005.
410012	1.0703	MIRIAM HOSPITAL	410001, 410004, 410007, 410010, 410005, 410002, 220008, 410009, 410011.
410013	1.1275	WESTERLY HOSPITAL	070007, 410008, 070024, 410006, 410009, 330088, 070021, 410002, 410005, 410010.
420002	0.9775	PIEDMONT MEDICAL CENTER	420032, 340113, 420019, 340009, 340153, 340098, 340053, 420036, 340032, 340037.
420004	0.8716	MEDICAL UNIVERSITY HOSPITAL	420065, 420087, 420006, 420088, 420089, 420079, 420030, 420067.
420005	0.8145	ST EUGENE COMMUNITY HOSPITAL	420055, 420042, 420054, 340050, 420051, 420057, 340008, 420044, 420040, 420062.
420006	0.8716	CHARLESTON MEMORIAL HOSPITAL	420087, 420004, 420065, 420088, 420089, 420079, 420030, 420067.
420007	0.8592	SPARTANBURG REGIONAL MEDICAL CENTER	420076, 420083, 420033, 420022, 420043, 420037, 420039, 340018, 340104, 420029.
420009	0.8718	OCONEE MEMORIAL HOSPITAL	420011, 110032, 420027, 420015, 110056, 110059, 110140, 340146, 110041, 420078.
420010	0.8186	BYERLY HOSPITAL	420057, 420028, 420040, 420051, 420044, 420062, 420054, 420048, 420070, 420005.
420011	0.8989	CANNON MEMORIAL HOSPITAL	420015, 420081, 420023, 420029, 420078, 420009, 420037, 420033, 420027, 340088.
420014	0.8645	FAIRFIELD MEMORIAL HOSPITAL	420084, 420019, 420018, 420026, 420053, 420073, 420086, 420048, 420036, 420039.
420015	0.9009	BAPTIST MEDICAL CENTER—EASLEY	420011, 420023, 420029, 420078, 420081, 420037, 420033, 420009, 420027, 420022.
420016	0.9701	BARNWELL REGIONAL HOSPITAL	420056, 420031, 420068, 420082, 420072, 110162, 110028, 110034, 110039, 110113.
420018	0.8600	RICHLAND MEMORIAL HOSPITAL	420026, 420086, 420073, 420084, 420014, 420048, 420053, 420070, 420068, 420028.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
420019	0.8059	CHESTER COUNTY HOSPITAL	420036, 420002, 420039, 420032, 420014, 420053, 420043, 420035, 420038, 340130.
420020	0.8887	GEORGETOWN MEMORIAL HOSPITAL	420049, 420059, 420064, 420085, 420066, 420079, 420089, 420069.
420022	0.9038	B J WORKMAN MEMORIAL HOSPITAL	420037, 420007, 420076, 420083, 420033, 420078, 420039, 420029, 420023, 420038.
420023	0.9130	ST FRANCIS HOSPITAL	420029, 420078, 420015, 420037, 420081, 420033, 420011, 420022, 420007, 420076.
420026	0.8600	PROVIDENCE HOSPITAL	420086, 420018, 420073, 420084, 420014, 420048, 420070, 420053, 420068, 420028.
420027	0.8906	ANDERSON MEMORIAL HOSPITAL	110059, 420009, 420015, 420078, 420023, 420029, 420011, 420037, 420061, 110027.
420028	0.8050	LEE COUNTY MEMORIAL HOSPITAL	420010, 420048, 420057, 420070, 420040, 420044, 420051, 420066, 420084, 420062.
420029	0.9130	GREENVILLE GENERAL HOSPITAL	420023, 420078, 420037, 420015, 420081, 420033, 420011, 420022, 420007, 420076.
420030	0.8619	COLLETON REGIONAL HOSPITAL	420072, 420031, 420079, 420056, 420074, 420067, 420006, 420087, 420004, 420065.
420031	0.7367	ALLENDALE COUNTY HOSPITAL	420072, 420016, 110152, 420056, 420030, 420074, 110141, 110113, 420068, 110156.
420032	0.9824	DIVINE SAVIOUR HOSPITAL	420002, 340037, 420043, 340032, 420019, 340113, 340009, 340153, 340053, 340098.
420033	0.9168	ALLEN BENNETT MEMORIAL HOSPITAL	420081, 420029, 420037, 420023, 420078, 420007, 420076, 420083, 420022, 420015.
420035	0.8000	WHITTEN CENTER HOSPITAL	420038, 420053, 420039, 420022, 420071, 420037, 420061, 420019, 420007, 420014.
420036	0.9655	ELLIOTT WHITE SPRINGS MEMORIAL HOSPITAL	420019, 420002, 340130, 420014, 420032, 420048, 340113, 340098, 340153, 340009.
420037	0.9168	HILLCREST HOSPITAL	420078, 420029, 420023, 420022, 420033, 420081, 420015, 420007, 420076, 420083.
420038	0.8230	LAURENS COUNTY HOSPITAL	420035, 420053, 420022, 420039, 420071, 420037, 420061, 420007, 420076, 420083.
420039	0.8126	WALLACE THOMSON HOSPITAL	420022, 420035, 420019, 420038, 420083, 420007, 420076, 420043, 420032, 420053.
420040	0.8081	FLORENCE GENERAL HOSPITAL	420044, 420051, 420057, 420055, 420010, 420066, 420028, 420042, 420005, 420054.
420042	0.7898	MULLINS HOSPITAL	420055, 420005, 420051, 420044, 420064, 420040, 420049, 340068, 420057, 340050.
420043	0.8507	UPSTATE CAROLINA MEDICAL CENTER	340104, 340021, 420083, 340037, 420076, 420007, 420032, 340013, 420039, 340032.
420044	0.8081	BRUCE HOSPITAL	420040, 420051, 420057, 420055, 420010, 420066, 420028, 420042, 420005, 420054.
420048	0.8635	KERSHAW COUNTY MEMORIAL HOSPITAL	420028, 420084, 420070, 420014, 420026, 420018, 420010, 420086, 420073, 420036.
420049	0.7670	CONWAY HOSPITAL INC	420064, 420085, 420042, 420055, 420020, 420066, 340068, 340158, 420059, 420044.
420051	0.8081	MCLEOD REGIONAL MEDICAL CENTER	420040, 420044, 420057, 420055, 420010, 420066, 420028, 420042, 420005, 420054.
420053	0.8495	NEWBERRY COUNTY MEMORIAL HOSPITAL	420035, 420038, 420014, 420071, 420039, 420073, 420018, 420084, 420086, 420026.
420054	0.8253	MARLBORO PARK HOSPITAL	420062, 340008, 340106, 420005, 340035, 420057, 420010, 420051, 420040, 420044.
420055	0.8088	MARION MEMORIAL HOSPITAL	420042, 420005, 420051, 420044, 420040, 420057, 420066, 420064, 420049, 420054.
420056	0.9713	BAMBERG COUNTY MEMORIAL HOSPITAL	420068, 420016, 420031, 420030, 420072, 420082, 110028, 420069, 110162, 110034.
420057	0.8205	WILSON CLINIC & HOSPITAL	420051, 420040, 420044, 420010, 420028, 420054, 420055, 420005, 420062, 420066.
420059	0.8136	WILLIAMSBURG COUNTY MEMORIAL HOSPITAL	420066, 420069, 420070, 420020, 420044, 420040, 420051, 420064, 420049, 420055.
420061	0.7524	ABBEVILLE COUNTY MEMORIAL HOSPITAL	420071, 110026, 420027, 110059, 420038, 420035, 420075, 110114, 110027, 420053.
420062	0.8310	CHESTERFIELD GENERAL HOSPITAL	420054, 340106, 340035, 340084, 340008, 420010, 420057, 420005, 420051, 420040.
420064	0.8046	LORIS COMMUNITY HOSPITAL	420049, 420085, 420042, 420055, 420066, 420020, 340068, 420059, 420044, 420051.
420065	0.8716	ST FRANCIS XAVIER HOSPITAL	420004, 420087, 420006, 420088, 420089, 420079, 420030, 420067.
420066	0.8036	LOWER FLORENCE COUNTY HOSPITAL	420059, 420044, 420040, 420051, 420069, 420055, 420070, 420057, 420064, 420042.
420067	0.8089	BEAUFORT COUNTY MEMORIAL HOSPITAL	420074, 420080, 110156, 110043, 110024, 110036, 420030, 420072, 420006, 420087.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
420068	0.8619	REGIONAL MED CTR OF ORANGEBURG & CALHOUN.	420056, 420016, 420069, 420086, 420026, 420073, 420018, 420070, 420030, 420084.
420069	0.8254	CLAREDON MEMORIAL HOSPITAL	420070, 420059, 420066, 420068, 420028, 420044, 420040, 420051, 420048, 420026.
420070	0.8213	TUOMEY REGIONAL MEDICAL CENTER	420069, 420028, 420048, 420066, 420059, 420084, 420026, 420040, 420044, 420051.
420071	0.7535	SELF MEMORIAL HOSPITAL	420061, 420038, 420035, 420053, 420075, 420027, 110026, 110059, 420022, 110114.
420072	0.7140	HAMPTON GENERAL HOSPITAL	420031, 420030, 420074, 110152, 420016, 420056, 420067, 110156, 110141, 110075.
420073	0.8671	LEXINGTON MEDICAL CENTER	420086, 420018, 420026, 420084, 420014, 420053, 420048, 420068, 420070, 420082.
420074	0.8168	LOW COUNTRY GENERAL HOSPITAL	420067, 110156, 420080, 420072, 110043, 110024, 110036, 420030, 420031, 110152.
420075	0.9781	EDGEFIELD COUNTY HOSPITAL	420082, 110028, 110034, 110177, 110039, 110162, 420071, 420061, 110111, 420053.
420076	0.8592	AMI DOCTORS MEMORIAL HOSPITAL	420007, 420083, 420033, 420022, 420043, 420037, 420039, 340018, 340104, 420029.
420078	0.8846	GREENVILLE MEMORIAL MEDICAL CENTER	420023, 420029, 420037, 420015, 420081, 420033, 420011, 420022, 420027, 420007.
420079	0.8701	TRIDENT REGIONAL MEDICAL CENTER	420004, 420065, 420006, 420087, 420088, 420089, 420030, 420020, 420059, 420069.
420080	0.8063	HILTON HEAD HOSPITAL	420067, 110043, 110024, 110036, 420074, 110156, 110063, 420072.
420081	0.9150	NORTH GREENVILLE HOSPITAL	420023, 420029, 420033, 420078, 420015, 420011, 420037, 340018, 340088, 340017.
420082	0.9843	HCA AIKEN REGIONAL MEDICAL CENTERS	110028, 420075, 110034, 110039, 110162, 110177, 420016, 420056, 110111, 420073.
420083	0.8592	MARY BLACK MEMORIAL HOSPITAL	420076, 420007, 420043, 420033, 420022, 420037, 340104, 420039, 340018, 420029.
420084	0.8600	EDWARD A RONDEAU GENERAL HOSPITAL	420018, 420026, 420086, 420073, 420014, 420048, 420070, 420053, 420028, 420068.
420085	0.7603	GRAND STRAND GENERAL HOSPITAL	420049, 420064, 340158, 420020, 420042, 340121, 340068, 420055, 420066.
420086	0.8600	BAPTIST MEDICAL CENTER AT COLUMBIA	420026, 420018, 420073, 420084, 420014, 420048, 420053, 420070, 420068, 420028.
420087	0.8716	ROPER HOSPITAL	420006, 420004, 420065, 420088, 420089, 420079, 420030, 420067.
420088	0.8716	BAKER HOSPITAL	420065, 420087, 420006, 420004, 420089, 420079, 420030, 420067.
420089	0.8716	AMI EAST COOPER COMMUNITY HOSPITAL	420088, 420065, 420004, 420087, 420006, 420079, 420030, 420067, 420020.
430004	0.7744	NORTHERN HILLS GENERAL HOSPITAL	430048, 430028, 430077, 530031, 530003, 430051.
430005	0.6572	PRAIRIE LAKES HOSPITAL	430065, 430088, 430010, 430038, 430024, 240111, 240077, 240099, 430008, 240143.
430007	0.8474	MADISON COMMUNITY HOSPITAL	430023, 430041, 430008, 430024, 240123, 430027, 430016, 430088, 240099, 430013.
430008	0.6318	BROOKINGS HOSPITAL	430041, 430088, 240099, 430007, 240184, 240123, 240145, 430065, 430023, 240077.
430009	0.6961	BELLE FOURCHE HEALTH CARE CENTER	350023.
430010	0.6763	ST BERNARDS PROVIDENCE HOSPITAL	240111, 240065, 240143, 240116, 430065, 240108, 430005, 430064, 240077, 240112.
430011	0.7129	HURON REGIONAL MEDICAL CENTER	430066, 430024, 430034, 430031, 430013, 430017.
430012	0.6699	SACRED HEART HOSPITAL	430037, 430029, 430073, 430057, 430036, 280066, 280046, 280041, 430039, 430049.
430013	0.7116	ST JOSEPHS HOSPITAL	430017, 430033, 430066, 430039, 430036, 430073, 430011, 430049, 430026, 430007.
430014	0.7184	ST LUKES MIDLAND REGIONAL MEDICAL CENTER	350065, 430034, 430022, 430025, 430038.
430015	0.8174	ST MARYS HOSPITAL	NO PROVIDER WITHIN 50 MILES.
430016	0.8565	MCKENNAN HOSPITAL	430027, 430054, 430023, 240128, 160051, 430057, 160145, 240123, 430041, 430036.
430017	0.7180	METHODIST HOSPITAL	430013, 430033, 430039, 430066, 430036, 430073, 430026, 430049, 430011, 430037.
430018	0.7188	MID-DAKOTA HOSPITAL	430026, 430043, 430047, 430066, 430087.
430022	0.7356	MARSHALL COUNTY MEMORIAL HOSPITAL	350012, 430038, 430064, 350065, 430014, 350041, 350032.
430023	0.8520	DELL RAPIDS COMMUNITY HOSPITAL	430041, 430027, 240123, 430016, 430007, 240128, 430008, 430054, 160051, 240127.
430024	0.7173	DESMET MEMORIAL HOSPITAL	430011, 430007, 430088, 430008, 430005, 430065.
430025	0.7558	FAULK COUNTY MEMORIAL HOSPITAL	430034, 430042, 430060, 430031, 430079, 430014.
430026	0.6863	PLATTE COMMUNITY MEMORIAL HOSPITAL	430087, 430047, 430039, 430049, 430018, 430033, 280025, 430017, 430013, 430043.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
430027	0.8565	SIOUX VALLEY HOSPITAL	430016, 430054, 430023, 240128, 160051, 430057, 160145, 430036, 430041, 240123.
430028	0.7693	STURGIS COMMUNITY HEALTH CARE CENTER	430004, 430048, 430077, 530031.
430029	0.8026	DAKOTA HOSPITAL	430012, 160134, 430057, 160146, 160153, 160140, 280115, 430054, 160109, 160145.
430031	0.7723	HAND COUNTY MEMORIAL HOSPITAL	430034, 430025, 430066, 430011.
430033	0.7265	ST BENEDICT HOSPITAL	430039, 430017, 430073, 430013, 430049, 430036, 430037, 430026, 280025, 430012.
430034	0.7414	COMMUNITY MEMORIAL HOSPITAL	430025, 430031, 430011, 430014.
430036	0.8490	FREEMAN COMMUNITY HOSPITAL	430073, 430057, 430033, 430037, 430012, 430027, 430016, 430013, 430017, 430039.
430037	0.6902	ST MICHAELS HOSPITAL	430073, 430049, 430039, 430012, 430033, 280025, 430036, 280046, 430057, 280041.
430038	0.7223	LAKE AREA HOSPITAL	430064, 430022, 430005, 430010, 430014.
430039	0.7265	DOUGLAS COUNTY MEMORIAL HOSPITAL	430049, 430033, 430037, 430073, 280025, 430026, 430017, 430013, 430036, 430012.
430040	0.6658	MOBRIDGE REGIONAL HOSPITAL	430060, 430079, 430042, 430062.
430041	0.8493	FLANDREAU MUNICIPAL HOSPITAL	240123, 430023, 430008, 430007, 240145, 240099, 240128, 240184, 430016, 430027.
430042	0.7628	GETTYSBURG MEMORIAL HOSPITAL	430060, 430079, 430025, 430062, 430040.
430043	0.6637	BAPTIST HOSPITAL	430047, 430087, 430018, 280094, 430026.
430044	0.7661	SOUTHERN HILLS GENERAL HOSPITAL	430051, 530003, 430077, 280048.
430047	0.6048	GREGORY COMMUNITY HOSPITAL	430087, 430043, 430026, 430018, 280098.
430048	0.7744	LOOKOUT MEMORIAL HOSPITAL	430004, 430028, 530031, 430077, 530003.
430049	0.7265	COMMUNITY MEMORIAL HOSPITAL	430039, 280025, 430037, 430033, 430073, 430026, 430017, 430012, 430036, 430013.
430051	0.7696	CUSTER COMMUNITY HOSPITAL	430044, 530003, 430077, 430004.
430054	0.8511	CANTON-INWOOD MEMORIAL HOSPITAL	160145, 430016, 430027, 160051, 160134, 160109, 430057, 240128, 160074, 160126.
430056	0.4856	HANS P PETERSON MEMORIAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
430057	0.8468	PIONEER MEMORIAL HOSPITAL	430036, 430012, 430054, 430029, 430027, 430016, 430073, 160134, 160145, 430037.
430060	0.7628	HOLY INFANT HOSPITAL	430042, 430079, 430025, 430062, 430040.
430062	0.7441	EUREKA COMMUNITY HOSPITAL	350049, 430079, 350051, 430042, 430060, 430040, 350058.
430064	0.6634	COTEAU DES PRAIRIES HOSPITAL	240112, 350032, 240065, 430038, 430022, 430010, 240111, 240029.
430065	0.6726	DEUEL COUNTY MEMORIAL HOSPITAL	430088, 240077, 240099, 430005, 240184, 240143, 430008, 240108, 430010, 240111.
430066	0.7153	WESKOTA MEMORIAL MEDICAL CENTER	430011, 430017, 430013, 430031, 430018, 430026.
430073	0.7265	LANDMANN-JUNGMAN MEMORIAL HOSPITAL	430037, 430036, 430033, 430039, 430012, 430049, 430057, 430017, 430013, 280025.
430076	0.7557	BENNETT COUNTY COMMUNITY HOSPITAL	280075.
430077	0.7610	RAPID CITY REGIONAL HOSPITAL	430028, 430051, 430004, 430048, 430044, 530003.
430079	0.7441	BOWDLE HOSPITAL	430042, 430060, 430062, 430025, 430040, 350049.
430080	0.7708	FIVE COUNTIES HOSPITAL	350061, 350044.
430087	0.5970	COMMUNITY MEMORIAL HOSPITAL	430047, 430026, 430043, 430018, 280098, 280025, 280092, 430049.
430088	0.6673	ESTELLINE COMMUNITY HOSPITAL	430065, 430008, 240099, 430005, 240077, 240184, 430024, 430041, 430007, 240145.
440001	0.8125	UNICOI COUNTY MEMORIAL HOSPITAL	440063, 440105, 440184, 440018, 440025, 440050, 340011, 340080, 340005, 440176.
440002	0.7710	JACKSON-MADISON COUNTY GENERAL HOSPITAL	440189, 440115, 440174, 440060, 440008, 440047, 440177, 440181, 440016.
440003	0.8927	SUMNER MEMORIAL HOSPITAL	440194, 440095, 440196, 440136, 440135, 440193, 440006, 440150, 440026, 440078.
440006	0.9191	NASHVILLE MEMORIAL HOSPITAL	440135, 440026, 440111, 440069, 440039, 440150, 440133, 440082, 440194.
440007	0.7648	COFFEE MEDICAL CENTER	440203, 440144, 440058, 440137, 440151, 440038, 440200, 440053, 440102, 440090.
440008	0.7756	METHODIST HOSPITAL OF LEXINGTON	440070, 440189, 440002, 440060, 440016, 440115, 440040, 440109, 440145, 440182.
440009	0.6494	CUMBERLAND MEDICAL CENTER	440022, 440192, 440031, 440157, 440059, 440023, 440083, 440187, 440084, 440110.
440010	0.7573	WAYNE COUNTY GENERAL HOSPITAL	440160, 440040, 440175, 440109, 440070, 010123, 440014, 010006, 010136, 440020.
440011	0.9269	BLOUNT MEMORIAL HOSPITAL	440015, 440173, 440019, 440125, 440146, 440120, 440110, 440081, 440034.
440012	0.8419	BRISTOL REGIONAL MEDICAL CENTER	490053, 440176, 440017, 440018, 440184, 440105, 440063, 490002, 490001, 490027.
440014	0.7776	HICKMAN COUNTY HOSPITAL	440160, 440046, 440040, 440073, 440100, 440029, 440070, 440010, 440145, 440149.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
440015	0.9269	UNIVERSITY OF TENNESSEE MEM HOSPITAL	440125, 440019, 440120, 440146, 440173, 440011, 440034, 440081, 440110.
440016	0.6620	BAPTIST MEMORIAL HOSPITAL—HUNTINGDON	440182, 440145, 440060, 440132, 440177, 440008, 440047, 440115, 440070, 440100.
440017	0.8404	HOLSTON VALLEY HOSPITAL MEDICAL CENTER	440176, 440184, 440012, 440063, 440105, 440018, 490114, 440032, 490027, 490012.
440018	0.8345	SYCAMORE SHOALS HOSPITAL	440105, 440184, 440063, 440001, 440012, 440176, 440017, 340005, 340080, 490053.
440019	0.9217	EAST TENNESSEE BAPTIST HOSPITAL	440125, 440015, 440120, 440146, 440173, 440011, 440034, 440081, 440056.
440020	0.7841	HILLSIDE HOSPITAL	010136, 440175, 440102, 440143, 440137, 440073, 440160, 010131, 440010, 010039.
440022	0.7943	BAPTIST HOSPITAL OF ROANE COUNTY	440031, 440009, 440110, 440084, 440034, 440023, 440068, 440173, 440157, 440146.
440023	0.7645	RHEA MEDICAL CENTER	440157, 440068, 440074, 440185, 440024, 440054, 440084, 440022, 440103, 440009.
440024	0.9063	BRADLEY MEMORIAL HOSPITAL	440185, 440103, 440054, 440178, 440091, 440156, 440162, 440068, 440104, 440121.
440025	0.8187	LAUGHLIN HOSPITAL	440050, 440032, 440001, 440153, 440030, 440063, 440067, 440105, 440184, 440017.
440026	0.9260	EDGEFIELD HOSPITAL	440111, 440069, 440039, 440133, 440082, 440161, 440006, 440150, 440135.
440029	0.9303	WILLIAMSON MEDICAL CENTER	440197, 440161, 440082, 440133, 440111, 440069, 440039, 440026, 440150.
440030	0.7946	MORRISTOWN-HAMBLEN HOSPITAL	440067, 440056, 440153, 440032, 440057, 440079, 440050, 440025, 440081, 440120.
440031	0.9085	HARRIMAN CITY HOSPITAL	440022, 440034, 440110, 440173, 440009, 440084, 440146, 440015, 440125.
440032	0.7998	HAWKINS COUNTY MEMORIAL HOSPITAL	440079, 440025, 440050, 440030, 440067, 490012, 440017, 440176, 440057, 440056.
440033	0.9367	LAFOLLETTE MEDICAL CENTER	440180, 440052, 180020, 440034, 440057, 440120, 440146, 440125, 440019, 440015.
440034	0.9234	METHODIST MEDICAL CENTER OF OAK RIDGE	440173, 440146, 440120, 440125, 440015, 440031, 440019, 440110, 440011.
440035	0.8322	CLARKSVILLE MEMORIAL HOSPITAL	440149, 180051, 440065, 440205, 180066, 180033, 440046, 440006, 440039, 440069.
440038	0.7797	WARREN REGIONAL HOSPITAL	440151, 440200, 440148, 440192, 440203, 440007, 440157, 440074, 440144, 440053.
440039	0.9327	VANDERBILT UNIVERSITY MEDICAL CENTER	440069, 440133, 440082, 440161, 440111, 440026, 440006, 440197, 440150.
440040	0.7733	PERRY MEMORIAL HOSPITAL	440070, 440160, 440010, 440014, 440008, 440100, 440109, 440145, 440175, 440073.
440041	0.8154	COPPER BASIN MEDICAL CENTER	110189, 340160, 440054, 110051, 110077, 440024, 110050, 440185, 340054, 440068.
440046	0.9121	GOODLARK MEDICAL CENTER	440100, 440205, 440014, 440149, 440029, 440161, 440039, 440133, 440082.
440047	0.7784	GIBSON GENERAL HOSPITAL	440177, 440060, 440115, 440189, 440072, 440002, 440182, 440061, 440016, 440174.
440048	0.8538	BAPTIST MEMORIAL HOSPITAL	440152, 440166, 440049, 440071, 440049, 440159, 040042, 440049, 440183, 440170.
440049	0.8574	METHODIST HOSPITALS OF MEMPHIS	440166, 440048, 440152, 440071, 440159, 440159, 440071, 440152, 440048, 440166.
440050	0.8187	TAKOMA ADVENTIST HOSPITAL	440025, 440032, 440153, 440001, 440030, 440067, 440063, 440105, 440184, 440017.
440051	0.7390	MCNAIRY COUNTY GENERAL HOSPITAL	250009, 440109, 440181, 250002, 250010, 250044, 440002, 440008, 440189.
440052	0.7961	SCOTT COUNTY HOSPITAL	440180, 440083, 440033, 180126, 180106, 440034, 180080, 180020, 440031, 440187.
440053	0.9075	MIDDLE TENNESSEE MEDICAL CENTER INC	440200, 440197, 440193, 440029, 440136, 440150, 440148, 440111, 440203, 440026.
440054	0.7671	WOODS MEMORIAL HOSPITAL	440068, 440084, 440185, 440024, 440041, 440023, 440110, 340160, 110189, 440022.
440056	0.9158	JEFFERSON COUNTY MEMORIAL HOSPITAL	440067, 440030, 440153, 440081, 440120, 440057, 440019, 440125, 440015, 440146.
440057	0.7361	CLAIBORNE COUNTY HOSPITAL	180020, 440079, 440067, 440030, 180021, 440056, 440033, 440032, 440180, 180050.
440058	0.7468	METHODIST HOSPITAL OF MID TENNESSEE	440144, 440007, 440137, 440203, 440064, 010004, 440102, 440090, 440074, 010061.
440059	0.6423	COOKVILLE GENERAL HOSPITAL	440087, 440192, 440187, 440148, 440186, 440142, 440141, 440009, 440083, 440038.
440060	0.7775	CITY OF MILAN HOSPITAL	440177, 440047, 440115, 440016, 440189, 440182, 440002, 440008, 440061. 440072.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
440061	0.7180	HCA VOLUNTEER GENERAL HOSPITAL	440130, 180117, 440182, 440177, 440047, 440132, 440060, 180116, 440016, 440072.
440063	0.8367	JOHNSON CITY MEDICAL CENTER HOSPITAL	440105, 440184, 440018, 440001, 440176, 440017, 440012, 440025, 440050, 340005.
440064	0.8822	SOUTH PITTSBURG MUNICIPAL HOSPITAL	010004, 440090, 440121, 440104, 440058, 440156, 440162, 440091, 110004, 440178.
440065	0.8129	JESSE HOLMAN JONES HOSPITAL	440194, 440095, 440205, 440006, 440135, 180120, 440035, 440003, 440026, 180066.
440067	0.7946	HUMANA HOSPITAL MORRISTOWN	440030, 440056, 440057, 440153, 440032, 440079, 440050, 440025, 440081, 440120.
440068	0.7517	ATHENS COMMUNITY HOSPITAL	440054, 440084, 440023, 440185, 440024, 440110, 440022, 440157, 440041, 440031.
440069	0.9327	GEORGE W HUBBARD HOSPITAL	440039, 440133, 440082, 440161, 440111, 440026, 440006, 440197, 440150.
440070	0.7794	DECATUR COUNTY GENERAL HOSPITAL	440008, 440040, 440160, 440010, 440109, 440145, 440016, 440014, 440189, 440002.
440071	0.8538	ST JOSEPH HOSPITAL	440152, 440048, 440166, 440049, 440049, 040042, 440159, 440049, 440183, 440170.
440072	0.7213	METHODIST HOSPITAL OF DYERSBURG	260070, 440047, 440177, 440114, 040069, 440115, 440130, 440174, 440061, 440060.
440073	0.8003	MAURY REGIONAL HOSPITAL	440143, 440014, 440029, 440160, 440020, 440175, 440137, 440046, 440197, 440053.
440074	0.9071	SEQUATCHIE GENERAL HOSPITAL	440090, 440103, 440157, 440023, 440121, 440104, 440091, 440156, 440162, 440178.
440078	0.7572	MACON COUNTY GENERAL HOSPITAL	440196, 180075, 440186, 440142, 180105, 440087, 440003, 440095, 440136, 440141.
440079	0.7186	HANCOCK COUNTY HOSPITAL	440032, 440057, 490012, 180050, 440030, 440067, 180021, 180020, 440025, 440056.
440081	0.9166	FORT SANDERS SEVIER MEDICAL CENTER	440019, 440011, 440015, 440125, 440120, 440056, 440153, 440146, 440173.
440082	0.9327	ST THOMAS HOSPITAL	440133, 440161, 440069, 440039, 440111, 440026, 440197, 440006, 440150.
440083	0.6506	FENTRESS COUNTY GENERAL HOSPITAL	440187, 180106, 440052, 180126, 440141, 180108, 440059, 440009, 440087, 440031.
440084	0.8244	SWEETWATER HOSPITAL	440110, 440068, 440054, 440022, 440031, 440023, 440011, 440173, 440034.
440087	0.6464	JACKSON COUNTY HOSPITAL	440059, 440141, 440186, 440187, 440142, 440078, 180105, 440196, 440148, 440192.
440090	0.8836	WHITWELL MEDICAL CENTER	440074, 440103, 440121, 440104, 440091, 440156, 440162, 440064, 440178, 110004.
440091	0.8794	MEMORIAL HOSPITAL	440156, 440162, 440104, 440121, 440178, 440103, 110004, 440090, 440185, 440024.
440095	0.8417	HIGHLAND HOSPITAL	180120, 440003, 440194, 440065, 180075, 440196, 440135, 440078, 440006, 440136.
440100	0.6964	THREE RIVERS COMMUNITY HOSPITAL	440145, 440149, 440046, 440014, 440132, 440016, 440040, 440182, 440070, 440205.
440102	0.8072	LINCOLN COUNTY HOSPITAL	440137, 440020, 440144, 440058, 440143, 010039, 010127, 010136, 010131, 440007.
440103	0.8794	NORTH PARK HOSPITAL	440091, 440156, 440162, 440104, 440121, 440178, 110004, 440090, 440185, 440024.
440104	0.8837	ERLANGER MEDICAL CENTER	440121, 440156, 440162, 440091, 440178, 110004, 440103, 440090, 440064, 440185.
440105	0.8367	JOHNSON CITY SPECIALTY HOSPITAL	440063, 440184, 440018, 440001, 440176, 440017, 440012, 440025, 340005, 440050.
440109	0.7135	HARDIN COUNTY GENERAL HOSPITAL	440051, 440010, 250009, 440070, 250002, 440008, 440040, 440181, 010123.
440110	0.9134	FORT SANDERS LOUDON MEDICAL CENTER	440084, 440173, 440031, 440011, 440022, 440034, 440146, 440015, 440068.
440111	0.9327	METRO NASHVILLE GENERAL HOSPITAL	440082, 440133, 440026, 440069, 440161, 440039, 440197, 440150, 440006.
440114	0.7618	BAPTIST MEMORIAL HOSPITAL LAUDERDALE	440131, 440174, 040070, 040069, 440072, 440115, 440047, 440177, 260070, 440002.
440115	0.7781	HUMBOLDT GENERAL HOSPITAL INC	440047, 440060, 440177, 440189, 440002, 440174, 440008, 440016, 440072, 440182.
440120	0.9217	ST MARYS MEDICAL CENTER	440125, 440019, 440015, 440146, 440173, 440034, 440011, 440081, 440056.
440121	0.8810	DOWNTOWN GENERAL HOSPITAL	440104, 440156, 440162, 440091, 440178, 110004, 440103, 440090, 440064, 110001.
440125	0.9217	FORT SANDERS REGIONAL MEDICAL CENTER	440019, 440015, 440120, 440146, 440173, 440011, 440034, 440081, 440056.
440130	0.7501	BAPTIST MEMORIAL HOSPITAL UNION CITY	180117, 440061, 180116, 440072, 440177, 440047, 440182, 260070, 440132, 440060.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
440131	0.8452	BAPTIST MEMORIAL HOSPITAL TIPTON	440114, 040070, 440174, 440049, 440168, 040069, 440147, 440170, 440183, 440071.
440132	0.7030	HENRY COUNTY GENERAL HOSPITAL	440182, 440145, 440016, 180027, 440061, 440100, 440149, 440060, 180116, 440130.
440133	0.9327	BAPTIST HOSPITAL	440082, 440161, 440069, 440039, 440111, 440026, 440197, 440006, 440150.
440135	0.9191	TENNESSEE CHRISTIAN MEDICAL CENTER	440006, 440150, 440194, 440026, 440111, 440069, 440039, 440133, 440082.
440136	0.8824	HUMANA HOSPITAL MCFARLAND	440193, 440196, 440003, 440142, 440186, 440150, 440194, 440135, 440006, 440026.
440137	0.7993	BEDFORD COUNTY GENERAL HOSPITAL	440144, 440102, 440143, 440007, 440058, 440203, 440020, 440073, 440053, 440200.
440141	0.6174	CLAY COUNTY HOSPITAL	440187, 180105, 440087, 180108, 180106, 440078, 440059, 440083, 440186, 440142.
440142	0.7805	CARTHAGE GENERAL HOSPITAL	440186, 440196, 440193, 440136, 440087, 440078, 440148, 440059, 440003, 440141.
440143	0.7821	LEWISBURG COMMUNITY HOSPITAL	440073, 440137, 440020, 440102, 440144, 440029, 440175, 440053, 440007, 440203.
440144	0.7612	JOHN W HARTON REGIONAL MEDICAL CENTER	440007, 440203, 440137, 440058, 440102, 440143, 440200, 440151, 440038, 440053.
440145	0.6978	VALLEY REGIONAL HOSPITAL	440016, 440100, 440182, 440132, 440149, 440070, 440008, 440060, 440040, 440046.
440146	0.9269	OAKWOOD MEDICAL CENTER	440125, 440015, 440120, 440019, 440173, 440034, 440011, 440110, 440081.
440147	0.8582	BAPTIST MEMORIAL HOSPITAL GERMANTOWN	440170, 440183, 440159, 440049, 440049, 440049, 440166, 440048, 440152, 440071.
440148	0.7742	DEKALB GENERAL HOSPITAL	440200, 440192, 440038, 440151, 440059, 440186, 440142, 440193, 440136, 440053.
440149	0.6788	TRINITY HOSPITAL	440100, 440035, 440046, 440145, 440132, 440205, 180027, 180033, 180051, 440014.
440150	0.9230	HCA DONELSON HOSPITAL	440026, 440135, 440111, 440006, 440082, 440133, 440069, 440197, 440039.
440151	0.7797	RIVER PARK HOSPITAL	440038, 440200, 440148, 440192, 440203, 440007, 440157, 440074, 440144, 440053.
440152	0.8538	REGIONAL MEDICAL CENTER AT MEMPHIS	440048, 440166, 440049, 440071, 440049, 440159, 040042, 440049, 440183, 440170.
440153	0.8237	COCKE COUNTY BAPTIST HOSPITAL INC	440030, 440056, 440067, 440050, 440081, 440025, 440032, 340025, 440019, 440120.
440156	0.8794	PARKRIDGE HOSPITAL	440162, 440091, 440104, 440121, 440178, 110004, 440103, 440090, 440185, 440024.
440157	0.7157	BLEDSOE COUNTY HOSPITAL	440023, 440074, 440009, 440192, 440151, 440038, 440022, 440068, 440090, 440185.
440159	0.8582	EASTWOOD MEDICAL CENTER	440183, 440049, 440170, 440049, 440147, 440166, 440048, 440152, 440071, 440049.
440160	0.7878	LEWIS COUNTY HOSPITAL	440040, 440014, 440010, 440073, 440175, 440070, 440020, 440046, 440100, 440143.
440161	0.9327	CENTENNIAL MEDICAL CENTER	440082, 440133, 440069, 440039, 440111, 440026, 440197, 440006, 440150.
440162	0.8794	RENAISSANCE REHAB & DIAG HOSPITAL	440156, 440091, 440104, 440121, 440178, 110004, 440103, 440090, 440185, 440024.
440166	0.8538	UNIVERSITY OF TENNESSEE MEDICAL CENTER	440048, 440152, 440049, 440071, 440159, 440049, 040042, 440049, 440183, 440170.
440168	0.8601	METHODIST HOSPITAL OF SOMERVILLE	440181, 440147, 440170, 440174, 440131, 440183, 440049, 440159, 250012.
440170	0.8582	GERMANTOWN COMMUNITY HOSPITAL	440147, 440183, 440159, 440049, 440049, 440049, 440166, 440048, 440152, 440071.
440173	0.9234	FORT SANDERS PARK WEST MEDICAL CENTER	440146, 440015, 440125, 440019, 440120, 440034, 440011, 440110, 440031.
440174	0.7775	HAYWOOD PARK GENERAL HOSPITAL	440114, 440002, 440189, 440131, 440115, 440168, 440181, 440047, 440177.
440175	0.7883	CROCKETT GENERAL HOSPITAL	440020, 010136, 440010, 440160, 440073, 010123, 440143, 010006, 010124, 440040.
440176	0.8419	INDIAN PATH HOSPITAL	440017, 440012, 440184, 440063, 440105, 440018, 490114, 440032, 490027, 490001.
440177	0.7784	FORUM HOSPITAL TRENTON	440047, 440060, 440115, 440072, 440189, 440182, 440002, 440061, 440016, 440174.
440178	0.8773	HUMANA HOSPITAL EAST RIDGE	440162, 440156, 440091, 110004, 440104, 440121, 440103, 110001, 440090, 440024.
440180	0.8076	JELLICO COMMUNITY HOSPITAL	440033, 180020, 440052, 180063, 180080, 180021, 440057, 440034, 180011, 180126.
440181	0.7487	BOLIVAR COMMUNITY HOSPITAL	440168, 440051, 440174, 440002, 440189, 250009, 250010, 440109, 440131.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
440182	0.6922	METHODIST HOSPITAL OF MCKENZIE	440016, 440132, 440060, 440145, 440061, 440177, 440047, 440115, 440130, 440008.
440183	0.8582	ST FRANCIS HOSPITAL	440170, 440147, 440159, 440049, 440049, 440166, 440048, 440152, 440049, 440071.
440184	0.8367	NORTHSIDE HOSPITAL	440105, 440063, 440018, 440176, 440001, 440017, 440012, 440025, 440050, 340005.
440185	0.9018	CLEVELAND COMMUNITY HOSPITAL	440024, 440103, 440054, 440091, 440178, 440156, 440162, 440068, 440104, 440023.
440186	0.7805	SMITH COUNTY MEMORIAL HOSPITAL	440142, 440196, 440087, 440193, 440136, 440078, 440148, 440059, 440003, 440141.
440187	0.6247	LIVINGSTON REGIONAL HOSPITAL	440141, 440087, 440059, 440083, 180106, 180105, 180108, 440186, 440142, 440192.
440189	0.7710	REGIONAL HOSPITAL OF JACKSON	440002, 440115, 440060, 440174, 440008, 440047, 440177, 440181, 440016.
440192	0.6668	WHITE COUNTY COMMUNITY HOSPITAL	440059, 440148, 440038, 440151, 440009, 440157, 440200, 440087, 440187, 440186.
440193	0.8824	UNIVERSITY MEDICAL CENTER HOSPITAL	440136, 440196, 440142, 440003, 440186, 440150, 440194, 440135, 440006, 440026.
440194	0.9152	HENDERSONVILLE COMMUNITY HOSPITAL	440135, 440006, 440003, 440150, 440026, 440111, 440069, 440039, 440133, 440082.
440196	0.8472	HARTSVILLE GENERAL HOSPITAL	440078, 440003, 440142, 440186, 440136, 440193, 440095, 440194, 180075, 440087.
440197	0.9327	HCA SOUTHERN HILLS HOSPITAL	440111, 440082, 440133, 440161, 440026, 440069, 440039, 440150, 440006.
440200	0.7909	STONES RIVER HOSPITAL	440148, 440053, 440038, 440151, 440203, 440007, 440193, 440136, 440142, 440192.
440203	0.7661	MEDICAL CENTER OF MANCHESTER	440007, 440144, 440058, 440038, 440151, 440137, 440200, 440053, 440074, 440102.
440205	0.9211	CHEATHAM MEDICAL CENTER	440039, 440069, 440161, 440133, 440082, 440006, 440026, 440111, 440065.
450002	0.9236	PROVIDENCE MEMORIAL HOSPITAL	450107, 450668, 450024, 450179, 450646, 320018.
450004	0.8079	LINDEN MUNICIPAL HOSPITAL	450615, 450098, 450080, 450200, 040063, 450703, 450070, 450032, 450702, 450037.
450005	0.8576	BAPTIST HOSPITAL ORANGE	450123, 450514, 450096, 450518, 450666, 450034, 450346, 190013, 190201, 450570.
450007	0.7936	SID PETERSON MEMORIAL HOSPITAL	450712, 450604, 450583, 450631, 450681, 450725, 450388, 450213, 450309, 450219.
450008	0.9337	KINGS DAUGHTERS HOSPITAL	450054, 450152, 450348, 450239, 450648, 450191, 450020, 450101, 450042.
450010	0.7422	WICHITA GENERAL HOSPITAL	450025, 450276, 450673, 370165, 450641, 450157, 450497, 450586, 370051, 450584.
450011	0.8328	ST JOSEPH HOSPITAL & HEALTH CENTER	450299, 450467, 450286, 450648, 450347, 450127, 450637, 450253.
450014	0.8369	MEMORIAL MEDICAL CENTER	450023, 450246, 450147, 450626, 450724, 450145, 450450, 450465, 450694, 450597.
450015	0.9186	PARKLAND MEMORIAL HOSPITAL	450044, 450422, 450590, 450696, 450365, 450021, 450051, 450729, 450079, 450462.
450016	0.8018	MCALLEN MEDICAL CENTER	450711, 450176, 450119, 450128, 450033, 450047, 450654, 450028, 450662.
450018	0.9733	UNIVERSITY OF TEXAS MEDICAL BRANCH	450190, 450530, 450195, 450709, 450617, 450538, 450424, 450535, 450410, 450097.
450020	0.9615	JOHNS COMMUNITY HOSPITAL	450191, 450718, 450648, 450431, 450056, 450124, 450713, 450008, 450054.
450021	0.9297	BAYLOR UNIVERSITY MEDICAL CENTER	450696, 450365, 450422, 450729, 450051, 450015, 450044, 450678, 450704, 450590.
450023	0.8360	CITIZENS MEDICAL CENTER	450147, 450724, 450626, 450014, 450597, 450450, 450081, 450145, 450246, 450665.
450024	0.9236	R E THOMASON GENERAL HOSPITAL	450668, 450107, 450002, 450179, 450646, 320018.
450025	0.7422	BETHANIA REGIONAL HEALTH CARE CENTER	450010, 450276, 450673, 370165, 450641, 450157, 450497, 450586, 370051, 450584.
450027	0.9308	GULF COAST HOSPITAL	450424, 450535, 450410, 450126, 450197, 450097, 450259, 450164, 450709.
450028	0.8018	BROWNSVILLE MEDICAL CENTER	450662, 450047, 450033, 450128, 450711, 450016, 450119, 450176.
450029	0.6742	MERCY REGIONAL MEDICAL CENTER	450643.
450031	1.0100	THE MEDICAL CENTER OF MESQUITE	450688, 450704, 450682, 450678, 450365, 450021, 450696, 450422, 450315, 450280.
450032	0.9112	MARSHALL MEMORIAL HOSPITAL	450702, 450037, 450210, 450488, 450115, 190194, 190111, 190098, 190041, 190127.
450033	0.8018	VALLEY BAPTIST MEDICAL CENTER	450047, 450128, 450662, 450028, 450119, 450711, 450016, 450176.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
450034	0.8614	ST ELIZABETH HOSPITAL	450346, 450666, 450514, 450123, 450518, 450096, 450005, 450570, 450341, 450417.
450035	0.9719	ST JOSEPH HOSPITAL OF HOUSTON	450446, 450659, 450289, 450068, 450523, 450358, 450193, 450423, 450660, 450674.
450037	0.9045	GOOD SHEPHERD MEDICAL CENTER	450702, 450115, 450488, 450032, 450070, 450475, 450102, 450083, 450690, 450210.
450040	0.8463	ST MARY OF THE PLAINS HOSPITAL	450457, 450686, 450162, 450057, 450110, 450609, 450399, 450698, 450303, 450429.
450041	0.9899	CLC ROLLINS BROOK HOSPITAL INC	450152, 450362, 450486, 450239, 450219, 450008, 450054, 450191, 450718.
450042	0.9493	PROVIDENCE HEALTH CENTER	450101, 450614, 450348, 450052, 450270, 450239, 450628, 450192, 450400, 450054.
450043	0.8999	ST JOSEPH HOSPITAL	450137, 450419, 450135, 450672, 450121, 450297, 450745, 450087, 450677, 450064.
450044	0.9186	ST PAUL MEDICAL CENTER	450015, 450590, 450422, 450696, 450365, 450021, 450051, 450729, 450079, 450462.
450046	0.8192	MEMORIAL MEDICAL CENTER	450153, 450118, 450074, 450131, 450605, 450163, 450353, 450145, 450082.
450047	0.8018	DOLLY VINSANT MEMORIAL HOSPITAL	450033, 450662, 450028, 450128, 450119, 450711, 450016, 450176.
450050	0.8331	WARD MEMORIAL HOSPITAL	450140, 450132, 450661, 450201, 450728, 450133, 450178, 450545.
450051	0.9145	METHODIST MEDICAL CENTER	450729, 450696, 450021, 450422, 450094, 450015, 450044, 450365, 450590, 450704.
450052	0.8176	GOODALL WITCHER HOSPITAL FOUNDATION	450270, 450614, 450239, 450101, 450042, 450192, 450451, 450148, 450351, 450596.
450053	0.7147	LAVACA MEDICAL CENTER	450081, 450438, 450235, 450370, 450597, 450551, 450151, 450626, 450381, 450694.
450054	0.9337	SCOTT & WHITE MEMORIAL HOSPITAL	450008, 450152, 450348, 450239, 450648, 450101, 450042, 450191, 450020.
450055	0.7805	ROLLING PLAINS MEMORIAL HOSPITAL	450727, 450321, 450073, 450229, 450243, 450078, 450558, 450170, 450306, 450667.
450056	0.9055	SETON MEDICAL CENTER	450431, 450124, 450713, 450718, 450191, 450020, 450272, 450143, 450362, 450127.
450057	0.8463	WEST TEXAS HOSPITAL	450686, 450457, 450040, 450162, 450110, 450609, 450303, 450429, 450698, 450399.
450058	0.7709	BAPTIST MEMORIAL HOSPITAL SYSTEM	450237, 450633, 450130, 450685, 450734, 450697, 450213, 450388, 450725, 450681.
450059	0.8131	MCKENNA MEMORIAL HOSPITAL	450104, 450733, 450272, 450381, 450725, 450633, 450681, 450213, 450631, 450388.
450060	1.0023	WESTBURY HOSPITAL	450184, 450418, 450378, 450660, 450674, 450193, 450523, 450358, 450423, 450068.
450063	0.7771	PARMER COUNTY COMMUNITY HOSPITAL INC	450155, 450269, 320022, 320023, 450652, 450264.
450064	0.9468	ARLINGTON MEMORIAL HOSPITAL	450149, 450675, 450639, 450142, 450745, 450087, 450297, 450079, 450043, 450135.
450065	0.9169	SWEENY COMMUNITY HOSPITAL	450072, 450465, 450591, 450214, 450694, 450246, 450538, 450717, 450330, 450195.
450068	0.9719	HERMANN HOSPITAL	450358, 450523, 450193, 450659, 450289, 450660, 450674, 450446, 450423, 450035.
450070	0.8580	BAYLOR MEDICAL CENTER AT GILMER	450115, 450702, 450037, 450098, 450224, 450488, 450547, 450032, 450080, 450102.
450072	0.9756	BRAZOSPORT MEMORIAL HOSPITAL	450591, 450065, 450465, 450538, 450195, 450530, 450717, 450214, 450190, 450617.
450073	0.6337	D M COGDELL MEMORIAL HOSPITAL	450727, 450321, 450055, 450243, 450653, 450559, 450667, 450078.
450074	0.8192	SOUTHSIDE COMMUNITY HOSPITAL	450118, 450153, 450046, 450131, 450605, 450163, 450353, 450145, 450082.
450078	0.8037	ANSON GENERAL HOSPITAL	450306, 450243, 450229, 450558, 450464, 450321, 450169, 450667, 450055, 450746.
450079	0.9270	IRVING HEALTHCARE SYSTEM	450590, 450044, 450015, 450379, 450639, 450422, 450149, 450051, 450729, 450696.
450080	0.6808	TITUS COUNTY MEMORIAL HOSPITAL	450098, 450373, 450224, 450188, 450236, 450070, 450004, 450547, 450615, 450196.
450081	0.8390	YOAKUM COMMUNITY HOSPITAL	450597, 450053, 450235, 450724, 450438, 450626, 450023, 450147, 450381, 450370.
450082	0.8335	BEE COUNTY REGIONAL MEDICAL CENTER	450450, 450145, 450665, 450131, 450605, 450147, 450046, 450153, 450023, 450724.
450083	0.8949	MEDICAL CENTER HOSPITAL	450102, 450690, 450371, 450488, 450115, 450194, 450475, 450389, 450037, 450547.
450085	0.7030	GRAHAM GENERAL HOSPITAL	450157, 450241, 450498, 450250, 450565, 450169, 450476, 450203, 450586, 450497.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
450087	0.9269	HCA NORTH HILLS MEDICAL CENTER	450745, 450297, 450142, 450639, 450064, 450135, 450043, 450419, 450672, 450137.
450090	0.8958	GAINESVILLE MEMORIAL HOSPITAL	450109, 370163, 450469, 450393, 450634, 450743, 450324, 450641, 450271.
450092	0.6371	MAVERICK COUNTY HOSPITAL DISTRICT	450620, 450154, 450177.
450094	0.9186	DALLAS FAMILY HOSPITAL	450051, 450729, 450723, 450696, 450021, 450015, 450422, 450044, 450365, 450715.
450096	0.8634	ST MARY HOSPITAL OF PORT ARTHUR	450518, 450123, 450514, 450666, 450346, 450005, 450034, 450341, 190037, 450570.
450097	0.9078	BAYSHORE MEDICAL CENTER	450410, 450197, 450126, 450709, 450617, 450289, 450259, 450446, 450035.
450098	0.8181	EAST TEXAS MEDICAL CENTER PITTSBURG	450080, 450224, 450373, 450070, 450547, 450004, 450115, 450236, 450702, 450037.
450099	0.7648	CORONADO HOSPITAL	450258, 450578, 450327, 450146, 450231, 450209, 450325.
450101	0.9493	HILLCREST BAPTIST MEDICAL CENTER	450042, 450614, 450348, 450052, 450270, 450239, 450628, 450192, 450054, 450400.
450102	0.8949	MOTHER FRANCES HOSPITAL	450083, 450690, 450371, 450488, 450115, 450194, 450475, 450389, 450037, 450547.
450104	0.7526	GUADALUPE VALLEY HOSPITAL	450059, 450381, 450733, 450272, 450235, 450633, 450058, 450130, 450237, 450734.
450107	0.9236	SUN TOWERS HOSPITAL	450002, 450668, 450024, 450179, 450646, 320018.
450108	0.7604	WILSON MEMORIAL HOSPITAL	450734, 450165, 450697, 450665, 450130, 450237, 450058, 450633, 450685, 450733.
450109	0.8846	MUENSTER MEMORIAL HOSPITAL	450090, 450641, 450497, 370163, 450271, 450743, 450634, 450469, 450393.
450110	0.8481	SOUTH PARK MEDICAL CENTER	450162, 450040, 450457, 450686, 450057, 450609, 450399, 450303, 450698, 450559.
450112	0.6652	MCCUISTION REGIONAL MEDICAL CENTER	450196, 370100, 450188, 450623, 450575, 450236, 370083, 370048, 450373, 450080.
450113	0.8564	MEMORIAL HOSPITAL	450747, 450194, 450337, 450658, 450580, 450389, 450400, 450690, 450371, 450083.
450115	0.9022	MEDICAL CENTER-GLADEWATER	450702, 450037, 450488, 450070, 450102, 450083, 450690, 450371, 450475, 450032.
450118	0.8192	HUMANA HOSPITAL CORPUS CHRISTI	450153, 450074, 450046, 450131, 450605, 450163, 450353, 450145, 450082.
450119	0.8018	EDINBURG HOSPITAL	450016, 450711, 450176, 450128, 450033, 450047, 450654, 450028, 450662.
450121	0.8999	OSTEOPATHIC MEDICAL CENTER OF TEXAS	450672, 450135, 450419, 450137, 450043, 450297, 450745, 450087, 450677, 450064.
450123	0.8634	DOCTORS HOSPITAL INC	450518, 450096, 450514, 450666, 450346, 450005, 450034, 450341, 190037, 450570.
450124	0.9055	BRACKENRIDGE HOSPITAL	450431, 450056, 450713, 450718, 450191, 450020, 450272, 450143, 450127, 450362.
450126	0.9184	SUN BELT REGIONAL MEDICAL CENTER	450259, 450197, 450410, 450097, 450035, 450446, 450289, 450659, 450546.
450127	0.8598	LEE MEMORIAL HOSPITAL	450143, 450151, 450648, 450020, 450253, 450370, 450438, 450431, 450124.
450128	0.8018	KNAPP MEDICAL CENTER	450711, 450016, 450119, 450033, 450176, 450047, 450028, 450662, 450654.
450130	0.7709	NIX MEDICAL CENTER	450237, 450058, 450633, 450685, 450734, 450697, 450213, 450388, 450725, 450681.
450131	0.8192	AMI RIVERSIDE HOSPITAL INC	450046, 450153, 450118, 450074, 450353, 450605, 450163, 450145, 450082.
450132	0.8415	MEDICAL CENTER HOSPITAL	450661, 450133, 450545, 450050, 450140, 450307, 450144, 450705.
450133	0.8338	MIDLAND MEMORIAL HOSPITAL	450545, 450661, 450132, 450307, 450144, 450653, 450140, 450050.
450135	0.8999	HARRIS METHODIST FORT WORTH	450419, 450672, 450137, 450043, 450121, 450297, 450745, 450087, 450677, 450064.
450137	0.8999	ALL SAINTS EPISCOPAL HOSPITAL	450672, 450419, 450135, 450043, 450121, 450297, 450745, 450087, 450677, 450064.
450140	0.8407	CRANE MEMORIAL HOSPITAL	450728, 450705, 450050, 450132, 450661, 450322, 450178, 450133, 450607, 450545.
450142	0.9660	NORTHEAST COMMUNITY HOSPITAL	450639, 450087, 450745, 450064, 450297, 450563, 450149, 450079, 450675, 450043.
450143	0.8988	SMITHVILLE HOSPITAL AUTHORITY	450151, 450127, 450124, 450713, 450431, 450438, 450381, 450056, 450370.
450144	0.8348	PERMIAN GENERAL HOSPITAL	450160, 450545, 450133, 450661, 450132, 320065, 450307, 450489, 450181.
450145	0.8234	MEMORIAL HOSPITAL	450450, 450082, 450605, 450131, 450147, 450153, 450046, 450023, 450014, 450118.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
450146	0.8016	HANSFORD HOSPITAL	450534, 370138, 450209, 450221, 450578, 450099.
450147	0.8360	DETAR HOSPITAL	450023, 450724, 450626, 450014, 450597, 450450, 450081, 450145, 450246, 450665.
450148	0.9181	WALLS REGIONAL HOSPITAL	450677, 450596, 450451, 450137, 450043, 450672, 450419, 450135, 450675.
450149	0.9730	DALLAS/FORT WORTH MEDICAL CENTER	450064, 450675, 450639, 450079, 450142, 450094, 450745, 450087, 450723, 450051.
450150	0.6163	BIG BEND REGIONAL MEDICAL CENTER	NO PROVIDER WITHIN 50 MILES.
450151	0.6648	FAYETTE MEMORIAL HOSPITAL	450143, 450127, 450438, 450370, 450253, 450053, 450551, 450235, 450381.
450152	0.9524	METROPLEX HOSPITAL	450041, 450008, 450054, 450239, 450362, 450191, 450718, 450020, 450101.
450153	0.8192	SPOHN HOSPITAL	450046, 450118, 450074, 450131, 450605, 450163, 450353, 450145, 450082.
450154	0.6854	VAL VERDE MEMORIAL HOSPITAL	450092.
450155	0.7351	DEAF SMITH GENERAL HOSPITAL	450269, 450063, 450652, 450561, 450325, 450264, 450231, 320022.
450157	0.7642	HAMILTON HOSPITAL	450085, 450250, 450586, 450241, 450025, 450010, 450276, 450498, 450497, 450673.
450160	0.7837	MEMORIAL HOSPITAL	450181, 320065, 450144, 450489, 450399, 320068.
450162	0.8481	HIGHLAND MEDICAL CENTER	450110, 450040, 450457, 450057, 450686, 450609, 450303, 450399, 450559, 450698.
450163	0.8192	SPOHN KLEBERG MEMORIAL HOSPITAL	450726, 450353, 450074, 450131, 450118, 450046, 450153, 450605.
450164	0.9280	BAYSIDE COMMUNITY HOSPITAL	450535, 450027, 450424, 450341, 450417, 450410, 450126, 450709, 450097, 450197.
450165	0.7554	TRI CITY COMMUNITY HOSPITAL	450108, 450293, 450697, 450734, 450665, 450685, 450130, 450237, 450058, 450633.
450166	0.7616	LILLIAN M HUDSPETH MEMORIAL HOSPITAL	450735, 450583, 450574.
450169	0.8210	SHACKELFORD COUNTY HOSPITAL DISTRICT	450498, 450229, 450306, 450078, 450558, 450250, 450411, 450476, 450464, 450085.
450170	0.7748	NORTH RUNNELS HOSPITAL	450334, 450218, 450558, 450229, 450055, 450376, 450571, 450340.
450175	1.0231	COLONIAL HOSPITAL INC	450683, 450292, 450031, 450742, 450682, 450688, 450704, 450678, 450280, 450315.
450176	0.8018	MISSION HOSPITAL INC	450016, 450711, 450119, 450128, 450033, 450654, 450047, 450028, 450662.
450177	0.7905	UVALDE MEMORIAL HOSPITAL	450309, 450293, 450620, 450092.
450178	0.8476	PECOS COUNTY MEMORIAL HOSPITAL	450728, 450140, 450322, 450201, 450050.
450179	0.9236	VALLEY COMMUNITY HOSPITAL	450024, 450668, 450107, 450002, 450646, 320018.
450181	0.8277	YOAKUM COUNTY HOSPITAL	450160, 320065, 320068, 450399, 450489, 450144.
450184	1.0149	MEMORIAL HOSPITAL SYSTEM	450378, 450418, 450320, 450060, 450644, 450423, 450660, 450674, 450193, 450523.
450185	0.6209	COLLINGSWORTH GENERAL HOSPITAL	450217, 370036, 450327, 450369, 370125, 370103, 450258, 450249, 370022.
450188	0.6713	RED RIVER GENERAL HOSPITAL	370048, 450196, 450112, 450080, 450373, 370100, 450236, 450098, 040032, 040107.
450190	0.9733	ST MARYS HOSPITAL	450018, 450530, 450195, 450709, 450617, 450538, 450424, 450097, 450410, 450535.
450191	0.9596	GEORGETOWN HOSPITAL	450718, 450020, 450056, 450431, 450124, 450713, 450362, 450648, 450008, 450054.
450192	0.8495	HILL REGIONAL HOSPITAL	450270, 450614, 450148, 450052, 450447, 450372, 450042, 450101, 450349, 450451.
450193	0.9719	ST LUKES EPISCOPAL HOSPITAL	450358, 450523, 450068, 450660, 450674, 450659, 450289, 450446, 450423, 450035.
450194	0.8890	NAN TRAVIS MEMORIAL HOSPITAL	450337, 450113, 450747, 450690, 450083, 450371, 450102, 450475, 450389, 450488.
450195	0.9741	MAINLAND CENTER HOSPITAL	450530, 450617, 450709, 450018, 450190, 450538, 450097, 450410, 450197.
450196	0.6652	ST JOSEPHS HOSPITAL & HEALTH CENTER	450112, 450188, 370100, 450623, 450575, 450236, 450373, 370048, 370083, 450080.
450197	0.9647	PASADENA GENERAL HOSPITAL	450410, 450097, 450126, 450259, 450446, 450289, 450035, 450659, 450068.
450200	0.7673	WADLEY REGIONAL MEDICAL CENTER	040063, 450703, 040032, 450615, 040091, 450004, 040082, 040067, 190088, 040095.
450201	0.8412	REEVES COUNTY HOSPITAL	450050, 450178.
450203	0.8986	CAMPBELL MEMORIAL HOSPITAL	450565, 450121, 450672, 450137, 450419, 450135, 450596, 450043, 450297, 450677.
450209	0.7700	NORTHWEST TEXAS HOSPITAL	450221, 450355, 450146, 450231, 450561, 450325, 450099.
450210	0.9141	PANOLA GENERAL HOSPITAL	450475, 450032, 450473, 450488, 450037, 190118, 450702, 190111, 190194, 190098.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
450211	0.8120	MEMORIAL MEDICAL CENTER OF EAST TEXAS	450484, 450508, 450656, 450580, 450337, 450749, 450460, 450473, 450700, 450395.
450213	0.7794	BEXAR COUNTY HOSPITAL DISTRICT	450681, 450388, 450631, 450725, 450633, 450685, 450058, 450237, 450130, 450697.
450214	0.9106	GULF COAST MEDICAL CENTER	450694, 450551, 450330, 450465, 450065, 450717, 450370, 450706, 450591, 450626.
450217	0.6209	HALL COUNTY HOSPITAL	450185, 450369, 370036, 450327, 450249.
450218	0.7928	OVERALL-MORRIS MEMORIAL HOSPITAL	450587, 450334, 450170, 450234, 450558, 450229, 450288, 450486, 450649, 450411.
450219	0.7969	LLANO MEMORIAL HOSPITAL	450362, 450604, 450041, 450649, 450007.
450221	0.7699	MEMORIAL HOSPITAL	450209, 450355, 450146, 450231, 450561, 450325.
450222	1.0210	MEDICAL CENTER HOSPITAL	450637, 450732, 450670, 450296, 450638, 450684, 450286, 450716, 450347, 450544.
450224	0.7928	PRESBYTERIAN HOSPITAL OF WINNSBORO	450373, 450098, 450547, 450236, 450080, 450070, 450283, 450115, 450575, 450702.
450229	0.7978	HENDRICK MEDICAL CENTER	450558, 450078, 450169, 450055, 450306, 450243, 450170, 450321, 450411, 450498.
450231	0.7628	ST ANTHONYS HOSPITAL	450325, 450561, 450652, 450155, 450209, 450221, 450099, 450264.
450234	0.7113	COMANCHE COMMUNITY HOSPITAL	450288, 450587, 450486, 450351, 450411, 450218, 450476, 450451, 450052.
450235	0.7233	MEMORIAL HOSPITAL	450381, 450081, 450053, 450104, 450597, 450272, 450059, 450438, 450143, 450151.
450236	0.6949	HOPKINS COUNTY MEMORIAL HOSPITAL	450575, 450373, 450224, 450352, 450547, 450080, 450098, 450283, 450196, 450112.
450237	0.7709	SANTA ROSA HEALTH CARE CORPORATION	450130, 450058, 450633, 450685, 450697, 450734, 450213, 450388, 450681, 450725.
450239	0.9366	CORYELL MEMORIAL HOSPITAL	450152, 450052, 450101, 450042, 450054, 450008, 450041, 450486, 450614, 450270.
450241	0.7677	FAITH COMMUNITY HOSPITAL	450497, 450085, 450157, 450271, 450565, 450276, 450641, 450203, 450109, 450025.
450243	0.7923	HAMLIN MEMORIAL HOSPITAL	450078, 450321, 450306, 450667, 450464, 450055, 450229, 450558, 450746, 450073.
450246	0.8739	WAGNER GENERAL HOSPITAL	450014, 450465, 450626, 450694, 450065, 450023, 450147, 450724, 450214, 450072.
450249	0.6210	QUANAH MEDICAL CENTER	450278, 450584, 450369, 370036, 370022, 370051, 450673, 370125, 450185, 450217.
450250	0.6860	THROCKMORTON COUNTY MEMORIAL HOSPITAL	450157, 450464, 450586, 450085, 450169, 450498, 450306, 450746, 450078.
450253	0.8913	BELLVILLE GENERAL HOSPITAL	450370, 450706, 450551, 450151, 450286, 450438, 450670, 450716, 450330.
450258	0.6677	PARKVIEW HOSPITAL	450327, 370103, 370131, 450578, 450099, 450185, 370019.
450259	0.9160	DOCTORS HOSPITAL EAST LOOP	450126, 450035, 450446, 450546, 450197, 450550, 450289, 450659, 450544.
450264	0.7199	SWISHER MEMORIAL HOSPITAL	450539, 450269, 450652, 450632, 450429, 450155, 450557, 450325, 450561, 450231.
450269	0.7794	PLAINS MEMORIAL HOSPITAL	450155, 450063, 450264, 450652, 450539, 450429, 450698, 320022, 450561, 450325.
450270	0.8162	LAKE WHITNEY MEMORIAL HOSPITAL	450192, 450614, 450052, 450101, 450042, 450451, 450148, 450596, 450447, 450239.
450271	0.9717	DECATUR COMMUNITY HOSPITAL	450743, 450634, 450497, 450669, 450109, 450241, 450090, 450563, 450087.
450272	0.8814	CENTRAL TEXAS MEDICAL CENTER	450059, 450381, 450104, 450713, 450124, 450056, 450431, 450733, 450235, 450143.
450276	0.7529	CLAY COUNTY MEMORIAL HOSPITAL	450025, 450010, 450641, 450497, 370165, 450241, 450673, 450109, 450157, 370157.
450278	0.6320	CHILLICOTHE HOSPITAL	450249, 450584, 370051, 370022, 450673, 370036, 450369, 370125, 450586.
450280	0.9898	BAYLOR MEDICAL CENTER AT GARLAND	450315, 450537, 450647, 450462, 450678, 450688, 450742, 450651, 450691, 450365.
450283	0.8826	EAST TEXAS MEDICAL CENTER GRAND SALINE	450547, 450683, 450175, 450224, 450292, 450371, 450102, 450083, 450690, 450236.
450286	0.9099	NAVASOTA REGIONAL HOSPITAL	450637, 450670, 450222, 450299, 450011, 450732, 450253, 450347, 450716.
450288	0.7327	DELEON HOSPITAL	450234, 450351, 450411, 450476, 450587, 450451, 450486, 450596, 450498, 450218.
450289	0.9719	HARRIS COUNTY HOSPITAL DISTRICT	450659, 450068, 450446, 450358, 450193, 450523, 450674, 450660, 450035, 450423.
450292	0.9992	PRESBYTERIAN HOSPITAL OF KAUFMAN	450683, 450175, 450031, 450682, 450349, 450704, 450688, 450715, 450372, 450742.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage Index	Provider name	Nearest neighbors in proximity order
450293	0.7336	FRIO HOSPITAL	450165, 450309, 450177, 450697, 450734, 450685, 450620, 450237, 450130, 450058.
450296	1.0151	CHARTER REGIONAL MEDICAL CENTER INC	450222, 450637, 450732, 450417, 450684, 450395, 450638, 450670, 450347, 450544.
450297	0.9507	TWIN OAKS MEDICAL CENTER	450745, 450087, 450135, 450419, 450043, 450672, 450121, 450137, 450142, 450639.
450299	0.8328	HUMANA HOSPITAL BRAZOS VALLEY	450011, 450286, 450467, 450648, 450347, 450127, 450637, 450253.
450303	0.8468	CROSBYTON CLINIC HOSPITAL	450557, 450057, 450162, 450686, 450457, 450040, 450110, 450559, 450632, 450429.
450306	0.8224	STAMFORD MEMORIAL HOSPITAL	450078, 450464, 450243, 450667, 450169, 450229, 450321, 450746, 450250, 450558.
450307	0.8163	MARTIN COUNTY HOSPITAL DISTRICT	450545, 450653, 450133, 450661, 450132, 450144, 450489, 450727.
450309	0.7713	MEDINA COMMUNITY HOSPITAL	450697, 450388, 450631, 450213, 450681, 450685, 450725, 450293, 450237, 450177.
450315	0.9898	GARLAND COMMUNITY HOSPITAL	450280, 450647, 450462, 450537, 450678, 450688, 450742, 450651, 450365, 450691.
450320	0.9525	ROSEWOOD MEDICAL CENTER	450378, 450610, 450418, 450184, 450644, 450423, 450366, 450630, 450523, 450358.
450321	0.7815	FISHER COUNTY HOSPITAL DISTRICT	450243, 450667, 450073, 450078, 450055, 450306, 450727, 450464, 450229, 450558.
450322	0.8258	PECOS COUNTY GENERAL HOSPITAL	450728, 450705, 450607, 450140, 450178.
450324	0.8508	TEXOMA MEDICAL CENTER	450393, 450469, 370014, 450623, 370043, 450090, 370163, 370086, 450403, 370117.
450325	0.7628	FAMILY HOSPITAL CENTER	450561, 450231, 450652, 450155, 450264, 450209, 450221, 450269, 450099.
450327	0.6677	SHAMROCK GENERAL HOSPITAL	450258, 450185, 370103, 450217, 370036, 370131, 370125, 370019, 450099, 450578.
450330	0.9677	POLLY RYON MEMORIAL HOSPITAL	450717, 450644, 450706, 450184, 450060, 450378, 450320, 450418, 450610, 450423.
450334	0.7823	BALLINGER MEMORIAL HOSPITAL INC	450170, 450218, 450376, 450571, 450340, 450587, 450558.
450337	0.8747	EAST TEXAS MEDICAL CENTER RUSK	450194, 450747, 450113, 450508, 450656, 450475, 450580, 450690, 450083, 450484.
450340	0.7525	ANGELO COMMUNITY HOSPITAL	450571, 450376, 450574, 450334, 450735, 450170.
450341	0.8913	MEDICAL CENTER OF WINNIE	450164, 450346, 450666, 450514, 450034, 450518, 450096, 450123, 450417, 450535.
450346	0.8614	BAPTIST HOSPITAL OF SOUTHEAST TEXAS	450666, 450034, 450514, 450123, 450518, 450096, 450005, 450570, 450341, 450417.
450347	0.8704	HUNTSVILLE MEMORIAL HOSPITAL	450749, 450467, 450637, 450222, 450395, 450286, 450296, 450299, 450011, 450732.
450348	0.9398	FALLS COMMUNITY HOSPITAL AND CLINIC	450042, 450101, 450628, 450054, 450008, 450400, 450614, 450239, 450648.
450349	0.9772	BAYLOR MEDICAL CENTER AT ENNIS	450372, 450447, 450292, 450715, 450723, 450682, 450094, 450704, 450683, 450031.
450351	0.8297	HARRIS METHODIST ERATH COUNTY	450288, 450451, 450596, 450476, 450234, 450411, 450148, 450203, 450052, 450565.
450352	0.9419	CITIZENS GENERAL HOSPITAL	450575, 450691, 450742, 450394, 450236, 450403, 450175, 450683, 450280, 450315.
450353	0.8192	ALICE PHYSICIANS & SURGEONS HOSPITAL	450131, 450163, 450046, 450153, 450074, 450118, 450726, 450605, 450082.
450355	0.7571	COON MEMORIAL HOSPITAL AND HOME	450221, 450209, 320048, 370146.
450358	0.9719	THE METHODIST HOSPITAL	450523, 450193, 450068, 450659, 450660, 450674, 450289, 450446, 450423, 450035.
450362	0.9057	SHEPPERD MEMORIAL HOSPITAL	450041, 450219, 450191, 450718, 450152, 450056, 450431, 450124, 450020, 450713.
450365	0.9297	DALLAS MEMORIAL HOSPITAL	450422, 450021, 450696, 450015, 450044, 450678, 450729, 450051, 450704, 450590.
450366	0.9500	SAM HOUSTON MEMORIAL HOSPITAL	450630, 450610, 450546, 450320, 450423, 450544, 450550, 450418, 450378, 450644.
450369	0.6218	CHILDRESS GENERAL HOSPITAL	370036, 450249, 450217, 450185, 450278, 370022, 370125, 450584.
450370	0.8801	COLUMBUS COMMUNITY HOSPITAL	450438, 450551, 450151, 450253, 450053, 450214, 450706, 450143, 450694.
450371	0.8980	DOCTORS MEMORIAL HOSPITAL	450083, 450102, 450690, 450488, 450115, 450194, 450389, 450475, 450547, 450283.
450372	0.9522	BAYLOR MEDICAL CENTER AT WAXAHACHIE	450349, 450447, 450715, 450292, 450723, 450682, 450094, 450704, 450192.
450373	0.6902	EAST TEXAS MEDICAL CENTER MOUNT VERNON	450080, 450224, 450098, 450236, 450547, 450188, 450575, 450070, 450196, 450112.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
450374	0.8473	COCHRAN MEMORIAL HOSPITAL	450698, 320023, 450040, 450457, 450686, 450110, 450399, 450162, 450057, 450429.
450376	0.7525	ST JOHNS HOSPITAL AND HEALTH CENTER	450571, 450340, 450334, 450574, 450170, 450735.
450378	0.9757	SHARPSTOWN GENERAL HOSPITAL	450184, 450418, 450320, 450423, 450060, 450660, 450644, 450523, 450193, 450358.
450379	0.9253	RHD MEMORIAL MEDICAL CENTER	450647, 450590, 450462, 450044, 450079, 450015, 450730, 450537, 450422, 450365.
450381	0.7984	EDGAR B DAVIS MEMORIAL HOSPITAL	450235, 450104, 450272, 450059, 450143, 450733, 450081, 450053, 450713, 450151.
450388	0.7794	SOUTHWEST TEXAS METHODIST HOSPITAL	450213, 450681, 450631, 450725, 450633, 450685, 450058, 450237, 450130, 450697.
450389	0.8858	EAST TEXAS MEDICAL CENTER ATHENS	450371, 450690, 450083, 450102, 450113, 450194, 450447, 450747, 450283, 450658.
450393	0.8763	MEDICAL PLAZA HOSPITAL	450469, 450324, 450623, 370014, 450090, 370043, 370163, 450403, 450394, 450109.
450394	0.9837	WESTPARK MEDICAL CENTER	450403, 450691, 450651, 450537, 450730, 450280, 450315, 450742, 450647, 450462.
450395	0.8766	POLK COUNTY MEMORIAL HOSPITAL	450460, 450296, 450749, 450347, 450222, 450637, 450211, 450484, 450570, 450417.
450399	0.8489	BROWNFIELD REGIONAL MEDICAL CENTER	450609, 450110, 450181, 450162, 450040, 450457, 450686, 450489, 450057, 450160.
450400	0.7930	HARRIS METHODIST MEXIA	450628, 450658, 450447, 450614, 450348, 450042, 450101, 450192, 450113, 450747.
450403	1.0261	NORTH TEXAS MEDICAL CENTER	450394, 450691, 450651, 450537, 450730, 450280, 450315, 450742, 450647, 450669.
450410	0.9423	BELTWAY COMMUNITY HOSPITAL	450097, 450197, 450126, 450424, 450709, 450259, 450027, 450617, 450535.
450411	0.8308	EASTLAND MEMORIAL HOSPITAL	450476, 450288, 450498, 450169, 450351, 450234, 450558, 450229, 450085, 450218.
450417	0.9435	BAPTIST HOSPITAL LIBERTY	450164, 450535, 450296, 450027, 450684, 450424, 450341, 450126, 450259, 450732.
450418	0.9954	AMI BELLAIRE HOSPITAL	450378, 450423, 450184, 450320, 450660, 450523, 450193, 450358, 450674, 450068.
450419	0.8999	HARRIS METHODIST NORTHWEST	450135, 450672, 450137, 450043, 450121, 450297, 450745, 450087, 450677, 450064.
450422	0.9256	MARY SHIELS HOSPITAL INC	450365, 450021, 450696, 450015, 450044, 450729, 450051, 450590, 450678, 450462.
450423	0.9867	AMI TWELVE OAKS HOSPITAL	450418, 450523, 450358, 450193, 450068, 450659, 450660, 450378, 450674, 450289.
450424	0.9308	SAN JACINTO METHODIST HOSPITAL	450027, 450535, 450410, 450126, 450197, 450097, 450709, 450259, 450164.
450429	0.8555	HI PLAINS HOSPITAL	450539, 450632, 450557, 450698, 450686, 450057, 450457, 450040, 450264, 450162.
450431	0.9055	ST DAVIDS COMMUNITY HOSPITAL	450056, 450124, 450713, 450718, 450191, 450020, 450272, 450143, 450127, 450362.
450438	0.7764	COLORADO FAYETTE MEDICAL CENTER	450370, 450053, 450551, 450151, 450253, 450081, 450143, 450214, 450235, 450694.
450446	0.9719	RIVERSIDE GENERAL HOSPITAL	450035, 450289, 450659, 450068, 450358, 450523, 450193, 450674, 450660, 450423.
450447	0.9288	NAVARRO REGIONAL HOSPITAL	450372, 450349, 450400, 450192, 450658, 450389, 450614, 450292, 450628, 450715.
450450	0.8260	GOLIAD COUNTY HOSPITAL	450082, 450145, 450665, 450147, 450724, 450023, 450597, 450014, 450626, 450081.
450451	0.8667	HARRIS METHODIST GLEN ROSE	450596, 450148, 450351, 450270, 450677, 450052, 450192, 450203, 450288.
450457	0.8463	METHODIST HOSPITAL LUBBOCK	450040, 450686, 450057, 450162, 450110, 450609, 450303, 450698, 450399, 450429.
450460	0.8722	TYLER COUNTY HOSPITAL	450573, 450395, 450570, 450211, 450484, 450296, 190166, 450749, 450700, 450034.
450462	0.9270	PRESBYTERIAN HOSPITAL	450647, 450678, 450315, 450365, 450280, 450379, 450422, 450590, 450044, 450015.
450464	0.7889	HASKELL MEMORIAL HOSPITAL	450306, 450746, 450667, 450243, 450250, 450078, 450169, 450586, 450321, 450229.
450465	0.8743	MATAGORDA GENERAL HOSPITAL	450065, 450694, 450246, 450214, 450072, 450591, 450626, 450014, 450330, 450717.
450467	0.8767	MADISON COUNTY HOSPITAL	450347, 450749, 450011, 450299, 450580, 450286, 450637, 450222.
450469	0.8763	WILSON N JONES MEMORIAL HOSPITAL	450393, 450324, 450623, 450090, 370014, 450403, 370043, 370163, 450394, 450109.
450473	0.8124	MEMORIAL HOSPITAL	450656, 450210, 450508, 190118, 450700, 450475, 190047, 450484, 450211, 190134.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
450475	0.9024	HENDERSON MEMORIAL HOSPITAL	450488, 450210, 450037, 450702, 450690, 450115, 450194, 450083, 450102, 450371.
450476	0.7728	RANGER GENERAL HOSPITAL	450411, 450498, 450288, 450351, 450169, 450234, 450565, 450085, 450596, 450203.
450484	0.8120	WOODLAND HEIGHTS MEDICAL CENTER	450211, 450508, 450656, 450580, 450337, 450749, 450460, 450473, 450700, 450395.
450486	0.7212	CHILDRESS GENERAL HOSPITAL	450587, 450234, 450041, 450239, 450649, 450152, 450288, 450218.
450488	0.9022	ROY H LAIRD MEMORIAL HOSPITAL	450037, 450115, 450702, 450475, 450102, 450083, 450690, 450371, 450070, 450032.
450489	0.7467	MEDICAL ARTS HOSPITAL	450609, 450160, 450399, 450144, 450653, 450559, 450307, 450181, 450545.
450497	0.7942	BOWIE MEMORIAL HOSPITAL	450641, 450109, 450241, 450276, 450271, 450090, 450025, 450010, 450743.
450498	0.8025	STEPHENS MEMORIAL HOSPITAL	450169, 450476, 450411, 450085, 450250, 450157, 450565, 450229, 450306, 450558.
450508	0.8428	MEMORIAL HOSPITAL	450656, 450484, 450211, 450473, 450337, 450194, 450475, 450210, 450700, 450580.
450514	0.8634	MID JEFFERSON COUNTY HOSPITAL	450123, 450518, 450096, 450666, 450346, 450034, 450005, 450341, 450570, 190037.
450518	0.8634	PARK PLACE HOSPITAL	450096, 450123, 450514, 450666, 450346, 450034, 450005, 450341, 190037, 450570.
450523	0.9719	DIAGNOSTIC CENTER HOSPITAL	450358, 450193, 450068, 450659, 450660, 450674, 450289, 450446, 450423, 450035.
450530	0.9733	DANFORTH HOSPITAL	450195, 450018, 450190, 450709, 450617, 450538, 450097, 450410, 450424, 450535.
450534	0.7786	OCHILTREE GENERAL HOSPITAL	450146, 370082, 370138, 450578, 370007, 170068.
450535	0.9308	BAYTOWN MEDICAL CENTER INC	450027, 450424, 450410, 450126, 450197, 450164, 450097, 450709, 450259.
450537	1.0122	RICHARDSON MEDICAL CENTER	450651, 450315, 450280, 450647, 450462, 450379, 450730, 450691, 450678, 450742.
450538	0.9593	ALVIN COMMUNITY HOSPITAL INC	450617, 450709, 450195, 450097, 450530, 450410, 450717, 450591, 450197.
450539	0.8533	CENTRAL PLAINS REGIONAL HOSPITAL	450429, 450632, 450264, 450557, 450698, 450269, 450686, 450057, 450457, 450040.
450544	0.9249	PARKWAY HOSPITAL	450550, 450546, 450366, 450630, 450035, 450259, 450610, 450446, 450423, 450659.
450545	0.8359	PHYSICIANS AND SURGEONS HOSPITAL	450133, 450307, 450661, 450132, 450144, 450653, 450140, 450050, 450489.
450546	1.0035	AMI HEIGHTS HOSPITAL	450550, 450544, 450035, 450366, 450630, 450423, 450446, 450659, 450068, 450523.
450547	0.8552	WOOD COUNTY CENTRAL HOSPITAL	450283, 450224, 450070, 450098, 450236, 450115, 450371, 450102, 450083, 450373.
450550	0.9249	DOCTORS HOSPITAL AIRLINE	450544, 450546, 450366, 450630, 450259, 450035, 450446, 450423, 450659, 450610.
450551	0.9347	EAGLE LAKE COMMUNITY HOSPITAL	450370, 450438, 450214, 450253, 450694, 450330, 450706, 450053, 450151, 450644.
450557	0.8485	CAPROCK HOSPITAL DISTRICT	450632, 450303, 450539, 450429, 450057, 450686, 450457, 450040, 450162, 450110.
450558	0.7976	HUMANA HOSPITAL ABILENE	450229, 450078, 450169, 450055, 450170, 450306, 450243, 450411, 450218, 450498.
450559	0.8416	GARZA MEMORIAL HOSPITAL	450609, 450303, 450162, 450110, 450057, 450040, 450457, 450686, 450073, 450489.
450561	0.7628	HIGH PLAINS BAPTIST HOSPITAL	450325, 450231, 450652, 450155, 450209, 450264, 450221, 450269.
450563	1.0137	BAYLOR MEDICAL CENTER AT GRAPEVINE	450639, 450142, 450079, 450379, 450669, 450087, 450745, 450730, 450590, 450064.
450565	0.9039	PALO PINTO GENERAL HOSPITAL	450203, 450596, 450121, 450672, 450137, 450241, 450419, 450135, 450085, 450043.
450570	0.8587	SILSBEE DOCTORS HOSPITAL	450034, 450346, 450666, 450005, 450514, 450460, 450123, 450518, 450096, 450417.
450571	0.7525	SHANNON WEST TEXAS MEMORIAL HOSPITAL	450376, 450340, 450574, 450334, 450170, 450735.
450573	0.7897	JASPER MEMORIAL HOSPITAL	450460, 190166, 450700, 190050, 190164, 450570, 190186, 450484, 450211, 450395.
450574	0.7592	CONCHO COUNTY HOSPITAL	450340, 450607, 450571, 450735, 450376, 450166.
450575	0.7738	CITIZENS HOSPITAL OF COMMERCE	450352, 450236, 450623, 450373, 450196, 450691, 450224, 450403, 450112, 450394.
450578	0.6988	HEMPHILL COUNTY HOSPITAL	450258, 370007, 450099, 450534, 370131, 450146, 450327.
450580	0.7961	HOUSTON COUNTY HOSPITAL	450749, 450747, 450113, 450467, 450211, 450484, 450337, 450347, 450658, 450508.
450583	0.7340	KIMBLE HOSPITAL	450166, 450007, 450604, 450735, 450649.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
450584	0.7482	WILBARGER GENERAL HOSPITAL	450278, 450673, 450249, 370051, 450586, 370022, 450010, 450025, 450369, 370036.
450586	0.7702	SEYMOUR HOSPITAL	450157, 450250, 450746, 450673, 450584, 450464, 450025, 450010, 450085, 450278.
450587	0.7074	BROWNWOOD REGIONAL HOSPITAL	450234, 450218, 450486, 450288, 450649, 450334, 450411.
450590	0.9279	GRANVILLE C MORTON HOSPITAL	450044, 450015, 450422, 450079, 450365, 450379, 450696, 450021, 450462, 450051.
450591	0.9536	ANGLETON-DANBURY GENERAL HOSPITAL	450072, 450065, 450538, 450195, 450717, 450617, 450530, 450709, 450465, 450190.
450596	0.9148	HOOD GENERAL HOSPITAL	450451, 450148, 450677, 450203, 450137, 450121, 450672, 450419, 450043, 450135.
450597	0.8336	CUERO COMMUNITY HOSPITAL	450081, 450724, 450147, 450023, 450235, 450053, 450626, 450665, 450450, 450108.
450603	0.7902	CULBERSON COUNTY HOSPITAL DISTRICT	NO PROVIDER WITHIN 50 MILES.
450604	0.8458	HILL COUNTRY MEMORIAL HOSPITAL INC	450007, 450712, 450219, 450362, 450583.
450605	0.8201	COASTAL BEND HOSPITAL	450153, 450046, 450118, 450074, 450131, 450145, 450082, 450353, 450163.
450607	0.7635	REAGAN MEMORIAL HOSPITAL	450705, 450574, 450322, 450728, 450140, 450735.
450609	0.8432	LYNN COUNTY HOSPITAL DISTRICT	450559, 450399, 450110, 450162, 450040, 450457, 450057, 450686, 450489, 450303.
450610	0.9742	MEMORIAL CITY MEDICAL CENTER	450630, 450366, 450320, 450644, 450378, 450423, 450418, 450184, 450546, 450523.
450614	0.7842	WEST COMMUNITY HOSPITAL	450192, 450270, 450042, 450101, 450052, 450400, 450628, 450447, 450348, 450239.
450615	0.7723	ATLANTA MEMORIAL HOSPITAL	450004, 040063, 450200, 450703, 190088, 040032, 450080, 450098, 450032, 190113.
450617	0.9378	HUMANA HOSPITAL CLEAR LAKE	450709, 450538, 450097, 450410, 450195, 450197, 450530, 450424, 450126.
450620	0.6909	DIMMIT COUNTY MEMORIAL HOSPITAL	450092, 450293, 450177.
450623	0.8364	NORTHEAST MEDICAL CENTER	450393, 450469, 450324, 450575, 450196, 450112, 370014, 450352, 450403, 450394.
450626	0.8562	EDNA HOSPITAL	450023, 450724, 450147, 450014, 450694, 450246, 450465, 450597, 450081, 450214.
450628	0.7930	SOUTH LIMESTONE HOSPITAL	450400, 450658, 450348, 450042, 450101, 450614, 450447, 450192, 450747, 450113.
450630	0.9500	HCA SPRING BRANCH MEDICAL CENTER	450366, 450610, 450320, 450546, 450423, 450644, 450544, 450378, 450418, 450550.
450631	0.7794	HUMANA HOSPITAL SAN ANTONIO	450681, 450213, 450388, 450725, 450633, 450685, 450058, 450237, 450130, 450697.
450632	0.8516	LOCKNEY GENERAL HOSPITAL	450557, 450539, 450429, 450264, 450303, 450057, 450686, 450457, 450040, 450162.
450633	0.7709	HUMANA HOSPITAL METROPOLITAN	450058, 450237, 450130, 450685, 450213, 450388, 450725, 450681, 450734, 450697.
450634	1.0572	DENTON REGIONAL MEDICAL CENTER	450743, 450669, 450730, 450271, 450563, 450651, 450379, 450403, 450394.
450637	1.0210	DOCTORS HOSPITAL	450222, 450732, 450670, 450296, 450638, 450286, 450684, 450716, 450347, 450544.
450638	0.9874	HOUSTON NORTHWEST MEDICAL CENTER	450732, 450684, 450716, 450670, 450544, 450550, 450546, 450630, 450366, 450610.
450639	0.9721	HARRIS METHODIST H E B	450142, 450745, 450087, 450064, 450563, 450297, 450149, 450079, 450675, 450590.
450641	0.7549	NOCONA GENERAL HOSPITAL	450497, 450109, 450276, 370165, 450090, 370163, 370157, 450271, 450025, 450010.
450643	0.6742	DOCTORS HOSPITAL OF LAREDO	450029.
450644	0.9827	HCA WEST HOUSTON MEDICAL CENTER	450320, 450610, 450184, 450378, 450418, 450630, 450366, 450423, 450060, 450523.
450646	0.9221	VISTA HILLS MEDICAL CENTER	450668, 450024, 450002, 450107, 450179, 320018.
450647	1.0170	HUMANA HOSPITAL MEDICAL CITY DALLAS	450462, 450315, 450379, 450537, 450280, 450678, 450590, 450365, 450044, 450422.
450648	0.9719	RICHARDS MEMORIAL HOSPITAL	450020, 450011, 450299, 450191, 450127, 450008, 450054, 450718, 450431.
450649	0.7374	HEART OF TEXAS MEMORIAL HOSPITAL	450219, 450587, 450486, 450583, 450218.
450651	1.0125	HCA MEDICAL CENTER OF PLANO	450537, 450730, 450647, 450280, 450315, 450379, 450462, 450691, 450394, 450678.
450652	0.7751	PALO DURO HOSPITAL	450325, 450561, 450231, 450155, 450264, 450269, 450063.
450653	0.8018	SCENIC MOUNTAIN MEDICAL CENTER	450307, 450545, 450727, 450133, 450489, 450073.
450654	0.7914	STARR COUNTY MEMORIAL HOSPITAL	450176, 450119, 450016, 450711, 450128, 450726.
450656	0.8428	AMI NACOGDOCHES MEDICAL CENTER	450508, 450484, 450211, 450473, 450337, 450475, 450210, 450194, 450700, 450580.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
450658	0.8199	FAIRFIELD MEMORIAL HOSPITAL	450400, 450628, 450113, 450747, 450447, 450389, 450580, 450614, 450348, 450194.
450659	0.9719	AMI PARK PLAZA HOSPITAL	450068, 450358, 450523, 450289, 450193, 450446, 450035, 450660, 450674, 450423.
450660	0.9829	HCA MEDICAL CENTER HOSPITAL	450674, 450193, 450358, 450523, 450068, 450289, 450659, 450423, 450446, 450418.
450661	0.8415	ODESSA WOMENS CHILDRENS HOSPITAL	450132, 450133, 450545, 450050, 450140, 450307, 450144, 450705.
450662	0.8018	VALLEY REGIONAL MEDICAL CENTER	450028, 450047, 450033, 450128, 450711, 450016, 450119, 450176.
450665	0.8247	OTTO KAISER MEMORIAL HOSPITAL	450450, 450108, 450082, 450165, 450597, 450724, 450147, 450023, 450145, 450734.
450666	0.8614	BEAUMONT MEDICAL SURGICAL HOSPITAL	450346, 450034, 450514, 450123, 450518, 450096, 450005, 450570, 450341, 450417.
450667	0.7591	STONEWALL MEMORIAL HOSPITAL	450243, 450321, 450464, 450306, 450746, 450078, 450073, 450055.
450668	0.9236	SIERRA MEDICAL CENTER	450107, 450002, 450024, 450179, 450646, 320018.
450669	1.0698	HCA LEWISVILLE MEMORIAL HOSPITAL	450730, 450563, 450634, 450743, 450651, 450379, 450537, 450639, 450142.
450670	1.0274	TOMBALL REGIONAL HOSPITAL	450638, 450732, 450716, 450222, 450637, 450684, 450544, 450550, 450630, 450366.
450672	0.8999	HCA MEDICAL PLAZA HOSPITAL	450419, 450135, 450137, 450043, 450121, 450297, 450745, 450087, 450677, 450064.
450673	0.7791	ELECTRA MEMORIAL HOSPITAL	450584, 450010, 450025, 370051, 450278, 450586, 450276, 450249, 370097, 370022.
450674	0.9829	WOMENS HOSPITAL OF TEXAS	450660, 450193, 450358, 450523, 450068, 450289, 450659, 450446, 450423, 450418.
450675	0.9530	HCA SOUTH ARLINGTON MEDICAL CENTER	450064, 450149, 450639, 450745, 450142, 450087, 450297, 450043, 450419.
450677	0.8986	HUGULEY MEMORIAL MEDICAL CENTER	450043, 450137, 450672, 450419, 450135, 450121, 450675, 450297, 450064.
450678	0.9892	DOCTORS HOSPITAL	450688, 450365, 450462, 450021, 450422, 450704, 450696, 450315, 450647, 450280.
450681	0.7794	ST LUKES LUTHERAN HOSPITAL	450631, 450213, 450388, 450725, 450633, 450685, 450058, 450237, 450130, 450697.
450682	1.0052	SOUTHEASTERN METHODIST HOSPITAL	450704, 450031, 450688, 450021, 450696, 450365, 450729, 450678, 450051, 450422.
450683	1.0231	TERRELL COMMUNITY HOSPITAL	450175, 450292, 450031, 450742, 450682, 450688, 450704, 450678, 450280, 450315.
450684	1.0334	NORTHEAST MEDICAL CENTER HOSPITAL	450638, 450544, 450550, 450732, 450259, 450546, 450716, 450126, 450366, 450630.
450685	0.7709	LUTHERAN GENERAL HOSPITAL	450237, 450058, 450130, 450633, 450697, 450734, 450388, 450213, 450681, 450725.
450686	0.8463	UNIVERSITY MEDICAL CENTER	450457, 450040, 450057, 450162, 450110, 450609, 450303, 450698, 450429, 450399.
450688	1.0100	MESQUITE COMMUNITY HOSPITAL	450678, 450031, 450704, 450365, 450682, 450021, 450422, 450315, 450696, 450280.
450690	0.8949	UNIVERSITY OF TEXAS HEALTH CENTER	450083, 450102, 450371, 450488, 450115, 450194, 450475, 450389, 450037, 450547.
450691	0.9958	PHYSICIANS REGIONAL HOSPITAL	450742, 450280, 450315, 450537, 450394, 450651, 450647, 450462, 450403, 450678.
450694	0.8154	MEMORIAL HOSPITAL EL CAMPO	450214, 450465, 450626, 450551, 450065, 450246, 450330, 450370, 450438, 450053.
450696	0.9145	MEDICAL ARTS HOSPITAL	450021, 450422, 450365, 450729, 450051, 450015, 450044, 450590, 450704, 450094.
450697	0.7754	SOUTHWEST GENERAL HOSPITAL	450734, 450685, 450237, 450130, 450058, 450633, 450388, 450213, 450681, 450631.
450698	0.8551	LAMB HEALTHCARE CENTER	450374, 450429, 450686, 450457, 450040, 450057, 450110, 450162, 450539, 450269.
450700	0.7993	SABINE COUNTY HOSPITAL	190047, 450573, 190164, 450473, 450656, 450484, 450211, 450508, 190166, 190050.
450702	0.9045	LONGVIEW REGIONAL HOSPITAL	450037, 450115, 450488, 450070, 450032, 450475, 450102, 450083, 450690, 450210.
450703	0.7673	MEDICAL ARTS HOSPITAL	450200, 040063, 040032, 450615, 040091, 450004, 040082, 040095, 040067, 190088.
450704	1.0052	TRI CITY HEALTH CENTRE INC	450682, 450688, 450031, 450021, 450678, 450365, 450696, 450422, 450729, 450051.
450705	0.8365	RANKIN COUNTY HOSPITAL DISTRICT	450728, 450322, 450140, 450607, 450132, 450661.
450706	0.9669	KATY MEDICAL CENTER	450644, 450610, 450330, 450320, 450630, 450716, 450184, 450366, 450378, 450418.
450709	0.9410	ST JOHN HOSPITAL	450617, 450097, 450410, 450538, 450197, 450195, 450424, 450530, 450027.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
450711	0.8018	RIO GRANDE REGIONAL HOSPITAL	450016, 450176, 450119, 450128, 450033, 450047, 450654, 450028, 450662.
450712	0.8122	STARLITE VILLAGE HOSPITAL	450007, 450604, 450631, 450681, 450725, 450388, 450213, 450309, 450733, 450633.
450713	0.8960	HCA SOUTH AUSTIN MEDICAL CENTER	450124, 450056, 450431, 450718, 450272, 450191, 450020, 450143, 450381, 450059.
450715	0.9799	MIDWAY PARK MEDICAL CENTER	450723, 450094, 450729, 450682, 450051, 450696, 450704, 450021, 450422, 450365.
450716	0.9850	CYPRESS FAIRBANKS MEDICAL CTR HOSPITAL	450638, 450630, 450366, 450544, 450610, 450670, 450550, 450546, 450320, 450644.
450717	1.0050	FORT BEND HOSPITAL	450060, 450184, 450378, 450330, 450418, 450644, 450660, 450674, 450320, 450193.
450718	0.8976	ROUND ROCK COMMUNITY HOSPITAL	450191, 450020, 450056, 450431, 450124, 450713, 450362, 450648, 450008.
450723	0.9012	CHARLTON METHODIST HOSPITAL	450715, 450094, 450051, 450729, 450696, 450149, 450021, 450015, 450422, 450682.
450724	0.8360	VICTORIA REGIONAL MEDICAL CENTER	450147, 450023, 450626, 450597, 450014, 450450, 450081, 450145, 450665, 450246.
450725	0.7779	HUMANA WOMENS HOSPITAL SOUTH TEXAS	450681, 450631, 450213, 450388, 450633, 450685, 450058, 450237, 450130, 450733.
450726	0.8184	BROOKS COUNTY HOSPITAL	450163, 450353, 450654.
450727	0.7953	MITCHELL COUNTY HOSPITAL	450073, 450055, 450653, 450321, 450307, 450243.
450728	0.8407	MCCAMEY HOSPITAL	450705, 450140, 450322, 450178, 450607, 450050.
450729	0.9145	LAKE CLIFF HOSPITAL	450051, 450696, 450021, 450422, 450094, 450015, 450365, 450044, 450590, 450704.
450730	0.9955	TRINITY MEDICAL CENTER	450651, 450379, 450537, 450669, 450647, 450563, 450462, 450590, 450315, 450280.
450732	1.0020	THE WOODLANDS HOSPITAL	450638, 450670, 450684, 450222, 450637, 450716, 450544, 450550, 450296, 450546.
450733	0.7779	HUMANA HOSPITAL VILLAGE OAKS	450633, 450058, 450725, 450130, 450213, 450681, 450237, 450631, 450388, 450685.
450734	0.7709	SAN ANTONIO STATE CHEST HOSPITAL	450697, 450130, 450237, 450058, 450685, 450633, 450388, 450213, 450681, 450725.
450735	0.7578	SCHLEICHER COUNTY MEDICAL CENTER	450166, 450574, 450340, 450571, 450376, 450583, 450607.
450742	0.9908	LAKE POINTE MEDICAL CENTER	450691, 450280, 450315, 450688, 450031, 450537, 450678, 450462, 450647, 450704.
450743	1.0580	HCA DENTON COMMUNITY HOSPITAL	450634, 450669, 450271, 450730, 450563, 450651, 450379, 450403, 450142.
450745	0.9269	SCHICK SHADEL HOSPITAL DALLAS-FT WORTH	450087, 450297, 450142, 450639, 450064, 450135, 450043, 450419, 450672, 450137.
450746	0.6299	KNOX COUNTY HOSPITAL	450464, 450667, 450586, 450306, 450250, 450243, 450078, 450321.
450747	0.8564	TRINITY VALLEY MEDICAL CENTER	450113, 450194, 450337, 450658, 450580, 450389, 450400, 450690, 450371, 450083.
450749	0.8535	TRINITY MEMORIAL HOSPITAL	450347, 450467, 450580, 450395, 450211, 450484, 450637, 450296, 450222, 450460.
460001	0.9499	UTAH VALLEY REGIONAL MEDICAL CENTER	460043, 460023, 460013, 460036, 460044, 460006, 460047, 460046, 460008, 460014.
460003	0.9512	HOLY CROSS HOSPITAL	460010, 460009, 460046, 460047, 460008, 460042, 460006, 460044, 460041, 460014.
460004	0.9630	MCKAY-DEE HOSPITAL CENTER	460005, 460041, 460017, 460042, 460039, 460010, 460003, 460009, 460008, 460046.
460005	0.9630	ST BENEDICTS HOSPITAL	460004, 460041, 460017, 460039, 460042, 460010, 460003, 460009, 460008, 460046.
460006	0.9563	COTTONWOOD HOSPITAL	460047, 460046, 460044, 460008, 460003, 460009, 460010, 460042, 460023, 460014.
460007	0.8940	VALLEY VIEW MEDICAL CENTER	460033, 460021, 460035, 460018.
460008	0.9563	PIONEER VALLEY HOSPITAL	460006, 460047, 460046, 460010, 460003, 460009, 460044, 460042, 460014, 460023.
460009	0.9586	UNIVERSITY OF UTAH HOSPITAL	460003, 460010, 460046, 460047, 460042, 460006, 460008, 460044, 460041, 460023.
460010	0.9512	LATTER-DAY SAINTS HOSPITAL	460003, 460009, 460046, 460047, 460042, 460008, 460006, 460044, 460041, 460014.
460011	0.9770	CASTLEVIEW HOSPITAL	460029, 460032.
460013	0.9521	MOUNTAINVIEW HOSPITAL	460001, 460043, 460032, 460023, 460036, 460044, 460029, 460006, 460014, 460047.
460014	0.9563	TOOELE VALLEY REGIONAL MEDICAL CENTER	460008, 460006, 460044, 460047, 460046, 460010, 460003, 460023, 460009, 460042.
460015	0.9368	LOGAN HOSPITAL	460039, 460017, 130045, 130048, 460005, 460004, 130017, 460041.
460016	0.8443	ALLEN MEMORIAL HOSPITAL	460020.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
460017	0.9623	BRIGHAM CITY COMMUNITY HOSPITAL	460039, 460005, 460015, 460004, 460041, 130045, 460042, 130048, 460010.
460018	0.8855	KANE COUNTY HOSPITAL	460007.
460019	0.9760	DUCHESNE COUNTY HOSPITAL	460030.
460020	0.8478	SAN JUAN HOSPITAL	460016.
460021	0.9617	DIXIE MEDICAL CENTER	460007.
460022	0.8979	FILLMORE COMMUNITY MEDICAL CENTER	460026, 460037, 460027, 460035.
460023	0.9634	AMERICAN FORK HOSPITAL	460043, 460001, 460044, 460006, 460036, 460047, 460046, 460013, 460008, 460009.
460024	0.6633	MONUMENT VALLEY HOSPITAL	NO PROVIDER WITHIN 50 MILES.
460025	0.8924	MILFORD VALLEY MEMORIAL HOSPITAL	460035, 460033.
460026	0.8979	SEVIER VALLEY HOSPITAL	460022, 460037, 460035, 460027.
460027	0.9747	DELTA COMMUNITY MEDICAL CENTER	460022, 460037, 460032, 460026.
460029	0.9797	SANPETE HOSPITAL	460032, 460011, 460037, 460013.
460030	0.8489	ASHLEY VALLEY MEDICAL CENTER	460019, 060073.
460032	0.9814	CENTRAL VALLEY MEDICAL CENTER	460029, 460013, 460001, 460037, 460043, 460027, 460023, 460011.
460033	0.8961	GARFIELD MEMORIAL HOSPITAL	460007, 460035, 460025.
460035	0.8920	BEAVER VALLEY HOSPITAL	460025, 460033, 460026, 460007, 460022.
460036	0.9733	WASATCH COUNTY HOSPITAL	460023, 460043, 460001, 460044, 460046, 460006, 460047, 460009, 460003, 460010.
460037	0.9657	GUNNISON VALLEY HOSPITAL	460026, 460022, 460029, 460027, 460032.
460039	0.9623	BEAR RIVER VALLEY HOSPITAL	460017, 460015, 460005, 460004, 460041, 130045, 460042, 130048.
460041	0.9604	HUMANA HOSPITAL DAVIS NORTH	460004, 460005, 460042, 460010, 460003, 460009, 460008, 460017, 460046, 460047.
460042	0.9584	LAKEVIEW HOSPITAL	460010, 460009, 460003, 460046, 460047, 460008, 460041, 460006, 460004, 460044.
460043	0.9499	OREM COMMUNITY HOSPITAL	460001, 460023, 460013, 460044, 460036, 460006, 460047, 460046, 460008, 460014.
460044	0.9632	ALTA VIEW HOSPITAL	460006, 460047, 460046, 460008, 460003, 460009, 460010, 460023, 460043, 460042.
460046	0.9563	DOXEY HATCH MEDICAL CENTER/HOSPITAL	460047, 460006, 460003, 460009, 460010, 460008, 460044, 460042, 460023, 460014.
460047	0.9563	HCA ST MARK'S HOSPITAL	460046, 460006, 460003, 460009, 460010, 460008, 460044, 460042, 460023, 460014.
470001	0.9743	CENTRAL VERMONT HOSPITAL	470004, 470010, 300028, 470023, 470006, 470013, 470003, 300003, 300008, 300016.
470003	0.8941	MEDICAL CENTER HOSPITAL OF VERMONT	470013, 330250, 470024, 330252, 470010, 470006, 470001, 330176, 330116, 470004.
470004	0.9762	GIFFORD MEMORIAL HOSPITAL INC	470001, 300003, 470006, 470005, 300016, 470015, 300028, 330116, 300024, 470010.
470005	0.9758	RUTLAND REGIONAL MEDICAL CENTER	470004, 470015, 330116, 470006, 470018, 300024, 300003, 300016, 330191, 470020.
470006	0.9746	PORTER MEDICAL CENTER INC	330116, 470004, 330252, 470005, 470001, 470003, 470013, 330176, 300003, 470010.
470008	0.9166	NORTH COUNTRY HOSPITAL & HEALTH CENTER	470010, 300033, 470023, 470024, 300021, 300008.
470010	0.9037	COPLEY HOSPITAL	470001, 470013, 470023, 470024, 470003, 470008, 300028, 330250, 300008, 470004.
470011	0.9459	BRATTLEBORO MEMORIAL HOSPITAL	300019, 470020, 220016, 220003, 220051, 300007, 470012, 470018, 220095, 220015.
470012	0.9396	SOUTHWESTERN VERMONT MEDICAL CENTER	220051, 330020, 330082, 330232, 330180, 220046, 470020, 220107, 330003, 470011.
470013	0.8941	FANNY ALLEN HOSPITAL	470003, 330250, 470024, 470010, 330252, 470001, 470006, 330176, 470004, 330116.
470015	0.9871	MT ASCUTNEY HOSPITAL & HEALTH CENTER	300024, 300016, 470018, 300003, 300009, 470005, 470020, 470004, 300013, 300019.
470018	0.9947	SPRINGFIELD HOSPITAL INC	300024, 470015, 470020, 300009, 300019, 300016, 300003, 470005, 470011, 300007.
470020	0.9133	GRACE COTTAGE HOSPITAL	470011, 470018, 300019, 300024, 470012, 220016, 220051, 470015, 330020, 300007.
470023	0.8561	NORTHEASTERN VERMONT REGIONAL HOSPITAL	300008, 300028, 300021, 470010, 470001, 470008, 300033, 300022, 470004, 300010.
470024	0.8976	NORTHWESTERN MEDICAL CENTER INC	330250, 470013, 470003, 470010, 470008, 470001, 330252.
490001	0.8460	NORTON COMMUNITY HOSPITAL	490027, 490010, 490114, 180002, 490131, 180006, 490012, 490002, 440017, 440176.
490002	0.7954	RUSSELL COUNTY MEDICAL CENTER	490053, 490060, 440012, 490010, 490001, 490131, 490027, 490127, 490038, 490105.
490003	0.8852	RICHMOND EYE AND EAR HOSPITAL	490032, 490124, 490094, 490091, 490071, 490028, 490069, 490112, 490059, 490118.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
490004	0.8876	ROCKINGHAM MEMORIAL HOSPITAL	490123, 490106, 490047, 490018, 490009, 490077, 490006, 510026.
490005	0.7812	WINCHESTER MEDICAL CENTER INC	510068, 490033, 510008, 490006, 490043, 510036, 510027, 490023, 490047, 210001.
490006	0.7806	SHENANDOAH COUNTY MEMORIAL HOSPITAL	490047, 490033, 490005, 490123, 510026, 490004, 490023, 510036, 490019, 510068.
490007	0.8654	SENTARA NORFOLK GENERAL HOSPITAL	490074, 490030, 490011, 490017, 490046, 490119, 490120, 490093, 490035, 490057.
490008	1.1012	JEFFERSON HOSPITAL	490040, 490014, 490073, 490107, 490129, 490050, 090002, 090001, 090010, 090004.
490009	0.8897	UNIVERSITY OF VIRGINIA HOSPITAL	490077, 490018, 490106, 490019, 490004, 490123, 490047, 490022.
490010	0.8460	WISE APPALACHIAN REGIONAL HOSPITAL	490001, 490027, 490114, 180002, 490131, 180006, 490002, 490012, 440017, 440176.
490011	0.8654	DEPAUL MEDICAL CENTER	490007, 490030, 490074, 490046, 490017, 490119, 490093, 490035, 490120, 490057.
490012	0.8340	LEE COUNTY HOSPITAL	490114, 180050, 440079, 490027, 180002, 440032, 490001, 490010, 440017, 440176.
490013	0.8175	HALIFAX COMMUNITY HOSPITAL	490075, 340127, 340132, 490098, 340136, 340060, 340007, 490079, 340155, 490090.
490014	1.1012	NATIONAL ORTHO & REHAB HOSPITAL	490107, 490008, 490040, 490073, 490129, 090002, 490050, 090001, 090010, 090004.
490015	0.8868	HUMANA HOSPITAL—RICHMOND	490118, 490059, 490069, 490028, 490071, 490091, 490124, 490003, 490112, 490032.
490017	0.8643	MARYVIEW HOSPITAL	490074, 490007, 490030, 490011, 490046, 490120, 490119, 490035, 490093, 490044.
490018	0.8859	AUGUSTA HOSPITAL CORPORATION	490106, 490077, 490009, 490004, 490123, 490031, 490047, 490021.
490019	0.9162	CULPEPER MEMORIAL HOSPITAL INC	490023, 490047, 490022, 490009, 490033, 490045, 490006, 490077, 490113.
490020	0.8653	JOHN RANDOLPH HOSPITAL	490067, 490104, 490094, 490032, 490003, 490124, 490112, 490091, 490071, 490028.
490021	0.8082	VIRGINIA BAPTIST HOSPITAL	490095, 490108, 490088, 490031, 490100, 490083, 490024, 490090, 490126.
490022	1.0347	MARY WASHINGTON HOSPITAL	490113, 490019, 210035, 490045, 490023, 490122, 490101, 490040, 490063, 490084.
490023	1.0325	FAUQUIER HOSPITAL	490045, 490019, 490033, 490101, 490113, 490063, 490043, 490022, 490047, 490073.
490024	0.8070	ROANOKE MEMORIAL HOSPITALS	490100, 490083, 490048, 490089, 490088, 490110, 490042, 490126, 490085, 490079.
490027	0.8460	ST MARYS HOSPITAL	490001, 490010, 490114, 180002, 490131, 180006, 490012, 440017, 490002, 440176.
490028	0.8852	HCA JOHNSTON-WILLIS HOSPITAL	490071, 490091, 490124, 490069, 490003, 490032, 490059, 490094, 490112, 490118.
490030	0.8654	NORFOLK COMMUNITY HOSPITAL	490007, 490074, 490046, 490011, 490017, 490119, 490120, 490057, 490093, 490035.
490031	0.7974	STONEWALL JACKSON HOSPITAL	490126, 490099, 490021, 490095, 490108, 490088, 490106, 490018, 490083.
490032	0.8852	MEDICAL COLLEGE OF VIRGINIA HOSPITALS	490003, 490124, 490094, 490091, 490071, 490028, 490069, 490112, 490059, 490118.
490033	0.8222	WARREN MEMORIAL HOSPITAL	490006, 490005, 490047, 490023, 510068, 490019, 490043, 490045, 510036, 510008.
490035	0.8476	NEWPORT NEWS GENERAL HOSPITAL	490093, 490052, 490011, 490041, 490007, 490017, 490074, 490030, 490046, 490119.
490037	0.8094	NORTHAMPTON ACCOMACK MEMORIAL HOSPITAL.	490130, 210045, 490041, 490093, 490052, 490035, 490057, 490066, 490119, 490109.
490038	0.7704	SMYTH COUNTY COMMUNITY HOSPITAL	490105, 490117, 490111, 490060, 490053, 490002, 340072, 340044, 490115, 510067.
490040	1.0288	ALEXANDRIA HOSPITAL	490008, 490107, 490014, 490073, 090002, 490129, 490050, 490122, 090008, 090001.
490041	0.8616	MARY IMMACULATE HOSPITAL	490052, 490035, 490093, 490066, 490109, 490130, 490011, 490007, 490017, 490074.
490042	0.8726	RADFORD COMMUNITY HOSPITAL	490116, 490110, 490085, 490048, 490111, 510046, 490024, 490083, 490100, 510067.
490043	1.0113	LOUDOUN HOSPITAL CENTER	510068, 210005, 490101, 210022, 490063, 490045, 210018, 490050.
490044	0.8611	LOUISE OBICI MEMORIAL HOSPITAL	490017, 490074, 490007, 490120, 490030, 490011, 490092, 490035, 490046, 490093.
490045	1.0978	PRINCE WILLIAM HOSPITAL	490101, 490113, 490063, 490023, 490073, 490040, 490008, 490050, 490129, 490122.
490046	0.8654	SENTARA LEIGH HOSPITAL	490119, 490030, 490011, 490007, 490074, 490017, 490120, 490057, 490093, 490035.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
490047	0.8788	PAGE MEMORIAL HOSPITAL	490006, 490123, 490033, 490004, 490019, 490023, 490005, 510026, 490009, 490077.
490048	0.8150	HCA LEWIS-GALE HOSPITAL	490024, 490083, 490100, 490110, 490089, 490088, 490042, 490085, 490126, 490116.
490050	1.1198	ARLINGTON HOSPITAL	490129, 490073, 090004, 490008, 490014, 090010, 090001, 490040, 490107, 490063.
490052	0.8571	RIVERSIDE HOSPITAL	490035, 490041, 490093, 490011, 490007, 490017, 490074, 490066, 490030, 490109.
490053	0.8272	JOHNSTON MEMORIAL HOSPITAL	490002, 440012, 490038, 490105, 490060, 440176, 440018, 440017, 440184, 340072.
490054	0.7715	R J REYNOLDS-PATRICK CTY MEM HOSPITAL	340019, 340003, 490079, 340159, 340060, 490089, 490115, 340007, 490042, 490116.
490057	0.8654	VIRGINIA BEACH GENERAL HOSPITAL	490119, 490046, 490030, 490011, 490120, 490007, 490074, 490017, 490093, 490035.
490059	0.8868	ST MARYS HOSPITAL OF RICHMOND	490118, 490028, 490071, 490069, 490015, 490091, 490124, 490112, 490003, 490032.
490060	0.7838	HUMANA HOSPITAL CLINCH VALLEY	490117, 490127, 490002, 510086, 490105, 490038, 490053, 510067, 510071, 490131.
490063	1.1567	FAIRFAX HOSPITAL	490101, 490073, 490050, 490129, 490008, 490040, 490014, 490107, 090004, 090010.
490066	0.8396	WILLIAMSBURG COMMUNITY HOSPITAL	490109, 490041, 490130, 490052, 490035, 490093, 490020, 490011, 490067, 490007.
490067	0.8653	SOUTHSIDE REGIONAL MEDICAL CENTER	490104, 490020, 490112, 490094, 490032, 490003, 490124, 490091, 490071, 490028.
490069	0.8796	RICHMOND MEMORIAL HOSPITAL	490028, 490091, 490071, 490124, 490003, 490032, 490059, 490094, 490118, 490015.
490071	0.8852	RETREAT HOSPITAL	490028, 490091, 490124, 490069, 490003, 490032, 490059, 490094, 490112, 490118.
490073	1.1198	NORTHERN VIRGINIA DOCTORS HOSPITAL	490008, 490050, 490129, 490014, 490040, 490107, 090004, 090001, 090010, 490063.
490074	0.8654	PORTSMOUTH GENERAL HOSPITAL	490007, 490017, 490030, 490011, 490046, 490120, 490119, 490093, 490035, 490057.
490075	0.8630	MEMORIAL HOSPITAL	340060, 340007, 490079, 490013, 340159, 340034, 340070, 490089, 340091, 340125.
490077	0.8925	MARTHA JEFFERSON HOSPITAL	490009, 490018, 490106, 490004, 490123, 490019, 490047.
490079	0.8050	MEMORIAL HOSPITAL MARTINSVILLE	340060, 490054, 490089, 340159, 490075, 340007, 340019, 490024, 340003, 490100.
490083	0.8110	GILL MEMORIAL EYE EAR NOSE THROAT	490100, 490024, 490048, 490089, 490088, 490110, 490042, 490126, 490085, 490021.
490084	0.8637	RIVERSIDE TAPPAHANNOCK HOSPITAL INC	210028, 490069, 490094, 490130, 490032, 490003, 490015, 490124, 490091, 490028.
490085	0.8871	GILES MEMORIAL HOSPITAL	490042, 490110, 490116, 510046, 510080, 510071, 510067, 490111, 510002, 490048.
490088	0.8168	BEDFORD COUNTY MEMORIAL HOSPITAL	490021, 490095, 490108, 490100, 490083, 490024, 490048, 490031, 490089, 490126.
490089	0.8125	FRANKLIN MEMORIAL HOSPITAL	490024, 490100, 490083, 490048, 490079, 490110, 490088, 490054, 490042, 340060.
490090	0.8475	SOUTHSIDE COMMUNITY HOSPITAL	490108, 490095, 490021, 490098, 490112, 490104, 490118, 490013, 490059, 490015.
490091	0.8852	STUART CIRCLE HOSPITAL	490124, 490071, 490028, 490003, 490032, 490069, 490094, 490059, 490112, 490118.
490092	0.8409	SOUTHAMPTON MEMORIAL HOSPITAL	490044, 340099, 490097, 490017, 490074, 490035, 490007, 490120, 490052, 490030.
490093	0.8476	SENTARA HAMPTON GENERAL HOSPITAL	490035, 490052, 490011, 490007, 490041, 490017, 490074, 490030, 490046, 490119.
490094	0.8852	RICHMOND COMMUNITY HOSPITAL	490032, 490003, 490124, 490091, 490071, 490069, 490028, 490112, 490059, 490118.
490095	0.8082	LYNCHBURG GENERAL HOSPITAL	490021, 490108, 490088, 490031, 490090, 490100, 490083, 490024, 490126.
490097	0.7470	GREENSVILLE MEMORIAL HOSPITAL	340151, 490098, 490092, 490104, 490067, 340099, 340122, 490020, 490044.
490098	0.7540	COMMUNITY MEMORIAL HOSPITAL	490097, 340151, 340132, 340127, 490013, 490090, 340036, 490104, 490067.
490099	0.7813	BATH COUNTY COMMUNITY HOSPITAL	490126, 510043, 490031, 510002, 510016, 490106, 510025, 490088, 490018.
490100	0.8110	COMMUNITY HOSPITAL OF ROANOKE VALLEY	490083, 490024, 490048, 490089, 490088, 490110, 490042, 490126, 490085, 490021.
490101	1.1314	FAIR OAKS HOSPITAL	490063, 490073, 490050, 490129, 490008, 490045, 490040, 490014, 490107, 090004.
490104	0.8653	HIRIAM W DAVIS MEDICAL CENTER	490067, 490020, 490112, 490032, 490003, 490094, 490124, 490091, 490071, 490028.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
490105	0.7704	SOUTHWESTERN STATE HOSPITAL	490038, 490117, 490111, 490060, 490053, 490002, 340072, 340044, 490115, 510067.
490106	0.8957	WESTERN STATE HOSPITAL	490018, 490004, 490123, 490077, 490031, 490009, 490099, 490047.
490107	1.0491	RESTON HOSPITAL CENTER	490040, 490014, 490008, 090002, 490073, 090008, 490129, 490050, 090001, 090010.
490108	0.8082	CENTRAL VIRGINIA TRAINING CENTER	490095, 490021, 490088, 490031, 490090, 490100, 490083, 490024, 490126.
490109	0.8176	EASTERN STATE HOSPITAL	490066, 490130, 490041, 490052, 490035, 490093, 490020, 490067, 490011, 490104.
490110	0.8721	MONTGOMERY REGIONAL HOSPITAL	490042, 490085, 490048, 490116, 490024, 490083, 490100, 490089, 510002, 510046.
490111	0.8472	WYTHE COUNTY COMMUNITY HOSPITAL	490116, 490115, 510067, 490105, 510071, 490038, 490117, 490042, 510046, 340044.
490112	0.8852	HCA CHIPPENHAM HOSPITAL	490071, 490028, 490091, 490124, 490059, 490003, 490032, 490069, 490118, 490094.
490113	1.0983	POTOMAC HOSPITAL	490122, 490045, 490101, 490040, 490063, 210035, 490107, 490008, 490073, 490014.
490114	0.8393	LONESOME PINE HOSPITAL	490027, 490001, 490010, 180002, 490012, 180006, 490131, 440017, 440176, 180050.
490115	0.7532	TWIN COUNTY COMMUNITY HOSPITAL	340044, 340003, 490111, 340097, 490116, 490105, 490038, 340072, 490054, 490042.
490116	0.8697	PULASKI COMMUNITY HOSPITAL	490042, 490085, 490111, 490110, 510067, 510071, 510046, 490115, 490117, 490048.
490117	0.8806	TAZEWELL COMMUNITY HOSPITAL	490060, 510086, 510067, 510071, 490105, 490038, 490111, 510046, 490127, 490002.
490118	0.8868	HENRICO DOCTORS HOSPITAL	490059, 490015, 490028, 490069, 490071, 490091, 490124, 490112, 490003, 490032.
490119	0.8654	HUMANA HOSPITAL BAYSIDE	490046, 490057, 490030, 490011, 490007, 490074, 490120, 490017, 490093, 490035.
490120	0.8665	CHESAPEAKE GENERAL HOSPITAL	490074, 490030, 490046, 490017, 490007, 490119, 490011, 490057, 490044, 490093.
490122	1.0544	MT VERNON HOSPITAL	490040, 490107, 090002, 490008, 490014, 090008, 490073, 210054, 490129, 490050.
490123	0.8876	RAPPAHANNOCK GENERAL HOSPITAL	490004, 490047, 490106, 490018, 490006, 490009, 490077, 510026.
490124	0.8852	METROPOLITAN HOSPITAL	490091, 490003, 490032, 490071, 490028, 490069, 490094, 490059, 490112, 490118.
490126	0.8165	ALLEGHENY HOSPITAL	490099, 490031, 510002, 490088, 490083, 510043, 490100, 490048, 490024, 490021.
490127	0.7737	BUCHANAN GENERAL HOSPITAL	490060, 490131, 510086, 180044, 180069, 490002, 180006, 510077, 490117, 510035.
490129	1.1028	HOSPICE OF NORTHERN VIRGINIA	490050, 490073, 090004, 490008, 490014, 090010, 090001, 490040, 490107, 090003.
490130	0.8179	RIVERSIDE WALTER REED HOSPITAL	490109, 490066, 490041, 490052, 490093, 490035, 490037, 490020, 490084, 490011.
490131	0.7580	DICKENSON COUNTY MEDICAL CENTER	180006, 490010, 490001, 490027, 180002, 490127, 180044, 490114, 490002, 180028.
500001	1.0925	NORTHWEST HOSPITAL	500075, 500078, 500008, 500026, 500005, 500027, 500025, 500124, 500064.
500002	0.9052	ST MARY MEDICAL CENTER	500049, 500094, 380066, 500023, 500053, 500090, 500058, 380023.
500003	1.0427	SKAGIT VALLEY HOSPITAL & HEALTH CENTER	500093, 500007, 500060, 500122, 500030, 500059, 500014, 500009, 500026, 500084.
500005	1.0918	VIRGINIA MASON HOSPITAL	500027, 500064, 500025, 500008, 500078, 500075, 500051, 500001, 500134.
500007	1.0478	ISLAND HOSPITAL	500003, 500093, 500030, 500122, 500059, 500060, 500014, 500009, 500072.
500008	1.0922	UNIVERSITY HOSPITAL	500027, 500005, 500025, 500064, 500078, 500075, 500001, 500051, 500124.
500009	1.0616	PROVIDENCE HOSPITAL	500014, 500026, 500084, 500060, 500124, 500001, 500075, 500078, 500008, 500051.
500011	1.1246	HIGHLINE COMMUNITY HOSPITAL	500134, 500088, 500064, 500025, 500027, 500005, 500141, 500015.
500012	0.9631	ST ELIZABETH MEDICAL CENTER	500036, 500076, 500037, 500110, 500043.
500014	1.0616	GENERAL HOSPITAL MEDICAL CENTER	500009, 500060, 500026, 500084, 500124, 500001, 500075, 500078, 500008, 500051.
500015	1.0522	AUBURN GENERAL HOSPITAL	500141, 500088, 500079, 500129, 500108, 500045, 500011, 500104, 500042.
500016	0.9487	CENTRAL WASHINGTON HEALTH SERVICES	500123, 500106, 500110, 500092, 500029.
500019	0.9885	PROVIDENCE HOSPITAL CENTRALIA	500139, 500024, 500061, 500073, 500041, 500118, 500021, 500069, 500045.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
500021	1.0198	ST CLARE HOSPITAL	500045, 500108, 500042, 500129, 500079, 500141, 500015, 500024, 500011, 500139.
500023	0.9010	OUR LADY OF LOURDES HOSPITAL	500053, 500058, 380023, 500043, 500002, 500049, 500102, 380066.
500024	0.9966	ST PETER HOSPITAL	500139, 500118, 500061, 500021, 500042, 500045, 500108, 500019, 500129, 500079.
500025	1.0918	PROVIDENCE MEDICAL CENTER	500027, 500064, 500005, 500008, 500078, 500051, 500075, 500001, 500134.
500026	1.0776	STEVENS MEMORIAL HOSPITAL	500001, 500075, 500078, 500124, 500008, 500009, 500005, 500027, 500025.
500027	1.0918	SWEDISH HOSPITAL MEDICAL CENTER	500064, 500005, 500025, 500008, 500078, 500051, 500075, 500001, 500134.
500028	0.8057	NORTH VALLEY HOSPITAL	500071, 500098, 500107.
500029	0.9172	COLUMBIA BASIN HOSPITAL	500106, 500033, 500016, 500102, 500080, 500092.
500030	1.0478	ST JOSEPHS HOSPITAL	500007, 500093, 500003, 500122, 500060, 500059.
500031	0.9608	GRAYS HARBOR COMMUNITY HOSPITAL	500069, 500061, 500118, 500139, 500024, 500096, 500019.
500033	0.9473	SAMARITAN HOSPITAL	500029, 500102, 500106, 500080, 500101.
500035	0.9906	ST LUKES MEMORIAL HOSPITAL	500054, 500044, 500077, 500119, 500132, 130049, 500089, 500097, 500048, 130037.
500036	0.9631	YAKIMA VALLEY MEMORIAL HOSPITAL	500076, 500012, 500037, 500110, 500043.
500037	0.9386	PROVIDENCE CENTRAL MEMORIAL HOSPITAL	500012, 500036, 500076, 500043, 500110, 500085.
500039	1.0846	HARRISON MEMORIAL HOSPITAL	500078, 500005, 500134, 500064, 500027, 500025, 500008, 500011, 500001.
500041	1.0738	ST JOHNS MEDICAL CENTER	500050, 500019, 380055, 380021, 380007, 380026, 380068, 380017, 380024.
500042	1.0214	ALLENMORE HOSPITAL	500129, 500108, 500045, 500021, 500141, 500079, 500015, 500011, 500134.
500043	0.9374	PROSSER MEMORIAL HOSPITAL	500058, 500037, 500053, 500023, 380023, 500012, 500036, 500076.
500044	0.9906	DEACONESS MEDICAL CENTER	500054, 500035, 500077, 500119, 500132, 130049, 500089, 500097, 500048, 130037.
500045	1.0427	PUGET SOUND HOSPITAL	500108, 500129, 500042, 500021, 500141, 500079, 500015, 500011, 500088, 500134.
500048	1.0067	ST JOSEPHS HOSPITAL	500055, 500132, 500097, 500077, 500044, 500035, 500054, 500089, 500119.
500049	0.9006	WALLA WALLA GENERAL HOSPITAL	500002, 500094, 380066, 500023, 500053, 500090, 500058, 380023.
500050	1.1001	SOUTHWEST WASHINGTON MEDICAL CENTER	380055, 380007, 380024, 380017, 380061, 380010, 380009, 380060, 380004.
500051	1.0922	OVERLAKE HOSPITAL MEDICAL CENTER	500025, 500008, 500027, 500124, 500064, 500005, 500075, 500001, 500078.
500053	0.9010	KENNEWICK GENERAL HOSPITAL	500023, 500058, 380023, 500043, 500002, 500049, 380066, 500102.
500054	0.9906	SACRED HEART MEDICAL CENTER	500035, 500044, 500077, 500119, 500132, 130049, 500089, 500097, 500048, 130037.
500055	1.0014	MT CARMEL HOSPITAL	500048, 500098, 500132, 500097.
500057	0.8340	TRI-STATE MEMORIAL HOSPITAL	130003, 130011, 500065, 500090, 500074, 130009, 130008, 500094.
500058	0.9050	KADLEC MEDICAL CENTER	500023, 500053, 500043, 380023, 500102, 500002, 500049, 380066.
500059	1.0218	JEFFERSON GENERAL HOSPITAL	500122, 500014, 500009, 500007, 500026, 500003, 500060, 500072, 500001, 500075.
500060	1.0707	CASCADE VALLEY HOSPITAL	500014, 500009, 500003, 500093, 500084, 500122, 500026, 500059, 500007, 500124.
500061	0.9800	MARK REED HOSPITAL	500118, 500139, 500024, 500031, 500019, 500021, 500069, 500042, 500108.
500062	0.9618	FORKS COMMUNITY HOSPITAL	500072.
500064	1.0918	HARBORVIEW MEDICAL CENTER	500027, 500005, 500025, 500008, 500078, 500051, 500075, 500134, 500001.
500065	0.8146	MEMORIAL HOSPITAL PULLMAN	130011, 500074, 130003, 500057, 500090, 130009, 500094, 130037.
500068	1.0623	SKYLINE HOSPITAL	380001, 500085, 380025.
500069	0.9735	WILLAPA HARBOR HOSPITAL	500031, 500096, 380026, 500061, 500019, 380042, 500139.
500071	0.9187	MID-VALLEY HOSPITAL	500028, 500107, 500125, 500098, 500092.
500072	1.0612	OLYMPIC MEMORIAL HOSPITAL	500059, 500122, 500007, 500062.
500073	1.0023	MORTON GENERAL HOSPITAL	500019, 500079, 500041, 500021, 500024, 500139, 500045, 500108, 500129.
500074	0.9552	WHITMAN COMMUNITY HOSPITAL	500065, 130011, 500090, 130003, 500057, 500094, 130037.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
500075	1.0925	FIFTH AVENUE MEDICAL CENTER	500001, 500078, 500008, 500005, 500027, 500026, 500025, 500124, 500064.
500076	0.9631	NEW VALLEY OSTEOPATHIC HOSPITAL	500036, 500012, 500037, 500110, 500043.
500077	0.9906	HOLY FAMILY HOSPITAL	500044, 500035, 500054, 500119, 500132, 130049, 500089, 500097, 500048, 130037.
500078	1.0940	BALLARD COMMUNITY HOSPITAL	500008, 500075, 500001, 500005, 500027, 500064, 500025, 500026, 500051.
500079	1.0442	GOOD SAMARITAN HOSPITAL	500045, 500141, 500108, 500015, 500129, 500021, 500042, 500104, 500088, 500011.
500080	0.9908	MEMORIAL HOSPITAL ODESSA	500101, 500033, 500089, 500102, 500029, 500125.
500084	1.0715	VALLEY GENERAL HOSPITAL	500124, 500009, 500014, 500026, 500051, 500075, 500001, 500008, 500025.
500085	0.9399	KLICKITAT VALLEY HOSPITAL	380001, 500068, 500037.
500088	1.1213	VALLEY MEDICAL CENTER	500011, 500134, 500015, 500141, 500025, 500051, 500064, 500027, 500005.
500089	1.0080	LINCOLN HOSPITAL	500080, 500044, 500054, 500035, 500077, 500101, 500132, 500119, 500125, 500048.
500090	0.8511	GARFIELD MEMORIAL HOSPITAL	500094, 500057, 500065, 130003, 500074, 130011, 500049, 500002.
500092	0.9175	LAKE CHELAN COMMUNITY HOSPITAL	500107, 500016, 500123, 500106, 500029, 500071, 500125.
500093	1.0427	UNITED GENERAL HOSPITAL	500003, 500007, 500030, 500060, 500122, 500014, 500059, 500009, 500026, 500084.
500094	0.8742	DAYTON GENERAL HOSPITAL	500090, 500049, 500002, 500057, 130003, 500074, 500065.
500096	0.9700	OCEAN BEACH HOSPITAL	380026, 380042, 500069, 500031.
500097	0.9912	NEWPORT COMMUNITY HOSPITAL	130024, 500132, 500048, 130049, 500119, 500077, 500035, 500054, 500044, 500055.
500098	0.8073	FERRY COUNTY MEMORIAL HOSPITAL	500028, 500055, 500071.
500101	0.9815	EAST ADAMS RURAL HOSPITAL	500080, 500089, 500033, 500102.
500102	0.9107	OTHELLO COMMUNITY HOSPITAL	500033, 500058, 500029, 500023, 500080, 500101, 500053, 500106.
500104	1.0515	COMMUNITY MEMORIAL HOSPITAL	500015, 500079, 500088, 500141, 500135, 500011, 500045, 500108, 500129.
500106	0.9523	QUINCY VALLEY HOSPITAL	500029, 500016, 500033, 500110, 500092, 500102, 500123.
500107	0.9115	OKANOGAN-DOUGLAS COUNTY HOSPITAL	500092, 500071, 500125, 500028.
500108	1.0427	ST JOSEPH HOSPITAL HEALTH CARE CENTER	500129, 500045, 500042, 500021, 500141, 500079, 500015, 500011, 500088, 500134.
500110	0.9520	KITTITAS VALLEY COMMUNITY HOSPITAL	500012, 500036, 500076, 500016, 500106, 500123, 500037.
500118	0.9926	MASON GENERAL HOSPITAL	500061, 500139, 500024, 500021, 500042, 500129, 500108, 500045, 500039.
500119	0.9906	VALLEY HOSPITAL & MEDICAL CENTER	500035, 500077, 500054, 500044, 130049, 500132, 500097, 130037, 500089, 500048.
500122	1.0203	WHIDBEY GENERAL HOSPITAL	500059, 500007, 500003, 500014, 500060, 500009, 500093, 500026, 500072, 500001.
500123	0.9551	CASCADE GENERAL HOSPITAL	500016, 500092, 500110, 500106.
500124	1.0786	EVERGREEN HOSPITAL MEDICAL CENTER	500051, 500075, 500001, 500008, 500026, 500025, 500027, 500078, 500005.
500125	0.7927	COULEE COMMUNITY HOSPITAL	500107, 500071, 500080, 500089, 500092.
500129	1.0427	TACOMA GENERAL HOSPITAL	500108, 500042, 500045, 500141, 500021, 500079, 500015, 500011, 500134, 500088.
500132	0.9931	DEER PARK HEALTH CENTER HOSPITAL	500077, 500044, 500035, 500054, 500119, 500097, 500048, 130049, 500089, 500055.
500134	1.1261	SCHICK-SHADEL HOSPITAL	500011, 500088, 500064, 500027, 500025, 500005, 500008, 500051.
500135	1.1218	SNOQUALMIE VALLEY HOSPITAL	500104, 500051, 500088, 500124, 500084, 500015, 500025, 500064.
500139	0.9966	CAPITAL MEDICAL CENTER	500024, 500118, 500061, 500021, 500019, 500042, 500045, 500108, 500129, 500079.
500141	1.0455	ST FRANCIS COMMUNITY HOSPITAL	500015, 500129, 500108, 500045, 500079, 500042, 500011, 500088, 500021.
510001	0.8700	WEST VIRGINIA UNIVERSITY HOSPITAL	510024, 510047, 390150, 390041, 510005, 510020, 390184, 210017, 510006, 510009.
510002	0.7646	HUMANA HOSPITAL GREENBRIER VALLEY	510080, 490126, 490085, 510016, 490099, 510062, 490110, 510066, 510070, 510060.
510004	0.7733	GUYAN VALLEY HOSPITAL	510048, 510035, 510077, 510015, 180069, 180128, 180044, 490127, 510085, 510029.
510005	0.8622	PRESTON MEMORIAL HOSPITAL	210017, 510020, 510024, 510001, 510047, 510061, 510009, 390041, 210046, 390184.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
510006	0.8222	UNITED HOSPITAL CENTER	510038, 510009, 510047, 510020, 510053, 510001, 510072, 510030, 510024, 510065.
510007	0.8645	ST MARYS HOSPITAL	510055, 180009, 360007, 180036, 510085, 180128, 360054, 360050, 510012.
510008	0.8196	CITY HOSPITAL	510068, 510027, 210001, 490005, 210005, 390138, 390209, 490043, 390151, 210025.
510009	0.8289	BROADDUS HOSPITAL ASSOCIATION	510020, 510053, 510006, 510030, 510038, 510047, 510005, 510001, 210017, 510024.
510012	0.8414	PLEASANT VALLEY HOSPITAL	360054, 360200, 510018, 360050, 360014, 510007, 510085, 510055, 360007.
510013	0.8117	REYNOLDS MEMORIAL HOSPITAL	360153, 510039, 510050, 360080, 510072, 360154, 390150, 360211, 360231, 390042.
510015	0.8696	BOONE MEMORIAL HOSPITAL	510004, 510048, 510029, 510059, 510040, 510022, 510031, 510035, 510085, 510028.
510016	0.7480	RICHWOOD AREA MEDICAL CENTER	510082, 510025, 510043, 510002, 510060, 510084, 490099, 510028, 510062, 510080.
510018	0.7773	JACKSON GENERAL HOSPITAL	510081, 510012, 360200, 360054, 510063, 510040, 510058, 510029, 510085, 510033.
510020	0.8289	GRAFTON CITY HOSPITAL	510047, 510009, 510006, 510005, 510001, 510024, 510053, 510030, 210017, 510038.
510022	0.8601	CHARLESTON AREA MEDICAL CENTER	510059, 510031, 510040, 510029, 510085, 510028, 510015, 510018, 510081, 510060.
510023	0.8671	WEIRTON MEDICAL CENTER	510076, 360083, 360211, 360096, 360238, 390176, 390036, 390037, 390160, 360080.
510024	0.8881	MONONGALIA COUNTY GENERAL HOSPITAL	510001, 510047, 390041, 390150, 510005, 510020, 390184, 210017, 510006, 390147.
510025	0.7337	WEBSTER COUNTY MEMORIAL HOSPITAL	510016, 510084, 510043, 510082, 510053, 510038, 510030, 490099, 510063, 510028.
510026	0.7797	GRANT MEMORIAL HOSPITAL	510061, 510036, 490006, 210017, 510030, 490123, 490047, 510005, 490004, 490033.
510027	0.7909	MORGAN COUNTY WAR MEMORIAL HOSPITAL	510008, 390209, 210025, 210001, 210027, 390117, 510068, 490005, 510036, 390138.
510028	0.8495	MONTGOMERY GENERAL HOSPITAL	510060, 510022, 510059, 510031, 510040, 510029, 510082, 510015, 510062, 510070.
510029	0.8841	HERBERT J THOMAS MEMORIAL HOSPITAL	510040, 510031, 510059, 510022, 510085, 510015, 510028, 510018, 510007, 510055.
510030	0.7915	DAVIS MEMORIAL HOSPITAL	510009, 510053, 510020, 510038, 510006, 510026, 510005, 210017, 510025, 510047.
510031	0.8601	ST FRANCIS HOSPITAL	510022, 510059, 510040, 510029, 510085, 510028, 510015, 510018, 510081, 510060.
510033	0.7497	ST JOSEPHS HOSPITAL	510058, 360147, 360178, 360014, 360200, 510018, 510063, 510065, 510081, 360067.
510035	0.7678	MAN APPALACHIAN REGIONAL HOSPITAL	510048, 510004, 180069, 510077, 510015, 510086, 490127, 510066, 510070, 510062.
510036	0.7880	HAMPSHIRE MEMORIAL HOSPITAL	510061, 210025, 210027, 210046, 510026, 490005, 210017, 510027, 390015, 490006.
510038	0.7870	STONEWALL JACKSON MEMORIAL HOSPITAL	510053, 510006, 510009, 510084, 510020, 510030, 510063, 510047, 510025, 510065.
510039	0.8383	OHIO VALLEY GENERAL HOSPITAL	510050, 360153, 360080, 510013, 360211, 360083, 360154, 390036, 360231, 390042.
510040	0.8738	DOCTORS HOSPITAL	510029, 510031, 510059, 510022, 510085, 510015, 510028, 510018, 510007, 510081.
510043	0.7687	POCAHONTAS MEMORIAL HOSPITAL	490099, 510016, 510025, 490126, 510082, 510002, 490031, 510084, 510030.
510046	0.8610	PRINCETON COMMUNITY HOSPITAL	510071, 510067, 490085, 510086, 510080, 490117, 490116, 510066, 490111, 510070.
510047	0.8231	FAIRMONT GENERAL HOSPITAL	510020, 510001, 510024, 510006, 510009, 510005, 390150, 510072, 510038, 510053.
510048	0.7733	LOGAN GENERAL HOSPITAL	510004, 510035, 510077, 180069, 510015, 180128, 180044, 490127, 510085, 510029.
510050	0.8383	WHEELING HOSPITAL	510039, 360080, 360153, 510013, 360211, 360083, 390036, 390042, 360154, 360231.
510053	0.7818	ST JOSEPH HOSPITAL	510038, 510009, 510030, 510006, 510020, 510084, 510047, 510025, 510063, 510005.
510055	0.8689	CABELL-HUNTINGTON HOSPITAL INC	510007, 180009, 360007, 180036, 510085, 180128, 360054, 360050, 510029.
510058	0.7497	CAMDEN CLARK MEMORIAL HOSPITAL	510033, 360147, 360178, 360014, 360200, 510018, 510063, 510081, 510065, 360067.
510059	0.8601	THE EYE & EAR CLINIC OF CHARLESTON	510022, 510031, 510040, 510029, 510085, 510028, 510015, 510018, 510060, 510081.
510060	0.8446	PLATEAU MEDICAL CENTER	510062, 510070, 510066, 510028, 510082, 510080, 510015, 510016, 510059, 510022.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
510061	0.7904	POTOMAC VALLEY HOSPITAL	510036, 210017, 210046, 210025, 210027, 510026, 510005, 390015, 390039, 510027.
510062	0.8777	BECKLEY APPALACHIAN REGIONAL HOSPITAL	510070, 510066, 510060, 510080, 510028, 510046, 510002, 510035, 510086, 510015.
510063	0.7669	CALHOUN GENERAL HOSPITAL COUNTY INC	510081, 510084, 510018, 510038, 510058, 510033, 360147, 360178, 510053, 510006.
510065	0.7764	SISTERVILLE GENERAL HOSPITAL	510072, 360178, 360147, 510013, 360154, 510033, 510058, 360153, 510006, 510039.
510066	0.8635	BECKLEY HOSPITAL	510070, 510062, 510060, 510080, 510046, 510028, 510035, 510086, 510071, 510002.
510067	0.8889	HUMANA HOSPITAL ST LUKES	510071, 510046, 490117, 510086, 490111, 490085, 490116, 490060, 490105, 490038.
510068	0.8149	JEFFERSON MEMORIAL HOSPITAL	510008, 490005, 490043, 210005, 210001, 510027, 490033, 390138, 210018.
510070	0.8777	RALEIGH GENERAL HOSPITAL	510066, 510062, 510060, 510080, 510028, 510046, 510035, 510086, 510015, 510002.
510071	0.9044	BLUEFIELD REGIONAL MEDICAL CENTER	510067, 510046, 490117, 510086, 490111, 490085, 490116, 490060, 490105, 510080.
510072	0.7709	WETZEL COUNTY HOSPITAL	510065, 510013, 360153, 510039, 510050, 360154, 360080, 360178, 510047, 510006.
510076	0.9057	WEIRTON OSTEOPATHIC HOSPITAL	510023, 360211, 360083, 360238, 360096, 390036, 390176, 390037, 390160, 390042.
510077	0.7668	WILLIAMSON MEMORIAL HOSPITAL	180069, 510048, 510004, 180044, 510035, 180032, 180005, 180028, 490127, 180078.
510080	0.8643	SUMMERS COUNTY HOSPITAL	510062, 510066, 510070, 510002, 510046, 490085, 510060, 510071, 510067, 490110.
510081	0.8410	ROANE GENERAL HOSPITAL	510063, 510018, 510084, 510058, 510033, 510031, 510022, 510059, 510040, 510029.
510082	0.8575	SUMMERVILLE MEMORIAL HOSPITAL	510016, 510028, 510025, 510060, 510084, 510062, 510043, 510070, 510022, 510059.
510084	0.7539	BRAXTON COUNTY MEMORIAL HOSPITAL	510063, 510025, 510038, 510081, 510082, 510053, 510016, 510006, 510028, 510018.
510085	0.8849	HCA PUTNAM GENERAL HOSPITAL	510029, 510040, 510031, 510059, 510022, 510007, 510055, 510015, 360054.
510086	0.8640	WELCH EMERGENCY HOSPITAL	490117, 510071, 510067, 490060, 510046, 490127, 510035, 510066, 510070, 510062.
520002	0.8958	ST MICHAELS HOSPITAL	520033, 520154, 520149, 520030, 520037, 520012, 520074, 520053, 520015, 520060.
520003	0.8368	MYRTLE WERTH MEDICAL CENTER	520171, 520070, 520013, 520017, 520153, 520123, 520124, 240008, 520010, 520026.
520004	0.8099	ST FRANCIS MEDICAL CENTER INC	520087, 520121, 240044, 520024, 240135, 520142, 520144, 160023, 520122, 520151.
520006	0.8995	MEMORIAL HOSPITAL OF TAYLOR COUNTY INC	520007, 520037, 520015, 520030, 520029, 520054, 520039.
520007	0.8680	VICTORY MEMORIAL HOSPITAL	520017, 520153, 520070, 520118, 520013, 520006, 520054, 520039, 520037, 520122.
520008	0.9500	WAUKESHA MEMORIAL HOSPITAL INC	520170, 520082, 520177, 520139, 520174, 520103, 520062, 520136, 520145, 520138.
520009	0.8772	ST ELIZABETH HOSPITAL	520160, 520045, 520141, 520048, 520053, 520115, 520097, 520075, 520049, 520012.
520010	1.1055	RIVER FALLS AREA HOSPITAL INC	520156, 520123, 240059, 240066, 520026, 240003, 240018, 240210, 240106, 240063.
520011	0.8183	LAKEVIEW MEDICAL CENTER	520124, 520068, 520135, 520047, 520039, 520153, 520018, 520161, 520017.
520012	0.8760	CLINTONVILLE COMMUNITY HOSPITAL	520092, 520053, 520154, 520160, 520009, 520045, 520141, 520097, 520101, 520075.
520013	0.8165	SACRED HEART HOSPITAL	520070, 520017, 520003, 520118, 520153, 520171, 520007, 520122, 520142, 240008.
520014	0.9293	STOUGHTON COMMUNITY HOSPITAL	520031, 520083, 520089, 520098, 520071, 520066, 520100, 520084, 520116, 520028.
520015	0.8954	GOOD SAMARITAN HEALTH CENTER	520030, 520029, 520006, 520019, 520037, 520002, 520091.
520016	0.7505	ST JOSEPHS MEMORIAL HOSPITAL	520109, 520042, 520117, 520144, 520024, 520121, 520057, 520074, 520095, 520114.
520017	0.8223	ST JOSEPHS HOSPITAL	520070, 520013, 520153, 520007, 520003, 520118, 520171, 520124, 520039, 520122.
520018	0.8532	APPLE RIVER HOSPITAL INC	520112, 520026, 520157, 520068, 520123, 520124, 240066, 240028, 240050.
520019	0.8777	ST MARYS HOSPITAL	520029, 520159, 520091, 520120, 520015, 520030, 230149.
520021	0.9386	KENOSHA HOSPITAL & MEDICAL CENTER	520069, 140100, 520094, 520096, 140084, 140033, 140202, 140130, 520059, 520056.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
520024	0.8104	THE VERNON MEMORIAL HOSPITAL INC	520004, 520087, 520121, 520016, 520117, 520114, 160023, 520144, 240135, 520134.
520025	0.8506	WAUPUN MEMORIAL HOSPITAL	520076, 520090, 520088, 520084, 520060, 520038, 520048, 520116, 520063, 520041.
520026	0.9709	HOLY FAMILY HOSPITAL	520123, 240066, 520156, 520018, 520157, 520010, 520112, 240050, 240028, 240210.
520027	0.9223	ST MARYS HOSPITAL OZAUKEE INC	520063, 520040, 520103, 520145, 520140, 520136, 520051, 520038, 520148.
520028	0.8799	ST CLARE HOSPITAL OF MONROE	140160, 520110, 520066, 520100, 520014, 520031, 140239, 520032, 520083, 520089.
520029	0.8970	SACRED HEART HOSPITAL	520019, 520015, 520091, 520030, 520006, 520159, 520131.
520030	0.8990	WAUSAU HOSPITALS CENTER	520015, 520002, 520037, 520006, 520029, 520033, 520019.
520031	0.9299	MEMORIAL COMMUNITY HOSPITAL	520014, 520066, 520071, 520100, 520083, 520089, 520098, 520116, 520102, 520028.
520032	0.9343	MEMORIAL HOSPITAL OF IOWA COUNTY INC	520110, 520178, 520146, 520117, 520095, 520114, 520028, 520098, 520083, 520089.
520033	0.8886	RIVERVIEW HOSPITAL ASSOCIATION	520002, 520037, 520074, 520149, 520154, 520054, 520030, 520109, 520144, 520151.
520034	0.8602	TWO RIVERS COMMUNITY HOSPITAL	520081, 520107, 520111, 520035, 520044, 520115, 520075, 520049, 520132, 520141.
520035	0.8460	SHEBOYGAN MEMORIAL MEDICAL CENTER	520044, 520132, 520107, 520081, 520027, 520034, 520115, 520063, 520088, 520048.
520037	0.8927	ST JOSEPHS HOSPITAL	520054, 520033, 520002, 520030, 520006, 520007, 520151, 520015.
520038	0.9026	HARTFORD MEMORIAL HOSPITAL INC	520063, 520103, 520062, 520116, 520170, 520008, 520027, 520076, 520145, 520040.
520039	0.8130	RUSK COUNTY MEMORIAL HOSPITAL	520011, 520153, 520007, 520124, 520017, 520006, 520161, 520135, 520068, 520047.
520040	0.9466	ST MICHAEL HOSPITAL OF MILWAUKEE	520145, 520136, 520140, 520051, 520148, 520064, 520174, 520177, 520082.
520041	0.9314	DIVINE SAVIOR HOSPITAL	520057, 520095, 520042, 520084, 520076, 520098, 520089, 520083, 520109, 520074.
520042	0.9530	REEDSBURG MEMORIAL HOSPITAL INC	520057, 520109, 520016, 520095, 520117, 520041, 520074, 520144, 520032, 520098.
520044	0.8460	ST NICHOLAS HOSPITAL	520035, 520132, 520107, 520081, 520027, 520115, 520034, 520063, 520088, 520048.
520045	0.8712	THEDA CLARK MEMORIAL HOSPITAL	520009, 520160, 520141, 520048, 520115, 520053, 520060, 520088, 520097, 520090.
520047	0.8331	COMMUNITY MEMORIAL HOSPITAL	520135, 520068, 520011, 520161, 520124, 520130, 520018, 520039, 520112.
520048	0.8697	MERCY MEDICAL CENTER	520045, 520009, 520088, 520115, 520160, 520090, 520060, 520141, 520053, 520025.
520049	0.8756	BELLIN MEMORIAL HOSPITAL	520075, 520097, 520141, 520160, 520111, 520101, 520009, 520077, 520045, 520081.
520051	0.9106	ST MARYS HOSPITAL	520140, 520148, 520064, 520040, 520136, 520145, 520078, 520138, 520176.
520053	0.8596	NEW LONDON FAMILY MEDICAL CENTER INC	520154, 520012, 520160, 520009, 520045, 520141, 520048, 520092, 520149, 520060.
520054	0.8448	MEMORIAL HOSPITAL INC	520151, 520037, 520118, 520007, 520122, 520033, 520144, 520006, 520121, 520017.
520056	0.9261	TRINITY MEMORIAL HOSPITAL	520176, 520078, 520138, 520148, 520064, 520051, 520139, 520140, 520174.
520057	0.9318	ST CLARE HOSPITAL	520041, 520095, 520042, 520109, 520016, 520098, 520089, 520117, 520083, 520074.
520058	0.9230	SUPERIOR MEMORIAL HOSPITAL	240019, 240002, 240047, 240045, 240051, 240121.
520059	0.9187	MEMORIAL HOSPITAL	520102, 520096, 140116, 520069, 520021, 140144, 520008, 520094, 520139, 140176.
520060	0.8675	BERLIN MEMORIAL HOSPITAL	520090, 520149, 520048, 520154, 520025, 520045, 520088, 520053, 520009, 520160.
520062	0.9518	MEMORIAL HOSPITAL AT OCONOMOWOC	520008, 520116, 520038, 520170, 520103, 520071, 520082, 520177, 520174, 520139.
520063	0.9175	ST JOSEPHS COMMUNITY HOSPITAL	520038, 520027, 520103, 520040, 520170, 520145, 520132, 520136, 520062, 520177.
520064	0.9342	SINAI SAMARITAN MEDICAL CENTER—MT SINAI	520148, 520136, 520051, 520140, 520138, 520078, 520145, 520174, 520177.
520066	0.8757	MERCY HOSPITAL OF JANESVILLE	520100, 520031, 520014, 520071, 140239, 140144, 140233, 520102, 140228, 520028.
520068	0.8257	CUMBERLAND MEMORIAL HOSPITAL	520124, 520011, 520135, 520047, 520018, 520112, 520157, 520130, 520026.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
520069	0.9386	ST CATHERINES HOSPITAL	520021, 520094, 520096, 140100, 140084, 140033, 520059, 520056, 140202, 140130.
520070	0.8165	LUTHER HOSPITAL	520013, 520017, 520003, 520153, 520118, 520171, 520007, 520122, 520142, 240008.
520071	0.8512	FORT ATKINSON MEMORIAL HOSPITAL	520031, 520014, 520116, 520062, 520066, 520102, 520100, 520008, 520084, 520089.
520074	0.7971	ADAMS COUNTY MEMORIAL HOSPITAL	520109, 520033, 520042, 520149, 520016, 520144, 520041, 520057, 520002, 520060.
520075	0.8756	ST VINCENT HOSPITAL	520049, 520097, 520141, 520160, 520111, 520009, 520101, 520077, 520045, 520081.
520076	0.8390	BEAVER DAM COMMUNITY HOSPITALS INC	520025, 520084, 520116, 520038, 520090, 520062, 520088, 520063, 520041, 520071.
520077	0.8690	OCONTO MEMORIAL HOSPITAL INC	520101, 520113, 520152, 520097, 520049, 520075, 520111, 520092, 520141, 520012.
520078	0.9297	ST FRANCIS HOSPITAL INC	520138, 520176, 520064, 520148, 520139, 520056, 520174, 520177, 520051, 520082.
520081	0.8602	MEMORIAL HOSPITAL	520107, 520034, 520035, 520111, 520044, 520115, 520132, 520141, 520075, 520049.
520082	0.9311	LAKEVIEW HOSPITAL	520177, 520174, 520139, 520136, 520145, 520064, 520138, 520148, 520170, 520078.
520083	0.9350	ST MARYS HOSPITAL MEDICAL CENTER	520089, 520098, 520014, 520095, 520031, 520084, 520071, 520066, 520057, 520116.
520084	0.9296	COLUMBUS COMMUNITY HOSPITAL	520076, 520116, 520089, 520025, 520083, 520098, 520041, 520071, 520014, 520062.
520087	0.8099	LA CROSSE LUTHERAN HOSPITAL	520004, 520121, 240044, 520024, 240135, 520142, 520144, 520151, 520122, 160023.
520088	0.8590	ST AGNES HOSPITAL	520048, 520025, 520090, 520115, 520132, 520063, 520045, 520060, 520076, 520038.
520089	0.9325	MERITER HOSPITAL INC	520083, 520098, 520014, 520095, 520031, 520084, 520071, 520066, 520057, 520041.
520090	0.8691	RIPON MEMORIAL HOSPITAL INC	520060, 520025, 520048, 520088, 520076, 520045, 520149, 520009, 520115, 520154.
520091	0.8706	HOWARD YOUNG MEDICAL CENTER	520159, 520019, 520029, 520120, 520131, 230143, 520015.
520092	0.8701	SHAWANO COMMUNITY HOSPITAL	520012, 520101, 520053, 520097, 520049, 520075, 520160, 520077, 520154, 520009.
520094	0.9107	ST LUKES HOSPITAL	520096, 520069, 520021, 520056, 140100, 520176, 520078, 520138, 520139, 140084.
520095	0.9343	SAUK PRAIRIE MEMORIAL HOSPITAL	520057, 520098, 520041, 520089, 520083, 520042, 520032, 520117, 520084, 520014.
520096	0.8999	ST MARYS MEDICAL CENTER INC	520094, 520069, 520021, 520056, 520176, 520078, 520138, 140100, 520139, 520064.
520097	0.8751	ST MARYS HOSPITAL MEDICAL CENTER	520049, 520075, 520141, 520101, 520160, 520009, 520077, 520111, 520045, 520092.
520098	0.9325	UNIVERSITY OF WISC HOSPITAL AND CLINICS	520089, 520083, 520014, 520095, 520031, 520084, 520071, 520057, 520041, 520066.
520100	0.8738	BELOIT MEMORIAL HOSPITAL INC	520066, 140239, 140233, 140228, 520031, 140144, 140128, 140205, 520102, 520014.
520101	0.8690	COMMUNITY MEMORIAL HOSPITAL INC	520077, 520097, 520092, 520049, 520075, 520113, 520012, 520152, 520111, 520141.
520102	0.9000	LAKELAND MEDICAL CENTER	520059, 140144, 140176, 520071, 140116, 520100, 520008, 520066, 520062, 520031.
520103	0.9496	COMMUNITY MEMORIAL HOSPITAL	520170, 520145, 520136, 520040, 520082, 520177, 520174, 520008, 520139, 520064.
520107	0.8602	HOLY FAMILY MEDICAL CENTER	520081, 520034, 520035, 520044, 520115, 520111, 520132, 520141, 520075, 520049.
520109	0.7610	HESS MEMORIAL HOSPITAL	520016, 520042, 520074, 520144, 520057, 520041, 520117, 520121, 520095, 520024.
520110	0.7923	MEMORIAL HOSPITAL—LAFAYETTE COUNTY	520178, 520032, 520028, 140074, 160069, 160117, 520146, 160056, 140160, 140229.
520111	0.8686	ST MARYS KEWAUNEE AREA MEMORIAL HOSPITAL.	520034, 520081, 520049, 520075, 520107, 520152, 520097, 520077, 520141, 520101.
520112	0.8902	ST CROIX VALLEY MEMORIAL HOSPITAL	520157, 520018, 240028, 240050, 520026, 240169, 520130, 240066, 240020.
520113	0.8688	BAY AREA MEDICAL CENTER MARINETTE	520077, 520152, 520101, 520097, 520111, 520049, 520075.
520114	0.7090	MEMORIAL HOSPITAL OF BOSCOBEL	520146, 520117, 520134, 520178, 520024, 160097, 520032, 160023, 160063, 520016.
520115	0.8625	CALUMET MEDICAL CENTER	520048, 520141, 520045, 520009, 520160, 520132, 520088, 520107, 520081, 520035.
520116	0.8889	WATERTOWN MEMORIAL HOSPITAL	520062, 520084, 520076, 520071, 520038, 520008, 520025, 520014, 520031, 520103.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
520117	0.7537	THE RICHLAND HOSPITAL INC	520114, 520016, 520042, 520024, 520032, 520095, 520057, 520109, 520146, 520178.
520118	0.8040	OSSEO AREA MUNICIPAL HOSPITAL	520122, 520013, 520070, 520151, 520142, 520017, 520054, 520007, 520171, 520153.
520120	0.7857	NORTHWOODS HOSPITAL	520159, 230149, 520091, 520019, 230194.
520121	0.8108	ST MARYS HOSPITAL INC	520144, 520087, 520004, 520151, 520024, 520016, 520109, 520122, 520142, 240044.
520122	0.8111	TRI-COUNTY MEMORIAL HOSPITAL	520142, 520118, 520151, 240044, 520013, 520070, 240008, 520171, 520054, 520121.
520123	0.8579	BALDWIN COMMUNITY MEMORIAL HOSPITAL	520026, 520010, 520156, 240066, 520018, 520003, 240059, 240018, 520157, 520171.
520124	0.8256	BARRON MEMORIAL MEDICAL CENTER	520011, 520068, 520135, 520153, 520018, 520047, 520003, 520039, 520017.
520130	0.8205	BURNETT GENERAL HOSPITAL INC	240169, 520112, 240058, 240152, 240020, 520157, 240028, 520018, 520068.
520131	0.8301	FLAMBEAU MEDICAL CENTER INC	520091, 230143, 520039, 520029, 520173.
520132	0.8460	VALLEY VIEW MEDICAL CENTER	520044, 520035, 520115, 520088, 520027, 520063, 520107, 520081, 520048, 520034.
520134	0.6886	PRAIRIE DU CHIEN MEMORIAL HOSPITAL	160097, 160063, 160132, 520114, 160023, 520146, 160129, 160081, 520024, 520178.
520135	0.8331	INDIANHEAD MEDICAL CENTER	520047, 520068, 520011, 520124, 520161, 520130, 520018, 520112, 520039.
520136	0.9466	ST JOSEPHS HOSPITAL	520145, 520064, 520148, 520040, 520174, 520177, 520082, 520140, 520051.
520138	0.9314	ST LUKES MEDICAL CENTER INC	520078, 520176, 520139, 520064, 520148, 520174, 520177, 520082, 520056, 520136.
520139	0.9280	WEST ALLIS MEMORIAL HOSPITAL	520082, 520174, 520177, 520138, 520078, 520064, 520176, 520148, 520136, 520145.
520140	0.9320	COLUMBIA HOSPITAL INC	520051, 520148, 520040, 520064, 520136, 520145, 520078, 520138, 520174.
520141	0.8771	KAUKAUNA COMMUNITY HOSPITAL	520160, 520009, 520045, 520115, 520075, 520049, 520097, 520048, 520053, 520107.
520142	0.8356	ST JOSEPH HOSPITAL	520122, 240044, 520118, 240008, 520151, 520087, 520004, 520171, 520013, 240090.
520144	0.8149	TOMAH MEMORIAL HOSPITAL	520121, 520016, 520109, 520151, 520074, 520024, 520087, 520004, 520042, 520054.
520145	0.9466	NORTHWEST GENERAL HOSPITAL	520136, 520040, 520064, 520148, 520174, 520177, 520140, 520082, 520051.
520146	0.7675	LANCASTER MEMORIAL HOSPITAL	520178, 160097, 520114, 160117, 160069, 520134, 520032, 160056, 520110, 140074.
520148	0.9320	LANGLADE COUNTY MEMORIAL HOSPITAL	520064, 520051, 520136, 520140, 520145, 520138, 520078, 520174, 520040.
520149	0.8553	WILD ROSE COMMUNITY MEMORIAL HOSPITAL	520154, 520060, 520053, 520002, 520090, 520074, 520033, 520048, 520045, 520012.
520151	0.8466	BLACK RIVER FALLS MEMORIAL HOSPITAL	520054, 520122, 520121, 520118, 520144, 520142, 520087, 520004, 240044, 520037.
520152	0.8698	DOOR COUNTY MEMORIAL HOSPITAL	520113, 520077, 520111, 520101, 520049, 520075, 520097, 520034.
520153	0.8440	BLOOMER COMMUNITY MEMORIAL HOSPITAL	520017, 520070, 520013, 520003, 520124, 520007, 520011, 520039, 520068, 520118.
520154	0.8621	RIVERSIDE MEDICAL CENTER	520149, 520053, 520012, 520060, 520002, 520045, 520009, 520160, 520048, 520033.
520156	1.1211	HUDSON MEMORIAL HOSPITAL INC	240066, 520010, 520026, 240003, 240210, 240059, 240106, 240063, 240038, 520123.
520157	0.8669	LADD MEMORIAL HOSPITAL	520112, 240028, 240050, 520026, 520018, 240066, 520156, 240169, 520123.
520159	0.7939	EAGLE RIVER MEMORIAL HOSPITAL	520120, 520019, 520091, 230149, 520029, 230194.
520160	0.8772	APPLETON MEDICAL CENTER	520009, 520141, 520045, 520053, 520048, 520115, 520097, 520075, 520049, 520012.
520161	0.8438	HAYWARD AREA MEMORIAL HOSPITAL	520047, 520135, 520011, 520068, 520039, 520173, 520124.
520170	0.9496	ELMBROOK MEMORIAL HOSPITAL	520008, 520082, 520177, 520174, 520103, 520139, 520145, 520136, 520064, 520040.
520171	0.8409	CHIPPEWA VALLEY HOSPITAL	240008, 520003, 240090, 520013, 520070, 240018, 520123, 520142, 520017, 520010.
520173	0.9054	MEMORIAL MEDICAL CENTER INC	230143, 520161, 520131, 240051.
520174	0.9330	MILWAUKEE COUNTY MEDICAL COMPLEX	520177, 520082, 520139, 520136, 520064, 520145, 520148, 520138, 520078, 520040.
520176	0.9297	DEPAUL HOSPITAL INC	520078, 520138, 520056, 520064, 520139, 520148, 520174, 520177, 520051, 520082.
520177	0.9311	FROEDTERT MEMORIAL LUTHERAN HOSPITAL	520174, 520082, 520139, 520136, 520145, 520064, 520148, 520138, 520078, 520170.

APPENDIX F.—PROPAC PROPOSED NEAREST NEIGHBOR WAGE INDEX—Continued

Provider No.	Wage index	Provider name	Nearest neighbors in proximity order
520178	0.7675	SOUTHWEST HEALTH CENTER INC	520146, 520110, 160069, 160117, 520032, 140074, 160056, 520114, 160097, 520134.
530001	0.8513	DEPAUL HOSPITAL	530014, 530025, 060010.
530002	0.8023	CAMPBELL COUNTY MEMORIAL HOSPITAL	NO PROVIDER WITHIN 50 MILES.
530003	0.7809	WESTON COUNTY HOSPITAL	430051, 530031, 430004, 430044, 430048, 430077.
530004	0.7426	HOT SPRINGS COUNTY MEMORIAL HOSPITAL	530022, 530008.
530005	0.7869	CONVERSE COUNTY MEMORIAL HOSPITAL	530027, 530012.
530006	0.7424	MEMORIAL HOSPITAL OF SHERIDAN COUNTY	530026.
530007	0.8437	POWELL HOSPITAL	530029, 530016, 270029, 530024.
530008	0.8165	RIVERTON MEMORIAL HOSPITAL	530010, 530004.
530009	0.7203	MEMORIAL HOSPITAL OF CARBON COUNTY	NO PROVIDER WITHIN 50 MILES.
530010	0.8174	LANDER VALLEY REGIONAL MEDICAL CENTER	530008.
530011	0.8130	MEMORIAL HOSPITAL SWEETWATER COUNTY	NO PROVIDER WITHIN 50 MILES.
530012	0.7889	WYOMING MEDICAL CENTER	530005.
530014	0.8513	MEMORIAL HOSPITAL OF LARAMIE COUNTY	530001, 530025, 060010.
530015	0.9215	ST JOHNS HOSPITAL	130044, 530023.
530016	0.8478	WEST PARK COUNTY HOSPITAL	530007, 530029, 270029, 530024.
530017	0.9174	SOUTH LINCOLN MEDICAL CENTER	530032.
530018	0.7622	COMMUNITY HOSPITAL	280061, 530019, 530027.
530019	0.7972	PLATTE COUNTY MEMORIAL HOSPITAL	530018.
530022	0.7426	WASHAKIE COUNTY MEMORIAL HOSPITAL	530004, 530024.
530023	0.9276	STAR VALLEY HOSPITAL	130031, 130017, 530015.
530024	0.8128	SOUTH BIG HORN HOSPITAL	530022, 530029, 530007, 530016.
530025	0.8539	IVINSON MEMORIAL HOSPITAL	530014, 530001.
530026	0.7539	JOHNSON COUNTY MEMORIAL HOSPITAL	530006.
530027	0.7494	NIOBRARA MEMORIAL HOSPITAL	530005, 530018.
530029	0.8458	NORTH BIG HORN HOSPITAL	530007, 530024, 530016, 270029.
530031	0.7744	CROOK COUNTY MEMORIAL HOSPITAL	430048, 430004, 530003, 430028.
530032	0.9507	IHC EVANSTON REGIONAL HOSPITAL	530017, 460005, 460004

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Appendix G

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

REPORT AND RECOMMENDATIONS TO THE CONGRESS

March 1, 1993

Prospective Payment Assessment Commission

Stuart H. Altman, PH.D., *Chairman*
Richard A. Berman
James D. Bernstein
Clay D. Edmands
William D. Fullerton
William S. Hoffman, Ph.D.
Clark E. Kerr
James R. Kimmey, M.D.
David A. Kindig. M.D.
Larry L. Mathis
Donald R. Oder
Elliott C. Roberts, Sr.
J. Michael Sadaj, M.D.
Leonard D. Schaeffer
J.B. Silvers, Ph.D.
Roxane B. Spitzer-Lehmann
Bruce C. Vladeck, Ph.D.

Staff and Consultants

Donald A. Young, MD., *Executive Director*
Laura A. Dummit, *Deputy Executive Director*
Stuart Guterman, *Deputy Executive Director*
Sharon B. Arnold, PhD.
John L. Ashby
Amy B. Bernstein, Sc.D.
Thomas B. Bradley
Wylene Carlyle
Delores J. Curtis
Teresa A. Fama
Karen S. Fisher, J.D.
Gina M. Fortuna
Barbara J. Gage
Timothy F. Greene
Claudia C. Johnson
Lynn L. Lewis
Craig K. Lisk
Mary Anne Miles
Julian H. Pettengill
Molly Ryan
Claire E. Sharda
Deborah K. Williams
Melissa M. Winkel
Jeannette A. Younes

March 1, 1993.

The Honorable Al Gore,
President of the Senate, United States Senate, Washington, D.C. 20510.

Dear Mr. President: I am hereby transmitting to the Congress the annual report of the Prospective Payment Assessment Commission as required by

Section 1886(e)(3) of the Social Security Act as amended by Public Law 101–508. This report presents a discussion of trends in hospital costs and payments under Medicare's prospective payment system in the context of rising Medicare and overall health care expenditures. The report also contains 22 recommendations and addresses several additional concerns that reflect the Commission's collective judgment about issues of substantial importance to beneficiaries, hospitals, other providers, and the Medicare program.

Sincerely,

Stuart H. Altman,

Chairman.

March 1, 1993.

The Honorable Thomas Foley,
Speaker, United States House of Representatives, Washington, DC 20515.

Dear Mr. Speaker: I am hereby transmitting to the Congress the annual report of the Prospective Payment Assessment Commission as required by Section 1886(e)(3) of the Social Security Act as amended by Public Law 101–508. This report presents a discussion of trends in hospital costs and payments under Medicare's prospective payment system in the context of rising Medicare and overall Health care expenditures. The report also contains 22 recommendations and addresses several additional concerns that reflect the Commission's collective judgment about issues of substantial importance to beneficiaries, hospitals, other providers, and the Medicare program.

Sincerely,

Stuart H. Altman,

Chairman.

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EXECUTIVE SUMMARY

In this report for fiscal year 1994, the Prospective Payment Assessment Commission (ProPAC) examines health care spending trends and Medicare hospital payments. The Commission also presents 22 recommendations covering a range of topics, from broad Medicare payment policies to updating payment rates and refining certain aspects of Medicare hospital and other facility payments. This report reflects the analysis and collective judgment of ProPAC's Commissioners about issues of substantial importance to beneficiaries, hospitals and other

providers, and the Medicare program. The report is made directly to the Congress, although the Secretary of Health and Human Services is required to respond to the Commission's recommendations.

ProPAC's responsibilities have expanded from its original mandate of advising the Congress and Secretary on the Medicare prospective payment system (PPS) for hospitals. These expanded responsibilities include analyzing and developing prospective payment policies for all facility services furnished to Medicare beneficiaries. The Commission also has examined issues related to the adequacy of Medicaid hospital payment rates and the use of Medicare payment methods for other payers. ProPAC, however, continues to devote substantial effort to updating and improving Medicare policies for paying hospitals. As Medicare continues to attempt to control growth in its spending, the Commission recognizes that the interaction between Medicare's policies and those of other payers is increasingly important.

Health Care Expenditures and Hospital Payments: How Much Is Appropriate?

Despite increased attention to controlling costs, total national health care expenditures have continued to grow. Expenditures in 1992 are estimated at $808 billion, or 13.6 percent of the gross domestic product. Health care expenditures are accounting for an expanding share of personal income; business expenses; and Federal, state, and local budgets. If current trends continue, health care spending will rise to $1.7 trillion by the year 2000.

Medicare has attempted to control its spending and create incentives for improving efficiency by introducing new payment methods. PPS changed the way that hospitals are paid under Medicare by providing a prospectively set rate per discharge. It has had a major effect on Medicare hospital payments as the ascent in Medicare inpatient hospital spending slowed from an annual rate of 9.1 percent above economywide inflation for the six years preceding PPS to 2.5 percent for the first six years under PPS.

Hospital costs, however, have continued to climb rapidly. Whereas PPS payments increased an estimated 87 percent in the first nine years of PPS, operating costs per Medicare discharge rose by an estimated 106 percent—more than twice the inflation in the prices of hospital inputs over the same period. PPS incentives to control hospital costs have not had the intended effect. Hospitals have been able to offset the difference between Medicare payments and costs by boosting charges to other payers. In 1990, total Medicare hospital payments were 10 percent below costs, while payments from private insurers were 28 percent greater than the costs of treating their patients.

Despite the continuing increase in hospital costs and higher charges to private insurers, it is important to continue to limit the rise of Medicare inpatient hospital payments. To do otherwise would threaten the financial stability of the Medicare program and encourage further growth in hospital costs. PPS payments should continue to increase at a reasonable rate, recognizing costs beyond hospitals' control, but maintaining financial incentives for improved productivity.

As the gap between Medicare payments and costs widens, differences in the performance of hospitals become more important. In the first year of PPS, payments exceeded costs for 83 percent of all hospitals. By the seventh year, only 43 percent of the hospitals had PPS payments that covered their costs. Further, the difference between hospitals with the highest and lowest payments relative to costs has widened.

The overall level of Medicare PPS payments is limited by the annual update and case-mix index (CMI) growth. Most other potential changes in payment policy affect only the distribution of payments, creating relative winners and losers. This may influence the willingness and ability of policy makers to implement changes that would improve the fairness of the payment system. Nonetheless, these changes should be made to ensure that the distribution of PPS payments reflects justifiable differences in the cost of care across geographic areas and types of hospitals.

While PPS has constrained inpatient hospital payments, it has also encouraged the provision of services in other settings. Along with major technological developments, this has led to a rapid increase in the use of ambulatory and other services. As a result, the growth rate of benefit payments for other Medicare-covered services has been much greater than that for inpatient hospital payments.

Effective methods must continue to be sought to control total spending across all sites of care. Further, it is important to ensure that payment policies are coordinated across sites, to encourage the appropriate mix of care during each episode of illness.

Access and the quality of care provided to Medicare beneficiaries are serious concerns. Mounting pressures to control costs result in increasing financial strain on providers. Mechanisms for monitoring access, appropriateness, and quality must be strengthened as care shifts from inpatient to other settings, particularly ambulatory care facilities.

These concerns must be addressed in future Medicare policy decisions and are central issues in approaches to health care reform. In this report, they provide a context in which to consider the Commission's recommendations for fiscal year 1994.

Summary of Recommendations

In Chapter 2, ProPAC presents 22 recommendations for updating and improving Medicare payment policies. The Commission believes these proposed changes are necessary for maintaining access to quality health care, encouraging hospital productivity and cost effectiveness, and permitting adoption of innovative and appropriate scientific and technological advances. The Commission developed its recommendations by setting priorities, analyzing information, and deliberating on the implications of alternative policies. ProPAC also pays close attention to the concerns of the Congress, the Administration, health care providers, third-party payers, enrollees, and the general public. The Commission's recommendations are offered to comply with ProPAC's statutory mandate and to contribute to an informed, open debate about Medicare payment policies. For fiscal year 1994, the Commission's recommendations focus on five broad areas and their impact on the health care system at large:

- Medicare program policies,
- Hospital payment updates,
- PPS wage index and hospital labor market definitions,
- Other hospital payment policies, and
- Medicare payment policies for other facilities.

Medicare Program Policies

Medicare's PPS was enacted to control Medicare inpatient spending and provide financial incentives to hospitals to control the rise in the cost of inpatient care. While PPS has slowed the growth in Medicare payments for inpatient hospital services, hospitals have obtained additional revenue from other sources, primarily higher charges to privately insured patients, to maintain their financial position. However, overall hospital financial performance has remained relatively stable as costs for inpatient hospital care continue to climb at higher rates than Medicare payments.

The Commission believes the Medicare program should continue to control growth in its spending for hospital services. Program payments for hospital services should balance several needs, including access to quality care, improvements in hospital productivity, and constraints on cost increases. The Commission is concerned that PPS incentives to reduce costs have been weakened as hospitals have obtained more revenues from private payers to offset Medicare's payment restraints. All payers and providers need to strengthen their efforts to control the escalation in the cost of furnishing health care.

PPS payment adjustments for variation in case complexity, local labor market conditions, and teaching activity, for example, are important for maintaining an equitable distribution of payments among hospitals. Many recent and proposed revisions of these adjustments are technically correct policy improvements that make the system fairer. While these changes will lead to gains and losses for different hospitals, the Commission believes that technically sound modifications of PPS payment policies are necessary to ensure an equitable distribution of payments.

The Commission is also responsible for making Medicare payment policy recommendations for other facility-based services, such as hospital outpatient, skilled nursing, and dialysis. At the same time that growth in spending for inpatient hospital services has slowed, Medicare policies and other factors have encouraged the delivery of care in other sites. Medicare's attempts to control spending in these sites have generally contained the rise in the price paid per unit of service. These policies, however, have not controlled the increase in the number or complexity of services furnished. Total Medicare spending is escalating at rates much faster than can be explained by inflation and increases in the number of enrollees. This is straining the resources of the Medicare trust funds, creating substantial financial burdens for Medicare beneficiaries, and adding to the Federal deficit.

The Commission believes the Medicare program must develop policies that will control spending across all sites of care. Policy improvements should curb the growth in spending by encouraging the use of resources more efficiently. At the same time, the continuum of care for Medicare beneficiaries should be improved.

Medicare traditionally has relied on the survey and certification process and Peer Review Organizations to ensure quality of care in hospitals. As care moves to other settings, quality review mechanisms in those settings become increasingly important. However, in some cases, care provided in other sites is not subject to any Federal quality oversight. The Commission believes the Medicare program should continue to strengthen its ability to ensure quality of care for Medicare beneficiaries across all sites of care, with special attention on ambulatory care and other services furnished outside the acute care hospital setting.

Hospital Payment Updates

The Commission recommends fiscal year 1994 updates equal to the increase in the Health Care Financing Administration (HCFA) PPS market basket minus 0.9 percentage points for urban hospitals and market basket plus 0.6 percentage points for hospitals in rural areas. Based on current HCFA projections, these updates are 3.4 percent and 4.9 percent, respectively. The average update is market basket minus 0.7 percentage points, or 3.6 percent.

The update recommendation combines several components. First, the fiscal year 1994 increase in the HCFA market basket is forecasted to be 4.3 percent. Second, 0.1 percentage points are added to better reflect the rise in hospital labor costs that, in the Commission's judgment, is not adequately measured in HCFA's market basket. Third, an adjustment of −1.3 percentage points for error in the fiscal year 1992 market basket forecast is made. Fourth, an upward adjustment of 1.0 percentage points is made to allow for higher costs due to scientific and technological advances. In addition, an adjustment of −0.5 percentage points is included to reflect a target rate of increase in hospital productivity, the savings from which are to be shared equally by Medicare and the hospital industry. Finally, a −0.2 percentage point adjustment for case-mix change offsets the estimated extra revenues hospitals received due to fiscal year 1993 case-mix index increases that were not related to treating sicker patients.

The Commission also supports the continued phased elimination of the differential between the standardized payment amounts given to hospitals in rural areas and to those in urban areas with fewer than one million people. Therefore, 1.5 percentage points have been added to the update for rural hospitals.

The Federal prospective capital payment rate should be increased in fiscal year 1994 using a formula similar to that used for PPS operating payments. ProPAC recommends an update of 2.7 percent to the Federal capital payment rate. This update includes a 3.0 percent rise in a capital market basket index that reflects the one-year change in the price of capital. The Commission's update framework also includes a policy adjustment to reflect changes in financing costs when interest rates change significantly. This year, the Commission believes no financing adjustment is necessary. Like the operating update, the capital update includes a positive 0.4 percentage point adjustment for scientific and technological advances, a −0.5 percentage point productivity adjustment, and a −0.2 percentage point case-mix change adjustment.

ProPAC also recommends that there should ultimately be one update for operating and capital payments. If a fully phased-in capital prospective payment system were in place in fiscal year 1994, the recommended combined update would be 3.5 percent.

The update is only one source of growth in total PPS payments to hospitals. Change in the case-mix index, which is estimated at 1.9 percent in fiscal year 1994, will also drive up payments. As a result, the average increase in per case payments, including CMI change and the combined effect of ProPAC's operating and capital update recommendations, is expected to be 5.5 percent in fiscal year 1994.

CMI change has always played a significant role in the growth of PPS payments, but that proportion which is due to treating sicker patients cannot be determined accurately. ProPAC recommends that the Secretary collect date to make these estimates.

For hospitals paid on the basis of a hospital-specific rate, the Commission recommends an update equal to the rural update of 4.9 percent.

The Commission recommends a fiscal year 1994 update of market basket minus 1.2 percentage points to the cost targets for PPS-excluded hospitals and distinct-part units. The update factor recommendation combines several components. First, the fiscal year 1994 HCFA PPS-excluded market basket index is estimated to increase 4.4 percent. Second, an adjustment of −1.4 percentage points for the error in the fiscal year 1992 market basket forecast is included. Third, a positive 0.2 percentage point adjustment is recommended for scientific and technological advances. No productivity adjustment is made because the payment methodology automatically results in program savings from productivity improvements.

PPS Wage Index and Hospital Labor Market Definitions

The PPS wage index is intended to measure geographic differences in the unit price of hospital labor. The index is based on average hourly labor costs in each labor market area relative to the national average cost. Labor market areas are defined using metropolitan statistical areas (MSAs) and statewide rural areas for hospitals not located in an MSA. These labor markets often cover large geographic areas and may include a diverse population of hospitals that are not necessarily subject to the same labor market conditions. Moreover, there are potentially great differences in wage index values for neighboring hospitals located across MSA borders.

ProPAC has evaluated alternative labor market definitions based on hospital geographic proximity, as measured by the air-mile distance between hospitals. The Commission recommends that the Secretary adopt proximity-based (nearest neighbor) labor market areas in fiscal year 1994. These are intended to moderate problems associated with the current market definitions. First, such areas do not conform to the fixed borders of MSAs. Second, they cover much smaller geographic areas, so they capture intra-area variation in wage rates not reflected in the current labor market definitions.

The Commission also recommends that the Congress repeal the statute providing for geographic reclassification of hospitals. (Reclassification allows hospitals to change the market areas in which they are located for the wage index or the standardized payment amount.) The adoption of nearest neighbor labor market areas would eliminate the need for geographic reclassification for the wage index. Compared with the current labor market definitions, these areas more appropriately group hospitals with similar market conditions.

Hospitals report data on total employee compensation and total paid hours, which are used to calculate average hourly compensation for the PPS wage index. Hence, the average hourly wage calculated for each labor market reflects the effect of the average occupational mix and the unit price of labor. In ProPAC's view, the wage index should exclude relative labor cost differences among hospitals due to variations in occupational mix. The Secretary should develop and implement methods for collecting data on average hourly compensation and paid hours of employment for hospital workers by occupational category. Once these data are collected, the Secretary should implement an adjustment to the PPS hospital wage index to remove the effect of differences in occupational mix on relative wage levels.

Other Hospital Payment Policies

PPS adjusts hospital payments in several ways to account for factors such as wage rates, teaching activity, and care complexity. The payment adjustments are important to ensuring that payments are fairly distributed across hospitals.

Hospitals receive additional payment for cases with exceptionally high costs (cost outliers) or extraordinary long stays (day outliers). The Commission believes more emphasis should be placed on cost outliers and less on day outliers. The cost criterion more effectively identifies cases associated with the greatest financial loss. The threshold for cost outlier payments should be set so that the loss incurred before outlier payments begin is equal for every case. Cost outlier payments should be 80 percent of estimated costs above this threshold. Cost outlier thresholds should be adjusted for differences in area wages and cost of living. However, neither estimated costs nor outlier payments should be adjusted for indirect medical education (IME) or disproportionate share (DSH) payments. Finally, ProPAC believes the pool of money used to finance outliers should be 6 percent of total Medicare hospital payments—the maximum allowed by law.

The current indirect medical education adjustment more than adequately compensates hospitals for increased costs associated with teaching activity. The Commission recommends that for fiscal year 1994, the IME adjustment should be reduced from 7.7 percent to 7.0 percent for every 10 percent increase in teaching intensity. This reduction is about one-third the difference between the current adjustment and the ProPAC estimate of the effect of teaching intensity on costs. The Commission is concerned that the continued operation of these hospitals, many serving a large proportion of low-income and uninsured persons, might be impaired by substantial and immediate reductions in their payment. However, analysis indicates that recent increases in Medicare and Medicaid DSH payments have improved the overall financial status of teaching hospitals serving a large percentage of low-income people.

ProPAC is concerned about the distribution of Medicare payments to hospitals, and the disparity in payments between hospitals receiving IME and DSH adjustments and those that receive no special treatment under PPS. The Commission therefore recommends that any anticipated reductions in indirect medical education payments be returned to all hospitals through increases in the standardized payment amounts.

PPS hospitals that transfer Medicare patients to other PPS facilities receive a uniform per diem payment up to the full amount allowed for the diagnosis-related group (DRG). In the Commission's opinion, hospitals should receive a graduated per diem (up to the full DRG amount) with the highest payment for the initial days of the stay. This would recognize the greater costs associated with stabilization, evaluation, and surgery that occur early in the patient's hospital stay. ProPAC also recommends further study of hospital incentives to receive and transfer patients, particularly for recuperative care. Outlier payment policy should also be examined in this context because transfers are more likely than other cases to become outliers.

Believing that it is important to determine the most effective quality assurance mechanisms, the Commission recommends that HCFA evaluate Medicare's quality control methods for all its covered services. At this time, there is little information on the effectiveness of alternative quality assurance mechanisms, such as individual case review and pattern analysis. ProPAC encourages coordination of government quality assurance programs with other private sector initiatives.

Medicare Payment Policies for Other Facilities

The Commission is responsible for making payment recommendations for other facilities that participate in the Medicare program. These include dialysis, hospital outpatient, and skilled nursing facilities (SNF).

The Omnibus Budget Reconciliation Act of 1990 mandated that ProPAC recommend an annual update for dialysis payments for beneficiaries with end-stage renal disease (ESRD). Development of the Commission's recommendation for fiscal year 1994 began with an examination of the payment level compared to the cost of providing dialysis services. An update framework was then applied to account for cost increases between fiscal years 1993 and 1994. This framework includes estimates of the market basket rate of increase in input prices, the cost of quality-enhancing scientific and technological advances, and a productivity improvement target. Based on this framework and on adjustments

for the relationship between 1993 payments and estimated costs, ProPAC recommends increasing the payment rate by 2.5 percent for fiscal year 1994.

As the dominant payer, the Medicare program has a unique responsibility to beneficiaries receiving ESRD services. This makes it even more important for Medicare to be assured of appropriate payment rates and an accurate assessment of service costs. Development of an update favor for dialysis services requires information on payments and costs for the various dialysis modalities used in the home or in facilities. Currently, this information is not regularly audited. The Commission is aware of several other issues that may affect the interpretation of the cost data and the comparability of the data across providers and over time. HCFA should annually audit the cost reports of a representative sample of dialysis facilities and maintain a database with this information. The agency should also improve policies to ensure the consistency of the data across providers.

Prospective payment methods should be established for all hospital outpatient services. Payment reform should be comprehensive and extend to all sites and providers. Ambulatory patient groups (APGs), a clinically based classification system for outpatient care, could be a valuable component of a prospective payment system for outpatient facilities. The Commission supports the Secretary's initiative to examine APGs. ProPAC will submit additional outpatient payment recommendations to the Congress in its analysis of the Secretary's report on this topic.

The Commission recommends reducing beneficiary Part B coinsurance liability to 20 percent of the Medicare-allowed payment for services provided in the hospital outpatient department. This would be consistent with the Medicare copayment requirement for services provided in other settings. Currently, beneficiary liability is based on 20 percent of charges for hospital-provided ambulatory surgical and radiology services, which generally are substantially higher than 20 percent of payments. Beneficiaries receiving services in hospital outpatient departments therefore pay a disproportionately high share of the total payment. Until prospective payment systems can be implemented for all Medicare outpatient services, Part B beneficiary liability should be based on 20 percent of estimated costs. The current payment inequity will be reduced with adoption of this recommendation.

ProPAC believes it is inappropriate to use the current hospital wage index in calculating cost limits for skilled nursing facilities. Evidence suggests that geographical differences in the unit prices of labor for hospital employees are not similar to those for employees of nursing facilities. These differences may reflect such factors as the wide variation in state nursing facility regulations or employee skill mix differences between hospitals and SNFs. The Secretary should collect data on employee compensation and paid hours of employment for nursing facilities that care for Medicare SNF patients. Using these data, the Secretary should develop a nursing facility wage index for use in adjusting Medicare SNF payments.

Recommendations for Fiscal Year 1994

Medicare Program Policies

Recommendation 1: Moderating the Growth in the Cost of Hospital Inpatient Services

The Commission recommends that the Medicare program continue to control the growth in its spending for hospital services. Medicare's payment amount should reflect a balance between the need to maintain access to quality care and the need to improve hospital productivity and constrain cost increases. ProPAC is concerned, however, that as Medicare has controlled its payments, hospitals have been able to raise revenue from private payers to cover additional increases in costs. As a result, the effect of Medicare's financial incentives to control hospital costs has been weakened, and costs to private insurers and individuals have increased. The Commission believes the Medicare program, private insurers, hospitals, and physicians must renew their efforts to control the growth in the cost of furnishing care.

Recommendation 2: Improving Equity in the Distribution of PPS Payments

The Commission recommends that the Medicare program continue to modify PPS payment policies to ensure the equitable distribution of payments among hospitals. Payment adjustments are necessary to recognize appropriate variations in costs across hospitals. The adjustments should account for the impact of factors beyond a hospital's control and reflect the broader responsibilities of the Medicare program to maintain access to quality care. As the financial pressure on hospitals increases, it becomes even more important to regularly evaluate and refine PPS policies that distribute payments across geographic areas and types of hospitals.

Recommendation 3: Controlling Spending Across Sites of Care

The Commission believes the Medicare program should continue to seek effective methods to control its total spending across all sites of care. Total Medicare spending is growing at rates much greater than can be explained by inflation and increases in the number of enrollees. The growth in spending is straining the resources of the Medicare trust funds, creating substantial financial burdens for Medicare beneficiaries, and adding to the Federal deficit.

Recommendation 4: Ensuring Quality of Care

The Medicare program should continue to strengthen its ability to ensure quality of care for beneficiaries. Special attention should be directed to ambulatory care and other services furnished outside the acute care hospital setting, where there now is little or no oversight of the necessity for services or quality of care. The Commission supports the efforts of the Secretary to develop new approaches to improve quality of care. This work should be expanded to include services provided in all settings.

Hospital Payment Updates

Recommendation 5: Update Factor for Operating Payments to PPS Hospitals

For fiscal year 1994, the PPS standardized payment amounts should be updated to account for the following factors:

- The projected increase in the HCFA PPS market basket index, currently estimated at 4.3 percent;
- A positive adjustment of 0.1 percentage points, to reflect the difference between the ProPAC and HCFA market baskets;
- A negative adjustment of 1.3 percentage points for substantial error in the fiscal year 1992 market basket forecast;
- A positive adjustment of 1.0 percentage points to reflect the cost-increasing effects of scientific and technological advances;
- A negative adjustment of 0.5 percentage points to encourage hospital productivity improvements; and
- A net negative adjustment of 0.2 percentage points for case-mix change.

In addition, a positive adjustment of 1.5 percentage points should be made for hospitals in rural areas to reflect a continuation of the phase out of the differential in standardized payment

amounts between rural and other urban hospitals.

Recommendation 6: Update Factor for Capital Payments to PPS Hospitals

For fiscal year 1994, the Commission believes that a formula-based approach should be used to update capital payment rates. The capital update should include the following components:

- The projected increase in a capital market basket index that measures one-year changes in a fixed basket of capital goods hospitals purchase, currently estimated at 3.0 percent;
- A forecast error correction factor of zero;
- A financing policy adjustment of zero;
- A positive adjustment of 0.4 percentage points for scientific and technological advances;
- A negative adjustment of 0.5 percentage points to encourage hospital productivity; and
- A net negative adjustment of 0.2 percentage points for case-mix change.

Recommendation 7: Single Operating and Capital Update Factor

The Commission recommends that when the transition to fully prospective capital payments is complete, a single update factor be used for adjusting PPS operating and capital payment rates. Until then, the Secretary should use an update framework that combines operating and capital payments. Under a fully prospective combined update, the total recommended payment rate increase would be 3.5 percent for fiscal year 1994.

Recommendation 8: Data for Evaluating Case-Mix Index Change

The Secretary should collect the data necessary to apportion case-mix index change into its real and upcoding components.

Recommendation 9: Update Factor for Hospitals Paid on the Basis of Hospital-Specific Rates

The Commission believes that payments based on hospital-specific base-year costs for sole community hospitals should be updated by the same factor that applies to the PPS rate for rural hospitals.

Recommendation 10: Update Factor for PPS-Excluded Hospitals and Distinct-Part Units

For fiscal year 1994, the target rate of increase for PPS-excluded hospitals and distinct-part units should be updated to account for the following factors:

- The projected increase in the HCFA PPS-excluded hospital market basket, currently estimated at 4.4 percent;
- A negative adjustment of 1.4 percentage points for fiscal year 1992 market basket forecast error; and
- A positive adjustment of 0.2 percentage points for scientific and technological advances.

PPS Wage Index and Hospital Labor Market Definitions

Recommendation 11: Improvements in the PPS Hospital Wage Index

The Secretary should substantially revise the hospital wage index under PPS for fiscal year 1994. The revised wage index should be calculated using hospital-specific labor market areas based on geographic proximity measured by the air-mile distances between nearby hospitals.

Recommendation 12: Repeal of Current Provisions Relating to Geographic Reclassification for the Wage Index

Congress should repeal the current statutory provisions relating to geographic reclassification for the wage index. The effective date for this action should be the same as the effective date for adopting a wage index based on hospital-specific labor market areas. In addition, reclassification for the standardized payment amount should expire at the beginning of fiscal year 1995.

Recommendation 13: Improvements in Hospital Wage Data

The Secretary should develop and implement improved methods for collecting timely data on employee compensation and paid hours of employment for hospital workers by occupational category. Once these data become available, the Secretary should implement an adjustment to the hospital wage index under PPS. This adjustment would correct for the inappropriate inclusion in the wage index of geographic differences in the mix of occupations employed.

Other Hospital Payment Policies

Recommendation 14: Improving Outlier Payment Policy

The Commission believes the following changes should be made in the current policy for identifying outlier cases and determining outlier payments under PPS:

- In determining outlier payment, the increasing emphasis on cost outliers relative to day outliers should continue, with the goal of eliminating day outlier payment over three years;
- The cost outlier threshold should be a fixed dollar amount (adjusted for differences in area wages and cost of living) above the payment rate received by the hospital for each case, regardless of the DRG to which the case is assigned;
- Neither the estimated cost of the case nor the outlier payment amount should be adjusted to reflect the hospital's indirect medical education or disproportionate share status;
- The marginal cost factor for cost outliers should be increased to 80 percent;
- The nationwide outlier payment pool should be set at 6 percent; and
- The payment rate for cases in each DRG should reflect that anticipated percentage of outlier payments for that DRG.

These changes would improve the effectiveness of outlier payment in protecting against the risk of large losses on some cases.

Recommendation 15: Indirect Medical Education Adjustment to PPS Operating Payments

The Commission recommends that the indirect medical education adjustment to PPS operating payments be reduced from its current level of 7.7 percent to 7.0 percent for fiscal year 1994. This reduction should be implemented with the anticipated decrease in indirect medical education payments returned to all hospitals through a proportionate increase in the standardized payment amounts.

Recommendation 16: Medicare Transfer Payment Policy

PPS hospitals that treat Medicare patients who are then transferred to another PPS hospital should be paid on the basis of a graduated per diem up to the full DRG payment to recognize the higher daily costs associated with the first few days in a patient stay. In addition, outlier payment policy should be reexamined with respect to its effectiveness in reducing the risk of large losses on transfer cases received by a hospital. The Commission also believes that further examination of whether hospitals have the appropriate incentive to transfer patients, particularly with respect to recuperative care, is warranted. The Congress should provide authority to the Secretary to modify, in a budget neutral manner, the per diem payment for transfer cases.

Recommendation 17: Evaluating and Improving Medicare Quality of Care Mechanisms

The Commission recommends that HCFA assess the methods Medicare uses

to monitor quality of care. The Medicare program should adequately fund these evaluations as well as ongoing efforts to monitor and ensure the quality of care delivered to its beneficiaries. Further, HCFA should coordinate its quality assurance programs with those of the rest of the health care industry.

Medicare Payment Policies for Other Facilities

Recommendation 18: Update to Composite Rate for Dialysis Services

The composite rate payment for dialysis services should be updated by 2.5 percent for fiscal year 1994. This recommended update accounts for the following factors:

- The projected increase in the market basket for dialysis services in fiscal year 1994, estimated at 4.5 percent;
- A positive adjustment of 1.0 percentage points to reflect the additional costs associated with scientific and technological advances;
- A negative adjustment of 1.0 percentage points to encourage productivity; and
- A negative discretionary adjustment of 2.0 percentage points to reflect the relationship between payments and estimated fiscal year 1993 costs.

The Commission believes this increase in payments will allow facilities to deliver quality dialysis services to Medicare beneficiaries with end-stage renal disease.

Recommendation 19: Improving Data Quality and Program Administration for Dialysis Services

The Commission is concerned that the dialysis facility data are inadequate for assessing costs across providers and modalities and changes in costs over time. To improve the reliability of the data, HCFA should regularly audit the cost reports of a representative sample of dialysis facilities and maintain a database with this information. HCFA should also improve policies to ensure the consistency of the data across providers by making changes in program administration.

Recommendation 20: Prospective Payment Method for Hospital Outpatient Services

The Commission believes a prospective payment system for outpatient services should be implemented. Outpatient facility payment reform should be comprehensive and extend to all sites and providers. Reform should first encompass ambulatory surgical center-approved procedures and radiology services provided in the hospital. The Commission supports the Secretary's initiative to examine the use of ambulatory patient groups for payment of ambulatory services.

Recommendation 21: Beneficiary Liability for Hospital Outpatient Services

For Medicare outpatient services that are paid prospectively, beneficiary Part B coinsurance should be limited to 20 percent of the Medicare-allowed payment. Until prospective payment systems can be implemented for all Medicare outpatient services, beneficiary Part B liability should be based on an estimate of 20 percent of costs.

Recommendation 22: Nursing Facility Wage Index

The Secretary should collect data on employee compensation and paid hours of employment for nursing facilities that care for Medicare beneficiaries. Once these data become available, the Secretary should develop a nursing facility wage index and use it to adjust Medicare skilled nursing facility payments.

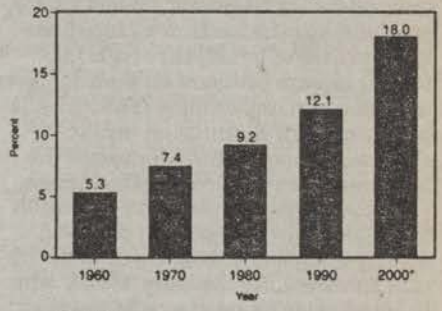
CHAPTER 1

HEALTH CARE EXPENDITURES AND HOSPITAL PAYMENTS: HOW MUCH IS APPROPRIATE?

Health care expenditures in the United States were estimated at $808 billion in 1992—13.6 percent of the gross domestic product (GDP).[1] Almost one-seventh of all domestic economic activity was devoted to health care, a substantially higher share than in any other developed country. This reflects an acceleration of health care costs since 1960 (see Figure 1–1). The Congressional Budget Office (CBO) projects that spending on health will grow to 18 percent of the GDP—almost $1.7 trillion—by the year 2000 "if current trends and government policies continue."[2]

Health care expenditures have continued to rise despite increased attention to controlling costs. In particular, Medicare a decade ago substantially changed the way it pays for inpatient hospital services, has recently implemented a new method of payment for physician services and its currently examining new approaches for other covered services. These changes are intended to both control Medicare program costs and create incentives for providers to increase their efficiency. Yet while Medicare has effectively controlled program spending for inpatient hospital services, the overall size of the program has continued to grow: benefit payments per enrollee rose from $625 in 1975 to $3,173 in 1990—a fivefold increase in 15 years.[3] Moreover, the gap between what Medicare pays and what hospitals spend to treat Medicare patients is widening. The debate over the adequacy of Medicare payment rates has become correspondingly more intense.

Figure 1-1. U.S. Health Care Expenditures as a Percentage of Gross Domestic Product, 1960-2000



*Projection.

SOURCE George J. Schieber, Jean-Pierre Poullier, and Leslie M. Greenwald, "U.S. Health Expenditure Performance," *Health Care Financing Review* 13(4):1-87, Summer 1992, and Congressional Budget Office, *Projections of National Health Expenditures* (Washington, DC: October 1992).

The Prospective Payment Assessment Commission (ProPAC) was created in 1983 by the legislation that established the Medicare prospective payment system (PPS) for inpatient hospital services. ProPAC advises Congress and the Secretary of Health and Human Services on policies affecting payment for Medicare services in hospitals and other institutional settings. The Commission's responsibilities have been expanded over time to include aspects of Medicaid hospital payment and broader issues related to health care financing and delivery. In this role, ProPAC has attempted to provide information and insight into identifying the important problems to be addressed, how to address them, and potential solutions.

Chapter 2 of this report contains ProPAC's specific recommendations on Medicare payment policy for fiscal year 1994. But first, in this chapter the Commission identifies several broad concerns about Medicare's payment policy, its future direction, and its interaction with other payers. The discussion focuses primarily on trends in hospital payments and costs and the

issues involved in determining their appropriateness, in the context of the rapid increase in health care spending that has occurred over the past three decades.

Overview

The rapid growth of health care spending has an important effect on households, businesses, and government. Health care expenditures are rising much more rapidly than incomes and consuming a higher portion of household budgets. Businesses often pay all or part of health insurance premiums for their workers, which constitute a growing portion of their operating expenses. Federal, state, and local governments, which pay the largest share of health care costs, are feeling intense pressure on their budgets in a time of rising deficits. The result is higher taxes or diminished public services, which, in turn, increases the burden on households and businesses.

As the biggest single payer for health care, the Medicare program has been acutely affected by the growth in health care spending. By the early 1980s, with hospital costs rising at a consistently high rate, the Medicare Hospital Insurance Trust Fund was projected to become insolvent before the end of the decade. As part of its response to this situation, Congress in 1983 enacted a prospective payment system for inpatient hospital services.

PPS represented a significant change in the way that hospitals were paid under Medicare. Rather than reimbursing each hospital for actual costs incurred, as was the case during Medicare's first 16 years, PPS payment is based on a prospectively set rate for each hospital discharge. This change was intended to encourage hospitals to operate more efficiently, since any reduction in costs would add a net revenue. It was hoped that, as a result, hospital cost increases would be brought under control and the growth rate of Medicare expenditures reduced.

At the same time, the designers of PPS recognized that the new system could have a substantial impact on the distribution of payments and the financial status of hospitals. There was also concern about the potential effects on other payers for hospital services and on other health care providers. Access to quality health care for Medicare beneficiaries and other segments of the population was also an issue.

PPS has, in fact, had a major effect on Medicare hospital payments. The increase in Medicare inpatient hospital spending slowed dramatically with the implementation of PPS. During the six years before prospective payment, these payments grew at a real annual rate—that is, adjusted for general inflation—of 9.1 percent. Over the first six years of PPS, this rate fell to 2.5 percent. Much of the reduction in Medicare inpatient spending was due to a decline in the number of discharges, but spending per case was also lower than it would have been under cost-based reimbursement.

Although the growth of Medicare payments has slowed, hospital costs have continued to rise rapidly. Hospital operating costs per Medicare discharge increased by an estimated 106 percent in the first nine years of prospective payment. This was considerably greater than the 87 percent growth in PPS payments per discharge, and more than twice the 46 percent increase in the hospital market basket index—which reflects the prices of goods and services used by hospitals—during the same period. The PPS incentives to control hospital costs thus have not had the intended effect. Instead, hospitals have been able to offset the difference between Medicare payments and costs by raising charges to other payers. In 1990, while total hospital payments from Medicare were 10 percent ($8.2 billion) below costs, payments from private insurers were 28 percent ($22.5 billion) greater than the costs of treating their patients.[4]

Despite the persistent increase in hospital costs and higher charges to private insurers, it is important to continue to limit the growth of Medicare inpatient hospital payments. To do otherwise would threaten the viability of the Medicare program and encourage further hospital cost inflation. PPS payments should continue to recognize the impact on hospitals' costs of factors that are beyond their control. However, financial incentives for improved productivity in the industry must be maintained.

As the gap between Medicare payments and costs widens, differences in the performance of groups of hospitals and of individual hospitals within these groups become more important. In the first year of PPS, when payments were high relative to costs, there was little concern about the distribution of payments; they exceeded costs for 83 percent of all hospitals. By the seventh year, however, PPS payments covered costs for only 43 percent of all hospitals. Further, the difference between the hospitals with the highest and lowest payments relative to costs had widened.

With the overall level of Medicare payments limited by an annual update to the PPS rates, every potential change in Medicare payment policy is likely to result in relative gains for some hospitals and losses for others. This may inhibit the willingness and ability to make changes that would greatly improve the fairness of the payment system. Nonetheless, these changes are necessary to ensure that the distribution of PPS payments reflects justifiable differences in the cost of care across geographic areas and types of hospitals.

By constraining inpatient hospital payments, the implementation of PPS encouraged the substitution of services provided in other settings. Combined with the major technological developments in the early 1980s and other concurrent factors, this led to a rapid increase in the utilization of ambulatory care. Consequently, the growth rate of benefit payments for other services covered under Medicare (10.0 percent annually above general inflation) is much greater than that for inpatient hospital payments.

Effective methods must continue to be sought to control total spending across all sites of care. it is also important to ensure that payment policies are coordinated across sites, to encourage the appropriate mix of care during each episode of illness.

Increasing pressure to control costs and the implications for the financial status of institutional providers raise serious concerns about the continued access of Medicare beneficiaries to the care they need and the quality of that care. Moreoever, as the provision of care shifts from the inpatient hospital setting, mechanisms for monitoring access, appropriateness, and quality must be strengthened in other settings.

The ability of the Medicare program to ensure quality of care for Medicare beneficiaries in all settings is of the utmost importance. Special attention is needed for services provided in ambulatory care settings, where utilization is increasing rapidly and oversight is limited.

The Impact of Health Care Spending Growth

The rapid growth of health care costs has become a central topic in the national policy debate. As a public program and the largest single payer for health care, Medicare plays an important role in that debate. It is both an obvious target for budget savings and a vehicle for developing and testing potential policy solutions. In recent years, Medicare has implemented new strategies aimed at controlling both its own spending and overall health care costs. Foremost among these is the prospective payment system for inpatient hospital services. While PPS has been somewhat successful, a

number of issues have arisen that confront policy makers with a new set of decisions to make.

Because consumers of health care commonly do not pay directly for all of the cost of that care (though they pay indirectly through insurance premiums and taxes), it is often contended that too many services are being provided. Moreover, the rising cost of health care makes it more difficult for many individuals to obtain access to the care that they need. The increase in health care expenditures has outpaced business revenues and income, the incomes of most segments of the population, and government revenues. Health care spending growth thus has had a significant impact throughout society.

Business

Businesses are affected by increased health care costs through private health insurance premiums as well as taxes to support Federal, state, and local health programs. The share of total personal health expenditures paid by private health insurance grew slightly during the 1980s, from 30 percent to 32 percent.[5] There was a shift in the composition of health care costs: Premiums rose as a proportion of total health care spending during the decade, while out-of-pocket payments fell.

The absolute level of employer health care spending has increased sharply, rising faster than other business costs. In 1990, business health care spending was 7.1 percent of total employee compensation, compared with 4.9 percent in 1980 and only 2.0 percent in 1965.[6]

As a result, there is intense concern in the business community about the impact of health care costs. The proportion of firms offering health benefits fell from 44 percent in 1989 to 40 percent in 1991, with most of the decrease among small firms.[7] At the same time, premiums are rising and employees' choices of plans and providers are narrowing.

Households

Households are affected by rising health care costs in several ways. Insured individuals are responsible for a portion of health insurance premiums, as well as out-of-pocket payments (for deductibles, coinsurance, billed charges in excess of covered charges, and uncovered services). These expenses accounted for 5.0 percent of personal income in 1990, compared with 4.1 percent in 1980.[8] These percentages understate the full financial impact on households, however, because they do not include indirect costs such as payroll and other taxes that finance public health care spending. A recent study estimated that the total costs of health care was 11.7 percent of household income.[9]

Workers also may bear an indirect burden associated with rising health care costs. A recent CBO analysis concludes that "although employers initially pay a significant portion of employer-provided health insurance, in the long run employers shift most of their costs to workers in the form of lower wages or less generous nonmedical benefits."[10] The study points out that "between 1973 and 1989, two years in which the economy was operating at close to full capacity, employers' contributions to health insurance absorbed more than half of workers' real gains in compensation."[11]

Finally, the increasing cost of health care means that many lack the ability to pay for care. An estimated 36 million people did not have health insurance in 1990.[12] For these people, the cost of health care must be borne out of pocket or by the providers that treat them. In addition, millions of others were underinsured—although they had some insurance, it was insufficient to cover a substantial portion of their health care costs. Both the uninsured and the underinsured are less likely to get needed health care because of a lack of financial resources.

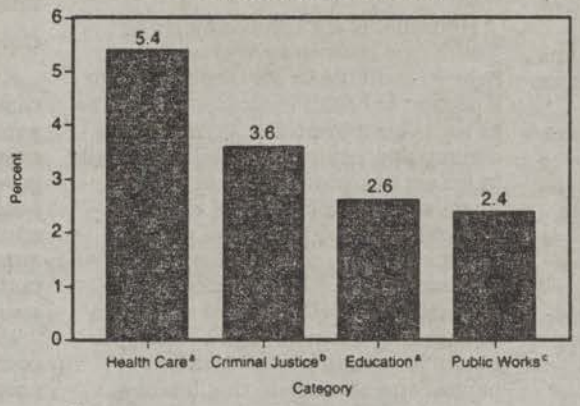
Government

Expenditures for government health care programs represented about 41 percent of all personal health care spending in 1990. The Federal government spent 12 percent more on health in 1990 than in 1989, while state and local governments spend 15 percent more. This means more taxes, larger budget deficits, or reductions in spending in other important areas.

Health care expenditures are continuing to rise as a share of government budgets. In 1990, these expenditures accounted for 15.3 percent of Federal government spending.[13] Compared with the other major domestic components of the Federal budget, health expenditures increased as a share of spending second only to interest on the national debt during the 1980's.[14] Health spending also rose as a proportion of state and local government expenditures, from 9.1 percent in 1980 to 11.4 percent in 1990.[15]

During the 1980s, health care expenditures grew at an annual rate of 5.4 percent above general inflation (see Figure 1–2). Spending for other types of public goods and services has grown much more slowly. For example, public expenditures on education grew at a real rate of 2.6 percent from 1980 to 1990, spending on public works increased at a real rate of only 2.4 percent between 1980 and 1987 and criminal justice costs rose at a real rate of 3.6 percent between 1979 and 1985.[16] These slower growth rates reflect the budgetary pressures faced by Federal, state, and local governments, which are exacerbated by the expansion of health care spending.

Figure 1-2. Real Rate of Increase in Public Expenditures, by Category (In Percent)



[a] 1980-1990.
[b] 1979-1985.
[c] 1980-1987.

SOURCE: Katharine R. Levit and others, "National Health Expenditures, 1990," *Health Care Financing Review* 13(1):29-54, Fall 1991, and U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States 1991*, 134, 186, 281.

PPS and Medicare Payments

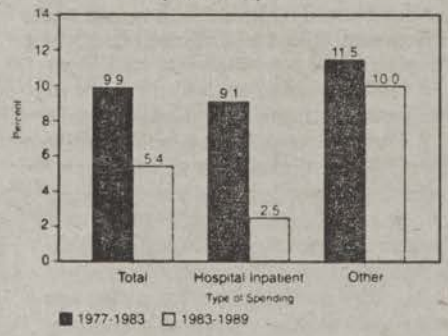
In response to the rapid increase in health care spending in general and Medicare spending in particular, Congress enacted a prospective payment system for inpatient hospital services. Under PPS, which began in fiscal year 1984, hospitals receive a fixed payment rate for each type of case, adjusted for certain factors that are thought to affect the appropriate level of costs. The implementation of PPS appears to have had a substantial effect on Medicare payments.

Between fiscal years 1977 and 1983—the six years prior to PPS—total Medicare benefit payments rose at a real rate of 9.9 percent per year and inpatient hospital payments at a rate of 9.1 percent (see Figure 1–3).[17] In the next six years, total Medicare benefit payments increased at a real annual rate of 5.4 percent and Medicare inpatient hospital payments at a rate of 2.5 percent—down sharply from the pre-PPS period.

On a per enrollee basis, the reduction in the growth of Medicare spending is even more dramatic. The annual increase in total Medicare benefit payments fell from 7.6 percent during the six years before PPS to 3.5 percent after its implementation. The increase in hospital inpatient payments slowed from 6.8 percent to 0.6 percent. Although much of the reduction in inpatient spending is attributable to a sharp decline in Medicare discharges in fiscal years 1984 and 1985, it is still reflects a deceleration in spending per case.

At the same time, there was a change in the mix of Medicare payments by type of service. This is attributable to the emphasis under PPS on constraining inpatient hospital payments and encouraging the provision of services in other less expensive settings, along with other developments in health care delivery. In 1980, inpatient hospital payments accounted for 67 percent of total Medicare spending; by 1990, that share had fallen to 54 percent.

Figure 1-3. Real Rate of Increase in Medicare Benefit Payments, Before and After PPS (In Percent)



SOURCE Health Care Financing Administration, Office of the Actuary

Other covered services have increased as a share of Medicare payments. The share of physician payments rose from 23 percent in 1980 to 27 percent 10 years later.[18] The hospital outpatient category grew from 6 percent to 8 percent of total Medicare spending during the same period. Both skilled nursing facility and home health agency payments also grew more rapidly than total Medicare payments during the 1980s.

The rising share of other Medicare services reflects a sharp decline in the growth of inpatient hospital payments after PPS was implemented, combined with the still relatively high rate of increase in volume and payments for other services. Payments for other Medicare-covered services grew at a slower real rate in the first six years of PPS than they had in the preceding six years (10.0 percent compared with 11.5 percent), but still much more rapidly than the 2.5 percent growth rate for inpatient hospital services. Increasing attention thus has been focused on controlling payments for services provided in other settings as well as in the hospital.

Medicare Payments and Hospital Costs

The experience with Medicare payments and hospital costs since the implementation of PPS illustrates the issues that must be addressed in attempting to contain the growth of overall health care expenditures. One of the essential features of PPS is the use of the payment system to create incentives for the efficient provision of hospital services and, as a consequence, for cost containment. With the increase

in hospital payments controlled through the PPS update factor, it was expected that hospitals would limit their costs in an attempt to keep them below the payment rate.

However, the increase in hospital costs under PPS has far exceeded that of payments. As a result, the PPS operating margin, which compares PPS payments with Medicare operating costs, has declined sharply since the early years of PPS. The aggregate PPS margin in the first year was 14.5 percent. By the seventh year, it has fallen to −1.5 precent; ProPAC's estimate for the ninth year of PPS is −8.3 percent.[19]

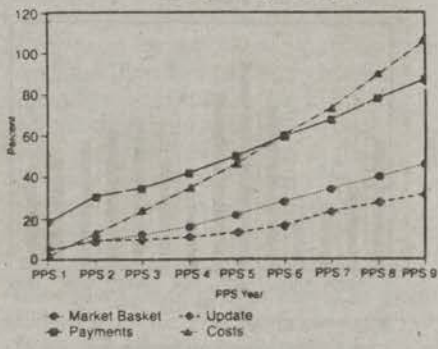
PPS Payments

Despite a sharp decline in the rate of increase in Medicare payment rates, per case payments have risen by an estimated 87 percent since PPS began—almost twice as much as the increase in hospital input prices, as represented by the PPS hospital market basket index (see Figure 1–4). The level of PPS payments is the product of three major factors: the update to the PPS rates, other policy changes implemented during the year, and changes in the Medicare case-mix index (CMI).

The update factor is intended to represent the increase in the PPS payment rate necessary to continue to provide appropriate care to Medicare beneficiaries in an efficient manner. Congress sets the update each year, with recommendations from ProPAC and the Secretary of Health and Human Services.[20] In the first nine years of PPS, the update factor has increased PPS payments by a cumulative 32 percent.

ProPAC's annual PPS update recommendation reflects the Commission's judgments on the increased cost of inputs used in providing hospital care from year to year, certain improvements in the nature of that care and the means by which it is provided, and changes in the types of patients treated. ProPAC's update recommendations have tended to be higher than those implemented over the years. The cumulative difference between the Commission's recommendations and the actual updates in the first 10 years is about 8 percent.

Figure 1-4. Cumulative Increases in PPS Market Basket, Update, Payments, and Costs, First Nine Years of PPS (In Percent)



SOURCE: ProPAC

The distribution of payments is substantially affected by the policy changes implemented since PPS began. Rural hospitals, for instance, have been helped by a series of policies aimed at increasing their PPS payments. The addition of and changes in the payment adjustment for hospitals that treat a disproportionate share of low-income patients has directed more payment toward those hospitals, and sole community hospitals have benefited from special payment provisions as well. The aggregate level of payments, however, has not been substantially affected by these policy changes because most of them are implemented in a budget neutral manner—that is, so they do not increase or decrease total PPS payments.

CMI change is a major factor in determining both the level and distribution of PPS payments. The CMI is an index of average relative costliness (based on the diagnosis-related group, or DRG, to which the case is assigned) for cases discharged from a hospital or group of hospitals. Because the payment for each case is proportional to the relative costliness of the DRG, overall hospital payments are similarly proportional to the CMI. The CMI can increase because the mix of cases treated in the hospital is associated with greater expected resource use, or because changes in coding practices result in a redistribution of cases across DRGs that is independent of changes in resource use. Regardless of the reason, the CMI has risen by at least 2 percent in every year under PPS. The cumulative effect of CMI change is greater than the combined effect of the PPS update and all other policy changes implemented under PPS. Moreover, the effect of this change has varied greatly across hospitals.

As a result of these factors, the increase in Medicare operating payments per discharge over the first nine years of PPS is almost three times as great as that in the PPS update alone. Much of this took place in the first two years of prospective payment, when payments per discharge grew by 18.5 percent and 10.5 percent, respectively. In the seven years since, payments per discharge have grown at an annual rate of 5.3 percent.

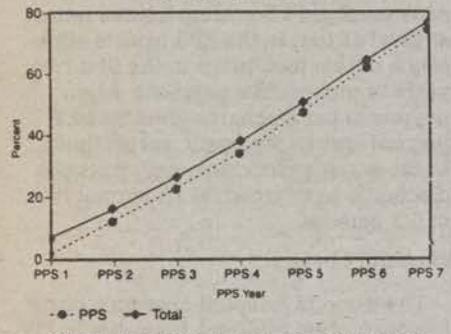
Hospital Costs

The trend in hospital operating costs has been quite different from that in PPS payments. While payments rose sharply in the early years of PPS, costs per discharge increased by only 1.9 percent in the first year. Since then, cost growth has not been less than 8 percent in any year, averaging 9.2 percent. During the first nine years of PPS, operating costs per Medicare discharge increased an estimated 106 percent. This is substantially greater than the growth in PPS payments over the same period, and indicates that hospitals have not responded to PPS incentives as was hoped when prospective payment began.

Whereas PPS payment rates are explicitly determined by decisions made by or for the Medicare program, operating costs likely reflect decisions that providers have made over the years in how they treat all patients—not just Medicare patients. This is borne out by the pattern of overall hospital cost increases, which is generally similar to the pattern for Medicare costs (see Figure 1–5).

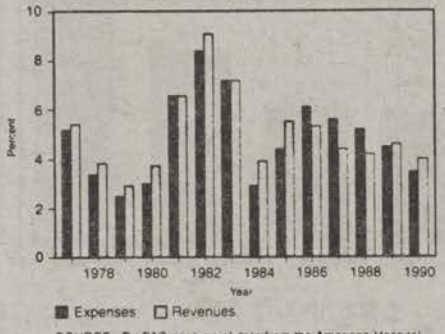
In 1982 and 1983, the two years prior to PPS, hospital costs per case grew 8.4 percent and 7.2 percent above the rate of general inflation, respectively (see Figure 1–6). Following the introduction of PPS, the increase in real expenses per adjusted admission slowed to 2.9 percent in 1984. This was the smallest growth since the early 1970s, but hospital inflation still exceeded that in other sectors of the economy. The next five years—spanning 1985 through 1989—saw another increase in hospital inflation, with real costs per case rising between 4.4 percent and 6.1 percent annually. The real increase in expenses per adjusted admission slowed to 3.5 percent in 1990, the smallest increase since the first year of PPS. Whether this indicates a trend remains to be seen.

Figure 1-5. Cumulative Increases in PPS and Total Hospital Costs Per Discharge, First Seven Years of PPS (In Percent)



SOURCE: ProPAC analysis of data provided by the Health Care Financing Administration and the American Hospital Association.

Figure 1-6. Change in Real Hospital Expenses and Revenues Per Admission, 1977-1990 (In Percent)



SOURCE: ProPAC analysis of data from the American Hospital Association Annual Hospital Survey.

This trend led ProPAC to take a closer look at the factors responsible for growth in hospital costs.[21] The analysis covered the period from 1985 to 1989, during which the annual rate of growth in hospital operating costs per admission was 8.9 percent. The two largest components of hospital cost increases were economywide price inflation and changes in the mix of cases treated, both of which are generally viewed as beyond the hospital's control. These two components accounted for almost 60 percent of the rise in hospital costs during the study period.

The remainder of the observed cost growth is attributable to factors that depend on decisions made in the hospital. While service productivity improved somewhat over the study period, most of this was offset by a rapid rise in service intensity—the volume of services provided per case. Moreover, the prices of hospital inputs increased at a much faster rate than general inflation. The degree to which these factors are within or beyond the hospital's control (without major changes in how hospitals operate) is subject to considerable debate. The outcome of this debate is key to determining the appropriate level of hospital cost growth and how to achieve it.

Hospital Revenues and Cost Shifting

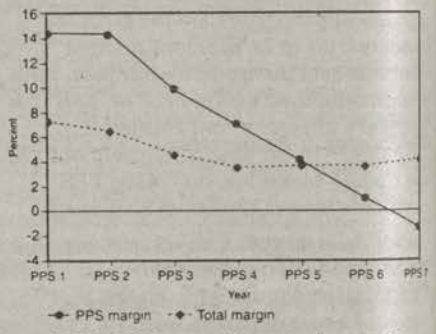
Regardless of the reason for increased hospital spending, that spending could not take place for long without the revenue to support it. Hospital costs have grown more rapidly than Medicare payments, but Medicare is not the only source of hospital revenues.

The trends in total hospital revenues and expenses corresponded relatively closely during the 1970s and early 1980s. Under PPS, there have been greater differences between revenue and cost changes than before. In the first two years of PPS, real costs per case increased by a cumulative 7.5 percent, while real revenues per case rose by 9.6 percent. The years from 1986 to 1988 saw cost growth that exceeded that in revenues. In 1989 and 1990, the increases in revenues slightly exceeded those in costs. This may indicate a greater degree of volatility of hospital revenue sources in recent years.

This volatility raises the issue of cost shifting, or the offsetting of payment shortfalls from some sources with payment surpluses from others. An examination of trends in PPS and total margins illustrates this issue. Whereas the PPS margin compares PPS payments and Medicare operating costs, the total margin compares total hospital revenues and expenses. The difference between the two indicates the ability of hospitals to maintain their overall financial status as the gap between PPS payments and costs widens.

Both PPS and total margins are much lower now than their unprecedented high levels in the early years of PPS (see Figure 1–7). However, the decline in PPS margins has been much steeper than that in total margins. The aggregate PPS margin for all hospitals was much higher than the total margin in the first two years of PPS. Medicare therefore was providing a substantially larger payment surplus than most other payers. By the fifth year, the PPS margin had fallen below the total margin.

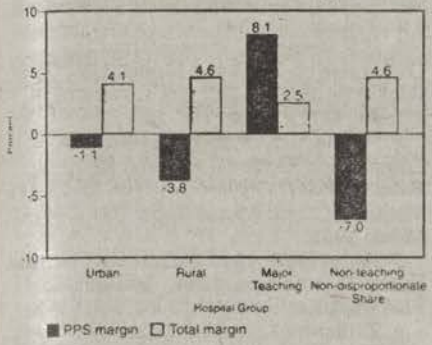
Figure 1-7. PPS and Total Margins, First Seven Years of PPS (In Percent)



SOURCE: ProPAC analysis of Medicare Cost Report data from the Health Care Financing Administration.

The total margin has improved somewhat since the fifth year of PPS, while the PPS margin has fallen below zero. By the seventh year of PPS, the total margin was almost six percentage points higher than the PPS margin, compared with more than seven percentage points lower in the first year. Moreover, this total margin is as high as at any time prior to PPS. This pattern indicates that, relative to costs, revenue from other payers has been increasing much more rapidly than Medicare payments in recent years.

Figure 1-8. PPS and Total Margins for Selected Hospital Groups, Seventh Year of PPS (In Percent)



SOURCE: ProPAC analysis of Medicare Cost Report data from the Health Care Financing Administration.

Many groups of hospitals have PPS and total margins that differ substantially from the pattern observed for all hospitals (see Figure 1–8). For instance, the PPS margin for rural hospitals in the seventh year of PPS was −3.8 percent, but the total margin was 4.6 percent, a difference of more than eight percentage points. By contrast, the PPS margin for major teaching hospitals was more than five percentage points higher than their total margin, 8.1 percent compared with 2.5 percent. There is also wide variation in the differential between PPS and total margins for hospitals within each hospital group.

The data on PPS and total margins raise the question of how revenues from Medicare, Medicaid, and other payers are related. Clearly, hospitals that provide substantial amounts of uncompensated care or incur costs greater than payments for the care provided to Medicaid and Medicare patients need to generate extra revenue from privately insured patients or other sources if they are to cover those costs.

The still relatively high total margin indicates that, as a whole, hospitals are able to cost shift, despite increasing Medicare losses. In 1990, Medicare payments equaled about 90 percent of costs and Medicaid payments about 80 percent, translating to aggregate losses of $8.2 billion and $4.6 billion, respectively (See Table 1–1). By contrast, private insurers paid 128 percent of the costs of treating their patients, or $22.5 billion more than costs. However, there is considerable variation across hospital groups (and among hospitals within each group) in the ability to cost shift, depending primarily on their payer mix.[22]

TABLE 1–1. AGGREGATE HOSPITAL COSTS AND PAYMENTS, BY PAYER GROUP AND NON-PATIENT CARE REVENUE SOURCE, 1990

Payer or other source	Cost		Payment		Payment to cost ratio
	Share (in percent)	Amount (in billions)	Share (in percent)	Amount (in billions)	
Medicare	38.4	$78.0	33.2	$69.8	89.6
Medicaid	11.3	23.0	8.7	18.4	80.1
Other government payers	1.6	3.2	1.6	3.4	106.4
Uncompensated care	5.9	12.1	1.2	[1]2.5	21.0
Private payers	40.1	81.6	49.5	104.1	127.6
Other operating revenue	2.7	5.5	3.7	7.8	143.0
Non-operating revenue	.....	.....	2.1	4.6	.....
Total	100.0	203.2	100.0	210.6	103.6

Note: Analysis covers all community hospitals. Other operating revenue is assumed to have associated costs proportional to the hospital's overall relationship of costs to charges. Non-operating revenue (consisting primarily of donations and investment income) is assumed to have no associated costs.

[1] Operating subsidies from state and local governments.

Source: Calculated by the American Hospital Association according to ProPAC specification, using Annual Survey data.

Major Concerns

As described above, PPS payments per discharge have grown at an annual rate of 5.3 percent since the second year. This rate reflects the increase in the prices of goods and services necessary to furnish an appropriate level of inpatient care to Medicare beneficiaries, productivity improvements expected of the hospital industry, quality-enhancing technological advances, and significant changes in the mix of cases that hospitals treat.

If hospital cost growth were restricted to the rate of increase in the factors listed above, the relationship between Medicare payments and costs would not change over time. This has not occurred, however. Medicare operating costs per discharge have risen at an annual rate of 9.2 percent since the first year of PPS, almost 75 percent faster than payments. This differential reflects hospital-specific input price inflation in excess of that reflected in the update, productivity improvements that fall short of policy targets, and rapid increases in case-mix adjusted service intensity. The conclusion about the appropriate level of Medicare hospital payments therefore depends on the extent to which these factors are within hospitals' control and whether hospitals should be compensated under PPS for their effects.

The trend in costs per discharge for Medicare patients does not seem to differ from the trend for all payers. This implies that the decisions hospitals make about what services to offer and how to provide them are not made separately for Medicare patients. Further, the revenue necessary to underwrite the costs of these decisions is apparently available from other payers. This may explain why Medicare payment incentives have not been successful in holding down hospital costs.

The burden of supporting continued cost growth is falling increasingly on other payers for hospital care. To offset their losses from Medicare, as well as from Medicaid and uncompensated care, hospitals have raised their charges to private payers. This has driven up the cost of private health insurance and made it even more difficult for individuals to obtain coverage for the care they may need.

Moreover, while the higher rates paid by private payers have enabled hospitals as a whole to cover their rapidly escalating costs, the ability to cost shift varies widely across hospitals. For hospitals that provide a high proportion of their services to patients for whom they are paid less than costs, there may be less opportunity to offset those losses with revenues from other sources. This leads to widening differences in financial performance between groups of hospitals and individual hospitals within these groups.

Lack of coordination in payment policies across types of providers may also confound efforts to control overall health care costs. The pluralistic health care financing system in the United States has encouraged the proliferation of providers and services and the growth in aggregated spending observed in the 1980s. Health care financing remained compartmentalized through this period. Cost control initiatives were disjoined, tending to focus on one sector of the delivery system at a time.

Control of expenditures for services provided in a single setting encourages a shift in utilization and capacity to other settings not under cost containment pressure. For example, while PPS has slowed the growth of Medicare payments for inpatient services, there has been a shift in utilization to ambulatory settings. There has been growth in both the scope and volume of ambulatory services, and a rapid rate of increase in expenditure.

Although cost growth is a major concern, the most important criterion for evaluating the impact of PPS or any other health care policy is how it affects the delivery of health care to Medicare beneficiaries and the population as a whole. Increasing financial pressures on beneficiaries, insurers, and providers have focused concern on the quality and accessibility of care to Medicare beneficiaries and other populations.

The application of Medicare's two major quality assurance mechanisms, the facility survey and certification process and Peer Review Organizations (PROs), varies widely across facilities. The inpatient hospital setting has the most encompassing review mechanisms in place. For some providers, the survey and certification process is very stringent and there is substantial PRO review. For others—particularly new types of ambulatory care facilities—there are fewer requirements. The provision of more services outside the inpatient setting raises concerns about the adequacy of quality assurance mechanisms. Moreover, few of these mechanisms evaluate outcomes of care, the ultimate measure of whether quality services have been delivered.

Conclusions

PPS has succeeded in slowing the growth of Medicare inpatient hospital spending, but hospital costs are continuing to rise at a rate that is unsustainable in the long run without major adverse implications. Although the hospital industry as a whole currently is able to maintain a flow of revenues that cover its cost, it is more and more dependent on revenue from private payers to do so. As a result, hospitals that cannot generate revenue from private payers are increasingly disadvantaged. Nonetheless, Medicare should continue to fulfill its responsibilities to control its spending. This must be done in a way that preserves the equity of Medicare payment rates and the access of Medicare beneficiaries to quality hospital care. The Medicare program, private insurers, hospitals, and physicians all must act to slow the growth of inpatient costs and curb private insurance costs and health care spending.

Health care costs cannot be controlled only by focusing on inpatient hospital services. The Medicare program also must continue to try to find ways to control spending in other settings. Experience shows that the price per unit of service can be limited, but costs continue to grow if the volume of services increases. Efforts to constrain volume are hampered by the large number of different sites and providers of care, and lack of information concerning the appropriateness and value of much of the care that is furnished. The search for such information should continue, and broader mechanisms for safeguarding the quality of care provided to Medicare beneficiaries and other populations should be established.

This chapter highlights the Commission's concerns about Medicare payment and its effects on hospitals, other payers, other providers, Medicare beneficiaries, and the health care system in general. In the next chapter, the Commission's recommendations regarding these broad issues, as well as more specific changes concerning payment for Medicare hospital services, other facility-based services, and other topics within the Commission's purview, are described.

Notes to Chapter 1

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19. This estimate has been revised to reflect new data available to ProPAC, as well as a modification in the method for calculating PPS margins to reflect correctly the capital payment reduction implemented during fiscal year 1987.

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21. John L. Ashby, Jr. and Craig K. Lisk, "Why Do Hospital Costs Continue to Increase?" Health Affairs 11(2):134, Summer 1992.

22. Prospective Payment Assessment Commission, Optional Hospital Payment Rates for Private Payers Based on Medicare's Methods (As Specified in H.R. 3626), Congressional Report No. C–92–03, March 1992.

Chapter 2

RECOMMENDATIONS

Created by Congress in 1983, the Prospective Payment Assessment Commission's (ProPAC) primary responsibility was to examine issues and make recommendations for updating and improving the Medicare prospective payment system (PPS). Congress gradually has expanded ProPAC's mandate to include analyzing current payment policies for all facility services furnished to Medicare beneficiaries and developing policies for the future.

These expanded responsibilities include studying payment for hospital outpatient services, services provided by skilled nursing facilities (SNFs) and home health agencies, and end-stage renal disease (ESRD) dialysis facilities. In addition, at the request of the Congress, the Commission has examined issues related to the adequacy of Medicaid hospital payment rates and the use of Medicare payment methods for other payers. The Commission has also been asked to examine issues related to the design and implementation of a global budgeting system to restrain health care spending. ProPAC continues to devote substantial effort, however, to updating and improving payment for PPS hospitals and for excluded hospitals and distinct-part units.

Although this report is made to the Congress, the Secretary of Health and Human Services (HHS) is required to consider ProPAC's recommendations and respond to them in the annual notice of PPS rulemaking published in the **Federal Register**. The Commission is always pleased to work with the Secretary to provide additional analysis and information on its recommendations.

ProPAC's recommendations reflect the collective judgment of the 17 Commissioners. Some of the subjects of these recommendations, such as the annual update factors, are repeated every year. Others are either modifications of previous recommendations or cover new issues. All incorporate recent research findings. This year, in addition to its specific recommendations, the Commission has addressed broader issues related to Medicare and the American health care system. Work on these and other topics continues.

Recommendations for Fiscal Year 1994

The Commission's recommendations and concerns fall into five areas:

- Medicare program policies,
- Hospital payment updates,
- PPS wage index and hospital labor market definitions,
- Other hospital payment policies, and
- Medicare payment policies for other facilities.

ProPAC's recommendations are intended to improve the equity and effectiveness of Medicare payments. The recommendations on the updates reflect the Commission's view on aggregate spending levels. This year the recommendations on the PPS and excluded hospital updates propose payment increases less than currently legislated. Most of the other recommendations address only the distribution of payments and are not intended to raise or lower program spending. Two exceptions are the recommendations on dialysis payment rate increases and beneficiary outpatient payment liability, both of which would require higher Federal outlays.

The Commission discussed other issues that did not lead to recommendations this year. Among these was payment to hospitals with a large share of Medicare patients. In the coming year, additional work is planned on Medicare's payment for direct costs of graduate medical education training programs.

Medicare Program Policies

The Commission's responsibilities include the analysis of Medicare payment for hospital and other facility services, as well as broader issues related to the American health care system. ProPAC's first four recommendations draw from this broad experience. The Commission notes the need to renew efforts to control the growth in the costs of hospital inpatient care while continuing to ensure an equitable distribution of payments among hospitals. ProPAC further recommends that the Medicare program continue to seek effective methods to control spending across all sites of care. As the delivery and financing of health care evolve, quality assurance mechanisms must be strengthened and expanded to include all institutional and ambulatory settings.

Recommendation 1: Moderating the Growth in the Cost of Hospital Inpatient Services

The Commission recommends that the Medicare program continue to control the growth in its spending for hospital services. Medicare's payment amount should reflect a balance between the need to maintain access to quality care and the need to improve hospital productivity and constrain cost increases. ProPAC is concerned, however, that as Medicare has controlled its payments, hospitals have been able to raise revenues from private payers to cover additional increases in costs. As a result, the effect of Medicare's financial incentives to control hospital costs has been weakened, and costs to private insurers and individuals have increased. The Commission believes the Medicare program, private insurers, hospitals, and physicians must renew their efforts to control the growth in the cost of furnishing care.

The Congress enacted the Medicare prospective payment system to control the program's spending for inpatients and to provide financial incentives to hospitals to contain the rate of increase in the cost of inpatient care. Following the implementation of PPS, the growth in Medicare expenditures for inpatient care slowed. The early moderation in spending growth was due to an initial reduction in the length of hospital stays and a decline in admissions of Medicare patients. At first, hospitals also improved their productivity and slowed the rise in costs per case. Since the third year of PPS, Medicare payments per discharge have grown between 5 percent and 6 percent a year. This represents an annual increase of about 1 percent more than the market basket measure of price inflation for hospital inputs (goods and services purchased) and substantially less than the rate of increase before PPS.

Although the growth in Medicare payments has slowed, PPS operating costs per case have increased between 8.0 percent and 10.5 percent annually since the second year of PPS. Rather than reducing costs as Medicare payments were limited, hospitals have obtained additional revenue from other sources to maintain their financial position. Much of this revenue comes from charging privately insured patients more than the cost of their care. Consequently, the Medicare program is now paying less than the cost of furnishing care to its beneficiaries while private payers are paying considerably more. This cost shifting has allowed some hospitals to maintain their financial position, although others have

had limited ability to do so. Consequently, some hospitals, especially those with a large share of Medicare patients, are faced with mounting financial pressure as Medicare continues to constrain its payments. The solution is not to have Medicare increase its payments, but rather for all hospitals to work to decrease their costs.

In the first six months of 1992, both hospital inpatient revenue and costs per case grew at an annual rate of 8.2 percent per admission, almost double the rate of hospital input price inflation. These large cost increases adversely affect public and private payers as well as those receiving services. The Commission does not believe this rate of growth in inpatient costs per case is sustainable. ProPAC's PPS update factor recommendations over the past several years would have resulted in per case payment increases of about 6 percent annually. The Commission thinks hospitals should improve their productivity and limit cost increases to that level. Further, it believes this can be accomplished without harming access to quality care.

ProPAC is also concerned about the disparity between relative payments to hospitals by Medicare and private payers. The Medicare program has controlled its payments to hospitals, whereas most private insurers have not. The ability of hospitals to obtain revenues in excess of costs from private payers has weakened efforts to control the growth in hospital costs. Consequently, the cost of furnishing care to all patients has been rising, and the privately insured population is responsible for a progressively larger share of the increase. Action by the Medicare program, private insurers, hospitals, and physicians is necessary to slow the growth in inpatient costs.

Recommendation 2: Improving Equity in the Distribution of PPS Payments

The Commission recommends that the Medicare program continue to modify PPS payment policies to ensure the equitable distribution of payments among hospitals. Payment adjustments are necessary to recognize appropriate variations in costs across hospitals. The adjustments should account for the impact of factors beyond a hospital's control and reflect the broader responsibilities of the Medicare program to maintain access to quality care. As the financial pressure on hospitals increases, it becomes even more important to regularly evaluate and refine PPS policies that distribute payments across geographic areas and types of hospitals.

The prospective payment system contains a number of features that affect the distribution of payments among hospitals. PPS adjustments account for the effects on costs of variations in case complexity, local market wage levels, and the level of teaching activity. Other policies are directed to the special problems of isolated rural hospitals and hospitals that treat a large share of the low-income population. These adjustments are intended to recognize legitimate cost differences among hospitals, as well as the broader responsibilities of the Medicare program. The Commission believes periodic adjustments and refinements are necessary to reflect more recent data, improve payment methods, and maintain the PPS principle of rewarding efficient hospitals.

Many recent and proposed revisions of the PPS adjustments are technically correct policy improvements that will make the system fairer. Most refinements are implemented in a budget neutral manner, without increasing or reducing total payments. Related redistributions of payments, therefore, may create opposition as well as support among different groups of hospitals. As Medicare payments have become more constrained, potential refinements have become more contentious regardless of their policy worthiness. It is thus increasingly difficult to gain support for policy improvements. Consequently, policy makers may find it hard to propose and proceed with needed changes.

Currently, major refinements to the diagnosis-related groups (DRGs), hospital labor market areas and the wage index, and outlier policy are being evaluated. Despite the redistributional consequences and likely opposition from certain groups of hospitals, ProPAC believes Congress and the Secretary should continue to modify PPS policies when changes are technically sound and necessary to ensure the equitable distribution of payments. Such modifications should be supported by data and consistent with PPS principles.

Recommendation 3: Controlling Spending Across Sites of Care

The Commission believes the Medicare program should continue to seek effective methods to control its total spending across all sites of care. Total Medicare spending is growing at rates much greater than can be explained by inflation and increases in the number of enrollees. The growth in spending is straining the resources of the Medicare trust funds, creating substantial financial burdens for Medicare beneficiaries, and adding to the Federal deficit.

Since the beginning of PPS, the growth in Medicare spending for inpatient hospital services has slowed. Medicare policies and payment incentives, in addition to changes in methods of treatment, have encouraged the delivery of care in other sites. Consequently, the number of new facilities and providers has grown rapidly, as has Medicare spending for the services they furnish. Most of the increased spending in other settings is due to factors other than PPS. These include medical advances, changing practice patterns, expanded service capacity, and changes in Medicare benefits and program administration. As a result, more Medicare enrollees receive services and more services are furnished per beneficiary.

The Medicare program has attempted to control spending for care in other sites by applying facility-specific cost limits and by adopting prospective payment methods, including fee schedules. These cost containment strategies have generally controlled the price paid per unit of service, but they have not constrained growth in the number or complexity of services provided. Consequently, their effect on overall spending has been limited.

Congress has encouraged the Health Care Financing Administration (HCFA) and ProPAC to develop prospective payment systems for other services. One approach the Commission has considered is to combine (bundle) separately billable services into a single payment. The goal of these efforts is to provide incentives to slow the growth in the volume of services furnished. Identifying appropriate bundles, however, has proven to be technically difficult due to variations in the need and use of services to individuals. In addition, the predominantly private, pluralistic nature of the American health care delivery system often results in people receiving care from a number of providers, physicians, and suppliers in a single episode of illness. Therefore, it is difficult to select a specific person or group to receive the bundled payment. Because Medicare beneficiaries frequently have more than one acute or chronic medical problem, it is also difficult to specify the services and timeframe to be included in a bundled payment.

The Volume Performance Standard (VPS) applicable to physician services exemplifies another approach to controlling the number of services. The VPS is a mechanism for adjusting physician fee updates. If total annual physician expenditures increase more

than the VPS, which is previously determined performance standard, fee updates for the next year are reduced. The VPS is intended to provide a collective incentive for physicians to reduce the number of services they deliver that are of limited value. It is too early to evaluate the success of the VPS. There is concern, however, that the incentives of this method may not be strong or specific enough to affect the behavior of individual physicians.

Health maintenance organizations (HMOs) and other managed care plans can also control spending across sites of care. Medicare has encouraged HMOs to participate in the program and enrollees to join such plans. So far, these initiatives have met with limited success. In the Commission's view, Medicare should improve its efforts to attract HMO participation and expand beneficiary enrollment in quality plans.

ProPAC believes the Medicare program must develop policies that will control spending across all sites of care. Current Medicare benefit and payment policies are fragmented and at times inconsistent across sites and providers. Policy improvements should curb the growth in spending by using resources more efficiently while improving the continuum of care for Medicare beneficiaries.

Recommendation 4: Ensuring Quality of Care

The Medicare program should continue to strengthen its ability to ensure quality of care for beneficiaries. Special attention should be directed to ambulatory care and other services furnished outside the acute care hospital setting, where there now is little or no oversight of the necessity for services or quality of care. The Commission supports the efforts of the Secretary to develop new approaches to improve quality of care. This work should be expanded to include services provided in all settings.

The Medicare program traditionally has relied on Medicare facility survey and certification and peer review programs to ensure quality of care in hospitals. Other Medicare-recognized providers are required only to meet the quality requirements related to facility survey and certification. In some cases, the care provided in ambulatory settings is not subject to any Federal quality assurance mechanism. Although acute care hospitals continue to be a major site of care, services are increasingly being furnished in ambulatory settings and by other institutional providers, such as home health agencies and rehabilitation hospitals. These settings, therefore, are becoming an increasingly important component of the overall care delivered to Medicare beneficiaries. They also are a focus of efforts to control spending. Little attention has been given to the quality of the care in ambulatory and other settings. The Commission believes the Medicare program should provide oversight for quality of care in all settings where Medicare beneficiaries receive services.

ProPAC supports the research undertaken by the Secretary, the Joint Commission on Accreditation of Healthcare Organizations, and others to improve quality of care. This work should be expanded to include the care furnished by all types of providers and practitioners, including assessment of the quality and outcome of all services delivered over an episode of illness.

The Commission encourages the Medicare program to continue to strengthen its quality assurance programs and oversight mechanisms. Currently, less than 0.3 percent of the Medicare budget is devoted to the quality review of individual cases. In ProPAC's view, Medicare must increase this funding to allow continued individual case review, as well as to develop and evaluate effective new approaches across all sites of care. The ability to assess and improve quality should accompany Medicare's cost containment strategy to ensure that the primary purpose of the program—to provide access to quality care for Medicare beneficiaries—continues to be fulfilled.

Hospital Payment Updates

The Commission is mandated by law to report to the Congress each year on the appropriate update to the inpatient hospital operating payment rates under PPS. As required, ProPAC considers several factors in developing its annual update recommendation: the hospital market basket index (which reflects the prices of resources used by hospitals in providing inpatient care), hospital productivity, scientific and technological advances, and the quality and long-term cost-effectiveness of health care. The Secretary of Health and Human Services is required to consider the Commission's recommendation in developing her update recommendation. The actual update is determined by Congress.

In the Omnibus Budget Reconciliation Act (OBRA) of 1990, the PPS operating update was established for each fiscal year through 1995. For fiscal year 1994, the update is set equal to the change in the hospital market basket index for urban hospitals, and the change in the market basket index plus 1.5 percentage points for rural hospitals. Even though the fiscal year 1994 update has been set by law, ProPAC continues to follow its approach of examining the individual factors that together determine the appropriate update to the PPS payment rates. The Commission believes this approach will result in an update that is sufficient to maintain Medicare enrollees' access to quality care while encouraging hospital efficiency in providing that care.

In addition to the update for PPS operating payment rates, the Commission in this report recommends an update for the Federal capital payment rate. ProPAC also recommends an update for rates derived from hospital base-year costs, which may be used in place of the PPS operating payment rates for sole community hospitals. Finally, the Commission considers the update for facilities currently excluded from PPS.

Recommendation 5: Update Factor for Operating Payments to PPS Hospitals

For fiscal year 1994, the PPS standardized payment amounts should be updated to account for the following factors:

- The projected increase in the HCFA PPS market basket index, currently estimated at 4.3 percent;
- A positive adjustment of 0.1 percentage points, to reflect the difference between the ProPAC and HCFA market baskets;
- A negative adjustment of 1.3 percentage points for substantial error in the fiscal year 1992 market basket forecast;
- A positive adjustment of 1.0 percentage points to reflect the cost-increasing effects of scientific and technological advances;
- A negative adjustment of 0.5 percentage points to encourage hospital productivity improvements; and
- A net negative adjustment of 0.2 percentage points for case-mix change.

In addition, a positive adjustment of 1.5 percentage points should be made for hospitals in rural areas to reflect a continuation of the phase out of the differential in standardized payment amounts between rural and other urban hospitals.

ProPAC's recommendation would result in an estimated average update factor of 3.6 percent for fiscal year 1994, with an increase of 3.4 percent for urban hospitals and 4.9 percent for rural hospitals. This recommendation reflects the Commission's judgment about the appropriate increase in the level of PPS payment rates. Since it is based on current projections of the fiscal year 1994 increase in the market basket index, the effective value of ProPAC's

update factor recommendation may be modified as more current forecasts become available. The components of ProPAC's update factor recommendation are summarized in Table 2–1; a discussion of each of these components follows.

It should be noted that the growth in average per case payments in each year is greater than the PPS update. This is because increases in the Medicare case-mix index (CMI) result in proportional increases in hospital payments. Future changes in case mix are difficult to predict; however, on the basis of currently available data, ProPAC estimates the CMI will rise by 1.9 percent in fiscal year 1994. Based on the Commission's recommendation of a 3.6 percent average update, the average increase in per case payments would be about 5.5 percent.

PPS market basket forecast and forecast error correction—The forecasted increase in the market basket index is the expected change in the prices of the resources used during a typical hospital stay. This forecast is the reference point used in updating the PPS payment rates. The current forecast is for a 4.3 percent increase in HCFA's PPS market basket index during fiscal year 1994.

In its March 1990 *Report and Recommendations to the Secretary, U.S. Department of Health and Human Services,* ProPAC proposed modifications to the market basket used by HCFA. Although HCFA adopted most of these modifications, it did not incorporate the key provision that increased the weight of hospital wages in the computation of the market basket index. The Commission believes the market basket as currently constructed does not adequately recognize the unique characteristics of the hospital labor market.

TABLE 2–1.—RECOMMENDED UPDATE FACTOR FOR PPS HOSPITAL OPERATING PAYMENTS, FISCAL YEAR 1994

Components of the Update		
Components applied to all hospitals:		
Fiscal year 1994 HCFA PPS market basket forecast[a]	.....	4.3%
Adjustment for difference between HCFA and ProPAC market basket[a]	.....	0.1
Correction for fiscal year 1992 forecast error	.....	−1.3
Allowance for scientific and technological advances	.....	1.0
Adjustment for productivity	.....	−0.5
Adjustments for case-mix change (fiscal year 1993)		
Total DRG case-mix index change	−2.0	
Real across-DRG case-mix change	1.4	
Within-DRG case-complexity change	0.4	
Net adjustment for case-mix change	.....	−0.2
Additional adjustments to the standardized amounts:		
Adjustment for large urban areas[b]	0.0	
Adjustment for other urban areas[c]	0.0	
Adjustment for rural areas	1.5	
Total Update Factor		
Overall average	.....	3.6
Large urban areas	3.4	
Other urban areas	3.4	
Rural areas	4.9	

[a] Market basket forecast provided by the Health Care Financing Administration, Office of the Actuary, January 1993. The market basket forecast is subject to change as more current forecasts become available.

[b] Large urban areas=metropolitan areas with populations of one million or more.

[c] Other urban areas=metropolitan areas with populations of less than one million.

Since the PPS update for fiscal year 1994 is legislated relative to a market basket that HCFA would implement, HCFA's market basket is used as the basis for the update. ProPAC's update recommendation takes this into account by making an adjustment of 0.1 percentage points to allow for the estimated effect of the modifications it has proposed.

A forecasted market basket increase of 4.4 percent was used to set payments in fiscal year 1992. The actual market basket increase, however, was only 3.1 percent. The update for fiscal year 1991 thus was set 1.3 percentage points higher than if the actual market basket increase had been known at the time.

The Commission believes a correction for substantial error in market basket forecasts is an important part of its update framework. This correction protects both hospitals and the Federal government by adjusting the base payment rates so that the effects of past forecast errors (both positive and negative) are removed. Therefore, ProPAC's update recommendation also includes a −1.3 percentage point adjustment for fiscal year 1992 market basket forecast error.

Scientific and technological advances—The scientific and technological advances allowance is a future-oriented policy target. It provides additional funds for hospitals to adopt quality-enhancing health care advances, even when they increase costs. To develop an informed judgment about the appropriate level of this allowance, ProPAC annually sponsors a study that examines a set of the most important new cost-increasing technologies and scientific developments. (See Appendix A for more information on this year's study.) The study, however, does not include the effects of "small-ticket" technologies, changes in practice patterns, and cost-reducing technologies. Given these considerations, the Commission believes 1.0 percentage points is an appropriate level for the scientific and technological advances allowance for fiscal year 1994.

Productivity improvement—The productivity adjustment is also a future-oriented policy target. The Commission believes it is reasonable to expect hospitals to achieve productivity improvements during fiscal year 1994 that are comparable to those realized in other sectors of the economy. The recommended adjustment of −0.5 percentage points is based on ProPAC's determination that hospital productivity should increase by 1.0 percent and that hospitals and the Medicare program should equally share savings from such productivity improvement. The Commission believes it is appropriate for the costs of scientific and technological advances to be financed in part by expected productivity gains, so that hospitals have an incentive to strive for productivity improvement as they adopt new technologies. (See Appendix

A for more information on trends in hospital productivity.)

Case-mix change—For fiscal year 1994, the PPS update should be adjusted by –0.2 percentage points to account for the net effect of case-mix change during fiscal year 1993. This adjustment reflects:

- A 2.0 percentage point reduction for the estimated change in the CMI.
- A positive allowance of 1.4 percentage points for real case-mix change across diagnosis-related groups, and
- A positive allowance of 0.4 percentage points for within-DRG case-complexity change.

Adjusting for these factors allows payments to increase due to real changes in the resources required to treat an average Medicare patient. At the same time, it removes the effect of changes in medical record documentation and coding practices that increase payments, but that are unrelated to patient resource requirements (also referred to as upcoding).

The Commission's recommended adjustment for case-mix change has three parts. The first component is a negative adjustment for the CMI increase in the previous year. This is removed from the payment base because it includes the effects of upcoding. Two positive allowances are then made for real case-mix change: one for real across-DRG case-mix change and another for within-DRG case-complexity change.

The annual rate of increase in the CMI has generally declined over time. This pattern reflects a dramatic change in the distribution of patients across DRGs (due to treatment pattern changes and upcoding) when PPS was implemented, followed by a gradual settling toward a new equilibrium. This trend, however, has been interrupted when revisions to the payment system created new opportunities for upcoding—in fiscal year 1988, when the criteria for assigning patients to DRGs were changed, and in fiscal year 1991, when 13 new DRGs were added.

Each year, ProPAC estimates the increase in the CMI for the previous year, using available date on the trend in prior years and expectations about the effects of any DRG changes that may have been implemented. ProPAC's estimate of the increase in the CMI for fiscal year 1992 is 2.2 percent. Since there were no significant changes in the DRGs in fiscal year 1993, the Commission expects the rate of CMI change to decline to 2.0 percent.

Real CMI change is that portion related to actual increases in patient resource requirements across DRGs. ProPAC's estimate to real CMI change takes into account previous studies that apportioned increases in the CMI into real and upcoding components. These studies indicate the real CMI change in past years has been in the range of 1.5 percent to 1.6 percent. In the Commission's judgment, 1.4 percentage points of the estimated 2.0 percent increase in the CMI for fiscal year 1993 will be related to real changes in patient resource requirements. The Commission believes real case-mix change for 1993 will be slightly less than earlier studies estimated because the proportion of CMI increases caused by a shift to outpatient settings has declined.

ProPAC's estimate of within-DRG case-complexity change takes into account information from a series of studies, in which a detailed patient grouping mechanism is applied to Medicare data for discharges within each DRF. As with the CMI, the annual increase in case complexity tends to decline over time.The most recent estimates are that case complexity rose 0.5 percent in fiscal year 1990 and 0.7 percent in fiscal year 1991, when some significant changes were made to the DRGs. On the basis of these data and past trends, ProPAC estimates that case-complexity change will continue to decline in fiscal year 1993 and will be 0.4 percent.

During the first nine years of PPS, CMI change led to payment increases that exceeded those resulting from the annual updates and other payment policy changes. Given the important role of CMI change in determining payment increases, and the failure of this rate to decline as much as expected, the examination of CMI change will continue to be an important activity of the Commission.

Differential adjustments to the standardized amounts—ProPAC supports the provisions of OBRA 1990 to eliminate the difference between the standardized payment amounts for hospitals in rural areas and for those in other urban areas. This is to be accomplished by fiscal year 1995 by providing higher updates to rural hospitals. Consistent with current law, the Commission recommends adding 1.5 percentage points to the PPS update for rural hospitals.

Since the beginning of PPS, Medicare payments have been higher relative to costs for urban hospitals than for rural hospitals. This is primarily the result of two factors. Urban hospitals have benefited more from the PPS payment adjustments—particularly the effects of CMI change and the indirect medical education (IME) and disproportionate share (DSH) adjustments. In addition, rural hospitals have had large declines in inpatient volume, raising fixed costs per case.

However, as indicated in ProPAC's October 1991 report to Congress, *Rural Hospitals Under Medicare's Prospective Payment System*, several recent policy changes have improved the relative performance of rural hospitals under PPS. This trend promises to continue. The Commission will monitor and analyze the further effects of these policies as additional data become available.

Recommendation 6: Update Factor for Capital Payments to PPS Hospitals

For fiscal year 1994, the Commission believes that a formula-based approach should be used to update capital payment rates. The capital update should include the following components:

- The projected increase in a capital market basket index that measures one-year changes in a fixed basket of capital goods hospitals purchase, currently estimated at 3.0 percent;
- A forecast error correction factor of zero;
- A financing policy adjustment of zero;
- A positive adjustment of 0.4 percentage points for scientific and technological advances;
- A negative adjustment of 0.5 percentage points to encourage hospital productivity; and
- A net negative adjustment of 0.2 percentage points for case-mix change.

The Commission's recommendations would result in a 2.7 percent increase in the Federal capital payment rate for both urban and rural hospitals. The Commission believes the capital update should be for future capital purchases. It is designed to provide Medicare capital payments reflective of future capital replacement prices. It would provide updates appropriate to maintain hospital capital stock adequate to provide efficient and effective care to Medicare beneficiaries.

The components of the update recommendation are summarized in Table 2–2; a discussion of each of these components follows. (See Appendix A for more information on the capital update.)

Capital market basket—ProPAC's capital update recommendation reflects projected increases in a market basket index designed to measure changes in the prices of capital assets hospitals purchase. This index, developed by the Commission, provides a measure of the increase in capital input prices analogous to that used to update PPS

operating payments. (See Recommendation 5.) It measures annual change in the price of a fixed mix of capital goods.

The recommended market basket includes three price components: building and fixed equipment, movable equipment, and other capital-related costs such as insurance. The market basket weights reflect hospitals' patterns of capital acquisition. In the absence of accurate and current information on actual capital purchases, the Commission believes that shares of depreciation expense, adjusted for other capital-related costs, are the best available measures of future purchases. Therefore these shares, combined with annual outlays for capital-related costs, are used as weights in the market basket.

TABLE 2–2.—RECOMMENDED UPDATE FACTOR FOR CAPITAL PAYMENTS, FISCAL YEAR 1994

Components of the Capital Update	
Fiscal year 1994 capital market basket [a]	3.0%
Correction for fiscal year 1992 forecast error	[b]
Financing policy adjustment	0.0
Allowance for scientific and technological advances	0.4
Adjustment for productivity improvement	−0.5
Adjustment for case-mix change [c]	−0.2
Total capital update	2.7

[a] Market basket forecast developed by ProPAC using data supplied by the Health Care Financing Administration.

[b] Not applicable for fiscal years 1994 and 1995.

[c] Case-mix change components = total DRG CMI change, real across-DRG case-mix change, and within-DRG case-complexity change.

Although updates should apply to the full Medicare capital payment rate, which reflects historical levels of depreciation and interest, interest rate changes should be handled outside the market basket. The Commission's financing policy adjustment addresses the issue of interest rate change in the update framework.

The capital market basket proposed by the Secretary uses a complex structure of weighted average changes in economywide price proxies and measures of interest expense. Its value is largely determined by historical values of its components. In ProPAC's view, a straightforward market basket that reflects the change in the price of hospital capital purchases and other capital-related costs in the coming fiscal year is more appropriate. The recommended market basket would provide Medicare capital payments reflective of future capital purchase prices.

ProPAC has studied a range of alternative capital price measures. The Commission recommends using two price proxies especially relevant to hospital industry capital purchases: for hospital building and fixed equipment capital costs, the Boeckh Building Cost Index subindex for apartments and office buildings (institutional construction); for movable equipment capital costs, the Marshall and Swift Hospital Equipment Index. Changes in other capital-related costs would be measured by the Consumer Price Index for residential rent. Components would be weighted as discussed above. The market basket would be used to prepare single-year projections of price changes.

As of January 1993, the projected increase in ProPAC's market basket index for fiscal year 1994 is 3.0 percent. This forecast may change as more up-to-date data become available and methodologies for estimating the components of the market basket are refined.

Forecast error correction—The Commission believes correction of past market basket index forecast errors should be part of the update framework. The correction protects both hospitals and the Federal government by adjusting the payment rates so that the effects of past forecast errors are not perpetuated. Because 1994 is the first year in which a capital update framework would be used, there is no correction to make this year.

Financing policy adjustment—The Commission's capital update framework includes a financing policy adjustment to account for the effects of changes in interest rates on hospital capital costs. The Commission believes interest rate fluctuations should not be reflected in the market basket. If they were, such changes might lead to volatility in updates, overcompensation of hospitals in some circumstances, and undue risk for facilities at other times. Instead, ProPAC recommends an explicit adjustment to the capital update factor to account for significant changes in interest rates.

The financing policy adjustment reflects interest rate changes that might otherwise create a significant financial burden for hospitals, as well as those that would produce substantial reductions in capital costs. It would increase payments to compensate hospitals faced with disruptive effects of extreme interest rate increases and allow the Medicare program to share in some of the savings resulting from lower interest rates.

Though relatively high compared with short-term rates and in light of expected inflation, long-term interest rates are anticipated to remain stable through fiscal year 1994. The Commission believes it is not appropriate to adjust capital payments for forecasted changes in interest rates at this time.

Scientific and technological advances—ProPAC recognizes that future hospital capital investments may include more costly, quality-enhancing medical technology. The overall capital update framework adjusts payments to allow for scientific and technological advances. (See Recommendation 5.) The Commission recommends a 0.4 percentage point adjustment for the capital component of scientific and technological advances.

Productivity improvement—ProPAC recognizes the need to adapt the capital stock of hospitals to a health care environment with less demand for inpatient services through its productivity adjustment. This adjustment serves as a target for improvement in productivity due to more efficient use of plant and equipment and purchase of cost-decreasing technologies. The Commission recommends an adjustment of −0.5 percentage points to encourage more efficient use of existing plant and equipment and the purchase of cost-decreasing technologies.

Case-mix change—Medicare uses the same DRG definitions and relative weights for both operating and capital payments. As a result, capital payments respond to changes in the case-mix index in the same way as do PPS operating payments. This the adjustment to capital payment rates for CMI change is identical to that made to operating payment rates. (See Recommendation 5.) The Commission recommends a net −0.2 percentage point adjustment for case-mix change.

Recommendation 7: Single Operating and Capital Update Factor

The Commission recommends that when the transition to fully prospective capital payments is complete, a single update factor be used for adjusting PPS operating and capital payment rates. Until then, the Secretary should use an update framework that combines operating and capital payments. Under a fully prospective combined update, the total recommended payment rate increase would be 3.5 percent for fiscal year 1994.

The Commission believes there ultimately should be one payment for

hospital inpatient operating and capital expenses and a single annual update to that payment. A combined capital and operating update factor cannot be used until the transition to a fully prospective capital payment system is complete. This is because the update applies only to the prospective portion of capital payment rates. Further, the operating payment update is currently set by law, while the Secretary has authority to set capital prospective payment updates through annual rulemaking. However, the Medicare program should move to a single update approach for inpatient operating and capital payment rates as soon as possible. Despite the separate payment methods, hospitals do not distinguish between their operating and capital payments. Operating payments may be used to defray capital shortfalls and vice versa. Thus, separate update factors for operating and capital expenses do not reflect the way hospitals actually use their revenues or make investment decisions.

ProPAC therefore recommends the development and use of an update framework that includes capital and operating components for fiscal year 1994. Like the operating update currently used by ProPAC, the new combined update approach should incorporate operating and capital market baskets to measure changes in prices, as well as adjustments for productivity, scientific and technological advances, and case-mix change. This would ensure that updates to both operating and capital base payment rates reflect increases in the cost of the goods and services that hospitals require to produce inpatient hospital care efficiently. Ultimately, operating and capital components should be included in a single market basket and set of adjustments.

A combined fully prospective update would yield an average payment rate increase of 3.5 percent under the Commission's recommendation for fiscal year 1994. The total payment increase, however, would be higher, about 5.5 percent, due to expected increases in the case-mix index (see Table 2–3).

TABLE 2–3.—ESTIMATED FISCAL YEAR 1994 AVERAGE INCREASE IN PER CASE PAYMENTS UNDER FULLY PROSPECTIVE RATES

Operating update factor	3.6%
Capital update factor	2.7
Total average update	3.5
Estimated case-mix index change (fiscal year 1994)	1.9
Total average increase in PPS payments*	5.5

*The total average increase in PPS payments reflects the multiplicative effects of the total average update and case-mix index change.

Recommendation 8: Data for Evaluating Case-Mix Index Change

The Secretary should collect the data necessary to apportion case-mix index change into its real and upcoding components.

Case-mix index change continues to be a major source of payment increases under PPS. It is difficult, however, to determine whether CMI change is due to real changes in patient resource use or to improved medical record documentation and coding practices. The most accurate way to analyze CMI change is to examine medical records. With support from ProPAC, HCFA sponsored a two-year study of CMI change that relied on medical record reabstraction. This study estimated real CMI change and upcoding. However, it cannot be replicated. The data source on which it was based—medical records collected by the SuperPRO for use in evaluating Peer Review Organization (PRO) performance—no longer provides a representative sample of PPS cases.

A representative sample of medical records that can be updated annually is needed to continue analysis of CMI change. Although there may be other potential sources, the SuperPRO sample could again be used for this type of study if the sampling scheme were appropriately modified.

The Commission recognizes the potential difficulty and costliness of acquiring such data, but believes that CMI change continues to warrant serious examination. If major improvements to the case-classification system are implemented, the potential for upcoding—and therefore the need to separate CMI change into its real and upcoding components—will increase. ProPAC would be pleased to work with HCFA to analyze the components of CMI change.

Recommendation 9: Update Factor for Hospitals Paid on the Basis of Hospital-Specific Rates

The Commission believes that payments based on hospital-specific base-year costs for sole community hospitals should be updated by the same factor that applies to PPS rate for rural hospitals.

This recommendation would result in an update to the hospital-specific rates of 4.9 percent for fiscal year 1994, consistent with the Commission's recommendation on the PPS update. Since the update is based on current projections of the fiscal year 1994 increase in the market basket index, its effective value may be modified as more current forecasts become available.

OBRA 1989 provides that certain hospitals be paid on the basis of the PPS rate, their own 1982 base-year costs updated to the current year, or their updated 1987 base-year costs, whichever would yield the largest payment. Sole community hospitals, which meet certain criteria based on distance from other hospitals or market share, quality for this special treatment. Provisions affecting small rural Medicare-dependent hospitals (those with fewer than 50 beds and at least a 60 percent Medicare share of total discharges or inpatient days) expire with cost reporting periods ending on or after April 1, 1993.

Current law requires that the hospital-specific rates for these hospitals be updated at a rate equal to the increase in the PPS hospital market basket index, the same as for urban hospitals. The Commission believes the update applied to the hospital-specific rates for sole community hospitals should be equal to that applied to the PPS rates under which the same hospitals would be paid, generally that for rural hospitals. Current policy provides relief for hospitals with high base-year cost due to their special circumstances by raising their payment base. However, once their payment base is raised, they should be subject to the same payment update faced by other comparable PPS hospitals.

Recommendation 10: Update Factor for PPS-Excluded Hospitals and Distinct-Part Units

For Fiscal year 1994, the target rate of increase for PPS-excluded hospitals and distinct-part units should be updated to account for the following factors:

- The projected increase in the HCFA PPS-excluded hospital market basket, currently estimated at 4.4 percent;
- A negative adjustment of 1.4 percentage points for fiscal year 1992 market basket forecast error; and
- A positive adjustment of 0.2 percentage points for scientific and technological advances.

Since the implementation of Medicare's prospective payment system in 1983, certain hospitals (psychiatric, rehabilitation, long-term, and children's) and distinct-part units (Psychiatric and rehabilitation) have

been exempt. Later, cancer hospitals were exempted from PPS as a result of OBRA 1989. The primary reason for the exemption was that DRGs failed to predict accurately the resource costs for patients treated by these providers.

PPS-excluded hospitals and distinct-part units are subject to the payment limitations and incentives established in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). They are paid on the basis of each facility's historical costs trended forward, with a limit placed on the rate of increase in per case reimbursable costs. These TEFRA target rate-of-increase limits are updated annually. The target rate per discharge is based on hospital-specific Medicare costs in a base year, which varies depending on when the facility was constructed or converted to a PPS-excluded category.

Facilities with costs less than the target rate per discharge receive their costs plus an additional payment that is the lesser of 50 percent of the difference between their costs and the TEFRA target rate, or 5 percent of the target rate. As of fiscal year 1992, providers with costs exceeding their target rates receive 50 percent of these costs, subject to a total payment ceiling of 110 percent of the target amount. Further, the Secretary is required to provide for an adjustment to the amount of payment for a hospital when events beyond the hospital's control distort the increase in costs for a cost reporting period.

The TEFRA target rate-of-increase limits are updated annually. PPS-excluded hospitals and distinct-part units received the same update provided to PPS hospitals until fiscal year 1989. Congress then set the TEFRA target rate update equal to the projected increase in the market basket. Beginning in fiscal year 1991, the Secretary has implemented a separate market basket for PPS-excluded providers. Although the update has been legislated, Congress requires the Commission and the Secretary of HHS to recommend an annual update factor to the TEFRA target rates.

The legislated update to the TEFRA target rate equals the projected increase in the PPS-excluded market basket. The Commission's recommendation results in an average update to the target rate equal to the market basket minus 1.2 percentage points (See Table 2–4).

Market basket—The update recommendation is determined primarily by the projected increase in the PPS-excluded market basket index. The current HCFA market basket forecast for fiscal year 1994 is 4.4 percent. There is no difference between the HCFA and ProPAC market basket forecasts for 1994, so an adjustment is not necessary.

Forecast error correction—ProPAC continues to believe that the update should be corrected for past market basket forecast errors. This requires comparing the actual market basket increase in a given year with the forecast used to update payments in that year. The Commission compared the actual fiscal year 1992 market basket increase with the forecast used to update the TEFRA target limits in that year. The fiscal year 1992 market basket forecast was 4.7 percent, and the actual market basket increase was 3.3 percent. The forecast error correction for fiscal year 1992 is this—1.4 percentage points.

Scientific and technological advances—ProPAC has also developed an allowance for scientific and technological advances for PPS-excluded facilities. This allowance reflects the Commission's judgment about facilities' financial requirements for the adoption of quality-enhancing but cost-increasing technologies. To determine this allowance, each year ProPAC examines a set of the most important new technologies and scientific advances used in PPS-excluded facilities. Based on this assessment, an increase of 0.2 percentage points to the target rate is needed to offset the cost of the new technologies.

Unlike the update for PPS hospitals, the update for excluded facilities should not include a productivity adjustment. The productivity adjustment to the PPS update is based on the principle that Medicare should share in the savings generated by productivity improvements. However, Medicare automatically shares in the savings under TEFRA. Part of any productivity increase is factored into reduced Medicare payments. ProPAC believes further reductions in payments for productivity improvements are not appropriate for PPS-excluded providers.

TABLE 2–4. RECOMMENDED UPDATE FACTOR FOR PPS-EXCLUDED HOSPITALS, FISCAL YEAR 1994

Components of the Update:	
Fiscal year 1994 HCFA PPS-excluded market basket forecast*	4.4%
Adjustment for difference between HCFA and ProPAC market baskets*	0.0
Correction for fiscal year 1992 forecast error	−1.4
Allowance for scientific and technological advances	0.2
Total update	3.2

*Market basket forecast provided by the Health Care Financing Administration, Office of the Actuary, January 1993. The market basket forecast is subject to change as more current forecasts become available.

Payment policy reform—In October 1992, the Commission submitted an interim report on payment reform for PPS-excluded facilities. The report discussed the characteristics of the different types of facilities, the patients they treat, and how they have changed over time. The adequacy and equity of TEFRA payments to these facilities and how well TEFRA controlled the rate of increase in Medicare costs were also discussed. In addition, the report analyzed the potential for payment policy reform. It concluded that each type of PPS-excluded provider is different, and that one payment system is unlikely to be appropriate for all of them.

Currently, all types of PPS-excluded providers are treated uniformly for payment purposes. Because of differences in cost experiences and patients served, however, each type of facility may warrant independent consideration. Costs have been increasing faster than the update for most PPS-excluded facilities. The update to the TEFRA target rate of increase reflects inflation in the market basket and an allowance for scientific and technological advances. However, the TEFRA payment system does not recognize many of the factors that affect costs, such as changes in case mix and treatment patterns. A more complete understanding of the factors affecting the increase in costs may indicate additional payment adjustments or modifications to the current update formula. The Commission encourages the Secretary to further examine the factors contributing to cost increases among these facilities. The Commission will continue to evaluate the appropriateness of the TEFRA system

for PPS-excluded providers, and will respond to the Secretary's proposal for payment reform as mandated in OBRA 1990 when it becomes available.

PPS Wage Index and Hospital Labor Market Definitions

The PPS wage index is intended to measure geographic differences in the unit prices of labor inputs hospitals must purchase to provide inpatient services. It is used to adjust each hospital's PPS payment rates to reflect the relative level of labor prices in its labor market area.

This adjustment is applied to the labor-related portion of a hospital's standardized payment amount, which represents about 70 percent of its base payment per discharge. Currently, the wage index directly affects the distribution of more than $35 billion in PPS payments. consequently, the accuracy of the wage index is a key factor affecting payment equity among hospitals.

The fiscal year 1993 wage index is based on 1988 wage data and a set of hospital labor market areas. It is calculated by dividing the average hourly wage rate for all hospitals in a labor market area by the national average hourly wage rate. The resulting index measures the level of average hourly wages for hospital workers in each labor market area relative to the national average.

The labor market areas divide the nation into geographic areas in which hospitals are assumed to face similar labor market conditions. Currently, labor markets for urban areas are based on metropolitan statistical areas (MSAs) defined by the Office of Management and Budget (OMB) using 1980 Census data. A single rural labor market area is defined for each state, comprising all counties not included in an MSA.

In recent years, the Commission has identified several problems regarding both the wage data and the labor market definitions that affect the accuracy of the wage index. One problem is that the wage data are generally three to four years out of date. Under current law, the wage index must be updated annually, beginning in fiscal year 1994. To meet this requirement, the Secretary has proposed using wage data from hospitals' annual cost reports, beginning with data for fiscal year 1990. Using cost report data, however, will not significantly improve the timeliness of the information.

A second problem is that the hourly wage rates currently reported by hospitals reflect variations in labor cost per hour, which include the effects of differences among hospitals in the occupational mix of employees. Some hospitals hire a more expensive mix of labor, while others hire a less expensive mix. The wage index, however, is intended to measure geographic variations in labor prices, not total labor costs. Including occupational-mix differences in the wage data inflates the wage index in areas where the mix is more expensive than average, and deflates it where the mix is less expensive than average. Consequently, index values for large cities tend to be too high, while those for rural areas tend to be too low.

Other problems result from the use of MSAs and statewide rural areas to define hospital labor market areas. MSAs and statewide rural areas often cover large geographic areas, including a diverse set of hospitals and communities with varying labor market conditions. Within a large area, geographic differences in labor market conditions often result in legitimate variations in the level of market prices for labor. These variations are suppressed inappropriately in the wage index, however, because it is based on the average hourly wage rate for the whole area. This occurs primarily because many of the current labor market areas are too large.

In addition, these areas have arbitrary boundaries. A labor market is assumed to end at the MSA or state border, while a completely separate labor market begins on the other side of the border. Consequently, nearby hospitals located on opposite sides of a labor market border often have substantially different wage indexes and PPS payment rates, even though they are facing similar local prices for labor.

New MSA definitions based on data from the 1990 Census were published recently by OMB. The Secretary of HHS has proposed to adopt the new MSAs for defining labor market areas beginning in fiscal year 1994. In a number of instances, the new MSAs are substantially large than the old ones. Consequently, ProPAC expects that adoption of the new MSAs generally would worsen some of the current problems.

Congress attempted to alleviate the problem of large wage index differences near labor market borders by creating the Medicare Geographic Classification Review Board (MGCRB) in OBRA 1989. Under this provision, hospitals are permitted to apply for reclassification to an adjacent area for the purpose of the wage index, the standardized amount, or both. Analyses by both ProPAC and HCFA suggest that geographic reclassification has not provided an effective solution to this problem. Many of the hospitals that qualified for reclassification for the wage index did not appear to be disadvantaged in their original locations. Many reclassified hospitals, therefore, received wage indexes substantially higher than the relative levels of their own average hourly wage rates.

In response to requests from the Congress, ProPAC has developed and evaluated alternative hospital-specific labor market definitions based on hospital geographic proximity. Under this approach, each hospital's labor market area would include all hospitals located nearby. In one method, the definition is based on a predetermined number of nearby hospitals, such as the closest 10 hospitals. Alternatively, each hospital's area could include all hospitals located within a fixed distance from the target hospital (for example, 20 miles).

The findings from this analysis are briefly summarized in Appendix A. A more complete description of the methods and results will be available shortly as part of the Commission's Technical Report Series. (See Appendix B.) Based on the findings from this study, the Commission believes that the accuracy of the PPS wage index could be substantially improved if the following recommendations were adopted.

Recommendation 11: Improvements in the PPS Hospital Wage Index

The Secretary should substantially revise the hospital wage index under PPS for fiscal year 1994. The revised wage index should be calculated using hospital-specific labor market areas based on geographic proximity measured by the air-mile distances between nearby hospitals.

The Commission believes the PPS wage index would be substantially more accurate if it were calculated using hospital-specific labor market areas based on geographic proximity. Under this approach, a labor market area would be defined for each hospital (the target hospital), including only hospitals located in its immediate vicinity. Consequently, each hospital's "nearest neighbor" wage index would reflect its own wage rate averaged with those paid by other nearby hospitals.

This approach has strong intuitive appeal. Hospitals located near each other represent potential alternative sources of employment for health care workers residing in the area. Therefore, in almost all instances, the average wage rate paid by all nearby hospitals should provide a reasonably accurate measure of the amount the target hospital must pay to compete for labor.

The findings from ProPAC's analysis of this approach suggest that hospital-specific labor market areas offer important advantages compared to the current market definitions. Nearest neighbor labor market areas do not have fixed borders like the arbitrary county and state boundaries used to define MSAs and statewide rural areas. Instead, market areas for nearby hospitals overlap substantially, including many of the same hospitals. This tends to reduce the likelihood of large differences in wage index values among nearby hospitals. In addition, nearest neighbor labor market areas generally cover much smaller geographic areas than the current urban and rural labor markets. Consequently, they are more effective than the current labor market areas in capturing geographic differences in market wage levels.

The Commission thinks it is important to implement a revised wage index based on this approach in fiscal year 1994, if possible. Under current policy, major changes in the wage index are expected to take effect in fiscal year 1994. These changes will occur because of the adoption of new MSA definitions, 1990 wage data, and more stringent criteria for evaluating wage index reclassifications. Delaying implementation of a nearest neighbor wage index until fiscal year 1995 would result in two successive waves of major changes in the wage index. Many hospitals that would receive a higher wage index in 1994 would be likely to receive a lower wage index in 1995, and vice versa. Consequently, a delay in implementation would result in substantial, and unwarranted, redistribution of PPS payments in two successive years.

Implementation of a nearest neighbor wage index in fiscal year 1994 also would substantially redistribute PPS payments among hospitals. In contrast to the changes that are likely under current policy, however, these changes would make payments more accurate and equitable. Although ProPAC considered various implementation options, it concluded that the best overall outcome would be achieved by adopting a nearest neighbor wage index as soon as possible.

If implementation of a nearest neighbor wage index is not possible in fiscal year 1994, Congress should freeze the current index (and the wage index reclassifications approved for fiscal year 1993) and delay updating the wage index until 1995. Alternatively, Congress could allow the current wage index to be modified to include only reclassifications approved by the MGCRB for fiscal year 1994 but delay any other changes until fiscal year 1995. Although the Commission regards these options as less desirable, they are still better than allowing current policy to continue unchanged.

ProPAC is not recommending a specific method for defining hospital-specific labor market areas. The Commission examined a range of alternative definitions. Several of these could provide roughly comparable improvements in the wage index. Although these definitions may differ in detail, the overall results appear to be similar.

Regardless of which specific method is adopted, implementation of this approach will impose both one-time and ongoing administrative burdens on HCFA. For example, HCFA will need to verify the latitude and longitude coordinates for each PPS hospital. The agency also will need to develop methods and procedures for incorporating new hospitals into the wage index, and for dealing with multi-campus hospitals.

In addition, HCFA will need to develop methods and administrative processes for addressing exception requests. ProPAC's research shows that hospital-specific labor market areas defined using air-mile distances generally correspond closely with those defined using road miles. Differences will occur, however, because of the presence of major transportation barriers such as a river or mountainous terrain. An exceptions process may be needed where a road-mile definition would produce a substantially different wage index.

The Commission recognizes that adopting a new wage index based on nearest neighbor labor market areas will substantially alter PPS payments for many hospitals. This effect will be due partly to changing the labor market definitions, and partly to eliminating geographic reclassification for the purpose of the wage index. ProPAC believes strongly that continued reclassification for the wage index will not be needed once a nearest neighbor index is implemented. (See Recommendation 12.)

Hospitals whose wage indexes are reduced by the adoption of a nearest neighbor wage index will receive lower payments because of this change. The Commission believes, however, that such changes in hospital wage index values generally will reflect improvements in accuracy and fairness. Hospitals whose wage indexes decline will be primarily those previously sheltered by their inclusion in an inappropriately large labor market area or those that received an inappropriately high wage index because of geographic reclassification.

Recommendation 12: Repeal of Current Provisions Relating to Geographic Reclassification for the Wage Index

Congress should repeal the current statutory provisions relating to geographic reclassification for the wage index. The effective date for this action should be the same as the effective date for adopting a wage index based on hospital-specific labor market areas. In addition, reclassification for the standardized payment amount should expire at the beginning of fiscal year 1995.

The Commission believes that adopting a nearest neighbor approach based on hospital-specific labor market areas would eliminate the need for geographic reclassification for the wage index. Under this approach, each hospital's wage index would be based on the average hourly wage rate for all hospitals included in its market area. Since, by definition, these hospitals are close to each other, they are likely to face similar labor market conditions. Therefore, ProPAC thinks a wage index based on this approach will be substantially more accurate than the current index. Moreover, the rationale for geographic reclassification would no longer be valid.

In addition, the labor market areas for nearby hospitals generally would overlap substantially, most often including a common set of hospitals. Consequently, it is unlikely that the wage index values for neighboring hospitals would differ greatly. On the other hand, market areas for hospitals located farther apart would have few or no common hospitals. This means that a nearest neighbor wage index is likely to be much more responsive to geographic differences in market wage rates than the current index.

ProPAC strongly believes that adopting such an index would eliminate the need for wage index reclassification. Nonetheless, the Commission recognizes that many reclassified hospitals would experience reduced payments with the repeal of reclassification. Other hospitals also would be adversely affected by this change, including those that have been sheltered by the use of very large market areas in the current wage index.

As noted above, the effects of wage index reclassifications on payments often have been excessive. Therefore, considering the effect of the wage index by itself, many of these hospitals have been overpaid in recent years. It is important to note, however, that some of

these hospitals also have been or will be affected by other recently implemented or pending changes in policy. The Commission is concerned about the overall net impact of these changes, particularly for those hospitals facing a combination of adverse changes occurring simultaneously.

In response to this concern, Congress could implement a nearest neighbor wage index and repeal reclassification for the wage index over a two-year transition. One way to do this would be to adopt a blended wage index for fiscal year 1994. For example, this index could consist of a 50/50 blend of a nearest neighbor wage index and the current fiscal year 1993 index. Because the current index includes the effect of reclassification, while a nearest neighbor index does not, the blend would cushion the impact of repealing reclassification by allowing one-half of its effect in fiscal year 1994, and none of its effect thereafter. Similarly, a blended wage index would cushion the impact of other changes unrelated to reclassification that also would occur due to the adoption of a nearest neighbor wage index.

Recommendation 13: Improvements in Hospital Wage Data

The Secretary should develop and implement improved methods for collecting timely data on employee compensation and paid hours of employment for hospital workers by occupational category. Once these data become available, the Secretary should implement an adjustment to the hospital wage index under PPS. This adjustment would correct for the inappropriate inclusion in the wage index of geographic differences in the mix of occupations employed.

The PPS wage index is intended to measure geographic differences in the unit prices of labor inputs hospitals must purchase to provide inpatient services. Currently, hospitals report only total compensation and total paid hours for all employees, without regard to occupation. Consequently, the average hourly wage calculated for each labor market area reflects the average labor cost per hour for all hospitals in the area, including both the unit prices for labor and the occupational mix of employees.

The Commission believes, however, that the wage index should adjust payments for relative differences among hospitals in labor prices, not costs. While local market prices for labor are presumed to be determined by forces beyond the control of an individual hospital, the quantity and skill mix of labor purchased are clearly within each hospital's control. Differences among hospitals in mission, services offered, and patient population served may lead to variations in the volume and mix of labor required to produce needed inpatient services. The resulting differences in operation cost per discharge, however, are accounted for by other hospital-specific adjustments in PPS, such as the case-mix index and the indirect medical education and disproportionate share adjustment. Similarly PPS payment rates are not intended to recognize differences in labor costs that arise from variations among hospitals in labor compensation policies or labor productivity.

Hospitals located in large cities tend to employ a substantially more expensive mix of labor than hospitals located in rural areas. Consequently, the wage index values for large urban areas tend to be too high, while those for rural areas tend to be too low. This results in overpayment for some hospitals and underpayment for others.

Previous ProPAC studies of 1988 occupation-specific compensation data reported by California hospitals have suggested that an adjustment for occupational mix would increase the wage index values for rural hospitals and decrease those for hospitals located in large urban areas. This year, the Commission reanalyzed the California data to examine the effect of occupational mix adjustment on wage indexes based on hospital-specific labor market areas. The results are consistent with ProPAC's earlier findings. Compared with a wage index based on the current market areas, wage indexes based on hospital-specific labor markets seem no more sensitive to geographic differences in occupational mix. Nevertheless, differences in occupational mix would remain an important factor affecting the accuracy of the wage index and equity of payment under PPS.

To address this problem, the Commission previously has recommended collecting compensation and employee hours data by occupational category. However, the Secretary has rejected this recommendation on several grounds, including the burden that would be imposed on the hospital industry and lingering doubts about the likely accuracy of occupation-specific data.

The Commission believes that accurate occupation-specific data can and should be obtained to correct the continuing bias in the wage index. Further, the burden of collecting such data could be minimized by adapting methods currently used by the Bureau of Labor Statistics (BLS) to collect occupation-specific data for the Employment Cost Index.

A second set of issues relates to the timeliness and accuracy of the wage data. Accurate and timely data are essential to improve the payment equity among hospitals under PPS. The importance of these data should be obvious because the wage index directly affects the distribution of about 70 percent of all payments under PPS, or some $35 billion per year.

Under current law, the Secretary is required to update the wage index annually, beginning in fiscal year 1994. The wage data collected on hospitals' annual cost reports for this purpose, however, will continue to be three to four years out of date because of the length of the cost reporting cycle, intermediary auditing, and data submission to HCFA. In addition, the wage data many hospitals submitted on their fiscal year 1990 cost reports is either inaccurate or substantially incomplete. HCFA's experience with collecting wage data by mail survey, with and without requesting occupation-specific data, has been equally poor.

ProPAC believes many hospital administrators need to take more seriously their responsibility for providing accurate and complete wage data. Implementation of a new wage index based on hospital-specific labor market areas may help. With a nearest neighbor approach, a hospital's own circumstances would generally have more influence on its wage index than is currently the case. Therefore, hospital administrators may be more strongly motivated to ensure the quality of the information they submit.

The Commission also believes the Secretary and the hospital industry need to refocus their energies on developing effective and efficient methods for collecting more timely wage data. In this regard, ProPAC believes the Secretary should assemble a working group, composed of HCFA and hospital industry representatives, to reevaluate current methods and issues related to collecting hospital wage data. At a minimum, this group should reconsider using annual cost reports as the vehicle for wage data collection. The group should also explore alternative approaches, including survey methods, that each hospital's fiscal intermediary could administer. In the Commission's view, an annual survey of some kind represents the only approach that could be used to make the data more timely.

In addition, the group should consider sample survey techniques, such as those the BLS uses, that could help limit the burden of data collection

while making the information more accurate. Finally, the group should address a variety of other outstanding issues, such as allocating employee benefits, treating contract labor expenses, and devising ways to sample specific occupations.

Other Hospital Payment Policies

The PPS payment system adjusts hospital payments in several ways to account for factors like the level of teaching activity, wage rates, and patient complexity that may legitimately affect hospital costs. These adjustments are important for providing a fair level of payment to hospitals depending on the circumstances they face.

As part of its mandate, the Commission examines the distribution of PPS payments across hospitals and makes recommendations concerning the various adjustments to the payment system. ProPAC considers adjustments that are made both at a hospital level and at a case level. In this year's report, the Commission recommends improvements in outlier payment policy, the indirect medical education and disproportionate share adjustments, transfer payment policy, and Medicare quality of care mechanisms.

Recommendation 14: Improving Outlier Payment Policy

The Commission believes the following changes should be made in the current policy for identifying outlier cases and determining outlier payments under PPS:

- In determining outlier payment, the increasing emphasis on cost outliers relative to day outliers should continue, with the goal of eliminating day outlier payment over three years;
- The cost outlier threshold should be a fixed dollar amount (adjusted for differences in area wages and cost of living) above the payment rate received by the hospital for each case, regardless of the DRG to which the case is assigned;
- Neither the estimated cost of the case nor the outlier payment amount should be adjusted to reflect the hospital's indirect medical education or disproportionate share status;
- The marginal cost factor for cost outliers should be increased to 80 percent;
- The nationwide outlier payment pool should be set at 6 percent; and
- The payment rate for cases in each DRG should reflect the anticipated percentage of outlier payments for that DRG.

These changes would improve the effectiveness of outlier payment in protecting against the risk of large losses on some cases.

The DRGs used to determine PPS payment are designed to group cases with similar resource requirements. However, cost for individual cases in any DRG may vary widely, due to patient-specific or treatment-specific factors that are not incorporated in the current classification system. Under PPS, the hospital's payment is based on the nationwide average cost of patients in the DRG. The hospital is at risk for the difference between the cost of the case and the payment that it receives. Even an efficient hospital, however, may have some cases with much higher than average resource requirements. These cases represent large financial losses to the hospitals that treat them.

In general, most hospitals should be able to off-set losses from more costly cases with gains from less costly cases. However, this averaging principle does not adequately protect hospitals with a small number of admissions, which may be unable to off-set the losses associated with an occasional very costly case. It also fails to protect certain hospitals that regularly care for a greater than average share of costly patients.

To recognize this, the outlier policy under PPS provides additional payment to hospitals for cases that are exceptionally resource intensive. Outlier payment is also intended to protect against incentives that may adversely affect certain types of patients or cases that are perceived by hospitals to be associated with a higher likelihood of financial loss.

Definition of outlier cases—Currently, hospitals receive additional payment for cases that have exceptionally long stays or exceptionally high costs. Originally, emphasis was placed on length of stay in determining outlier payments. This was because it was much easier to count the number of days in the stay (which is associated with costs) than to estimate the cost of the individual case.

However, sole reliance on the length of stay criterion was found to bias significantly the distribution of outlier payments toward areas with practice patterns that led to long stays. A cost criterion was added to balance the distribution of outlier payments. Cases that qualified for both day and cost outlier payments, though, were paid according to the day outlier payment formula. As a result, 85 percent of outlier payments in fiscal year 1984 were based on the day outlier formula.

Subsequent analysis by HCFA and ProPAC showed that day outlier cases, while generally much more expensive than the average case, frequently were not associated with large losses to the hospital. In fiscal year 1989 and again in fiscal year 1993, the outlier payment policy was changed to increase the emphasis on cost outliers. These changes made outlier payment more effective. The proportion of outlier payments based on the day outlier formula has fallen to 34 percent.

The Commission consistently has supported the increased emphasis on cost outliers relative to day outliers because the cost criterion more effectively identifies the cases associated with the largest losses to the hospital. This trend should continue, with the goal of completely eliminating day outlier payments over a three-year period. The proportion of outlier payments based on the day outlier formula should be reduced to 23 percent in fiscal year 1994, 12 percent in 1995, and zero in 1996.

As the emphasis on cost outliers increases, however, it becomes more important to accurately measure case-level costs. Because costs are not reported for individual cases, the only way to identify cost outlier cases is by adjusting reported charges to an estimate of costs. The Commission intends to conduct analyses of alternative methods of estimating case-level costs, their relative accuracy, and their implications for the distribution of outlier payments.

Outlier thresholds—A case does not qualify for outlier payment unless it exceeds the day or cost outlier threshold. A problem with the current cost outlier threshold is that the loss incurred before outlier payments begin is not the same for every DRG, because DRGs have different Federal rates. The loss also is not the same for every hospital, because the cost of each case is adjusted by the hospital's IME and DSH payment adjustments.

A threshold based on a fixed dollar loss—that is, one that is set so that the loss incurred before outlier payments begin is equivalent for every case and hospital—would be more effective in reducing the impact of large losses on individual cases. The Commission believes the cost outlier threshold for each case at each hospital should therefore be a fixed amount (adjusted only for differences in area wages and cost of living) above the DRG payment rate for the case.

The impact of losses on individual cases may not be the same for all hospitals. Depending on their volume and mix of cases, some hospitals may not be able to offset these losses with the gains from low-cost cases in the same year. This may be particularly problematic for low-volume hospitals or those that usually treat cases in low-

weighted DRGs. Further analysis of this issue is necessary to determine whether an adjustment should be made to the cost outlier threshold for some hospitals and, if appropriate, how such an adjustment should be made.

Another issue is whether estimated costs and outlier payments should be adjusted to reflect the hospital's teaching and disproportionate share status. Currently, the estimated cost for each case is reduced by the hospital's IME and DSH payment adjustments. A case costing $50,000 at a teaching or disproportionate share hospital is considered less costly for the purposes of outlier payment than one costing $50,000 at a non-teaching, non-disproportionate share hospital. The amount by which the estimated cost exceeds the outlier threshold (which determines the outlier payment amount) thus is smaller for the case treated at the teaching or disproportionate share hospital. The resulting outlier payment amount is then increased by the hospital's IME and DSH adjustments.

The Commission believes neither of these adjustments is appropriate. The IME and DSH adjustments should apply to the base payment amount hospitals receive for every case. Outlier payments, on the other hand, are intended to defray the loss incurred beyond some threshold in treating exceptionally expensive cases. Teaching or disproportionate share hospitals should not have to bear greater losses before outlier payments begin than do otherwise similar hospitals. Further, outlier payments should be based on the loss incurred on the case rather than the hospital's teaching or disproportionate share status.

Marginal cost factors—Once a case exceeds the relevant outlier threshold, the payment rate depends on the marginal cost factor. For example, hospitals are currently paid 75 percent of the estimated cost beyond the threshold for cost outliers and therefore must bear 25 percent of the additional cost. This is intended to provide an incentive for hospitals to continue to control the costs of outlier cases. In addition, it is believed that the additional payment for outlier cases should be less than the estimated cost beyond the threshold because of a potential bias in the way cost is estimated.

The changes discussed above would improve the effectiveness of outlier payment policy in identifying and directing payment to the most closely cases. Outlier payments would no longer be made for cases on which the hospital does not incur large losses. The Commission believes that, given these changes, it would be appropriate to compensate hospitals for a higher percentage of the losses beyond the cost outlier threshold. ProPAC recommends that the marginal cost factor for cost outliers should thus be raised to 80 percent.

Outlier payment pool—The outlier pool is expressed in terms of the percentage of the Federal portion of total PPS payments (excluding the IME and DSH adjustments) that is set aside for outlier payments. It is required by law to be between 5.0 percent and 6.0 percent, and is currently 5.1 percent. A previous ProPAC analysis indicated that the risk of loss associated with treating exceptionally costly cases would be reduced by a pool of more than 5.1 percent, but that increasing the size of the pool beyond 6.0 percent would have little additional impact. This is because the effect of additional outlier payments would largely be offset by the reduction in DRG payments necessary to finance them, as described below.

The Commission believes an outlier payment pool of 6.0 percent is not appropriate at this time. A larger pool would reduce the loss that hospitals would have to incur before outlier payments begin, but the DRG payment rates for all cases would have to be lowered to fund such an increase. The Commission will continue to examine the implications of changing the size of the outlier pool in the context of recent and proposed changes in outlier payment policy.

Financing outlier payments—Outlier payments are financed by across-the-board reductions in the DRG payment amounts for urban and rural hospitals—5.5 percent and 2.2 percent, respectively. These reductions reflect the difference in the anticipated percentages of outlier payments for the two groups.

Recent ProPAC analyses indicate that outlier cases and payments are concentrated among groups of hospitals and DRGs. Financing outlier payments by an equal reduction in the basic DRG rate paid for each case results in overpayment for DRGs with a high percentage of outlier payments and underpayment for DRGs with a low percentage of outlier payments.

The Commission believes outlier payments should be financed by reductions in the payment rates for cases in each DRG, based on the anticipated percentage of outlier payments in that DRG. This would improve the equity of PPS payment for cases and hospitals. ProPAC will be glad to work with HCFA to devise an appropriate method for the technical implementation of this change.

Recommendation 15: Indirect Medical Education Adjustment to PPS Operating Payments

The Commission recommends that the indirect medical education adjustment to PPS operating payments be reduced from its current level of 7.7 percent to 7.0 percent for fiscal year 1994. This reduction should be implemented with the anticipated decrease in indirect medical education payments returned to all hospitals through a proportionate increase in the standardized payment amounts.

The IME adjustment is intended to recognize the higher costs teaching hospitals incur in treating Medicare patients. These costs have been attributed to caring for patients with more severe or complex illnesses, providing a broader scope of services and more services per patient, and using a costlier mix of staff.

ProPAC annually estimates the relationship between teaching intensity and adjusted Medicare operating costs per discharge. The adjustments control for differences in costs that are accounted for by other PPS payment factors. These include geographic differences in the PPS base payment amounts, the local area wage index, the hospital's Medicare case-mix index, and outlier payments for extremely long or costly cases. The most recent analysis was based on cost data from the seventh year of PPS and payment rules for fiscal year 1993. The results indicate that, on average, a 10 percent difference in teaching intensity is associated with a 5.4 percent difference in Medicare operating costs per discharge.

The Commission recognizes that, since PPS began, the Medicare program has more than adequately compensated teaching hospitals for the costs of treating Medicare patients. The current 7.7 percent IME operating payment adjustment is substantially higher than the empirical estimate of 5.4 percent indicated by the most recent analysis. Moreover, PPS operating margins consistently have been higher for teaching hospitals than for non-teaching hospitals. PPS margins have been especially high for major teaching hospitals (that is, those with the highest levels of teaching intensity).

However, the Commission is concerned that the continued operation of these hospitals and the fulfillment of their unique role in the provision of health care might be impaired by a substantial immediate reduction of Federal support. ProPAC believes that the Medicare program's responsibility to its enrollees is broader than merely paying for Medicare operating costs.

This responsibility includes maintaining access to quality health care, which might be affected adversely by a sharp reduction of the IME adjustment.

Given these considerations, the Commission believes a gradual reduction of the IME adjustment is a prudent course of action. ProPAC would reduce the adjustment by approximately one-third of the difference between the current adjustment and its own estimate of 5.4 percent. The Commission will continue to examine the financial status of teaching hospitals to determine whether the IME adjustment could be further reduced toward the empirical level without compromising access to quality care for Medicare enrollees. In the long run, the objective of the IME adjustment is to compensate appropriately for variation in Medicare costs that is directly attributable to teaching intensity.

The Commission believes the DSH adjustment is designed to achieve two related objectives. One is to compensate appropriately for the higher cost of treating Medicare patients in hospitals that serve a disproportionate share of low-income patients. Another is to ensure access to quality health care for Medicare patients who use hospitals that treat a large number of uninsured and underinsured patients.

ProPAC's analyses indicate that disproportionate share hospitals with teaching programs tend to have lower total margins than other hospital groups. The Commission is concerned that the unique role these hospitals play in providing quality health care to low-income patients, including low-income Medicare patients, might be affected adversely if their financial condition were to worsen.

ProPAC analyzed the effects of several alternatives for distributing the savings that would result from reducing the level of the IME adjustment. This analysis took into account the effects of the changes in the DSH payment adjustment policy under OBRA 1990. By fiscal year 1994, these changes will raise the DSH adjustment by about one-third for urban hospitals with at least 100 beds.

ProPAC's analyses indicate that, for disproportionate share hospitals with teaching programs, the recommended reduction in IME payments is more than offset by this legislated rise in DSH payments. Moreover, Medicaid payments (including Medicaid DSH payments) to these hospitals also have been increasing. As a result, the gap in total margins between disproportionate share hospitals with teaching programs and other hospital groups is being reduced. Thus, of the alternatives considered, the one that best maintains Medicare beneficiaries' access to quality care is the budget neutral redistribution of the IME savings to all hospitals through an increase in the standardized payment amounts. The Commission therefore recommends that the anticipated decrease in IME payments that would result from reducing the IME adjustment should be exactly offset by corresponding increases in the standardized payment amounts.

As illustrated above, changes in the IME and DSH adjustments should be considered in the context of their interactions with other components of the payment system and their effects on PPS payments, as well as hospitals' overall financial status. The impact on the quality of care and access to that care should also be taken into account.

In the coming year, ProPAC will continue to examine the level and structure of the IME and DSH adjustments, as well as other factors that affect hospitals' payments, costs, and financial condition. The distribution of PPS and total margins and the other effects of potential changes in the IME and DSH adjustments will also be studied. For the Commission's most recent analyses, see ProPAC's technical report, *Indirect Medical Education and Disproportionate Share Payment Adjustments to Hospitals* (March 1993).

Recommendation 16: Medicare Transfer Payment Policy

PPS hospitals that treat Medicare patients who are then transferred to another PPS hospital should be paid on the basis of a graduated per diem up to the full DRG payment to recognize the higher daily costs associated with the first few days in a patient stay. In addition, outlier payment policy should be reexamined with respect to its effectiveness in reducing the risk of large losses on transfer cases received by a hospital. The Commission also believes that further examination of whether hospitals have the appropriate incentive to transfer patients, particularly with respect to recuperative care, is warranted. The Congress should provide authority to the Secretary to modify, in a budget neutral manner, the per diem payment for transfer cases.

PPS hospitals that treat Medicare patients who are transferred into another PPS hospital are paid a uniform per diem based on the DRG, up to the full DRG amount. The final hospital in a transfer sequence receives the full DRG payment, although a patient involved in a transfer sequence may be assigned to a different DRG for each hospitalization.

Over the past few years, ProPAC has conducted an extensive analysis of transfer payment policy. This analysis found that the uniform per diem payment provided to the transferring hospital undercompensated that hospital for the care furnished during the stay. Payment to cost ratios were substantially below average for cases with short stays, but were closer to average for cases with typical stays. This is because a uniform per diem payment does not recognize the frequently higher costs associated with stabilization, evaluation, and surgery that generally take place early in a patient's hospital stay.

The receiving hospital also was undercompensated for transfer cases because outliers were likelier to be found in this group. A ProPAC technical report describing the findings from the analysis will be published in May 1993.

The Commission believes the payment system should not influence the decision to transfer a patient. Rather, the decision should be based solely on appropriate patient care. Although there is no evidence of a bias now, the payment system should avoid such penalties, as well as bonuses in its payment for transfer cases. ProPAC is concerned that the current payment method may inappropriately penalize hospitals that transfer patients to another institution for more complex care or for recuperative care.

A graduated per diem payment would more accurately reflect the higher daily costs incurred during the first few days of care. Such a per diem payment would be highest for the first day of care and lower for each succeeding day. The cumulative per diem payments would not exceed the full DRG payment. The methodology for developing a graduated per diem payment could reflect findings from an extramural study RAND conducted for ProPAC (*How Services and Costs Vary by Day of Stay for Medicare Hospital Stays*). This study examined how cost varied for each day of a patient stay for a number of DRGs. The Commission would be happy to work with the Secretary in developing an appropriate schedule of per diem payments for transfer cases.

The Congress should provide authority to the Secretary to implement, in a budget neutral manner, necessary changes for a graduated per diem payment for transfer cases. Current law allows budget neutral changes to outlier policy but not to transfer policy.

ProPAC believes the Secretary should examine payment policies that encourage appropriate transfers of patients for recuperative care. Recuperative care provided in the least

intensive hospital setting may encourage cost containment and be more convenient for patients. The Secretary should explore the extent of the impact of policy changes on transfer behavior. The appropriate level of the payment for recuperative care should also be evaluated.

The Commission is also concerned that Medicare's outlier payment policy penalizes hospitals that receive numerous transfer cases. ProPAC analysis has shown that a larger than average proportion of transfer cases become outliers and that the losses on these cases are substantially greater than those for the average outlier case. The Commission plans to examine the impact of its outlier recommendation on these cases.

Finally, the Commission believes Peer Review Organizations should continue to review transfer cases to monitor changes in frequency that are related to any new financial incentives.

Recommendation 17: Evaluating and Improving Medicare Quality of Care Mechanisms

The Commission recommends that HCFA assess the methods Medicare uses to monitor quality of care. The Medicare program should adequately fund these evaluations as well as ongoing efforts to monitor and ensure the quality of care delivered to its beneficiaries. Further, HCFA should coordinate its quality assurance programs with those of the rest of the health care industry.

HCFA has relied on Peer Review Organizations and the survey and certification process to monitor quality of care in the Medicare program. PROs review care provided to beneficiaries, primarily in hospitals. The survey and certification process establishes minimum standards that hospitals, nursing homes, home health agencies, and ambulatory surgical and other facilities must meet to participate in Medicare. These minimum standards pertain to the physical plant, staffing, and specific processes that must be in place. For many providers—most notably private physicians' offices, including large clinics—Medicare exercises no quality oversight. Funding for quality assurance in the Medicare program is also quite low, constituting less than 0.3 percent of HCFA's operating budget.

PROs traditionally have concentrated on identifying cases in which poor quality care has been delivered and then notifying the physicians providing that care. In extreme cases, the physicians can be sanctioned by the Inspector General of the Department of Health and Human Services. To identify these cases, nurse reviewers at the PROs review a sample of Medicare records and compare them to screens, or predetermined quality of care criteria. Cases that fail the screens are evaluated by physician reviewers for final determinations that poor quality care has been provided. However, many physicians view this method as threatening and punitive. Besides failing to discern systematic patterns of poor quality care, it also is oriented toward punishing providers for past care, rather than modifying future performance.

To address these concerns, HCFA—through the PRO program—is implementing a quality assurance mechanism called pattern analysis, with educational feedback to physicians. With this method, hospital records are still sampled and reviewed, but the emphasis is on examining patterns of care at both the physician and the facility level. Physicians or facilities whose patterns of treatment or outcomes differ from those of other providers can be notified so that the reasons for the different patterns can be investigated. This methodology relies on assumptions that there are known standards of care that should be followed, and that patterns differing from these standards should be investigated. It also assumes that a primary goal of quality assurance is to change patterns of care, rather than the care provided in individual cases. Pattern analysis, however, will not identify individual instances of poor quality care. In addition, it cannot determine what has caused poor care, but can only identify patterns that need further investigation.

Clearly, both methods of quality assurance (individual case review and pattern analysis) have strengths and weaknesses. Inadequate information on the effectiveness of these methodologies substantially hinders comparing the merits of either one. To date, the PRO program has not been evaluated to determine whether it has improved the quality of care delivered to Medicare beneficiaries. There is almost no information concerning those specific aspects of the PRO program that are the most or least effective in ensuring quality. In short, while there is now a major shift toward pattern analysis with educational feedback because it is believed to be more effective than individual case review, there is no evidence to substantiate this.

The Commission therefore stresses the importance of both determining the most effective existing quality assurance mechanisms and evaluating new components of the PRO program. Evaluations of new interventions should be prospectively planned and concurrent with the development of any new programs or methodologies. In addition, ProPAC stresses the importance of evaluating the effectiveness of the past PRO program and other quality assurance mechanisms, despite the difficulties inherent in retrospective evaluations. As proposals for health care reform are considered and cost containment mechanisms are strengthened, it is critical to identify the most effective components of quality assurance programs.

The Commission urges HCFA to base changes in the PRO program on well-designed evaluations. While Commission supports the concepts underlying pattern analysis, ProPAC believes this methodology should not entirely replace individual case review. In addition, because resources are being diverted from individual case-level review, assessments about quality at a facility or condition level are not possible because of an insufficient sample of cases. The Secretary should ensure that funding is adequate to continue to monitor quality of care at the case and facility level. Funding should also be available to evaluate current mechanisms, as well as to develop new approaches. A schedule for completing evaluations of quality assurance mechanisms should be established to facilitate these improvements.

The Commission also believes that HCFA should coordinate its quality assurance efforts with those being conducted in the rest of the health care industry. The PRO program, in particular, is complete separate from other quality assurance activities carried out in hospitals. HCFA should work with quality assurance projects, such as those being undertaken by the National Committee for Quality Assurance and the Joint Commission on Accreditation of Healthcare Organizations, to help ensure an integrated approach to quality assurance in hospitals and other health care institutions. Coordination of efforts could reduce the data collection efforts of providers, as well as increase the knowledge base of all the participating organizations.

Medicare Payment Policies for Other Facilities

ProPAC also is responsible for making recommendations for Medicare payment in various facilities other than inpatient hospital settings. These payments have grown rapidly throughout the 1980s and have become an increasingly important part of the Commission's agenda. In this year's report, ProPAC recommendations concern payment to dialysis facilities,

hospital outpatient facilities, and skilled nursing facilities.

Recommendation 18: Update to Composite Rate for Dialysis Services

The composite rate payment for dialysis services should be updated by 2.5 percent for fiscal year 1994. This recommended update accounts for the following factors:

- The projected increase in the market basket for dialysis services in fiscal year 1994, estimated at 4.5 percent;
- A positive adjustment of 1.0 percentage points to reflect the additional costs associated with scientific and technological advances;
- A negative adjustment of 1.0 percentage points to encourage productivity; and
- A negative discretionary adjustment of 2.0 percentage points to reflect the relationship between payments and estimated fiscal year 1993 costs.

The Commission believes this increase in payments will allow facilities to deliver quality dialysis services to Medicare beneficiaries with end-stage renal disease.

In 1972, Congress extended Medicare coverage to almost all U.S. citizens with end-stage rental disease. These beneficiaries are entitled to all Medicare-covered services, including dialysis treatments or transplantation services to replace lost kidney function. Since 1983, payment for outpatient dialysis services has been based on a composite rate. The composite rate is a prospective payment intended to cover the costs of services typically furnished during a dialysis treatment. Derived from data from 1977 through 1979, it represents a weighted average cost per treatment for dialysis provided in facilities and at home according to the proportion of beneficiaries treated in each site. This method was intended to promote the less expensive home treatment alternative by paying the same amount for care provided in either site. The level of the composite rate has remained essentially unchanged since it was developed.

OBRA 1990 mandated that ProPAC recommended an annual update to dialysis payments. In developing its recommendation, the Commission first examined the level of the composite rate compared with the estimated cost of providing dialysis services. Then it used a framework similar to that employed in updating payments to PPS hospitals to account for cost increases between fiscal years 1993 and 1994. The update framework includes estimates of a market basket rate of increase in input prices, the cost of quality-enhancing scientific and technological advances, and a productivity improvement target. No case-mix adjustment is necessary for the composite rate update because payments do not reflect case-mix changes. (See Appendix A for information on the update for dialysis services.)

Market basket—The market basket index is intended to measure changes in the cost of a dialysis treatment due to changes in input prices. It is constructed from input components that reflect all the goods and services providers purchase to furnish dialysis services. Using 1991 dialysis facility cost reports, four types of inputs were identified: capital, labor, other direct costs, and overhead. Each component has a weight that represents its cost share, or proportion of total expenses. The price change for each component is measured by a proxy. The price proxies were adapted from those Medicare uses for the PPS, home health agency, and skilled nursing facility market baskets. The Commission's analysis indicates that the prices of inputs used in a dialysis treatment will rise about 4.5 percent from fiscal year 1993 to 1994.

Scientific and technological advances—The allowance for scientific and technological advances is a future-oriented policy target. It reflects the projected growth in the cost of providing dialysis services resulting from scientific and technological advances. This allowance is intended to encourage dialysis facilities to adopt quality-enhancing technologies, even when they raise costs. To reach an informed judgment on the appropriate allowance, ProPAC examined a set of the most important new cost-increasing developments in providing dialysis services. On the basis of this examination, the Commission expects new technologies to increase the cost per dialysis treatment by 1.0 percentage points in fiscal year 1994.

Productivity improvement—The productivity adjustment is also a future-oriented policy target. Intended to promote efficiency in providing dialysis services, the adjustment reflects the expected productivity gains in furnishing dialysis services for the coming year. To arrive at an appropriate adjustment, ProPAC examined the productivity gains dialysis facilities have achieved in the recent past. On the basis of this analysis, dialysis facilities can reasonably be expected to increase productivity by 2 percent in fiscal year 1994. The savings from increased productivity should be shared equally by the industry and Medicare, resulting in a productivity adjustment of 1.0 percentage point.

Discretionary adjustment—ProPAC's analysis indicates that 1993 payments are higher than estimated average costs for the facilities that provide the majority of dialysis services. To reflect this relationship, the Commission believes it is necessary to adjust its update recommendation through a discretionary adjustment. Determining the appropriate level for this adjustment was complicated by data deficiencies. The latest cost data probably are significantly overstated because they have not been audited, although the level of this effect is not known. Issues about cost reporting and covered services raise additional concerns about interpreting the data. Finally, the Commission is aware that recently implemented regulations are likely to increase dialysis costs, although the exact amount is not known. Therefore, a modest discretionary adjustment of −2.0 percentage points balances the need to account for high payments relative to costs with uncertainties regarding the current level of costs. ProPAC plans to reevaluate the relationship between payments and costs as part of its update recommendation for next year.

Even with the uncertainty regarding the relationship between costs and payments, the Commission believes it is appropriate to increase the composite rate payment. Accounting for inflation, payments to dialysis facilities have declined since the composite rate became effective. Providers have achieved marked improvements in productivity, which have reduced the costs of delivering these services. The Institute of Medicine and others, however, have raised concerns about whether this industry can continue to provide quality dialysis services without higher payments. The recommended payment update will allow facilities to furnish quality services to beneficiaries with ESRD.

ProPAC intends to continue examining payment for ESRD dialysis services to determine the most appropriate methods for controlling growth in expenditures and ensuring quality of care. Its analysis will focus on the services provided under the composite rate and how they vary across types of facilities and across types of patients. The Commission will explore the feasibility of expanding the bundle of services by incorporating services provided over a longer period, including more services, or both. A larger payment bundle could improve the continuity of care of these beneficiaries, while providing incentives to make service delivery more efficient. ProPAC will also examine potential adjustments to

the composite rate to reflect how beneficiary characteristics affect the costs of providing dialysis.

Recommendation 19: Improving Data Quality and Program Administration for Dialysis Services

The Commission is concerned that dialysis facility data are inadequate for assessing costs across providers and modalities and changes in costs over time. To improve the reliability of the data, HCFA should regularly audit the cost reports of a representative sample of dialysis facilities and maintain a database with this information. HCFA should also improve policies to ensure the consistency of the data across providers by making changes in program administration.

Developing an appropriate update factor for dialysis services requires information on payments and costs for the various dialysis modalities used in each setting. ProPAC appreciates HCFA's efforts to compile a database for 1989 through 1991 for independent facilities, and for 1990 and 1991 for hospitals. These data were helpful in developing the Commission's update recommendation for 1994.

ProPAC remains concerned, however, that these data are not regularly audited. Previous analyses indicates that unaudited costs for independent facilities may be significantly overstated. The Commission understands that HCFA does not have rate setting responsibility for these facilities and, therefore, the justification for performing these audits is not the same as for other facilities that receive Medicare payments. Nonetheless, Medicare has a unique responsibility to beneficiaries receiving services for ESRD because of its role as the dominant payer. This makes it even more important for Medicare to be assured of appropriate dialysis payment rates and an accurate assessment of service costs.

In addition to the lack of audited data, the Commission is aware of several other issues that may affect the interpretation of the cost data, and the comparability of the data across providers and over time. The first issue pertains to allocating administrative and general indirect costs to services not included under the composite rate. This problem is more apparent with regard to the drug recombinant human erythropoietin (EPO).

Beginning in 1989, administration of this drug became a covered service for beneficiaries with ESRD. Whereas the composite rate includes the cost of administering EPO, the direct costs of the drug are reimbursed separately. Because of cost allocation rules used in completing the Medicare Cost Report, part of a facility's indirect costs are allocated to the direct costs of EPO. This artificially reduces the reported cost of services included under the composite rate. Even though payments are not affected by this, the dialysis cost data are distorted.

Another concern is the possibility that services that should be incorporated under the composite rate may be paid for separately because of inadequate coordination within fiscal intermediaries and across fiscal intermediaries and carriers. When the fiscal intermediary or carrier is processing bills, there is no way to distinguish those dialysis-related services that should be included in the composite rate from those that should not. It is not clear how often services are paid for separately when they really should be included in the composite rate. This could account for some of the growth in expenditures for all services provided to beneficiaries with ESRD and for some of the variation in dialysis costs across providers.

An additional issue relates to determining whether services are medically necessary. Dialysis-related services provided more often than specified in the composite rate will be paid for separately if they are medically justified. Fiscal intermediaries and carriers have considerable latitude in determining medical justification and, therefore, which of these services Medicare covers. Coverage for these services is likely to vary markedly. How much such variations affect payments, though, is impossible to determine. Further, variations in coverage could also affect the comparability of expenditure data for all services ESRD beneficiaries receive.

The Commission understands that resources for ensuring the accuracy of cost data for dialysis services are limited. However, the Medicare program is responsible for making certain that payments for services provided to its beneficiaries are adequate. That Medicare is the dominant payer makes this responsibility even more important, because cost data for other payers cannot be used to assess whether Medicare's payments are appropriate.

The Commission believes that reliable and accurate data are essential for decision making. Services to beneficiaries with ESRD constitute a relatively small proportion of Medicare expenditures. These beneficiaries, however, are some of the program's most vulnerable. Further, the cost of providing services to these enrollees is rising faster than other components of Medicare at the same time that concerns about the quality of their care are escalating. It is imperative that efforts be stepped up to improve the data from these providers.

Recommendation 20: Prospective Payment Method for Hospital Outpatient Services

The Commission believes a prospective payment system for outpatient services should be implemented. Outpatient facility payment reform should be comprehensive and extend to all sites and providers. Reform should first encompass ambulatory surgical center-approved procedures and radiology service provided in the hospital. The Commission supports the Secretary's initiative to examine the use of ambulatory patient groups for payment of ambulatory services.

The Commission supports congressional intent to establish prospective payment methods for hospital outpatient services. These methods will create incentives for controlling costs by offering providers the opportunity for a project as well as the risk of financial loss.

The current payment method for hospital-provided ambulatory surgery and radiology services contributes to both cost and charge inflation. Hospitals are paid the lesser of costs, charges, or a blended amount. The blended rate is equal to 42 percent of the hospital-specific rate plus 58 percent of either the ambulatory surgical center rate, or a portion of the physician's office fee. Because at least a portion of payment is based on costs or charges, hospitals that reduce their costs receive less in payments. Thus, there is little financial incentive to deliver care more efficiently. By contrast prospective payments provide incentives to control costs.

In its March 1992 *Report and Recommendations to the Congress,* ProPAC recommended that payments for ambulatory surgery and radiology services provided in the hospital outpatient setting should be fully prospective. The Commission also expressed support for research the Secretary had undertaken to develop a classification system for ambulatory services.

The Commission continues to support the Secretary's initiative to examine ambulatory patient groups (APGs). APGs are a promising system for classifying ambulatory cases. They could be a valuable building block in overall outpatient payment reform. However, more research in needed to investigate the applicability of APGs in

non-hospital settings. Additionally, the bundling of ancillary services included in each APG needs further refinement. The Commission understands that HCFA is continuing research on both these areas as well as the weight for each APG, payment for multiple visits on the same day, and adjustments for hospital and patient characteristics that affect costs.

ProPAC is not recommending a specific payment method for ambulatory surgery and radiology at this time. The Commission will submit additional recommendations to Congress as part of its analysis of the Secretary's report. However, problems with the current payment method, such as beneficiary liability, should not be ignored until a new system for outpatient services is fully implemented.

Recommendation 21: Beneficiary Liability for Hospital Outpatient Services

For Medicare outpatient services that are paid prospectively, beneficiary Part B coinsurance should be limited to 20 percent of the Medicare-allowed payment. Until prospective payment systems can be implemented for all Medicare outpatient services, beneficiary Part B liability should be based on an estimate of 20 percent of costs.

Medicare payment for most hospital outpatient services is at least partly based on costs or charges, whichever is less. Because payment for these hospital outpatient services is not prospective, it is not known until settlement of the annual Medicare Cost Report. Consequently, beneficiary liability is now set at 20 percent of charges, rather than 20 percent of payments as it is in other settings. Since hospital charges are generally higher than the costs or payments of outpatient services, Medicare beneficiaries are responsible for substantially more than 20 percent of costs or payments.

HCFA estimated that, in fiscal year 1992, beneficiaries were responsible for 40 percent of the payments for ambulatory surgical services in hospital outpatient departments. For radiology services, beneficiary liability was 50 percent of total Medicare reimbursement to hospitals. Beneficiaries are also responsible for a similar proportion of payments for other Medicare-covered hospital outpatient services that are paid based on costs. Current payment policy leads to very different cost sharing requirements for the same services furnished by hospitals on the one hand and other providers and suppliers on the other. Beneficiaries have the incentive to receive services outside the hospital, where copayments are likely to be lower. But few are likely to be aware of the difference in out-of-pocket costs across settings.

The Commission believes this is unfair to beneficiaries. Those who receive services in hospital outpatient departments pay a disproportionate share of the total payment. This share has been growing as the increase in charges exceeds that of payments. Further, the current payment method contains an incentive for hospitals to raise charges and therefore to increase their payments.

ProPAC recommends reducing beneficiaries liability for hospital outpatient services to 20 percent of payments. Until there is a fully prospective payment system for outpatient services, Medicare beneficiaries' coinsurance should be based on an estimated 20 percent of Medicare-allowed costs, which can be approximated from the cost reports. The change in liability should be implemented immediately for ambulatory surgery and radiology services. The Commission recommends that for the other hospital outpatient services that are paid based on costs, beneficiary liability should not exceed 20 percent of costs.

Recommendation 22: Nursing Facility Wage Index

The Secretary should collect data on employee compensation and paid hours of employment for nursing facilities that care for Medicare beneficiaries. Once these data become available, the Secretary should develop a nursing facility wage index and use it to adjust Medicare skilled nursing facility payments.

The current Medicare skilled nursing facility payment system uses the hospital wage index to adjust payments. However, evidence suggests that geographic differences in labor prices for nursing facility employees differ from those for hospital employees. Using limited data, ProPAC simulated a nursing facility wage index and found it differed significantly from the hospital wage index. For example, the hospital wage index is much lower than the estimated nursing facility wage index in urban areas of the New England and Mid-Atlantic regions, and higher in the Pacific region.

The indexes may not be the same because the distribution of hospital labor prices differs from the distribution of prices faced by SNFs. The hospital wage index may not adequately reflect variation in SNF wages because of state regulations that affect nursing facilities but not hospitals. Through their certification and oversight roles, states have a major impact on the costs and staffing of nursing facilities. Medicare should recognize the differences in labor costs imposed by the states.

Another potential reason for the variation between the hospital wage index and nursing facility wage index is skill mix differences between these institutions. Compared with hospitals, nursing facilities employ proportionately more aides. In addition, the relative level of aides' salaries compared with nurses' salaries may not be the same across geographic areas. The hospital wage index does not capture differences in the mix of employees and in relative wages.

OBRA 1987 increased Federal oversight of nursing facilities. It mandated new standards for quality of care, provided requirements related to overall staffing, and established minimum training for nurses' aides. The new standards may reduce variations in state nursing facility regulations, although considerable wage differences continued through 1990.

Regardless of the payment method for nursing facilities under Medicare, an accurate wage index is necessary to account for geographic differences in wages. As with the hospital wage index, the method used to collect wage and hour data for nursing facilities should be prospective, ensure the consistency of the data, and minimize the reporting burden. Further, the Commission suggests that the Secretary phase in the use of the nursing facility wage index because of its potential impact on SNFs.

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Part III

Department of Health and Human Services

Health Care Financing Administration

42 CFR Part 400 et al.

Medicare Program; Essential Access Community Hospitals (EACHs) and Rural Primary Care Hospitals (RPCHs); Final Rule

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

42 CFR Parts 400, 409, 410, 411, 412, 413, 424, 440, 485, 488, 489, and 498

[BPD–713–F]

RIN 0938–AF21

Medicare Program; Essential Access Community Hospitals (EACHs) and Rural Primary Care Hospitals (RPCHs)

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

ACTION: Final rule.

SUMMARY: These final rules set forth the requirements for designating certain hospitals as EACHs or RPCHs; the conditions that an RPCH must meet to participate in Medicare; and the rules for Medicare payment for services furnished by EACHs and RPCHs.

These rules are necessary to implement sections 6003(g) and 6116 of the Omnibus Budget Reconciliation Act of 1989 (OBRA 89) and section 4008(d) of the Omnibus Budget Reconciliation Act of 1990 (OBRA 90).

The amendments are intended to promote regionalization of rural health services in grant States, improve access to hospital and other health services for rural residents, and enhance the provision of emergency and other transportation services related to health care.

EFFECTIVE DATE: These regulations are effective on June 25, 1993. The incorporation by reference into § 485.623, paragraph (d)(1), is approved for incorporation by reference by the Director of the Federal Register as of June 25, 1993.

FOR FURTHER INFORMATION CONTACT: Thomas Hoyer, (410) 966–4607.

SUPPLEMENTARY INFORMATION:

I. Background

Section 1861(e) of the Social Security Act (the Act) defines a hospital as an institution primarily engaged in providing, by or under the supervision of physicians, diagnostic and therapeutic or rehabilitative services to injured, disabled, or sick persons and 24-hour nursing services furnished or supervised by a registered nurse (RN). In order to be covered under Medicare, these services must be furnished by a hospital that is approved as meeting the Federal conditions of participation in the Medicare program found in our regulations at 42 CFR part 482. There is no provision allowing participation as a hospital by a freestanding facility that provides primarily outpatient care, or that does not have full-time nursing services.

Section 1883 of the Act allows rural hospitals having fewer than 100 beds to offer skilled nursing facility (SNF) services by having beds that "swing" between hospital and SNF levels of care. These hospitals are thus permitted to vary the level of care they provide in response to changing patient needs by using the same bed to furnish hospital services at one time and SNF services at another. Nonetheless, a special provision of section 1883 of the Act prohibits hospitals with a nursing services waiver under section 1861(e) of the Act from being designated as swing-bed hospitals.

Sections 6003(g) and 6116 of the Omnibus Budget Reconciliation Act of 1989 (OBRA 89, Pub. L. 101–239), added a new section 1820 to the Act. This new section authorizes a grant program for the development of rural health care plans and health care networks, establishes two new designations for hospitals and facilities (Essential Access Community Hospitals (EACHs) and Rural Primary Care Hospitals (RPCHs)), sets forth the conditions under which a hospital or facility will be designated as an EACH or RPCH, authorizes the Secretary to waive such provisions of part C of title XVIII as necessary to conduct the EACH and RPCH program, provides an adjustment to the hospital-specific rate for an EACH experiencing an increase in reasonable costs during a cost reporting period as a result of becoming a member of a rural health network, and provides rules for Medicare coverage and payment for inpatient and outpatient RPCH services. The EACH and RPCH program is limited to seven States but a special provision, section 1820(i)(2)(C) of the Act, allows the Secretary to designate up to 15 facilities in other States as RPCHs if they meet specified conditions. The process for making these designations, and information for facilities that wish to apply for RPCH status under the special provision, will be set forth in a separate **Federal Register** publication.

Section 1814(l)(2) of the Act, as enacted by section 6003(g)(3)(B)(iii)(II) of OBRA 89, and section 1834(g)(2) of the Act, as enacted by section 6116(b)(2) of OBRA 89, also direct HCFA to develop and implement, not later than January 1, 1993, a prospective payment system (PPS) for inpatient and outpatient RPCH services, respectively.

The provisions of section 1820 of the Act, which were added by section 6003(g)(1)(A) of OBRA 89 and amended by section 4008(d) of OBRA 90, generally provide that:

- An RPCH must be located in a State that has received a grant to set up EACH/RPCH networks in its rural areas, or be separately designated by the Secretary as one of 15 independent RPCHs. A facility located in an urban county can be designated as an RPCH if the county is substantially larger than the average geographic area of urban counties in the United States and the county's hospital service area is characteristic of the service areas of counties located in rural areas.
- In designating up to 15 facilities in non-RPCH States as independent RPCHs, the Secretary is required to give preference to certain facilities. These are facilities that are located outside grant States but have entered into agreements with rural health networks in States receiving grants.
- An RPCH must be in compliance with the hospital conditions of participation found at 42 CFR part 482 at the time it applies for designation as an RPCH and must agree to stop providing inpatient care, except within the limits specified in the legislation, as soon as its application for RPCH status is approved. A facility which closed within 12 months before applying for RPCH status meets this requirement if it was in compliance with the hospital conditions at the time it closed.

Section 4008(m)(2)(B)(iii) of OBRA 90 amended section 1820(j) of the Act to add the authority to waive the provisions of part A of title XVIII as necessary to conduct the EACH program. (As noted above, authority to waive provisions of part C had already been included in the 1989 enactment.)

II. Provisions of the Proposed Regulations

In an October 25, 1991, proposed rule (56 FR 55382), we proposed to amend the following parts of the chapter IV, title 42 of the Code of Federal Regulations.

In part 400, subpart B, containing definitions, we proposed to revise the definitions for "Provider" and "Services" to include RPCHs. We would also add new acronyms and definitions for an EACH and an RPCH.

We would amend part 409 concerning Medicare Part A (Hospital Insurance Benefits) to include inpatient RPCH services. We would also specify that Medicare Part B pays for outpatient RPCH services furnished by an RPCH having a provider agreement under part 489.

In part 410 regarding Medicare Part B (Supplementary Medical Insurance Benefits), we proposed that outpatient

RPCH services would be included in the scope of benefits available under Medicare Part B and that, in accordance with section 1834(g) of the Act, Medicare Part B would pay for services furnished before 1993 by an RPCH to its outpatients under one of the following two methods (as described in the proposed rule) elected by the RPCH:

- Cost-based facility payment plus professional services payment method.
- All-inclusive method.

In part 411, subpart A, concerning exclusions from Medicare coverage, in accordance with section 1862(a)(14) of the Act, we would make services to RPCH inpatients subject to rebundling on the same basis as services to hospital inpatients.

In part 412, subpart G, concerning the special treatment of certain facilities under the prospective payment system (PPS) for inpatient hospital services, we proposed that a hospital designated by HCFA as an EACH will be treated as a sole community hospital (SCH), as required by the amendment to section 1886(d)(5)(D)(iii)(III) of the Act made by section 6003(g)(2)(A)(iii) of OBRA 89. We also set forth the conditions under which HCFA and the State designates a hospital as an EACH.

In accordance with section 1886(d)(5)(D)(v) of the Act, we provided that HCFA would increase an EACH's applicable hospital-specific rate if, during a cost reporting period, the hospital experiences increases in its Medicare inpatient operating costs that are directly attributable to its membership in a rural health network. (We used the term "hospital-specific rate" rather than "target amount" which is used in the statute, in order to avoid confusion between the rate paid SCHs and the Tax Equity and Fiscal Responsibility Act of 1982 rate of increase limits, which the statute also notes as a "target amount.") We also proposed requirements that a hospital must meet in order to qualify for an increase in its hospital-specific rate.

We proposed to amend the reasonable cost payment principles in part 413 to include the payment methods for inpatient and outpatient services furnished by an RPCH. This payment methodology is based upon section 1814(l) of the Act for inpatient RPCH services and section 1834(g) of the Act for outpatient RPCH services.

In part 424, subpart B, concerning physician certification and treatment plan requirements, in accordance with section 1814(a)(8) of the Act, we proposed that Medicare Part A would pay for inpatient RPCH services only if a physician certifies that such services were required to be immediately furnished on a temporary, inpatient basis. We would require certifications for posthospital SNF care in RPCHs with swing-bed approval that are the same as those in swing-bed hospitals. We also proposed creating RPCH services as an optional Medicaid benefit so that States in which RPCHs are designated for Medicare purposes can also elect to pay these same RPCHs under Medicaid.

In part 485 concerning conditions of participation and coverage for specialized providers, we proposed the circumstances under which HCFA and States would designate a hospital as an RPCH and the conditions of participation for RPCHs.

Under the survey and certification procedures in part 488, we proposed including an RPCH in the definition of "provider of services" and "provider". This revision allows an RPCH to be surveyed by State agencies for compliance with the conditions of participation and be subject to the same requirements as other providers.

We proposed revisions to the provider agreement regulations in part 489 to require RPCHs to comply with the requirements for bundling of services on the same basis as hospitals, and to maintain an agreement with a peer review organization.

III. Analysis of and Responses to Public Comments Received on the Proposed Rule

In response to the October 25, 1991, proposed rule, we received 92 timely items of correspondence. Comments were received from a wide variety of correspondents, including national hospital and health care organizations, State hospitals and health care organizations, State government agencies, a consulting firm, and various other hospitals, physicians, and health care professionals. Below we state their comments and our responses.

Publication of Final Regulations

Comment: Two commenters stated that the final rules should be published as interim final rules, and later be revised based on experience with the RPCH model in the seven grant States.

Response: We, too, considered the recommendation that the regulations be issued as interim final rules, with the possibility of later revision. However, we believe that once facilities have reorganized their operations to meet these requirements they should have reasonable assurance that the reorganization will not be made obsolete by rapid changes in the regulations. This is not to say that the requirements set forth in these regulations will not change, but only that they will not do so until there has been the opportunity for further public comment on any proposed changes. Therefore, we did not adopt this recommendation.

Status of RPCHs as a New Provider Category

Comment: Commenters stated that the proposed RPCH requirements are a blend of hospital and rural health clinic (RHC) requirements and reflect an overly narrow view of the function of RPCHs. This view of RPCHs does not allow them adequate recognition as a new provider type separate from hospitals and RHCs. They recommended that new regulations that are not derivative of hospital or RHC requirements be developed. These new regulations should differentiate RPCHs from other providers and allow them the flexibility to meet community needs. One commenter identified the community needs to be met as primary and preventive health care, triage, treatment or transport for emergency care, diagnostic and therapeutic outpatient care, and limited inpatient care.

Response: We agree that a RPCH, as a separate provider type under the Medicare law, should be subject to conditions of participation and other regulations that are specific to them. However, we do not agree that those regulations should not in any way resemble those that apply to hospitals or RHCs. On the contrary, we believe that RPCHs will be like hospitals in a number of ways. They will provide inpatient hospital services and emergency and nonemergency outpatient services to patients. RPCHs will also resemble RHCs in that they will be located in rural areas where there is a shortage of other health facilities and will offer care to ambulatory patients and serve as the patient's point of entry into the health care system. Because of these similarities in their location and scope of services, and in the types of patients treated, it is almost unavoidable that the RPCHs, hospitals, and RHCs will in some cases be controlled by similar requirements.

Moreover, we are concerned that differentiation of the requirements among these three provider types could jeopardize patient health and safety. Certain services and procedures, such as nursing services or laboratory tests, present the same set of health and safety and quality control problems whether they are furnished in a hospital or another location. Medicare beneficiaries who receive the services have the right to expect a uniform level of protection

in any Medicare participating facility. This level of protection would be difficult to achieve if we were to deliberately vary the requirements for a RPCH from those of other providers in an attempt to establish spurious differences among them. Because of these concerns, we did not make any changes in the final rule based on these comments.

We agree with the commenter who stated that a RPCH can be expected to help meet community needs for primary and preventive health care, triage, treatment or transport for emergency care, diagnostic and therapeutic outpatient care, and limited inpatient care. Of course, specific provisions of the Medicare law prohibit payment for many preventive services, such as most immunizations. However, we believe the regulations as proposed allow the facilities adequate flexibility to provide these services. Therefore, we have not revised the final rules based on this comment.

Comment: New payment rules specific to RPCHs should be developed; RPCHs should not be paid on the same principles as hospitals and RHCs.

Response: The basic payment methods for inpatient and outpatient RPCH services are set forth in section 1814(l) of Act, as added by section 6003(g)(3)(B)(iii)(II) of OBRA 89 (for inpatient services) and in section 1834(g)(1) of the Act, as added by section 6116(b)(2) of OBRA 89 (for outpatient services). Although we considered comments on specific provisions of our payment proposals, we do not believe it would be appropriate to modify the basic payment methods specified in the statute merely to differentiate RPCHs from hospitals and RHCs. For reasons explained under a discussion of the comments concerning "Scope of HCFA Waiver Authority under section 1820(j) of the Act," in this section of the preamble, we also do not believe the waiver authority in section 1820(j) of the Act would authorize changes of statutory provisions enacted as part of the EACH and RPCH amendments, themselves. Therefore, we did not adopt this comment.

Comment: The RPCH requirements should be expanded to include comprehensive primary care providers such as ambulatory surgical centers (ASCs), since these facilities could, with minimal upgrading, fulfill the role of an RPCH.

Response: Section 1820(f)(1)(B) of the Act states specifically that a facility is eligible for designation as an RPCH only if it is participating as a hospital at the time it applies for the designation or, in the case of a facility that is closed, was a participating hospital when it closed. We have no authority to waive this provision. Therefore, we did not adopt this comment.

Comment: One commenter stated that the RPCH regulations should not be too closely linked to the hospital regulations, since less intensive facilities could also meet health care needs in rural areas. However, another commenter recommended that the regulations should not be too closely linked to the RHC regulations, since RHC services are generally of short duration, and do not include inpatient care, while RPCH services are of longer duration, and may include inpatient services.

Response: We agree with both comments, and have attempted to avoid reliance on either hospital or RHC standards in the final rules set forth below. Some similarities, however, are mandated by statute.

Comment: One commenter stated that the description of RPCHs in the Regulatory Impact Statement and Flexibility Analysis (56 FR 55396) indicates that an RPCH may be a facility that could not qualify for licensure under the laws of at least one State as a hospital. The commenter recommended that the definition of an RPCH be revised to read "a State licensed acute care hospital or a facility designated by HCFA." This would allow an RPCH to continue to be a hospital for State and Medicare purposes, would remove any ambiguity about payment, and would allow a hospital that is designated as an SCH to retain its SCH status. Another commenter recommended that a RPCH continue to be designated as a hospital but did not relate that designation to State law.

Response: While a facility must have been a Medicare participating hospital at some point, (section 1820(f)(1)(B)), the RPCH legislation establishes a clear distinction between a hospital that is not limited in number of beds or length of inpatient stay, and an RPCH that is explicitly limited in both respects. We require that an RPCH be licensed or legally authorized to function under State law. It is for the State to decide what licensing classifications, nomenclature, and requirements it will impose. However, for purposes of qualifying to participate in the Medicare program and for determining the amount of Medicare payment, Federal definitions and requirements apply. Under the requirements of the Medicare statute, hospitals and RPCHs are distinctly different types of providers, although they both furnish inpatient and outpatient hospital services.

Comment: The final rules should clarify whether an RPCH will be allowed to have a distinct-part SNF, since SNF services are frequently required in the small isolated communities where an RPCH will be located. This issue could be clarified by stating that an RPCH will be allowed to retain its status as a hospital.

Response: Section 1819(a) of the Act defines an SNF as an institution (or a distinct part of an institution) that meets certain requirements. There is no further provision specifying that the institution in which the SNF is a distinct part must be one that participates in Medicare as a hospital. Thus, nothing in the statute prohibits an RPCH from having a distinct-part SNF. Of course, a distinct part of an RPCH could qualify to participate in Medicare as an SNF only if all applicable requirements for participation as an SNF found in 42 CFR part 483 are met by the distinct part.

Comment: Several commenters stated that residents of a community where an RPCH is located will be more likely to use RPCH services if an RPCH is described in the regulations and elsewhere as a limited-service hospital and is not likened to an RHC. One commenter also objected to the part of the preamble to the proposed rules in which RPCHs were compared to free-standing outpatient departments (56 FR 55396).

Response: The outpatient department comparison was intended to give an idea of the type of services an RPCH might provide, and not to limit the functions of the RPCH beyond the limits provided by statute. We have also attempted, in these final rules, to avoid any misleading characterizations of an RPCH. However, we believe that community acceptance of an RPCH will depend more on the quality and appropriateness of its health care services rather than on its name, and for this reason we have not made any changes to the final rules based on these comments.

Scope of HCFA Waiver Authority Under Section 1820(j) of the Act

Comment: Many commenters believe that we have extensive authority to waive provisions of section 1820 and other provisions of the Act, including the number of beds and length-of-stay limitations for RPCHs. They recommended that we exercise this authority in ways that would allow maximum flexibility in the application of the RPCH requirements. Some commenters stated that HCFA should exercise its waiver authority on both a system-wide basis (waive a provision for all EACHs or RPCHs or both) and a

Statewide basis, rather than on a facility-by-facility basis, because this is most consistent with the concept of developing area health care networks. Others believed that more creative ways of meeting local health needs would be encouraged if HCFA used its waiver authority to promote individual State models of EACHs and RPCHs, rather than using standard nationwide definitions. Two commenters said that this is especially true with respect to rural agricultural areas that have access problems but are not as sparsely populated as frontier areas.

Other commenters recommended that the final rules state that HCFA intends to exercise its waiver authority in a way that allows maximum flexibility at the State level, or that they should set forth a process to be followed in granting waivers of specific requirements. Still other commenters expressed the view that the State is in a better position than HCFA to understand local health care needs. The State should be allowed to approve waivers of the statutory requirements. These commenters recommended that an individual grant State should be permitted to have various levels of EACH and RPCH facilities, with the staffing and scope of services varying according to local needs. Another group of commenters recommended that a State be given more responsibility to designate facilities, including designating an "intermediate EACH" when needed to improve emergency response time because of the distances over which patients in sparsely populated areas would have to be transported to receive care.

Response: We believe these comments share a common misunderstanding of the extent of the waiver authority allowed HCFA under section 1820(j) of the Act. In general, those who commented on this issue assumed that the Secretary of HHS is authorized to waive various provisions of section 1820, which is the principal statutory basis of the EACH and RPCH program. For the reasons stated below, we do not believe the Secretary's waiver authority extends as far as the commenters suggest.

We believe the general waiver authority in section 1820(j) of the Act can only be interpreted as referring to the waiver of statutory sections in parts A and C of the Act, other than those in section 1820, that might conflict with or otherwise frustrate the implementation of the EACH and RPCH program (section 1820). This interpretation of section 1820(j) of the Act precludes the waiver of section 1820 requirements for designation of EACHs or RPCHs.

Section 1820(j) of the Act, which falls under the heading "Waiver of Conflicting Part A Provisions," authorizes the Secretary of HHS to waive provisions of part A and part C of title XVIII as necessary to conduct the program under section 1820 of the Act. Since all of section 1820 is contained within part A of the Act, it is possible to conclude that the Secretary had essentially unlimited authority and would be free to waive any and all provisions of section 1820. If the Secretary did so, however, he would not be implementing the EACH program that the Congress designed in section 1820 but some other program that had not been enacted.

Also, this reading would not correspond with the title of the waiver section which authorizes waivers when a conflict exists with the provisions of part A of the Act. It would not be reasonable to expect that the Congress would pass section 1820 of the Act which contains the distinctive and detailed provisions of the EACH and RPCH program, and then include in the same section a paragraph which enables the Secretary to waive as "conflicting" one of the section's own provisions. This reading of the waiver authority would frustrate Congressional intent in establishing statutory conditions. It could make the very program which the Congress sought to establish meaningless. Since this reading of the statute would produce potentially absurd results, we believe it is not a reasonable interpretation of the waiver provision. Finally, we would note that Congress attempted to distinguish between requirements applicable to RPCHs and requirements applicable only to hospitals by inserting the term "RPCH" in many places throughout the statute. In recognition that some references may have been missed, it included in section 1861(e)—the definition of the term "hospital"—the sentence: "The term hospital does not include, 'unless the context otherwise requires,' a rural primary care hospital * * *." We believe that this language, too, indicates a Congressional intent to implement the specific provisions of section 1820 of the Act as closely as possible to the way they are described in the statute.

Of course, section 1820 of the Act does contain other provisions that allow the Secretary some flexibility in designating facilities as an EACH or an RPCH. In particular, section 1820(i)(1)(B) of the Act allows the Secretary to designate a hospital as an EACH if it is not eligible for designation by the State in which it is located only because it does not have either 75 or more beds, or a location which is more than 35 miles from any other hospital. Section 1820(i)(2)(B) allows the Secretary to designate a facility as an RPCH if it is not eligible for designation by the State only because the facility has not satisfied certain statutory requirements. In particular, that section allows the Secretary to designate a facility as an RPCH even though the facility is not so designated by the State because the facility failed to meet the criteria described in subparagraphs (C), (F), or (G) of section 1820(f)(1) of the Act. Section 1820(f)(1)(C) states that the facility has ceased to provide inpatient care, except as required under section 1820(f)(1)(F) of the Act. Section 1820(f)(1)(F) states that the facility provides not more than six inpatient beds for providing inpatient care for a period not to exceed 72 hours (unless a longer period is required because of inclement weather or other emergency conditions) to patients requiring stabilization before discharge or transfer to a hospital. Section 1820(f)(1)(G) states that the facility meets such staffing requirements as would apply under the definition of "hospital" in section 1861(e) of the Act to a rural hospital, with certain exceptions as specified in that section. In addition, section 1820(i)(2)(C) of the Act authorizes the Secretary to designate up to 15 facilities located outside EACH grant States as RPCHs. In the preamble to the notice of proposed rulemaking (NPRM) (56 FR 55389), HCFA announced its intention to exercise this statutory authority in limited situations. The procedures for seeking Secretarial designation under this provision will be set forth in a separate **Federal Register** publication.

We considered the public recommendations that we expand the use of the sections 1820(i)(1)(B) and 1820(i)(2)(B) of the Act authorities to designate a facility as an EACH or an RPCH even though a facility does not meet the number of beds, location, or staffing restrictions specified in the regulations. We also considered recommendations that we allow the States to exercise this authority on behalf of the Secretary. As noted elsewhere in this preamble, we have decided to use the section 1820(i)(1)(B) authority to allow hospitals having fewer than 75 beds to be designated as EACHs if they meet other requirements and are not located within 35 miles of another hospital having at least 75 beds, and to use the section 1820(i)(2)(B) authority to allow RPCHs which qualify for swing-bed agreements to maintain up to 12 inpatient beds. However, we are not making other changes based on

these comments at this time. While we understand the need for State and network-level flexibility in the provision of services, we also note that the authority to exercise the provisions of sections 1820(i)(1)(B), 1820(i)(2)(B), and 1820(i)(2)(C) is purely discretionary with the Secretary; there is no statutory obligation to exercise that authority.

We have decided not to exercise the sections 1820(i)(1)(B) and 1820(i)(2)(B) of the Act authority in other ways at this time because we believe the minimal requirements we have established for an EACH and an RPCH give these facilities adequate flexibility to organize themselves and provide services as they see fit. We also are concerned that extensive use of the authority to designate facilities not meeting statutory criteria could discourage compliance with those criteria, and that it also could lead to wide variations in the types of facilities designated as an RPCH. This would make it more difficult to survey these facilities against national health and safety standards and thereby assure Medicare beneficiaries a uniform quality of care.

Although RPCHs will be limited to six inpatient beds unless they have a swing-bed agreement (as discussed in the following paragraph), we recognize that in some cases an RPCH may have to treat a larger number of inpatients because it is the nearest available source of care for the victims of natural or man-made disasters such as floods, earthquakes, plane crashes, or bus or train accidents. If an RPCH temporarily exceeded the six-bed limit in order to provide emergency inpatient services under these conditions, it would not be cited for noncompliance with its provider agreement. However, we do not believe that explicit regulatory authority is needed to authorize this special handling of emergency circumstances, and have not made any special provisions for it in the regulations.

As explained in the preamble to the proposed rule (56 FR 55394), we believe RPCHs that meet applicable requirements should be allowed to have swing-bed agreements, and recognize that successful provision of posthospital SNF care in these facilities may require them to maintain more than the six inpatient beds allowed by section 1820(f)(1)(F) and to keep SNF-level inpatients longer than the 72-hour period permitted for RPCH inpatient care by that section. Because of these considerations, we have retained with some revisions discussed later in this preamble the provisions of the proposed regulations that would, under the section 1820(i)(2)(B) authority, allow designation of certain facilities as RPCHs even though they do not meet otherwise applicable statutory criteria with respect to number of beds and length of inpatient stay. However, this represents our sole exercise of the section 1820(i)(2)(B) authority.

Finally, we believe that number of beds and length-of-stay limitations included in section 1820(f)(1)(F) of the Act represent an attempt by the Congress to limit the type and severity of cases that can be treated by RPCHs without adopting overly detailed and prescriptive standards that may be inappropriate to certain communities or that could become obsolete due to changes in medical practice. By defining limits on the size and length of stay of RPCHs, the Congress was able to allow local physicians and other practitioners to decide, within broad limits, which patients could appropriately be treated in a limited-service facility such as an RPCH. In our view, the program as passed by the Congress should be given a chance to operate in the seven grant States before widespread variations are allowed. Because of these considerations, we did not adopt any of the recommendations of commenters on these issues.

(The section 1820(i)(2)(C) authority will be exercised through the process for designating RPCHs outside grant States that will be described in a separate **Federal Register** publication.)

Designation of a National Single Intermediary

Comment: A commenter recommended that, because of unique payment provisions for EACHs and RPCHs, consideration be given to designating a single national intermediary, located in one of the grant States, to process all EACH and RPCH payments.

Response: We reviewed this suggestion but do not agree that the payment methods for an EACH and an RPCH are so unusual or complex as to require designation of a single intermediary. Section 1816 of the Act permits a provider to select the intermediary of its choice, with some restrictions. One restriction allowed the Secretary by section 1816(e) of the Act is to designate a regional or national intermediary in the interests of more efficient and effective administration. Because an EACH will be paid on the same basis as an SCH, intermediaries will simply need to apply existing payment methods to an additional facility. While the methods of payment for inpatient and outpatient RPCH services differ from those for hospital services, they are described in detail in the regulations, and are similar in concept to those used for payment to an RHC. Moreover, a single intermediary would be less likely than a local intermediary to be familiar with medical practice and patterns of referral in each State. For these reasons, we do not believe a regional or national intermediary is warranted and we did not adopt the comment recommending use of a single intermediary.

Three-day Prior Stay Requirement for Posthospital SNF Care (§ 409.30)

Comment: Existing regulations which implement the statutory prior stay requirement for posthospital extended care services specify that the day of discharge cannot be counted as one of the 3 consecutive days of hospital inpatient care required before posthospital extended care services can be covered. Because of the 72-hour limit on stays in an RPCH, however, it is impossible for a patient to qualify for coverage of posthospital extended care services in a swing-bed RPCH based only on a 3-day stay in the RPCH. A commenter recommended that, in order to allow for coverage of these services, the 3-day prior stay requirement should be waived for patients given posthospital extended care services in a swing-bed RPCH if the patients previously received 3 consecutive days of inpatient RPCH care.

Response: We agree that patients who seek care in an RPCH should not be kept from obtaining coverage for the posthospital extended care services they need because the 72-hour limitation on the length of stay of inpatients in RPCHs, which represents, in effect, three 24-hour days, is inconsistent with our current method of counting days for purposes of the 3-day qualifying stay. However, we believe only a minor revision to the regulations is needed to accomplish this. Under existing Medicare policy on the counting of inpatient hospital days of care, the number of days is always in units of full days. A day begins at midnight and ends 24 hours later. As we discuss below, even though the day of discharge, death, or the day on which a patient begins a leave of absence is not counted as a day, the 72 hours of inpatient care provided in an RPCH may span more than 3 calendar days.

Section 1820(f)(1)(F) of the Act and § 485.614(b)(2) of the proposed regulations would allow an RPCH to keep a patient in inpatient status for as long as 72 hours following admission. Under the policy on counting inpatient hospital utilization days, which we also plan to use to count days of inpatient care in an RPCH, the date on which a

patient is admitted is counted as a day of care. The next 2 days of inpatient care also are counted as utilization days if the patient is an inpatient at midnight of those days. Thus, a patient who is discharged on the following day up until 72 hours after the time and date of initial admission, would be considered to have had 3 days of inpatient hospital or RPCH care (the date of admission and the 2 succeeding days). Therefore, the patient would qualify for coverage of SNF care even though the day of discharge is not counted as a day of care.

Under this method of counting inpatient days, patients who are admitted to an RPCH at a time of day when SNFs in the area do not normally accept new patients could be disadvantaged. For example, if a patient were admitted at 1 a.m. on the 1st of the month, he or she would have to be kept as an inpatient at the RPCH until after midnight on the 3rd of the month in order to meet the 3-day prior stay requirement for SNF coverage. However, the RPCH would be in violation of the 72-hour length of stay requirement if it kept the patient as an inpatient beyond 1 a.m. on the 4th, even though no SNF would ordinarily accept a new patient at that hour. To deal with this problem, we plan to make the policy on counting inpatient days in an RPCH differ from the parallel policy for hospitals in one way: If a patient is discharged from inpatient status at an RPCH and admitted to an SNF on the second calendar day following the date of RPCH inpatient admission, and he or she has not otherwise satisfied the 3-day prior inpatient stay requirement for coverage of inpatient SNF care, we will count the day of discharge as a day of care for purposes of the 3-day prior stay requirement. For example, in the case cited earlier, the patient could be discharged from the RPCH and admitted to the SNF during normal business hours on the 3rd of the month, and that day would count toward the 3-day prior stay requirement. The effect of this policy, which we are adopting administratively, will be to avoid any actual conflict between the two requirements cited by the commenters.

Application of Hospital Requirements, Including Inpatient Hospital Deductible, Benefit Period, and Scope of Benefits Limitations, to RPCHs (§§ 409.60, 409.61, 409.64, 409.65, 409.66, 409.68, 409.80, 409.82, 409.83, 409.87)

Comment: Commenters raised both conceptual and legal objections to the proposal to impose the Medicare Part A deductible on RPCH inpatients. Some commenters noted that the amount of the Part A deductible is calculated to approximate the national average cost of 1 day of care, but that the average length of inpatient stay for hospitals is 7 days, versus the maximum 3-day stay in an RPCH. Because of the difference in length of stay, application of the deductible to RPCH inpatient stays would mean that the RPCH patient incurs a much higher proportion of the cost of each stay than a hospital patient. If the patient does not pay the deductible, the RPCH can recover the unrecovered costs attributable to the nonpayment, but only at the end of the cost reporting period and only if the RPCH has spent additional money in making a reasonable collection effort. This could create cash flow problems for RPCHs, and also discourage Medicare patients from using them.

Because of this concern about the fairness of applying the Part A deductible to inpatient RPCH services while inpatient RPCH stays are limited, commenters recommended that the 72-hour restriction be waived, or that the deductible amount be reduced, or that a special RPCH deductible set at a fraction of the hospital deductible be developed.

Other commenters pointed out that because an RPCH is likely to be a limited-service, low-charge facility that treats a disproportionately high number of Medicare patients, an RPCH will be more adversely affected than the average hospital if its Medicare patients are held responsible for deductibles that they do not pay. Still other commenters recommended that if a decision is made to impose some form of cost-sharing or other deductible despite the above arguments, we should establish a separate RPCH deductible which is half the hospital rate, but impose the second half of the deductible if the beneficiary is transferred to an EACH or is admitted to any full-service hospital within one year of being treated at the RPCH. This would limit the beneficiary's responsibility to one Medicare Part A deductible per year. These commenters also suggested that instead of a deductible set at a specific dollar amount, we should impose a copayment on RPCH inpatient services that equals 20 percent of Medicare payment for those services.

Moreover, commenters pointed out that the statute does not specifically require the deductible to be imposed, and argued that the failure of the Congress to include a provision on this point in the technical amendments enacted to date suggests that the omission was deliberate rather than inadvertent. For all of these reasons, the commenters recommended that the regulations be revised to provide that the Medicare Part A deductible does not apply to RPCHs.

Response: The commenters are correct in noting that if a deductible of the same dollar amount is imposed on both short, relatively inexpensive RPCH stays and longer, more costly hospital stays, the RPCH patients will have to bear a greater share of the costs of their care than the hospital patients. However, this is not the case with all stays, since patients also may be admitted to hospitals for relatively short, low-cost stays. Moreover, a patient who subsequently is transferred to a hospital for further inpatient care is not required to pay a second deductible, so that the deductible liability is no greater than if the patient had initially been admitted to the hospital. Furthermore, it is not accurate to state that RPCHs would have to wait until cost report settlement to be paid by Medicare for the unrecovered costs attributable to unpaid deductible and coinsurance amounts. Interim payments to hospitals now include allowances for these amounts, and in applying the Part A deductible to RPCH inpatient services there would be no reason to exclude these amounts from interim payment for RPCH inpatient care.

We do not share the commenters' concern that imposing the deductible on RPCH inpatient days could discourage patients from using the facility. On the contrary, imposing the same deductible upon admission either to a hospital or to an RPCH removes what would otherwise be an incentive to use one or a disincentive to use the other. We believe a beneficiary who requires a longer stay will likely be admitted to or transferred to a hospital (in either case paying only one deductible) or will require inpatient care on an immediate basis and will not be swayed by considerations of cost. To the extent that an unwillingness to pay the deductible discourages unnecessary admissions, we believe the incentive is entirely appropriate.

We have retained in the final regulations the sections that relate the RPCH to the deductible, coinsurance, benefit period, and scope of benefit limitations applicable to hospitals. We believe that to do so is consistent with the intent of the Congress and with the general authority given to us in section 1820(j). Our review of the legislative history of this provision with respect to the applicability of these provisions leads us to conclude that the language in section 1812(a)(1) was enacted inaccurately because of the almost concurrent passage of the Medicare Catastrophic Coverage Repeal Act of 1989, which inserted all these

provisions precisely where they had been before enactment of the Medicare Catastrophic Coverage Act of 1988 even though the RPCH provision had since been drafted. Our conclusion is supported by the fact that both the Senate and the House of Representatives have since passed a bill that would correct this oversight. Inasmuch as section 1820(j) was intended by the Congress as a means of permitting the Secretary to correct unintentional Congressional oversights that could impede implementation of the RPCH provisions, we believe that this authority extends to permitting the Secretary to make this decision.

We wish to note that, in determining whether to treat RPCHs as hospitals for certain purposes, we have attempted to adhere to the overall plan of the Congress in implementing the provision. That is, we have distinguished hospitals from RPCHs where the Congress drew a clear distinction and, as authorized by section 1861(e), we have read the word "hospital" to include a RPCH in cases where the context appears to support that reading.

As a result we have applied the deductible, coinsurance, benefit period, and scope of benefit limitations so that a stay in a RPCH will affect the beneficiary equally with other beneficiaries in the context of his or her entitlement to hospital care or other care affected by these provisions. For the same reason, we have allowed RPCHs to enter into swing-bed agreements in substantially the same manner as other hospitals under section 1883 of the Act. This decision (which is a modification of our NPRM proposal, as explained later in this preamble) provides RPCHs with additional flexibility in the care of patients. This flexibility should provide a needed incentive for wider participation as RPCHs and increase beneficiary access to care. Finally, we have modified the regulations implementing section 1861(i) to assure that beneficiaries who have a 72-hour RPCH stay can use it to qualify for post-hospital SNF coverage. These decisions all work to assure that rural beneficiaries are treated comparably to other beneficiaries.

We have also treated an RPCH as a "hospital" with respect to the limitations placed upon the coverage of durable medical equipment (DME) and home health care under Medicare. In the regulations at § 410.38, which authorize payment for DME used in the patient's home or in an institution that is used as a home, we have made revisions that would provide uniform treatment of both hospitals and RPCHs, in that neither type of institution could be considered a patient's home. Although this change is not specifically authorized by section 1861(n) of the Act, we are making it because we believe it is needed to allow uniform administration of the DME benefit and to avoid creating an incentive for the inappropriate admission of patients to RPCHs.

Bundling of Services to RPCH Inpatients (§ 411.15)

Comment: Commenters recommended that consideration be given to exempting an RPCH from the bundling provisions that apply to hospitals, since patients will be referred to distant locations for treatment and it will be difficult for the RPCH to conduct the followup needed to ensure that services received in these locations are bundled.

Response: Section 1862(a)(14) of the Act, as amended by section 6003(g)(3)(D)(xi) of OBRA 89, explicitly requires that services to RPCH patients be bundled on the same basis as services to hospital patients. Because the statute is clear on this point, we did not adopt this comment.

Comment: A commenter recommended that clinical nurse specialists (CNSs) and nurse practitioners (NPs) should be added to the list of practitioners whose services are exempt from the bundling requirement since they, like the practitioners listed, are independent practitioners under Medicare Part B.

Response: The provision of the Medicare law which requires bundling of services to RPCH patients, section 1862(a)(14) of the Act, also specifies which practitioners' services are exempt from the bundling requirement. However, services of CNSs and NPs are not among the exempt practitioners. Because of this, we did not adopt the comment recommending that their services be excluded from the bundling requirement in these regulations.

Designation of EACHs (§ 412.109)

Comment: A commenter stated the opinion that the 75-bed criterion for designation as an EACH presumably was established as a way of measuring the hospital's capability and capacity to treat most patients referred from an RPCH. HCFA should develop alternative service criteria for designating EACHs by compiling a profile of basic service requirements that EACHs would have to meet and which could be modified to reflect the type and volume of cases encountered in individual rural areas.

Response: Although we considered this comment carefully, we do not now have enough information about the types of patients who are likely to use EACH services to compile alternative service criteria for them. Moreover, we have decided to exercise the section 1820(i)(1)(B) authority to designate a hospital as an EACH at this time only as explained in the last paragraphs of the comment under the heading, "Scope of HCFA Waiver Authority Under Section 1820(j) of the Act". Therefore, we made no changes in the regulations based on this comment.

Comment: Several commenters recommended that, in determining whether an EACH is located more than 35 miles from any other hospital for purposes of this provision, that the proximity of an RPCH to the facility should not be a consideration because an RPCH for this purpose is not considered to be a hospital. Another commenter suggested that a hospital seeking designation as an RPCH should also not be counted as a hospital for purposes of the EACH location provision.

Response: We agree that an RPCH should not be considered a hospital for this purpose but believe the existing wording, that refers specifically to a hospital rather than an RPCH, is clear enough to prevent misunderstanding of this point. We also agree that a facility that has been designated by the State as an RPCH should be considered an RPCH rather than a hospital for purposes of determining whether a particular network can receive grant funds. One purpose of grant funding under section 1820(d)(2) of the Act is to allow a hospital to finance the costs of converting itself to an RPCH or EACH, and it would not be consistent with this provision to deny grants to an otherwise qualified hospital merely because the conversion process is not yet complete. Of course, a facility cannot be treated as an RPCH for purposes of Medicare certification, coverage, or payment until it meets all applicable requirements. Since the regulations set forth in this document do not specify how facilities are to be treated in awarding grants, we made no change in them based on these comments.

Comment: The proposed regulations authorize HCFA to designate a facility as an EACH even if it has fewer than 75 beds or is located fewer than 35 miles from another hospital, but they do not specify what will happen if the hospital meets both conditions. This issue should be resolved in the final rule.

Response: Although the requirement is stated in terms of two alternative criteria, they are not mutually exclusive. Hence, a facility which satisfies both would necessarily meet each one and clearly would meet the requirement.

Comment: A commenter expressed the opinion that the number of beds and distance criteria for designation of an EACH are inappropriate to rural agricultural States and to rural States located in the South and East, even though they may be appropriate to frontier areas. The restrictions should be relaxed by reducing the number of beds required and the distance standard to 20 miles or eliminating the distance standard altogether. If distance standards are not eliminated, exceptions to the distance criteria should be made when an overall benefit to the health system would result.

Response: These requirements are imposed by statute. States are not authorized to waive the EACH designation criteria related to number of beds (at least 75) or location (located at least 35 miles from any other hospital). However, section 1820(i)(1)(B) of the Act authorizes the Secretary to designate certain hospitals as EACHs if they cannot be so designated by the State only because they do not meet the number of beds or location criteria. Because of this, we considered whether we should use the section 1820(i)(1)(B) authority to designate a facility not meeting these criteria as an EACH. We explained in our response to comments under the heading, "Scope of HCFA Waiver Authority under Section 1820(j) of the Act," and to other comments that we have decided to do this only in those cases where the sole available hospital for EACH designation for network formation has fewer than 75 beds, and there is no other hospital having 75 or more beds within 35 miles. We have not exercised the section 1820(i)(1)(B) of the Act authority in other ways because we believe that the program as passed by the Congress should be implemented and that any later revisions of it should be made on the basis of experience with that program. Thus, we did not adopt these recommendations.

Comment: One commenter stated that the 75-mile limitation between an EACH and an RPCH will disqualify hospitals in frontier areas where there is no hospital within 150 miles that meets the requirements for EACH designation. Another indicated that in many rural areas, there are no hospitals located within 75 miles of an RPCH that have 75 beds and therefore could qualify as an EACH; therefore, the 75-bed requirement needs to be waived.

Response: These comments appear to result from a misreading of the location requirement for an EACH. There is no requirement relating to a distance of 75 miles for EACH designation. Moreover, the 35-mile distance requirement that does exist is stated as a minimum—not the maximum—distance that exists between the EACH and other hospitals, not to the maximum distance that may exist between an EACH and an RPCH. Thus, no changes were made based on the comments.

Comment: Many rural hospitals have developed referral arrangements with urban hospitals in order to meet their patients needs. To avoid disrupting these arrangements, commenters recommended that urban facilities should be allowed to qualify as EACHs.

Response: Section 1820(e)(1) of the Act allows a hospital to be designated as an EACH only if it is located in a rural area as defined in section 1886(d)(2)(D) of the Act. There is no provision that would allow an exception to this requirement to be made because of pre-existing referral arrangements. Thus, we did not adopt this recommendation. Of course, the RPCH is not required to refer all cases to the EACH, but may refer patients to other hospitals if it will result in the most appropriate care for the patient.

Comment: To encourage network formation, the regulations should be revised to allow hospitals that are closer in distance to an EACH to be designated as an intermediate EACH and delegated some of the emergency services functions of the EACH.

Response: For the reasons noted under this section discussing the location criteria of an EACH and under in the discussion of comments under "Scope of HCFA Waiver Authority under Section 1820(j) of the Act," we have decided to exercise the section 1820(i)(1)(B) authority to waive the location requirements for an EACH only in those cases when the only available hospital for EACH designation for network formation has fewer than 75 beds, and there is no other hospital having 75 or more beds within 35 miles. Moreover, we note that hospitals other than EACHs and RPCHs are permitted to join networks and accept referrals from RPCHs when this results in referrals of patients to the nearest qualified facility. For these reasons, and because we believe the program as passed by the Congress should be implemented before sweeping changes in it are considered, we did not make any change in the regulations based on this comment.

Comment: Some commenters expressed the view that although the "EACH/RPCH programs" will operate mainly within grant States, access to a network may depend on allowing hospitals in contiguous States to participate as an EACH. Because of this, they recommended that grant States be allowed to designate hospitals in adjacent States as an EACH when this is necessary to network success. Measures of access (or the lack of it) other than the 35-mile standard should be developed and applied. Other commenters suggested that hospitals in States not receiving grants be allowed EACH status if: (1) They participate in a rural health network of which at least one RPCH is in a grant State; and (2) the network agreement between the EACH and the RPCH in the network satisfies the requirements of the State receiving the grant. One commenter noted that the statute would have to be amended to permit the designation of an EACH in a State not receiving a grant.

Response: As one commenter noted, the Medicare law does not now allow the designation of an EACH in a non-grant State. Section 1820(i)(1)(A)(i) of the Act permits the Secretary to designate a hospital as an EACH only if it is located in a State that has received a grant for the conduct of the EACH program under section 1820(a)(1) of the Act. There is no provision that allows a waiver of this requirement. Therefore, we did not adopt any of the comments on this issue. (Of course, a hospital in an adjacent State could join the EACH's rural health network.)

Comment: A number of commenters recommended that a hospital reclassified as urban as a result of action by the Medicare Geographic Classification Review Board (MGCRB) be considered eligible for designation as an EACH. One commenter also recommended similar treatment for a reclassified hospital seeking designation as an RPCH. Some of these commenters based this recommendation in part on the preamble to the MGCRB rule, 56 FR 25458 and 25471, (June 4, 1991), which states that the reclassification is effective only for purposes of the wage index. Other commenters argued that these are two totally separate programs dealing with different problems, and a hospital should not have to withdraw from one program in order to participate in the other program.

Response: In the Federal Register document cited by the commenter, which is a final rule with comment period setting forth the procedures and criteria governing the activities and decisions of the effect of MGCRB decisions on payment to hospitals, we specifically addressed this issue (56 FR 25481; June 4, 1991). In that document, we stated (at 56 FR 25471) that an individual prospective payment hospital may seek reclassification for purposes of its wage index, standardized amount, or both. The document further explains that a hospital that is reclassified only for wage index purposes is not considered

urban for any purpose other than the labor market area. However, a hospital that is reclassified only for purposes of the standardized payment amount is considered urban for all purposes under section 1886(d)(2)(D) of the Act, except for use of the wage index. (A hospital reclassified for both wage index and payment amount purposes is urban for all purposes.)

More specifically, in response to a comment concerning treatment of rural referral centers (RRCs), SCHs, and Medicare-dependent, small rural hospitals (MDHs) that are reclassified for purposes of the standardized payment amount, we stated that, to the extent that a hospital's special status as an RRC, SCH, or MDH is dependent upon being located in a rural area, it will lose its special status if it is reclassified for its payment amount and thus deemed to be located in an urban area (56 FR 25482). Since EACHs are prospective payment hospitals whose payment is determined under section 1886(d) of the Act, we believe the same policy that applies to RRCs, SCHs, and MDHs should apply to EACHs. Moreover, because sections 1820(e)(1)(A) (relating to EACHs) and 1820(f)(1)(A) (relating to RPCHs) contain identical language requiring rural location for each type of facility, we believe the same rule must be adopted for both EACH and RPCH designations. Therefore, we have revised §§ 412.109(c)(1) (applicable to potential EACHs) and § 485.610(a)(3) (applicable to potential RPCHs) to state that a hospital meets the rural location requirement of those sections if it is otherwise qualified and has not been classified as an urban hospital for purposes of its standardized amount by HCFA or by the MGCRB.

We note again that hospitals that are reclassified only for wage index purposes are not considered urban for any purpose other than the labor market area. Therefore, any hospital seeking to be an EACH that is reclassified for wage index purposes only can be eligible if it meets the other criteria.

We also believe this policy is fully consistent with the underlying statutory authority for the rural/urban distinction as it relates to designation of EACHs and RPCHs and to payment. Sections 1820(e)(1) and 1820(f)(1) require that an EACH and an RPCH, respectively, be located in a rural area as defined in section 1886(d)(2)(D) of the Act. The provision in section 1886(d)(2)(D) deals with whether a hospital should be paid the urban or rural standardized amount under the prospective payment system (PPS). It does not deal with the applicability of the urban or rural wage index, which is governed instead by section 1886(d)(3)(E) of the Act.

The regulations also permit all hospitals in a rural county to be redesignated to an adjacent urban area if they meet certain criteria (§ 412.232). Hospitals redesignated in this way are treated as urban for purposes of both the wage index and the standardized amount. We believe that this treatment disqualifies these hospitals for treatment as rural facilities under the EACH/RPCH provisions, and we therefore have revised §§ 412.109(c)(1) and 485.610(a)(3) to state that a hospital that has been redesignated to an urban area under § 412.232 is not considered "rural" for purposes of EACH or RPCH designation.

We do not agree with the commenter who stated that because the RPCH program is separate from the activities of the MGCRB, a finding of urban location by the Board should not preclude a rural designation for purposes of designation as an EACH or RPCH. On the contrary, we think that efficient administration of the Medicare program and fairness to all providers preclude a policy under which a single facility could be, at one and the same time, classified as both rural and urban depending upon its preferred method of payment.

Comment: The proposed criteria for State designation of an EACH in § 412.109(c)(3)(iv) (56 FR 55401) state that an EACH must grant staff privileges to the physicians who furnish care to patients at the RPCH. A commenter recommended that the final rule make it clear that an EACH may comply with this requirement by granting RPCH physicians the kind of courtesy or other limited privileges it grants to physicians from other communities who admit patients to the hospital only on an occasional basis, and that there is no requirement that an individual hospital change its policy of granting full staff privileges only to physicians who live and practice close enough to the hospital to provide continuous care to their patients in the hospital.

Response: We agree that it is up to an EACH to determine the level of privileges that will be granted to physicians who practice at an RPCH and refer patients to an EACH. The limitation of these privileges would not disqualify a hospital from consideration as an EACH as long as the privileges awarded are not so restrictive as to interfere with the prompt admission and appropriate care of patients referred from the RPCH. We do not believe the regulations need to be more specific on this point, but will emphasize this point in survey guidelines if necessary.

Payment to EACHs (§ 412.109)

Comment: Several of the commenters objected to our proposal to place a limit on the adjustment to the hospital-specific rate if an EACH experiences increased costs. In the proposed rule, we stated that the adjustment would be made only to those hospitals whose Medicare inpatient operating payments are less than their Medicare inpatient operating costs. Generally, these commenters stated that they believed the Congress intended that all of the additional costs incurred by EACHs in relation to belonging to a rural health network should be recognized through an adjustment to the hospital-specific rate rather than just those costs in excess of payments received. Many expressed concern that our proposal would violate the efficiency incentives built into PPS, which allows hospitals to keep payments in excess of actual costs, and that it would serve as a deterrent to hospitals that may be eligible to participate in the EACH program.

Response: The statute in section 1886(d)(5)(D)(iii)(III) of the Act provides that an EACH is to be paid on the same basis as an SCH. As we discussed in the proposed rule, our current policy concerning volume adjustments for SCHs do not permit an adjustment if the hospital is receiving Medicare inpatient operating payments that are equal to or in excess of its inpatient operating costs (56 FR 55387).

With regard to payment for inpatient operating costs, an SCH, and therefore an EACH, is paid the highest of three amounts: the Federal rate, a hospital-specific rate based on FY 1982 operating costs per discharge, or a hospital-specific rate based on FY 1987 operating costs per discharge. We note that section 1886(d)(5)(D)(v) of the Act provides for an adjustment only to the hospital-specific rate and not the Federal payment rate for an EACH. We interpret this limitation to indicate that the Congress did not intend that all costs associated with participating in a rural health network should be passed through irrespective of other payments. Rather, we believe that the Congress intended that an adjustment should be made only when there is an increase in the hospital's inpatient operating costs per case as a result of participating in the network that is not otherwise compensated by PPS. There would be no need to provide an adjustment to the Federal rate because a hospital that is being paid based on the Federal rate is already receiving more than its hospital-specific rate. Similarly, there would be no need to provide an adjustment to the

hospital-specific rate if the hospital's current operating costs are less than its hospital-specific rate.

To some extent, we expect that the additional costs of participating in the network will be offset by the advantages that will accrue to the hospital through its participation, such as increased admissions. To avoid compensating the hospital twice for the additional costs through a higher per discharge payment and through an increase in number of discharges, we believe that an adjustment is appropriate only if the hospital's operating costs per case, adjusted for case-mix, exceed the applicable hospital-specific rate for the cost reporting period. If the hospital is paid based on its hospital-specific rate, limiting the adjustment only to those situations where the hospital's operating costs per case exceed its hospital-specific rate is the same as limiting the adjustment only to those situations where the hospital has a Medicare operating loss.

If the hospital is paid based on the Federal rate, limiting the adjustment only to those situations when the hospital has a Medicare operating loss could preclude the hospital from receiving the benefit of an adjustment if it is paid based on its hospital-specific rate in a subsequent cost reporting period. This could occur if the hospital experiences an increase in its operating costs per discharge but continues to profit from Medicare payments based on the Federal rate. To allow for an adjustment in this situation, we are revising the regulations at § 412.109(d) to provide that we will not grant an adjustment to an EACH's hospital-specific rate unless the hospital's inpatient operating costs per discharge exceed its hospital-specific rate. This is a change from the proposed rule, which stated that we grant the adjustment only if Medicare inpatient operating costs exceed Medicare inpatient operating payments. Thus, an EACH that is currently being paid on the basis of its Federal payment rate rather than its hospital-specific rate and is experiencing a Medicare operating profit may have its hospital-specific rate updated in case the hospital-specific rate exceeds the Federal rate in the future.

In summary, if the hospital's operating costs per discharge exceed its hospital-specific rate, we would make an adjustment for the increased Medicare inpatient operating costs per discharge that are directly associated with the hospital's membership in a rural health network. The adjusted hospital-specific rate may not exceed the hospital's inpatient operating costs per discharge.

Comment: Two commenters, one a national hospital association and the other a state hospital association, expressed their support for the EACH payment methodology and the proposed adjustment to the hospital-specific rate to recognize the increased costs of developing a rural health network. However, one commenter recommended that the list of administrative costs that we would intend the adjustment to cover (i.e., maintenance of a communications system and maintaining an emergency transportation system) should be broadened to include the costs of training and upgrading emergency medical personnel.

Response: As we stated in the proposed rule (56 FR 55387), we believe that the types of costs the adjustment is intended to cover are those costs directly associated with a hospital's maintenance of a rural health network. In addition, the costs we would recognize are recurring hospital inpatient operating costs. The two types of costs we included in the proposed rule (communications systems and emergency transportation systems) were only illustrative examples of the kinds of costs for which we would consider allowing an adjustment. Those examples were not meant as an exhaustive list.

However, section 1820(d)(2) of the Act states that a hospital will use the grant monies it receives to finance the costs it incurs converting to an EACH. We expect that most of the costs of training and upgrading personnel will occur during this conversion and, thus, these costs would be covered by the grant money received by the hospital. However, to the extent that a hospital incurs ongoing incremental costs after its conversion to an EACH that are directly linked to its participation in the rural health network and are recognized as Medicare inpatient operating costs, we believe that, based on the language of section 1886(d)(5)(D)(v) of the Act, these are the types of costs that may qualify for the adjustment. In this regard, we note that a hospital's allowable cost may include its net cost of approved educational activities, as described in § 413.85. A formally organized or planned medical education program for emergency medical training operated by the hospital could be eligible for payment on a reasonable cost basis as an approved educational activity if all the criteria in § 413.85 are met.

As stated in § 413.85(d), orientation and on-the-job training are recognized as normal operating costs and are allocated to the appropriate cost center. However, ambulance transportation (other than that furnished to hospital patients) such as transportation to and from another site to receive services not available at the patient's hospital is covered only under Medicare Part B if it meets the requirements of § 410.40. The costs incurred for these services would not be considered when determining a hospital's adjustment to its hospital-specific rate under § 412.109(d).

Comment: One commenter expressed concern that our payment policies for EACHs and RPCHs may create incentives for using RPCHs as holding centers. Since RPCHs are paid a per diem rate for the reasonable costs of services furnished while EACHs receive payment under PPS on a per discharge basis, RPCHS receive maximum payment by extending patients' stays for the full 72 hours allowed without a coinciding reduction in payments to EACHs.

Response: The payment methodologies for an RPCH and an EACH, as well as the 72-hour discharge requirement for an RPCH, are specifically set forth in the statute (sections 1814(l)(1), 1886(d)(5)(D)(i), and 1820(f)(1)(F) of the Act, respectively). Thus, we have no discretion to make revisions to these provisions. However, we note that these payment policies are similar to our policy for patients transferred between two hospitals that are paid under the hospital inpatient PPS. As specified in § 412.4(b), a PPS hospital that transfers an inpatient to another prospective payment hospital receives payment on a per diem basis, while the prospective payment hospital that ultimately discharges the patient receives the full prospective payment per discharge amount. Furthermore, under the policy at § 412.4(b) and under the payment methodologies for an EACH and an RPCH, patient transfers are subject to review by the Utilization and Quality Control Peer Review Organizations (PROs) to ensure the quality and appropriateness of the treatment furnished at the RPCH, including the decision when to transfer a patient. In all these cases, a decision to transfer a patient should be made based upon the medical facts of a patient's case and not the financial effects upon the RPCH or EACH. We believe the oversight by the PROs will provide adequate protection from abuse, as it does in the hospital inpatient PPS.

Comment: Two commenters requested clarification of the applicable payment methodology for RRCs or urban

hospitals that meet the RRC standards when these hospitals are designated as EACHs.

Response: Section 1886(d)(5)(D)(iii)(III) of the Act specifies that a hospital designated by the Secretary as an EACH is to be treated as an SCH and section 1886(d)(5)(D)(i) of the Act provides the SCH payment method for inpatient operating costs. Therefore, if an eligible RRC elects to participate in the EACH program, it would be paid as an SCH. Accordingly, its Federal payment rate would be based on the applicable "other urban" payment rate as determined under § 412.63, rather than the rural payment rate.

With regard to the issue of urban hospitals that meet the RRC standards, we note that under section 1820(e)(1) of the Act, designation of a hospital as an EACH, is limited to rural hospitals as defined in section 1886(d)(2)(D) of the Act. The references to urban hospitals meeting the RRC criteria in the statute and regulations are used only to exclude from participation in the EACH program any hospital that is located within 35 miles of an urban hospital meeting those RRC criteria. Under the statute and the regulations, no urban hospitals will be qualified to be EACHs.

We also note that section 1820(g)(1)(A) of the Act allows an RRC or an urban hospital that meets the RRC criteria to participate in a network in place of an EACH, in that a network must include an EACH, an RRC, or an urban hospital that meets RRC criteria. Therefore, there is no need for an RRC or an urban hospital that meets RRC criteria to face the issue of EACH eligibility or to need to become an EACH.

Payment to RPCHs (§ 413.70)

A. Inpatient RPCH Services

Comment: Many commenters objected to the application of the lower of cost or charges (LCC) rule (see section 1814(b)(1) of the Act) in making payment for inpatient services furnished by an RPCH. They believe that because charge schedules do not affect payment under the PPS, many small hospitals have not updated their charge schedules in recent years. Also, they believe that local political factors make it impractical for facilities to raise charges to their private pay patients abruptly. If payments are limited by the amounts of the hospitals' unrealistically low charges, a hospital may not be able to recover its costs of treating Medicare patients and may be held to unrealistically low payments in the future. It was the commenter's view that it is impractical to assume that rural hospitals that are currently struggling because of low inpatient occupancy can operate in the same facilities at costs which are anywhere near charges, with even lower occupancies created by extensive transfers to EACH facilities.

The following comments were given concerning the objection to the LCC limit on inpatient RPCH services:

- For SCHs, costs were limited to the allowable costs and the LCC was not applied. RPCHs should be treated in a manner similar to SCHs (and EACHs).
- There is no statutory authority to limit payment on the basis of customary charges since section 1814(b) of the Act specifically exempts inpatient RPCH services from the LCC limitation. Moreover, 42 CFR part 413 generally exempts from the LCC principle Medicare Part A inpatient services that are subject to percentage increases under section 1886(b) of the Act, which is the case for inpatient RPCH services.
- Payment should not be limited to LCC immediately after changing from a diagnostic related group (DRG) payment system, but should be allowed a transition period of 3 years.
- Legislation states that, "The amount of payment * * * is the reasonable costs of the facility in providing inpatient rural primary care * * *." The imposition of LCC or imposition of routine cost limits or both will result in rejection of the program. If the intent of the program is to foster the development of a "new delivery system" through networking arrangements in rural areas, the imposition of LCC or routine cost limits or both should not be applied to payment. HCFA should waive these provisions in determining payment for inpatient services in an RPCH.

Response: Before OBRA 89 was enacted on December 19, 1989, section 1814(b) of the Act provided that the amount paid to a provider (other than a hospice providing hospice care and other than a home health agency (HHA) with respect to durable medical equipment) for furnishing services is subject to the LCC provision. Section 6003 of OBRA 89 added a provision to section 1814(b) of the Act exempting inpatient RPCH services from the LCC provision. The final rule clarifies that the amount of payment for inpatient RPCH services will not be subject to the LCC limitation.

Comment: One commenter stated that the proposed per diem payment for inpatient services should be based upon the first 24 months of operation instead of the first 12 months. To base their payment on an initial 12-month period with this changing environment may misrepresent their true cost structure. A 24-month period will provide a better picture of an RPCH's costs.

Response: According to section 1814(l)(1) of the Act (as added by section 6003(g)(3)(B)(iii)(II) of OBRA 89), the amount of payment for inpatient RPCH services will be based on the first 12-month cost reporting period for which the facility operates as an RPCH. This 12-month period was mandated by the Congress and must be implemented as stated in the statute. Thus, we did not adopt this comment.

Comment: The proposed regulation indicates that payment for professional services (for example, physicians' services) is excluded from payment for inpatient RPCH services but may be included in payment for outpatient RPCH services, depending on the payment option selected. This apparent inconsistency should be explained.

Response: The various payment options available for inpatient and outpatient RPCH services are mandated by the Congress under sections 1814(l) and 1834(g) of the Act. More specifically, section 1834(g)(1)(B) of the Act provides a simplified outpatient option for an RPCH when the facility component and the professional component are combined for payment purposes. No other payment options were made available. The final regulations implement these payment provisions as the Congress intended.

Comment: If a PPS is developed and implemented for RPCH inpatient services, it will be difficult for small rural hospitals to have sufficient Medicare payments to offset the peaks and valleys of PPS. One of the major benefits of being an RPCH would be a payment system based on cost of services provided for Medicare patients.

Response: Under section 1814(l)(2) of the Act, as added by section 6003 of OBRA 89, and section 1834(g)(2) of the Act, as added by section 6116(b)(2) of OBRA 89, the Congress legislated that the Secretary develop for the future a PPS for determining payment amounts for inpatient and outpatient RPCH services, respectively. In developing a PPS that will prove to be fair and equitable for these facilities, research and evaluation of various payment methodologies and their impact will be undertaken to determine the most suitable methodology for this type of facility.

B. Outpatient RPCH Services

Comment: Several commenters stated that because the language of the statute stipulates that a cost-based all-inclusive rate be paid for outpatient services furnished by an RPCH, the Congress intended the methodology to follow that

permitted for freestanding RHCs and Federally qualified health centers (FQHCs). Thus, HCFA does not have the statutory authority to impose the lesser of cost or charges rule to Medicare Part B payments. In addition, this restriction on payment does harm to one of the primary objectives of the program; that is, to create a focal point in the community (the RPCH) for the local integration of health care services. Any steps that reduce the all-inclusive rate Medicare Part B reimbursement affect the ability of RPCHs to locally integrate services.

Response: The statute establishes two payment methods for RPCHs: The cost-based facility fee method and the all-inclusive rate method. The commenters were concerned with the second method. We do not agree that HCFA does not have the authority to incorporate the LCC provision into the payment formula under the all-inclusive rate methodology for outpatient services. Under section 1834(g)(1)(B) of the Act, the Secretary has the discretion to apply whatever tests of reasonableness are considered necessary. However, based on the comments received and in order to simplify payment, we believe it would be appropriate not to apply the LCC provision with respect to payment for outpatient services under the all-inclusive rate method. Accordingly, payment for these services will be based on reasonable costs without comparison to customary charges.

Comment: A commenter stated that based on an extensive financial test performed on six potential RPCHs, four of the six would have had charges in excess of costs. All hospitals would have received payments for outpatient services as an RPCH significantly below their reasonable costs if they were reimbursed on the same basis as acute care hospitals. The commenter recommended that HCFA exercise its authority and provide payment based on reasonable costs without limiting these costs to customary charges. If the LCC provision is to apply, HCFA should clarify that all outpatient services should be combined for the purpose of determining the LCC.

Response: As indicated in the previous response, we are not applying the LCC provision under the all-inclusive rate method of payment. Instead, payment will be based on an average cost per visit day. However, costs are still subject to the tests of reasonableness. Moreover, the Secretary does not have discretion with respect to payment for outpatient facility services under the cost-based facility payment plus professional payment method. Section 1834(g)(1)(A) of the Act provides that payment will be equal to the amounts described in section 1833(a)(2)(B)—describing amounts paid for all hospital outpatient services including the LCC rule. Further, section 1833(i)(3) provides the payment method for outpatient hospital facility services or outpatient RPCH services furnished in connection with surgical procedures that are covered under Medicare when furnished in freestanding ASCs. This section explains the current "blended payment methodology" principle of payment to hospitals. Under this election, the statute clearly requires that RPCHs will be paid under the existing payment rules for hospital outpatient services. Thus, the LCC limitation will be applied under the cost-based facility payment and professional payment method in the same way it is applied in determining payment for various hospital outpatient services.

Comment: One commenter stated that in order for a hospital to determine whether or not it would want to participate in the RPCH program, more clarity is needed regarding payment. Since the primary activity of an RPCH will be outpatient care, there are several questions that need to be addressed—application of reasonable compensation equivalent (RCE) limits, identification of PPS method to be used, what exclusions will apply to the first outpatient option (cost-based facility fee plus professional charges) and application of LCC limitation. This commenter also stated that the payment method for SCHs has been very helpful for rural hospitals and should remain as an option for an RPCH in this program.

Response: The questions concerning the application of RCE limits and LCC limitation are addressed elsewhere in this section of the preamble. With respect to identifying the PPS method to be used, we are unable to be more specific at this time as to the type of system that may be utilized. As to the question concerning an exclusion to the first outpatient payment method (cost-based facility payment plus professional payment), if an RPCH elects the first method, the method of payment for facility services will apply to all facility services without exception. Other payment issues have been addressed elsewhere in other responses.

With respect to the availability of the SCH payment methodology to an RPCH, the statute does not make this method available to an RPCH. However, we will consider the fact that an RPCH is rural in the development of a PPS.

Comment: One commenter stated that the physician's compensation included in the all-inclusive rate should not be subject to the RCE limitations.

Response: We agree. Section 1887 of the Act imposes the RCE limits on hospitals and SNFs, not RPCHs. We do not intend to extend the RCE limits to the physician's compensation included as part of the all-inclusive rate method of payment for outpatient RPCH services. However, the statutory provision on the all-inclusive rate payment method for RPCH services requires payment for the costs of physicians' professional medical services "which are reasonable and related to the cost of furnishing such services." Thus, the intermediaries will be examining all claimed costs to make sure they are not out of line. An intermediary might in this respect refer to the RCE limits as one guide as to what may be reasonable in a given case.

Comment: A commenter believed our proposed rules regarding the Medicare Part B all-inclusive rate restrict physicians to practicing entirely through the RPCH outpatient department. He said the proposal does not specify the type of compensation arrangement with the RPCH or whether the arrangement must be exclusive (that is, the health care professional can provide services outside the arrangement). This strict standard is not conducive to physician participation in a rural health network and should not be imposed until a full rural health integration model is developed. The commenter believes that this provision should be more specific about the type of arrangement. He recommended that physicians should maintain the option of providing some services outside the RPCH outpatient department.

Response: Under the all-inclusive rate method, a health care professional must have a compensation arrangement with the RPCH. This compensation arrangement does not restrict the health care professional to providing services exclusively for the RPCH; he or she may provide services outside this arrangement. The compensation arrangement should stipulate the duties to be performed and the agreed-upon compensation. Compensation should be commensurate with the duties performed and the time worked in the outpatient area. However, if a facility elects the all-inclusive rate payment method, HCFA contemplates that substantially all encounters between the beneficiary and the health care professional that take place at the facility will be covered by Medicare's payment of the all-inclusive rate. (Otherwise, to state the extreme case, HCFA would be paying under the all-inclusive rate method but no

professional services would be included. This would be a contradiction in terms and would be contrary to the efficiency and simplicity of operation intended by the Congress when it authorized that payment method.) Medicare could not make payment directly to a physician for services furnished at an all-inclusive rate facility.

Comment: Several commenters objected to the 2-year election of a payment method. They felt it is too long considering that the RPCH has no history to rely upon when making the election and that circumstances can change with the turnover of health care professionals. Such a commitment by the RPCH could make recruiting a new health care professional more difficult if not impossible. The commenters suggest changing from a 2-year requirement to an election on an annual basis, prior to the beginning of each cost reporting period.

Response: We agree and have clarified in the final rule that a change in the election of a payment method may be made on an annual basis before the beginning of the RPCH's cost reporting period (see § 413.70(b)(1)).

Comment: Two commenters recommend that HCFA consider developing a case-based payment method for RPCH outpatient services as an alternative to the proposed cost-based method. Another commenter stated that the RPCH is a new provider type; it is a limited service rural hospital which operates in cooperation with an EACH in a rural health network. Thus, since the RPCH is unique, it deserves its own payment rules. Another commenter suggests that the Congress and HCFA develop additional RPCH payment options.

Response: Section 1834(g) of the Act requires that payment for RPCH outpatient services be based on the costs of services and sets forth certain other specific payment requirements. Therefore, an RPCH would have its own payment rules. We would also point out that the Congress required that the Secretary develop and implement a PPS for determining payment for outpatient RPCH services. In developing a fair and equitable payment system, HCFA will evaluate and research various payment methodologies to determine the most suitable option for this type of provider.

Comment: Regarding outpatient payment, it is not clear from the proposed regulation whether the professional fees must be billed by the RPCH. The commenter expressed the view that, if the RPCH must bill the professional fees under both methods, the fragile relationship between rural hospitals and rural physicians could be jeopardized. Also, the commenter believed this methodology will tend to reverse the positive influence of the new physicians' fee schedule on rural physicians' practices because the fee schedule tends to increase the incentives for rural physicians while an all-inclusive rate tends to decrease the incentives for rural practitioners. Also, one commenter stated that clarification is needed regarding whether the professional component is intended to mean the physician or only the outside services, such as therapists.

Response: Regarding billing of outpatient RPCH services, under the first option, which is the cost-based facility payment plus professional payment, the RPCH bills the Medicare fiscal intermediary for the facility services while the health care professional bills the Medicare Part B carrier for the professional services. Under the second option, which is the all-inclusive rate method, the facility bills the fiscal intermediary for all services. Ordinarily, an RPCH would not elect this method unless the health care professionals are paid under a salary or contracted arrangement with the facility, not necessarily on a fee-for-service basis with the patient.

In § 413.70(b)(2)(ii) under the payment provisions for professional services, we are defining professional medical services for purposes of RPCH payment as those services provided by a physician or other professional (for example, physician assistants (PAs), certified nurse-midwives (NMWs), and an anesthetists) that could be billed separately to a carrier under Medicare. (Under section 1842(b)(6)(C) of the Act, Medicare payment for the services of a physician assistant, and for most of the services of a nurse practitioner, may be made only to their employers.)

C. Interim Payments

Comment: Commenters stated that it should not be assumed that the first year of operations is necessarily reflective of the type or volume of cases that will be typical for a RPCH as it is for other facilities. Thus, early rate evaluation is critical because there is no precise indication of how patient severity or volume, both of which affect the per diem cost, will change over time in the newly designated RPCH-type facility.

Response: The interim rate is only an estimate of the amount of Medicare payment that will be due. During a reporting period, the intermediary periodically reviews the interim payment rate to determine if a change in the current rate is needed to reflect variations in cost or the volume of services furnished from the original estimates made at the time the rate was determined. Although the intermediary has discretion regarding the frequency of this review, the RPCH may, at any time during the cost reporting year, request the intermediary to review the rate to determine whether an adjustment is required.

Comment: The proposed rule makes no provision for the establishment of an interim rate for the first year of operation. The per diem reasonable cost of inpatient services will not be known until end-of-year costs are reported and audited. The commenter recommended, to avoid cash flow problems for an RPCH, some interim payment rate should be provided for the RPCH. It was also proposed that periodic interim payments (PIP) be made available for the first year of operation.

Response: Payment for inpatient and outpatient services provided by an RPCH will be made on an interim basis subject to retrospective adjustment based on a submitted cost report. (Interim payments will not be necessary for inpatient RPCH services furnished after the provider's first 12-month cost report has been approved since the adjusted per diem payment that will be paid when the program is billed will be the final payment.)

It is the policy of the Medicare program that each provider's current interim rate of payment approximate as closely as possible the allowable costs the provider is currently incurring in furnishing covered services to program beneficiaries; that the program be properly responsive to actual changes in a provider's reimbursable cost; and that the provider's current interim rate be timely adjusted to bring it into line with estimated reimbursable costs for the period. An interim rate may be established for these providers under section 2406 of the Provider Reimbursement Manual (HCFA Pub. 15).

At this time, however, we do not believe it is advisable to expand the present availability of PIP. (See 42 CFR 413.64(h).) Adequate means for ensuring timely cash flow under the current interim payment system are available without extending PIP to an RPCH.

D. Modified All-Inclusive Rate

Comment: Two commenters stated that the modified all-inclusive method of payment could be appropriate in instances when an RPCH is unable to recruit a physician who is interested in a compensation arrangement. The third payment option would also encourage the coordination and consolidation of services other than those delivered by a

physician or extender. In the interest of flexibility and payment equity, the commenters support this option.

Two other commenters stated that hospitals in some States are prohibited by law from employing physicians (with a few exceptions). Typically, the hospitals and the physicians are separate; thus, the payment rates would have to be separate or regulations would have to delineate how the all-inclusive payment would be divided between the facility and the physicians. The modified all-inclusive outpatient payment rate would be applicable in these States.

Response: In the proposed regulation, we considered and asked for comments on an alternative method to the outpatient RPCH all-inclusive rate payment method as stipulated in section 1834(g)(1)(B) of the Act. Such an alternative method would have removed the physician professional service component from the all-inclusive rate so the physicians would have continued to bill for their professional services to the Medicare Part B carriers.

We received comments from four respondents who supported the alternative method. They expressed concern that, in some areas, hospitals and physicians are precluded from entering into employment relationships. The commenters also indicated that physicians may be reluctant to enter into such relationships and that these providers (RPCHs) would not be able to select the all-inclusive rate method.

We have thoroughly considered these comments and have reevaluated our proposal in light of section 1834(g)(1)(A) and (B) of the Act. With respect to the comments received, we do not believe the unavailability or the undesirability of employee relationships between providers and physicians should be an impediment to implementing the all-inclusive rate method. In addition to employment arrangements, a provider is free to enter into contracts with a physician whereby the physician furnishes professional services to the provider's patients under arrangements as stipulated in section 1861(w) of the Act. Under such an arrangement, the physician periodically (weekly, monthly, etc.) bills the provider, instead of the Part B carrier, for services furnished. The provider bills its intermediary and includes the physician services in its bill. Therefore, a provider could utilize the all-inclusive rate method without using an employment arrangement.

In further reviewing our alternative payment method, we now believe that method is not permitted under section 1834(g) of the Act which explicitly provides for two alternative methods only. We believe the specificity of the statute indicates the clear intent of the Congress on how payment should be effectuated under the EACH/RPCH program. Accordingly, we do not believe it would be appropriate nor do we believe we have the authority under section 1834(g) of the Act to implement the alternative payment method.

Comment: The proposed regulation discussed a modified alternative to the all-inclusive method that would have excluded professional medical services from this computation (56 FR 55385). This would not be an acceptable alterative as the inclusion of the professional medical services would be the only economic reason for electing this method. The modified alternative would be acceptable if each health care professional were individually allowed to elect to enter into a compensation arrangement or to be paid on the basis of reasonable charges or fee schedule amounts and change the election one time during the initial 2 years.

Response: We agree that this proposed method is not acceptable because the inclusion of professional services should be the only economic reason for electing this method. However, we do not agree that each health care professional performing outpatient services in an RPCH should be able to individually choose whether or not to enter into a compensation agreement with the RPCH. To do so could require different payment rates for the RPCH depending on the person or persons furnishing the particular services to a patient. Further, it would be extremely difficult for intermediaries and carriers to monitor their payments and avoid duplicate payments being made for the RPCH services. Therefore, under the all-inclusive rate method, all of the physicians as well as other health care professionals must agree to enter into compensation agreements with the RPCH.

E. Other Payment Issues

Comment: One commenter stated that the filing of standard Medicare hospital cost reporting forms may be excessively burdensome or prohibitively expensive for an RPCH, given its limited staff. The commenter urged HCFA to work with the RPCHs to develop a simplified cost reporting format for this new provider type.

Response: We are reviewing the current cost reporting requirements in light of the final rule on payment for RPCHs. Because RPCHs typically will have low patient volume and will offer only a limited range of ancillary services, we agree that simplified cost reporting for them is desirable. However, the need to reduce burden must be balanced with the need to obtain enough information from them to ensure proper accountability for Medicare funds. Cost report data should also be detailed enough to allow the eventual development of a meaningful prospective payment system for RPCHs. Moreover, if an RPCH elects the cost-based facility payment method of payment that reflects the current full service hospital outpatient payment systems, that choice may make it necessary for the facility to file a full hospital cost report. We agree that a meeting with RPCH representatives to discuss ways to simplify the cost reporting requirements would be useful and are willing to have such a meeting.

Comment: One commenter recommends an enhanced rate that is specific to the service capacity of each facility. The commenter believes that a sustained, though not necessary indefinite, increase in the payment rate will allow hospitals to make significant changes in their service capacity and minimize the economic shock to the community as well as provide an incentive for hospitals to participate in this program.

Response: Under sections 1814(l) and 1834(g) of the Act, the Congress mandated the methodologies to be used in making payment to these providers for furnishing inpatient and outpatient RPCH services. For a hospital that would require additional resources to convert or modify its present facility to an RPCH, grant monies may be available to aid the hospital in this process.

Comment: One commenter suggested adding a second payment option that would allow RPCHs with sole community status the option to continue to be paid as a sole community provider. Allowing the retention of that status will enhance the financial viability of these facilities, thus ensuring their presence in rural communities.

Response: Specific payment methodologies were presented in section 1814(l) of the Act for inpatient RPCH services and section 1834(g) of the Act for outpatient RPCH services. No provision was made for payment based on sole community status. Moreover, the language of the statute (section 1886(d)(5)(D)(iii) of the Act) precludes hospitals from retaining their sole community payment status once they become an RPCH because an RPCH is not a "hospital" but rather a separate type of provider.

Comment: Several commenters objected to the treatment of grants in the proposed regulation; that is, reducing

the payment amount by the amount of the grant. Some reasons given were: it is inconsistent with existing cost reimbursement principles; the Rural Health Care Transition Grants are awarded for many activities other than just for rural hospitals' transition into RPCHs. One commenter contends that these grants are not grants but rather are interest-free loans, and the commenter states that the reduction in the initial 12-month period could affect the current year as well as subsequent years and PPS payments. Others state that the language implies the RPCHs' costs are to be reduced by the grant monies, thus, in effect, making them pay back their grant.

The commenters suggest eliminating this provision by the waiver authority given to the Secretary in section 1820(j) of the Act. If not deleted, it should be expanded significantly, clarifying how and when the payment amounts are to be reduced, so that a hospital can determine if becoming an RPCH is financially feasible.

Response: Section 6003(g)(3)(B)(iii)(II) of OBRA 89 added section 1814(l) to the Act. This section mandates that the amount of payment determined for inpatient RPCH services shall be reduced to the extent necessary by the amount of grant monies received by these facilities to prevent duplicate payment for converting or modifying a present facility to an RPCH. The expenditures for which the grants will be made generally constitute Medicare allowable costs since they are incurred to furnish patient care services. To avoid duplication of payment, the costs and therefore the resulting Medicare per diem payments would be reduced to the extent they were covered by grants. For example, if a hospital incurs costs to modify its inpatient area to reflect the RPCH requirements, these costs and therefore payments would be reduced to the extent a grant was received. If the grant did not fully offset the total expenditure, per diem payment would be based on costs net of the grant monies. Such reduced per diem payments will become the basis for payment in subsequent cost reporting periods.

Under section 1820(d) of the Act, the types of activities for which grants may be used such as to modify or convert to an RPCH, or developing a communications system are generally nonrecurring activities. Thus, we would expect such costs to be incurred on a one-time basis; they would not be costs that would recur from year to year. For depreciable capital items, offset of depreciation expense would be properly reflected in Medicare payments for the subsequent years. In cases where a recurring operating cost was offset by a grant in the base year, a one-time adjustment could be made to the per diem amount to include such cost in the per diem payment used for subsequent cost reporting periods.

With respect to grants, we wish to note that we understand that some hospitals that receive grant funds may eventually be unable to convert to an EACH or RPCH or participate in a rural health network. We will not seek recovery of grant funds paid to hospitals that make a good faith effort to meet EACH or RPCH requirements and to participate as network members. However, we expect all grant recipients to carry out the projects for which they are funded and to progress steadily toward participation in the EACH program during the grant period. Nonetheless, we reserve the right to rescind the grant of any facility or consortium that does not carry out the project for which it was funded or does not make a good faith effort to participate in the EACH program.

Comment: With respect to payment for RPCH inpatient and outpatient services, there is no explicit explanation concerning payment for capital costs. Clarification is requested concerning the method by which capital costs will be paid, particularly historical costs associated with hospitals constructed for the purpose of serving far more than six inpatients.

Response: Reasonable costs associated with the operation of the facility, including reasonable capital-related costs, are included in determining the amount of payment for inpatient and outpatient RPCH services. In calculating final settlement, appropriate cost reporting worksheets are available for allocating and apportioning costs of the facility to the appropriate cost centers. To the extent that the facility is not used to provide RPCH patient care services to Medicare beneficiaries, payment cannot be made for costs incurred—whether capital costs or operating costs.

Inpatient and outpatient RPCH services are paid on a per diem basis. In determining the per diem amounts, allowable capital-related costs will be included. For subsequent years for inpatient RPCH payment, the per diem amount will already include capital related costs; no additional payment will be made. For RPCH outpatient payment in subsequent years, allowable capital-related costs will be included in determining payment as in the first year.

Comment: We were asked to clarify whether and at what level there will be an upper limit for payment of both inpatient and outpatient RPCH services. This would be needed for planning RPCHs and determining their financial feasibility.

Response: As explained earlier in this preamble, payment for inpatient RPCH services will be based on reasonable costs not subject to the LCC and without the application of cost limits.

Outpatient services under the cost-based facility payment method are paid under the current hospital outpatient methods. Most of those services are subject to the LCC. In addition, outpatient ASC surgical procedures, outpatient radiology services, clinical laboratory services, and other diagnostic services are subject to the blended payment amounts or other special payment methods.

Outpatient services under the all-inclusive rate method are paid on the basis of reasonable cost without the application of the LCC provision. At this time, there are no specific cost limits.

Comment: One commenter felt the proposed rule is very unclear as to how hospitals are to be paid, both now and in the future. If at some later date RPCHs are paid on a DRG basis, what is the financial incentive to change?

Response: Sections 1814(l)(2) and 1834(g)(2) of the Act require that payment for inpatient and outpatient RPCH services be made on the basis of cost (see response to prior comment). The proposed regulations specified the payment methods to be used in paying for RPCH inpatient and outpatient services. We further clarified the payment methodologies in this preamble of the final rule.

Furthermore, the Congress mandated that the Secretary develop and implement a PPS for an RPCH providing inpatient and outpatient services. Since no PPS has been developed at this time, it would be impossible to speculate on the type of system or what financial incentives there will be for a provider to convert or modify to become a RPCH.

Comment: One commenter stated that the structure for payment of RPCH services consists of a patchwork of methodologies that do not reflect the fact that a RPCH is a new type of provider. The payment methods for RPCHs do not support attainment of intended policy goals of HCFA and the Congress in that they do not provide a long term or sustainable incentive to the community, medical staff, and facility to convert to alternative use. Also, the multiple methodologies proposed use other provider structures that may not be reflective of the current or new services or both to be provided by RPCH facilities. Most importantly, because the payment method is subject to change by 1993, network members are concerned

that future changes in payment may significantly damage the financial stability of RPCH facilities.

Response: As stated in other responses, under sections 1814(l) and 1834(g) of the Act, the Congress mandated the payment methodologies for providing RPCH inpatient and outpatient services. In sections 1814(l)(2) and 1834(g)(2) of the Act, respectively, the Congress also mandated development and implementation of a PPS for RPCH inpatient and outpatient services. In developing these RPCH payment systems, we will attempt to provide payment methodologies that will be reflective of the uniqueness of the RPCH. The systems will take into account the types of services provided and allow for a fair and equitable method for payment for these services.

Comment: The proposed regulations do not specify at what point or time a hospital becomes an RPCH for payment purposes. Will the cost reporting period begin with the month of designation as an RPCH or will the "first 12-month cost reporting period" begin with the facility's first cost reporting period beginning after designation as an RPCH? HCFA should make a concerted effort to finalize the proposed regulations at the earliest date possible and the final regulations should include provisions for an RPCH to file a cost report for its initial 12-month period of operations beginning on the first day of the first month after it has received State certification as an RPCH.

Response: An RPCH will participate in the Medicare program as an RPCH beginning on the first day of the month following the month in which HCFA approves the facility's RPCH provider agreement. Therefore, these providers must file a terminating cost report for the period ending the last day of the last month of participation as a full service hospital. The terminating cost report is needed because of the changes in the facility's configuration, resources, and scope of services being furnished as well as changes in payment methodologies for inpatient and outpatient services under the inclusive rate methods.

As indicated in the preceding paragraph, participation as an RPCH will begin on the first day of the month following the month of designation as an RPCH by HCFA. If the beginning period does not represent the RPCH's fiscal reporting period, the first period will be less than a 12-month cost reporting period. Therefore, the RPCH's first 12-month cost reporting period will begin after the end of that first short period.

In the situation described above, for purposes of meeting the requirements of section 1814(l)(1)(A), payment to the RPCH for services furnished to Medicare beneficiaries during the first full 12-month cost reporting period will be based on the reasonable cost incurred during that period. For purposes of meeting the payment requirements of section 1814(l)(1)(B), payment for the subsequent 12-month cost reporting period will be based on the reasonable per diem cost for the first 12-month period increased by the applicable percentage.

Comment: Some commenters stated that an average per diem amount is not a type of measurement available to small rural hospitals. Because the numbers are so small and services infrequent, a number of cases involving severe illness can cause a significant fluctuation in the per diem cost factor from year to year. They recommend that HCFA continue with the cost reimbursement system for small rural hospitals. Another commenter stated that a RPCH should be reimbursed by Medicare at allowable costs or charges instead of a lower rate. A RPCH should not be penalized for being a smaller scale program. Another commenter stated that there must be payment rules for a RPCH that clearly differentiate it from clinics and larger service hospitals. If there is a sense that this is an attempt to restructure small hospitals into community clinics, there would probably be very little participation.

Response: Under section 1814(l) of the Act, the Congress mandated that the amount of payment for inpatient RPCH services is to be determined on a per diem basis for the initial 12-month cost reporting period. The per diem amount will be based on the reasonable cost of operating this type of provider. With subsequent cost reporting periods, the per diem amount is to be increased by the PPS update factor for rural hospitals. There is no basis in the statute to adjust subsequent year payments other than for the PPS rural update factor.

As to the recommendation to allow a RPCH to continue on cost reimbursement, the statute requires that the Secretary develop and implement a system for determining payment amounts for inpatient RPCH services on a prospective basis. The payment method that is developed would be specific to a RPCH, taking into account the particular services provided by these facilities as well as any unique characteristics associated with the RPCH.

Physician Certification Requirement for Inpatient RPCH Services—Content of Certification (§ 424.15)

Comment: Regarding the requirement that a physician certify that the services were needed on a temporary, inpatient basis (56 FR 55402), some commenters stated that the use of the word "temporary" seems to imply that it would be inappropriate to provide inpatient services up to the 72-hour limitation on stay. To avoid this implication, they recommended that a technical amendment to the statute be proposed to delete the word "temporary," and once it is enacted the final rule be revised accordingly. Another commenter took the view that a physician certification requirement seems to call the physicians' judgment into question and that such an affront could make it hard to recruit physicians to staff RPCHs.

Response: Section 1814(a)(8) of the Act requires a physician to certify that inpatient RPCH services "were required to be immediately furnished on a temporary, inpatient basis." Although we do not believe that the word "temporary" was intended to imply that stays of 72 hours are excessive, we wish to emphasize that stays up to that length will be covered as long as the necessary physician certification is made and the stay is medically necessary. We do not believe there is a need to amend the statute in this regard. We also do not see any indication that there will be widespread physician opposition to the certification requirement, which is similar in nature to other requirements which have been in the same section of the law since its enactment. Physician certification requirements such as these have been in the statute since 1965 for services other than inpatient hospital services. Therefore, we made no changes in the regulations based on these comments.

RPCH Services as an Optional Service Under Medicaid (§ 440.170)

Comment: One commenter stated that RPCH services should be made optional rather than required, so that States will be able to assess their payment impact on other payers before deciding whether to offer them under Medicaid. Under all-payer systems like that in New York, all payers other than Medicare automatically adopt Medicaid payment changes, so that an expansion of coverage has far-reaching effects. The States should have time to assess the costs of operating RPCHs, and HCFA should assess the cost impact of the program before States are required to offer the service. Other commenters

expressed concern that if these services are made optional, many States may elect not to cover them, thus leaving Medicaid recipients in rural areas without access to care. To avoid this, commenters recommended that RPCH services be made required services. Other commenters stated that if RPCH services are not made mandatory services under Medicaid, this would represent discrimination against Medicaid patients, would be inconsistent with HCFA policies on payment for services now furnished by the hospitals that may be designated as RPCHs, and would ignore the needs of the rural population served by rural hospitals. Several commenters noted that inpatient and outpatient hospital services are mandatory Medicaid services, as are core RHC services. These commenters reasoned that since the RPCHs as providers most resemble hospitals and RHCs, their services also should be mandatory services under Medicaid. Finally, one commenter stated that RPCH inpatient and outpatient services should be mandatory services under Medicaid, but States should have more flexibility to define the services, to reduce the burden of offering them.

Response: These comments reflect a suggestion that RPCH services be made an optional or mandatory service under Medicaid. In order for any service to be covered under Medicaid, the service must be included in the statutory list of services at section 1905(a) of the Act. The statutory list includes a variety of services, some of which are mandatory and some of which are optional. Although RPCH services are not explicitly listed in section 1905(a) of the Act, section 1905(a)(22) authorizes the Secretary to specify certain services that a State may cover at its discretion. This regulation does make RPCH services optional under Medicaid under the authority of section 1905(a)(22) of the Act. Accordingly, States may choose whether or not to pay RPCHs under Medicaid.

Regarding the commenters who suggested that RPCH services be made a mandatory Medicaid service, there is simply no statutory authority to require States to cover RPCH services. Some commenters pointed out that inpatient and outpatient hospital services are mandatory Medicaid services and believed that because RPCH services most resemble hospital and RHC services, that the services should be mandatory under Medicaid. Notwithstanding the similarity of the services, inpatient and outpatient hospital services are by statute mandatory Medicaid services; however, an RPCH is explicitly excluded from the definition of "hospital" in section 1861(e) of the Act and the statute contains definitions of inpatient and outpatient RPCH services which are different from those for hospitals (see sections 1861(mm)(2) and 1861(mm)(3), respectively). Therefore, we cannot mandate RPCH services by including them under some mandated category. Moreover, consistent with our belief in State flexibility, we do not agree RPCH care should be a mandatory Medicaid service. Finally, we believe it would require a statutory change to mandate coverage of RPCH services.

Definitions (§ 485.603)

Comment: The definition of "network" should be revised to make it clear that while agreements for patient referrals and transfers within the network are needed, the details of the agreements and the referral patterns they reflect cannot be specified in regulations but must be worked out among the network facilities.

Response: We agree that most details of referral agreements will need to be worked out among network members. However, the definition of "network" in section 1820(g) of the Act requires network agreements to address issues of patient referral and transfer, the development and use of communications systems, and the provision of emergency and nonemergency transportation among members. We have included these provisions in implementing regulations. Because the statute is specific with respect to the content of agreements on these points, we have not made any revisions in the regulations based on this comment.

Comment: HCFA should develop a more flexible definition of "network" which allows for participation by comprehensive primary care systems such as ASCs and diagnostic and treatment centers.

Response: Because these systems are not referred to in the statutory definition of "rural health network," we did not include them in the definition used in the regulations. We note, however, that there is nothing in the statute or regulations which would prohibit these centers from joining networks.

Comment: One commenter stated that the regulations should be revised to make it clear that RPCHs are permitted to refer patients to hospitals other than the EACH member of the network, if this is appropriate to obtain the care the patient needs. The EACH and RPCH program should not be allowed to disrupt existing referral patterns. Others recommended that the final rules be revised to require RPCHs to make referral arrangements with other providers and facilities in the area, such as home care agencies, nursing homes, adult homes, and local health and social services agencies. In addition, some commenters suggested that the final rules place more emphasis on the importance of network functions than in assuring access to quality care.

Response: We agree that RPCHs may need to refer patients to hospitals other than the EACH, when this is necessary to obtain the care the patient needs. However, there is no provision in the regulations prohibiting these referrals, so we did not revise the final rule based on this comment.

We also agree that existing referral patterns should be preserved if they meet communities' needs for care, and note that nothing in these regulations would disrupt those patterns. We believe the purpose of the requirement for patient referral was to require establishment of new and effective referral patterns where none existed before, not to require formation of new referral arrangements where existing patterns are meeting patients' needs. We also recognize that RPCHs may need to have referral arrangements with nursing homes and other facilities other than hospitals, but understand that it may be difficult to make such arrangements in rural areas where there are relatively few health facilities. Because of this, we did not revise the final rule to require RPCHs to make such arrangements.

We also understand that networks can play an important role in assuring access to quality care, but believe that this role should be determined by each network rather than being mandated by Federal regulations. Because of this, we made no changes in the final rule to require specific network activities to assure quality care.

Comment: One commenter noted that the preamble to the proposed rule referred to transfer of patients from the RPCH to an EACH where the patient requires care in a full-service hospital (56 FR 55384). The commenter recommended that the RPCH be further required to refer all its patients needing hospital care to the EACH for its network, and expressed the concern that if this requirement is not added, all Medicare patients would be referred to the EACH while all private pay patients and patients with private insurance paying at higher rates than Medicare would be referred to other hospitals.

Response: We believe it is unlikely that an RPCH would develop the kind of referral pattern envisioned by this commenter, since it would have no financial incentive to do so. However, a

prospective EACH that is concerned about this possibility could specify, in its referral agreement with RPCHs, that referrals to it will be made without reference to the patient's insurance status or ability to pay.

Comment: One commenter stated that many hospitals are reluctant to accept Medicare, Medicaid, CHAMPUS, or indigent patients as transfer patients, and recommended that the regulations be revised to require hospitals participating in Medicare to accept all transfers from EACHs and RPCHs.

Response: We have no authority to require hospitals to accept indigent patients as transfer patients. Under Federal Medicaid statutes, there are no provisions that would support a regulation requiring providers to accept Medicaid patients being transferred from an EACH or an RPCH. Also, there are no provisions that would require termination of the hospital's provider agreement for refusal to treat Medicaid recipients. However, the State Medicaid Agency, which is responsible for establishing and monitoring provider agreements for Medicaid services, may include provisions in its provider agreements with hospitals that would require acceptance of transfer patients.

There are provisions of the current statutes and regulations which prohibit discrimination against Medicare, or CHAMPUS patients. Specifically, sections 1866(a)(1) (J) and (L) of the Act require hospitals to accept CHAMPUS patients and certain VA patients in order to be eligible to participate in Medicare. Thus, a hospital which refused to accept a CHAMPUS or VA patient because of CHAMPUS or VA coverage would not be in compliance with its provider participation agreement under Medicare, and could be at risk for termination of its Medicare provider agreement.

The rights of Medicare patients exist in the regulations at 42 CFR 489.53(a)(2). Those regulations provide that we may terminate the Medicare participation of any provider that places restrictions on the patients it accepts for treatment and fails either to exempt Medicare beneficiaries from those restrictions or to apply them to Medicare beneficiaries the same as to all other persons seeking care. This regulation means that a hospital is free not to accept patients with certain diagnoses or ailments if it is not equipped and staffed to care for them, but is not free to discriminate among patients with the same medical condition based on whether they have Medicare entitlement. If evidence of discrimination against CHAMPUS, VA, or Medicare patients comes to light, it is referred to the Medicare regional office serving the State in which the hospital is located, for investigation and possible termination action.

Comment: HCFA and the Office of Inspector General (OIG) should work together to ensure that participation in network activities does not expose facilities to prosecution under the antikickback provisions of section 1128B of the Act. One commenter expressed concern that facilities that participate in network activities could be at risk for legal action under antitrust or antikickback legislation, but do not have the funds or resources to mount a defense against these actions. Another commenter recommended that, to avoid making facilities liable for antitrust violations, the final regulations should be revised to require enough State involvement to immunize network members from antitrust prosecution by the State action doctrine.

Response: Section 1128B(b)(1) of the Act provides criminal penalties for whoever knowingly and willfully solicits or receives any remuneration (including any kickback, bribe, or rebate) in return for referring any individual to a person for the furnishing of a Medicare-covered item or service. Section 1128B(b)(2) provides the same penalties for whoever knowingly and willfully offers or pays any such remuneration. In addition, section 1128(b)(7) of the Act permits the Secretary of HHS to exclude certain individuals and entities from participation in Medicare if they have committed an act described in section 1128B.

Because section 1128B of the Act is a criminal statute, we are not in a position to offer immunity from prosecution to individuals or entities who enter into referral arrangements involving services reimbursable under Medicare. There are numerous ways for health care providers to enter into referral arrangements involving services reimbursable under Medicare.

However, the key element which must be present for section 1128B of the Act to apply is some form of remuneration in return for referrals. While RPCHs will clearly refer patients to the EACH for treatment, there is no reason to assume that any remuneration will be made in conjunction with the referral. Moreover, we are convinced that providers eligible for participation in the EACH program are fully able to design and implement rural health network agreements that fulfill the purposes of section 1820 of the Act without violating section 1128B of the Act. Thus, we believe it is not necessary to create any "safe harbor" or other special provision for the network activities. We will continue to monitor this situation and will propose further legislative amendments, or changes in the regulations, if necessary.

We believe it is unlikely that facilities which enter into network arrangements under a Federally funded program for the purpose of meeting rural health care needs could incur antitrust liability by doing so, and have therefore not imposed any further requirements regarding State involvement.

Comment: Commenters raised the following questions regarding emergency transport of an RPCH patient to an EACH:

- Who will provide transportation?
- If an RPCH staff member must accompany the patient, which type of staff member will do this?
- How will RPCH staffing and the availability of community ambulance services be affected by the need for transfer?
- How will payment for costs of the transfer be made?

Response: We do not think there should be Federal requirements to specify which type of RPCH practitioner (if any) should accompany patients during emergency transport situations. Responsibility for the safe transport of patients rests with the ambulance supplier, and these decisions should be made by the ambulance supplier and the RPCH staff, in consultation with the physician or other practitioner responsible for the patient's care.

We would note, however, that the "anti-dumping" provisions of the act are applicable to RPCHs (see section 1867(e)(5) of the Act). The "anti-dumping" provisions require that a hospital that furnishes emergency services (a required RPCH activity) must provide medical screening and stabilizing treatment before transferring individuals who present with emergency medical conditions. Under this section of the law, the hospital is responsible for assuring that " * * * the transfer is effected through qualified personnel and transportation equipment * * *."

Comment: When a patient is seen and stabilized at an RPCH and then transferred to an EACH, two ambulance trips are often required. However, most third-party payers will not pay for the second trip. Some provision should be made for payment for those services.

Response: Under the Medicare regulations on coverage of ambulance services at § 410.40, Medicare Part B pays for ambulance transportation if other means of transportation would endanger the beneficiary's health and Medicare Part A payment is not available for the service. There is no

provision that would prohibit payment for the second trip, assuming the patient needs to be transferred to a hospital for further treatment and use of the ambulance rather than another vehicle is medically necessary.

We are not aware of other third-party payers who have imposed limitations on payment for the second trip, but are unable to affect these limitations through our regulations. Thus, we made no revision in the regulations based on this comment.

Personnel Qualifications (§ 485.604)

Comment: Commenters noted that the proposed regulations did not include qualification requirements for nurse midwives, licensed social workers, or psychologists, all of whom may practice in an RPCH. They recommended that these personnel qualifications should be included in § 485.604. In addition, one commenter notes that the social worker may be the only source of mental health care in rural areas. Another commenter makes the same comment but limits it to nurse midwives. One commenter recommended that we include qualification requirements for licensed midwives (not nurse-midwives and clinical social workers). Another commenter stated that a clinical nurse specialist (CNS) is an RN with a master's degree in medical-surgical nursing, maternal-child nursing, psychiatric-mental health nursing, or community health nursing, and suggested that this definition of an CNS be included in the personnel qualifications section of the regulations.

Response: Because these final regulations permit a CNS to perform the same functions in an RPCH as a physician assistant or nurse practitioner (see section 1861(s)(2)(K)(iii) of the Act), we have included, at § 485.603(a), an interim description of the qualifications for a "clinical nurse specialist." Under this description, which we will use until further, more specific rules defining a CNS are published in final, a CNS is described as a person who performs such services as a CNS is authorized to perform by the State, in accordance with State law, or the State regulatory mechanism provided by State law. The CNS qualification description is based on the definition of this term in section 1861(aa)(5) of the Act. We note, however, that an RPCH is not restricted to the types of practitioners permitted to treat their patients, but may allow any practitioner to provide care as long as doing so is not inconsistent with State scope of practice laws. Thus, we do not believe it is necessary, in the conditions of participation for RPCHs, to list specific qualification requirements for all the types of health care professionals who may treat patients in an RPCH.

Designation of RPCHs (§ 485.606)

Comment: All RPCHs should be designated as such by the State; there is no need for a mechanism to enable HCFA to designate facilities as RPCHs if they have not been designated by the State, and a process of this kind would undermine the concept of a network.

Response: As explained in the last paragraphs of the preamble discussion titled "Scope of HCFA Waiver Authority Under Section 1820(j) of the Act", we do not intend to make section 1820(i)(2)(B) designations, other than those for swing-bed RPCHs, at this time. However, the Congress has provided alternative criteria for such designations and specifically allows HCFA to designate RPCHs under those criteria. Therefore, we may exercise this authority at some time in the future.

Comment: Although the statute allows HCFA to designate some facilities as RPCHs even though they have not been designated as such by the State, HCFA should consult States before exercising that authority and should not designate any such facilities without State approval.

Response: We agree that any designations should be undertaken with the knowledge of the State and the network, in order to avoid confusion about which facilities are designated as RPCHs. However, any designation of an RPCH under section 1820(i)(2)(B) of the Act does not require State concurrence of the Secretary's decision and we have therefore not required this in these final regulations.

Comment: The final rules should clarify that a facility that wishes to give up its RPCH designation and resume its role as a hospital is free to do that.

Response: We believe most facility managers recognize that they are not required to retain the RPCH designation if it no longer fits their facility's mode of operation. They are free to reapply for participation in Medicare as hospitals and, if the facility meets applicable requirements, to resume participating as a hospital. Because of this, we did not revise the regulations to specifically state that a facility is permitted to do this.

Comment: Several commenters recommended that any designation of facilities as RPCHs not eligible for State designation because they have not stopped (or agreed to stop) providing inpatient care (§ 485.614), do not meet the number of beds and length of stay criteria (§ 485.620), or do not meet the staffing requirements (§ 485.631), should be undertaken by HCFA in close consultation with the State, in order to avoid undermining the integrity of the State program. Another commenter stated that the final rule should state the process and criteria HCFA will use to decide which facilities should be designated as RPCHs under this provision.

Response: For the reasons stated in the last paragraphs of preamble discussion titled, "Scope of HCFA Waiver Authority Under Section 1820(j) of the Act," we have decided to implement the section 1820(i)(2)(B) authority only with respect to designation of swing-bed RPCHs which cannot be designated as RPCHs by the State because they operate more than six inpatient beds. We expect States to identify such facilities to us in their grant applications, and we believe that this identification will result in the consultation with States that the commenter requested. Accordingly, we do not plan to initiate contacts further with States on this issue nor to make further provisions for these designations in the regulations.

Condition of Participation: Location (§ 485.610)

Comment: One commenter objected to the reference to Metropolitan Statistical Areas (MSAs) in defining rural location under this section and recommended that areas be considered rural according to whether they are medically underserved.

Response: Section 1820(f)(1)(A) specifies that a facility can be considered for designation as an RPCH by the State only if it is located in a rural area as defined in section 1886(d)(2)(D). That section defines a rural area, in part, as one located outside an MSA. Because the statute is specific on this point, we did not adopt the suggestion that an alternative definition of "rural area" be used.

Condition of Participation: Compliance With Hospital Requirements at Time of Application (§ 485.612)

Comment: A commenter expressed the opinion that the primary issue in deciding whether a facility can function as an RPCH is whether it can meet the RPCH conditions of participation, not the conditions of part 482 for hospitals. The facility's noncompliance with the hospital conditions should not be considered, as it is irrelevant to the ability to meet the RPCH conditions.

Response: Section 1820(f)(1)(B) of the Act provides that a facility cannot be designated as an RPCH if, on the basis of a survey under section 1864 of the Act, the facility was found to be in

violation of any requirement to participate as a hospital under title XVIII. For hospitals with a participation agreement in effect, this determination is made at the time of application for designation as an RPCH. In the case of a facility that closed within the 12-month period prior to its application, the determination is made at the time it closed. Because the statute is specific on this point and there is no provision for waiver of this requirement, we did not adopt the recommendation that compliance with hospital requirements not be considered. However, once a facility has been designated as an RPCH, it must qualify only under the RPCH requirements, not the hospital requirements.

Comment: Many otherwise qualified facilities, in the view of one commenter, will be barred from participating as RPCHs if eligibility is limited to those facilities that apply within a year of having closed. The rules should be revised to allow facilities to qualify if they meet other requirements and closed no earlier than 12 months before enactment of the RPCH legislation.

Response: As explained above, section 1820(f)(1)(B) is specific on the issue of when a hospital must have been in compliance with the hospital conditions of participation in order to be considered for RPCH designation. It does not allow us to select another time period for use in making this determination. Therefore, we made no change in the final regulations based on this comment.

Comment: The final rule should explain how the authority concerning compliance with hospital requirements for designation of RPCHs will be implemented. The authority should allow the State to designate facilities as RPCHs if they closed more than 12 months before the date on which HCFA provides a process for designation, but expressed interest in the designation to State officials within 12 months after closing. The State should determine what constitutes an application from a facility which later closed.

Response: Under the conditions of participation for an RPCH in § 485.612 of these final regulations, a hospital must either have a provider agreement in effect at the time it applies for RPCH designation or must have closed within 12 months before that application date and must have had a provider agreement in effect at the time of closure. In addition, a hospital that was closed when it applied for RPCH designation must not have been found in violation of its Medicare provider agreement on the basis of a survey under 42 CFR part 489 when it closed. A facility that is otherwise qualified and meets this condition of participation will be designated as an RPCH; a facility that does not meet the condition will not be designated as an RPCH. We expect States to apply this condition of participation and do not believe it is necessary to further specify how they will do this.

We cannot adopt the recommendation that the designation of a closed facility as an RPCH be linked to the time when HCFA provides a process for its designation. Section 1820(f)(1)(B) of the Act is clear as to the time period during which a closed facility must have been in compliance with hospital participation requirements and must have applied for designation. We have no authority to disregard the statutory requirements.

However, we agree that States should have discretion to determine what constitutes an application. Therefore, we revised § 485.612 to specify that the State is authorized to determine the form, content, and timing of the necessary application. The State is also authorized to deem an otherwise eligible facility to have applied timely if the facility closed within the 12-month period ending on the date on which the application for RPCH designation was first made available to interested facilities.

Comment: As an alternative to the other criteria for RPCH designation, a State should be allowed to designate an RPCH in a community if the community previously had a hospital and the hospital was required to close for financial reasons.

Response: While a facility designated as an RPCH must have been a hospital and may be designated as an RPCH even if it closed for financial reasons if it applies to the State within 12 months of closing, there is no provision of the Medicare statute that would allow us to designate a facility as an RPCH solely on this basis. Therefore, we did not revise the regulations based on this comment.

Condition of Participation: Agreement To Participate in Network Communications Systems (§ 485.616)

Comment: One commenter noted that this section refers to a requirement that applies if the RPCH is a member of a rural health network. The commenter recommended that, since the concept of an RPCH depends on its relationships with other providers, the final rule should be revised to require RPCHs to maintain network agreements. Another commenter stated that, for most effective use of network resources, rural hospitals seeking RPCH designation should be required to be network members.

Response: We have not revised the final regulations based on these comments, since section 1820(f)(1)(D) of the Act does not require RPCHs to become network members. Although most RPCHs may choose to join networks, and section 1820(f)(2) of the Act provides for giving preference to facilities participating in a network, we believe decisions regarding network participation are best made at the individual facility level.

Comment: This section calls for the development and use of communications systems where feasible. Is the feasibility of such systems to be determined by the EACH, the RPCH, the network, the State, or HCFA?

Response: We expect the State and each network, acting jointly, to make these decisions. We considered developing more detailed rules concerning the types of communications systems that networks should have. However, we did not adopt any such more detailed requirements, for several reasons. First, acceptable network communications systems may vary greatly, depending on the types of services each network member provides and the communications capabilities of each member. If we were to adopt overly stringent Federal requirements for such systems, we might actually discourage networks from developing added communications capability. Communications systems generally are characterized by rapid technological change, and any attempt to mandate the adoption of state-of-the-art equipment would result in regulations that could become obsolete by technological changes. Because we do not wish to impose overly restrictive requirements that would discourage networks from upgrading their communications capability, we did not adopt any further or more specific requirements for networks. We considered developing more detailed rules concerning the types of communications systems that networks should have. However, we did not develop any more detailed requirements. Because of these considerations, we did not adopt any further or more specific network communications requirements.

Comment: The proposed rule calls for the RPCH to participate in a system for the electronic sharing of data, including telemetry and medical records, if the network has such a system. However, there is no explanation of how such a system would be set up or funded. This could have a significant financial

impact for an RPCH and should be explained in the final rule.

Response: The setting up of such a system is an activity that may generate costs both for the State that takes the lead in establishing the system and for the facilities that are network members. In general, we expect that facilities and networks will work out their own ways of setting up communications systems, and that grant funds awarded to States and facilities under the EACH program will be available to them for these purposes. Thus, we did not revise the regulations based on this comment.

Comment: One commenter noted that most hospitals' communications needs are met by telephone and asked for clarification of the other types of communications systems. The commenter noted that many rural hospitals do not have the technical capability to provide even the transmission side of a more advanced communications system.

Response: The system envisioned by these regulations is one that would allow sharing of patient data, including telemetry systems and systems for electronic sharing of medical records. We are aware that many hospitals do not have these communications systems and note that participation in such a system is required only where the RPCH is a member of a network and the network has set up the system.

Condition of Participation: Emergency Services (§ 485.618) Standard: Equipment, Supplies, and Medication

Comment: A commenter recommended that this provision should be revised to require RPCHs to maintain emergency blood and blood products for emergency transfusion purposes. At a minimum, the RPCH should have at least two units of O-negative packed cells. Because of the rotation practices of facilities that provide blood, the blood would not become outdated if it is not needed at the RPCH.

Response: We do not believe it is necessary to specify the amount of blood products required for RPCHs, but do agree that it is essential for an RPCH to have the capability of obtaining needed units of whole blood for emergency transfusions, either by maintaining its own blood bank or through an arrangement, for example, with a blood bank operated by the Red Cross. Not only is there an obvious practical need to have this capability in order to provide emergency services, but section 1820(f)(1)(H) of the Act lists, as one of the criteria for designation of a facility as an RPCH, the facility's compliance with subparagraphs (C) through (J) of section 1861(aa)(2), and subparagraph (H) of that section requires the facility to have available such drugs and biologicals as the Secretary determines to be necessary. In order to assure that RPCHs have the capability of treating emergency cases, and under the authority of section 1820(f)(1)(H), we have therefore revised § 485.618 by adding a new paragraph (b)(3) to require that the RPCH provides, either directly or through arrangements, services for the procurement, safekeeping, and transfusion of blood, and that blood products needed for emergencies be available on a 24-hour basis. The revised regulations also require that the blood storage facilities used be under the control and supervision of a pathologist or other qualified doctor of medicine (M.D.) or osteopathy (D.O.). Any blood bank operated by the RPCH must meet the applicable requirements for laboratories at 42 CFR part 493. If blood banking services are provided by another supplier, the RPCH has an arrangement governing the procurement, transfer, and availability of blood that is approved by the medical staff and by the person(s) principally responsible for operation of the RPCH. The outside supplier must meet the applicable requirements for laboratories at 42 CFR part 493.

Comment: The specific drugs, biologicals, equipment, and supplies required at the RPCH should not be mandated by HCFA but should be designated by the State in accordance with the State's emergency medical services (EMS) plan.

Response: We agree that RPCHs should comply with applicable State requirements and that the emergency services available at the RPCH should be worked out in coordination with local emergency response systems, as specified in § 485.618(d). However, we believe the provision of emergency services in a limited-service facility such as an RPCH should not be subject only to State regulations, but that Federal minimum standards also are required to protect patient health and safety, if the facility chooses to participate in the Medicare program. Therefore, we did not make any changes in the final regulations based on this comment.

Standard: Personnel

Comment: Several commenters stated that the 30-minute response time for physicians, NPs, or PAs is not realistic for frontier areas, which are defined as areas where there are fewer than six residents per square mile. Some commenters stated that the Montana medical assistance facility (MAF) rules allow a 1-hour response time for physicians and a 20-minute response time for nurses (when there is no nurse on site). They recommended that similar response times be allowed for RPCHs, and that there be some provision for contingencies when the standard cannot be met. Another commenter suggested that the RPCH be required to have personnel available only by phone for emergency consultations, with any 24-hour emergency services response time related to network capability. A number of commenters recommended that the RPCH be held to a specified response time only for those hours for which it holds itself out as having on-site emergency room services. For other times, it was recommended that the RPCH be allowed to use the local 911 EMS facilities or the network EMS plan to fulfill the emergency services requirement.

Response: While emergency response time requirements may be more difficult to meet in sparsely populated areas, we do not believe that patients in those areas can be said to require a lower level of emergency services. As some commenters noted, facilities participating in the MAF demonstration project are allowed a 60-minute response time for a physician, NP, or PA. However, that program also requires that an emergency medical technician (EMT) be in the facility at all times, regardless of whether the facility has inpatients. Thus, if we were to adopt the MAF emergency response requirements, this could impose a heavier burden than the requirements proposed. For this reason, we did not revise the proposed requirements to adopt the MAF emergency service rules.

We also considered the possibility of allowing an RPCH to be responsible for providing emergency services only when it is open, with the emergency response capability at other times being limited to what can be provided by telephone, or provided in person by the network or local EMS plan. However, we did not adopt any of these comments. While some delay in emergency response may be unavoidable, we do not believe a facility that is incapable of providing hands-on emergency care within 30 minutes (rather than triage and referral to another facility on a 24-hour basis) can be said to meet the 24-hour emergency services requirement in section 1820(f)(1)(E) of the Act.

Standard: Coordination With Emergency Response Systems

Comment: One commenter stated that the requirement for physician

availability by telephone or radio is a good one and should be retained in the final rule. However, others expressed the view that NPs and PAs are qualified to perform emergency services triage, if they are in contact with a physician by radio or telephone, but that EMTs are not trained or qualified to perform triage and should not be allowed to perform this function. These commenters recommended that the regulations be revised to allow triage to be performed only by physicians or by PAs or NPs under physician supervision. Still other commenters recommended that, at a minimum, an RPCH should be required to have an agreement with an EACH or another qualified hospital for "medical control" during medical emergencies. The telephone system should automatically refer emergency calls through to the EACH for triage where there is no practitioner qualified to perform on-site triage when the call comes in. The RPCH, in coordination with the emergency response system in the area, should establish procedures for on-hours and off-hours response and for backup during periods of excess demand.

Response: We agree that EMTs are not well qualified by training or experience to provide telephone triage and have revised the regulations to prohibit them from performing that function (§ 485.618(e)). With respect to the recommendations that NPs, PAs, or other mid-level practitioners be allowed to perform triage under the supervision of a physician, we note that there appears to be no practical benefit in involving the mid-level practitioner in telephone triage if he or she must in turn consult a physician to provide the service appropriately. Accordingly, we have revised § 485.618(d) to provide that an M.D. or D.O. with training or experience in emergency medicine must be immediately available by telephone or radio contact on a 24-hours a day basis to receive emergency calls, provide information on the treatment of emergency patients, and refer patients to the RPCH or other appropriate locations for treatment.

Condition of Participation: Number of Beds and Length of Stay (§ 485.620)

Comment: Many commenters stated that the six-bed limit is arbitrarily low, that it could discourage some otherwise qualified facilities from participating, have the unintended effect of limiting a physician's practice and make it more difficult to attract physicians to rural areas. It could also make it harder for facilities to cope with seasonal changes in demand for health care, such as increased demand due to an influx of vacationers.

Some of these commenters recommended that the limit be deleted from the final regulations; others suggested that the statute be amended to limit RPCHs to an average daily census of six, to allow them more flexibility to vary the size of the facility to meet seasonal and other variations in the demand for care. Still other commenters suggested that the final regulations set flexible limitations based on community needs, as measured by the RPCH's average daily census or numbers of emergency room and outpatient visits, or that the bed-size limit simply be raised to 10 beds.

One commenter stated that HCFA has authority under section 1820(i)(2)(B) of the Act to designate individual hospitals as RPCHs even though they have not stopped providing inpatient care except as permitted by the 6-bed, 72-hour limits, and recommended that this authority be used to designate hospitals as RPCHs even though they do not meet the limitation on number of beds.

Response: While there was much opposition expressed to the limit on number of beds, this limit is specifically prescribed by statute, so that we are unable to simply delete it from the final regulations. Because the wording of section 1820(f)(1)(F) of the Act specifies that an eligible facility is one that provides no more than six inpatient beds, we do not have the discretion to apply a limit based on average daily census, nor did commenters suggest how such a limit could be applied. For this reason, we agree with those commenters who stated that a change in the statute would be needed to allow facilities with more than six inpatient beds to be designated as RPCHs by the State.

We also agree that section 1820(i)(2)(B) would authorize HCFA to designate a facility as an RPCH even if it does not meet the six-bed limitation. However, as explained in the last paragraphs of the discussion titled, "Scope of HCFA Waiver Authority under section 1820(j) of the Act", we believe that the restriction on the number of beds passed by the Congress represents a reasonable attempt to limit the type and severity of cases to be treated by RPCHs without resorting to overly detailed and prescriptive standards, and that it would be premature to exercise this section 1820(i)(2)(B) of the Act authority before the program as enacted by the Congress has had an opportunity to become operational. For this and the other reasons cited above, we have decided not to use the section 1820(i)(2)(B) of the Act authority to generally waive the six-bed limit. We are currently using this authority only as needed to allow swing-bed participation by qualified RPCHs of up to 12 beds. Thus, hospitals that desire the flexibility to serve both hospital and SNF patients on a flexible basis, will have the latitude to do so with 12, rather than six beds.

Comment: Many commenters objected to the 72-hour limit on length of inpatient stay in RPCHs, citing various objections to it. Some of them stated that the limit may be so low as to discourage RPCHs from accepting some patients whom they are otherwise equipped to furnish care. Another commenter noted that inpatient stays will likely be a major source of revenue for RPCHs, but that many patients could avoid admissions to RPCHs if they expect to need a stay of more than 72 hours. One commenter suggested that the length-of-stay restriction could limit physicians' practices and make it more difficult to attract them to rural areas. Several commenters did not cite detailed objections to the limitation but simply characterized it as arbitrary.

Commenters varied in their recommendations as to whether any alternative limitation should be imposed. Some comments simply suggested that the 72-hour limit be eliminated and not replaced. Others recommended that a 72-hour limit be retained but applied to the facility's average length of inpatient stay rather than to individual stays, so that the facility would have more flexibility to keep individual patients if care beyond 72 hours is needed. One commenter recommended that the length-of-stay limit be increased to 96 hours to add flexibility in treating patients who may require only an additional day of care before discharge.

Some commenters stated that RPCHs should be allowed case-by-case exceptions to the length-of-stay limits if PRO review indicates that keeping the patient at the RPCH would not jeopardize his or her health or safety or if the patient's acuity of illness is diminishing at the end of 72 hours of care. Others suggested that there should also be an exceptions review and approval process that would allow RPCHs to admit patients who are expected to need more than 72 hours of inpatient care if the RPCH can furnish the appropriate treatment and transfer of the patient is contraindicated by the patient's condition. Several commenters recommended the use of a State-level exceptions process or a review committee comprised of physicians at the EACH and the RPCH to evaluate the patient's condition and allow stays

beyond 72 hours. Several commenters recommended allowing stays of more than 72 hours where they are approved in advance by the PRO. Other commenters suggested that exceptions to the 72-hour limit could be permitted for the following reasons:

- Limited DRGs that are clearly appropriate to the capabilities of small rural hospitals, as selected by HCFA or under a procedure administered by the State, that would allow the DRGs to vary from network to network.
- Transfers that would cause a hardship for the patient, or which are contraindicated by the patient's medical condition, or are refused by the patient.
- Terminally ill patients who have executed a living will or other advance directive which indicates they do not wish to have heroic measures undertaken to prolong life.

The commenters further recommended that, as additional experience with RPCH operations is gained, HCFA should ask the Congress to remove the restriction on the number of beds (as well as the limit on length of inpatient stays) and replace both with alternate guidelines based on patient severity or diagnosis.

Response: We considered all of these comments carefully but cannot adopt any of them at this time. The provision restricting the inpatient length of stay in an RPCH was not developed as an administrative initiative by HCFA but is specifically mandated by section 1820(f)(1)(F) of the Act. Because of this, HCFA cannot disregard the provision, or implement it based on an averaging concept, or substitute various State, network, or PRO review activities for it. Therefore, we did not adopt any of the comments requesting that the provision be modified administratively.

Comment: HCFA has authority under section 1820(i)(2)(B) of the Act to designate individual hospitals as RPCHs even though they have not stopped providing inpatient care except as limited by the six-bed, 72-hour rule. This authority should be used to designate hospitals as RPCHs even though they do not meet the length-of-stay limitation. The criteria for designating these facilities as RPCHs should be spelled out in the final rule and should rely on State-based programs to set length-of-stay limits, or a facility should be exempted from number of beds and length-of-stay limitations if it meets other criteria the State may impose that limit admissions based on the scope and intensity of inpatient services available at the facility.

Response: We agree that section 1820(i)(2)(B) of the Act would authorize HCFA to designate a facility as an RPCH even if it does not meet the 72-hour limitation. However, as explained in the last paragraphs of the discussion titled, "Scope of HCFA Waiver Authority under section 1820(j) of the Act", we believe that the length-of-stay restrictions passed by the Congress represent a reasonable attempt to limit the type and severity of cases to be treated by RPCHs without resorting to overly detailed and prescriptive standards, and that it would be premature to exercise this section 1820(i)(2)(B) of the Act authority with respect to facilities allowing stays of more than 72 hours before the program as enacted by the Congress has been implemented. In addition, some of the alternatives proposed (for example, State-level exceptions processes) would likely be implemented in a way that does not significantly differentiate a rural hospital from an RPCH, and would thus undermine RPCHs as a distinct class of provider. Therefore, except in the special case of posthospital SNF care furnished by RPCHs with swing-bed agreements, we have decided not to use the section 1820(i)(2)(B) authority to designate a facility not meeting the 72-hour length-of-stay limit as an RPCH.

Comment: The 72-hour limit may conflict with anti-dumping regulations recently proposed by HCFA, since patient transfer from an RPCH is required within 72 hours (unless this is precluded by inclement weather or other emergency conditions), while the anti-dumping provision prohibits patient transfers under certain circumstances. This apparent conflict should be resolved in the final regulations.

Response: The anti-dumping legislation (specifically, section 1867(c) of the Act) can restrict patient transfers in situations where the patient is not medically stable. Section 1867 does not limit transfers of patients who have been stabilized. Section 1820(f)(1)(F) of the Act, which imposes the 72-hour limitation for RPCHs, also allows patients to be kept for longer periods if transfer to a hospital is precluded because of inclement weather or other emergency conditions. Thus, if a patient is stabilized at the RPCH and transferred to a hospital within 72 hours, no violation of anti-dumping would have occurred because the patient was medically stable at the time of transfer. If the patient is still unstable after 72 hours at the RPCH, section 1820(f)(1)(F) of the Act would authorize a longer stay in order to stabilize the patient's condition before transfer. Thus, we do not believe the conflict envisioned by the commenter would arise.

Comment: The wording of the exception to the 72-hour limitation on length of stay for swing-bed facilities should be changed to allow an exception of this kind for any type of posthospital care, including nursing facility (NF) care, rather than only SNF care.

Response: Section 1883 of the Act authorizes qualifying hospitals to enter into agreements to furnish services that, if furnished by an SNF, would constitute post-hospital extended care services. Medicaid NF services that do not meet this requisite level of care are not covered under the statute. We have no authority to enter into agreements with providers for the provision of noncovered care. Therefore, we did not adopt this comment. We would note, however, that our rules would not prohibit a swing-bed hospital (including an RPCH) from providing noncovered care (that is, care below the SNF level) in a swing bed, so long as the patient has been properly informed that Medicare would not pay for such care.

Comment: The 72-hour limitation should not be applied to patients who are in a long-term care unit within an RPCH.

Response: This comment seems to assume that an RPCH will be allowed to set up units for providing long-term care services. This is not correct. An RPCH may set up a distinct-part SNF, as discussed earlier in this preamble, and if it does so the length of stay of the SNF will not be taken into account in determining the length of stay of the RPCH since the SNF is certified as a provider separate from the RPCH. The operator of an RPCH may also choose to set up an organizationally and physically separate facility to provide other types of care and if it does so that facility will not be subject to RPCH requirements. However, an RPCH will not be allowed to designate internal units which provide long-term care, so that the type of situation envisioned by this commenter would not arise. As explained elsewhere in this preamble, an RPCH that qualifies to enter into a swing-bed agreement will be allowed to do so and to provide posthospital SNF care. However, days that patients spend at this level of care will not be considered in determining whether the facility meets the 72-hours length-of-stay provision for RPCH inpatients.

Condition of participation: Physical plant and environment (§ 485.623)

Comment: Section 485.623(d) of the proposed rule would require the facility to meet the version of the Life Safety Code in effect at the time it was designated as an RPCH. Many small

hospitals would not be able to do this in their current buildings and would have to undertake very costly renovations if forced to meet the current code.

Response: The RPCH is only required to meet the Life Safety Code that it complied with at the time it was a hospital. For example, if it met the 1967 Life Safety Code, then it would only be required to meet the same code at the time it is converted to an RPCH. If complying with certain provisions of the Life Safety Code would result in unreasonable hardship for the RPCH, then the facility may request a waiver of specific provisions of the Life Safety Code (§ 485.623(d)(3)) as long as the waiver would not endanger the health and safety of the patients.

Condition of participation: Organizational structure (§ 485.627)

Comment: Paragraph (a) of this section provides that an ownership interest of 5 percent or more must be disclosed, and the corresponding preamble language says that the proposed rule would not prohibit a physician or mid-level practitioner from being the owner of an RPCH (56 FR 55391). However, section 1820(b)(1)(C) of the Act states that rural, non-profit public hospitals or facilities will be designated as EACHs and RPCHs. This statutory provision prohibits physicians, mid-level practitioners, or other private individuals from owning RPCHs.

Response: Section 1820(b)(1)(C) of the Act refers to rural nonprofit or public hospitals or facilities (which includes private nonprofit hospitals). Therefore, a physician could be the owner of a private nonprofit hospital and would not be prohibited from converting it into a RPCH as long as it meets the RPCH requirements.

Condition of Participation: Staffing and Staff Responsibilities (§ 485.631)

Standard: Staffing

Comment: One commenter expressed support for all the staffing proposals and recommended against any changes in them. Another commenter believed the final rules should be revised to allow an RPCH maximum flexibility in staffing. Several commenters noted an apparent inconsistency in the requirements for RPCH staffing by physician and mid-level personnel. Some stated that by requiring that an RPCH have both an M.D. or D.O. and a NP or PA on staff (proposed § 485.631(a)(1)) we would hold RPCHs to a higher standard than hospitals, which are permitted to be staffed only by a physician. One commenter stated that it is harder in some rural areas to recruit PAs than physicians. These commenters recommended that the regulations be modified to state that an RPCH with an M.D. or D.O. on staff is not required also to have a NP or PA on staff. Other commenters who objected to the proposed staffing requirements argued that the regulations should be revised so that an RPCH could be staffed by either a physician or a PA but it would not have to employ both.

Response: We agree that an RPCH should have as much flexibility as possible and have revised the regulations to provide this flexibility wherever that could be done without jeopardizing patient health and safety. We also agree with the comments indicating that an RPCH with physicians should not also have to have mid-level practitioners on staff. We have revised § 485.631 to state that an RPCH must have a health care staff that includes one or more M.D.s or D.O.s and "may" include mid-level practitioners as well. However, we believe that it would not be appropriate to allow an RPCH to operate with no physician on staff, and for that reason we have retained the requirement that an M.D. or D.O. be on the staff of the RPCH and perform at least the medical oversight functions specified in § 485.631(b).

Comment: One commenter stated that it may not be appropriate to allow a facility that is responsible for 24-hour emergency care to close down, since lack of on-site personnel may jeopardize the quality of initial decision-making and of the subsequent care that is provided (56 FR 55392). However, other commenters stated that as long as a mechanism is in place to assure responsiveness to emergencies, it is generally appropriate to allow an RPCH to close when it has no inpatients.

Response: We agree that a facility that is staffed and open at all times generally will be able to provide a higher level of emergency responsiveness than one which closes for certain periods and has personnel available only on an on-call basis. However, we also recognize that rural facilities may find it very difficult to recruit and pay the personnel needed to provide on-site 24-hour emergency services and are concerned that some otherwise qualified facilities might be unable to participate if they were required to remain open at all times. Therefore, we did not revise the regulations based on these comments.

Comment: Clinical nurse specialists are licensed to provide many of the same services as NPs and can substitute for physicians in certain capacities. A commenter recommended that §§ 485.631 (a)(1) through (a)(4) and (c)(1) through (c)(3) be revised to allow a CNS to assume the same responsibilities and carry out the same functions as an NP.

Response: We agree with this comment and have revised §§ 485.631 (a)(1), (a)(4), and (a)(5), (b)(1)(iv), and (c)(1) through (c)(3), to allow a CNS the same range of responsibilities as a PA and NP, to the extent that this is consistent with State law. As noted earlier, we have also revised these final rules to provide an interim definition of the term CNS, under which we would consider a person to be a CNS for purposes of §§ 485.631 (a)(1), (a)(4), and (a)(5), (b)(1)(iv) and (c)(1) through (c)(3) requirements if he or she furnishes those services that a CNS is authorized to furnish under State law or the State regulatory mechanism provided by State law.

Comment: A commenter expressed the view that licensed practical nurses (LPNs) should always be supervised by a registered nurse (RN), since they are not adequately trained to care for acutely ill patients and only an RN is qualified in the full scope of nursing practice. The commenter suggested the staffing requirement in proposed § 485.631(a)(5), which allows either an RN or LPN to be on duty whenever the RPCH has inpatients, be revised to provide that an RN, NP, or CNS be on duty whenever there are inpatients.

Response: We do not agree with this comment. While we understand the concerns raised by the commenter and recognize that having an RN on duty at all times when there are inpatients in the facility would be a desirable situation, we do not feel that this is realistic for the following reasons. First, on many occasions RPCH inpatients will be SNF patients for RPCH swing-bed facilities. New SNF requirements at § 483.30(b) specify that an RN must be on duty at least 8 consecutive hours per day, 7 days per week, but that the facility has the option of providing RNs or LPNs for the remaining 16 hours (per day) of coverage. Second, given the limited capabilities of an RPCH, we are anticipating that most inpatient admissions will be for low intensity conditions (for example, pneumonia), and that more serious conditions (for example, severe trauma injuries) will be stabilized and transferred to the EACH. Therefore, the need for RN coverage will not be parallel to that in an EACH or a comparable hospital. Third, severe shortages of RNs, particularly in the remote rural areas where RPCHs will exist, would place these facilities in an almost perpetual situation anticipated by § 488.54(c) in which small rural hospitals are granted a 24-hour nursing

waiver until qualified nursing staff can be hired. Therefore, we believe that there should not be a requirement for RPCHs to maintain 24-hour RN coverage when inpatients are in the facility, and have not adopted the comments recommending that RPCHs be required to provide this coverage.

Comment: Commenters generally were supportive of the proposed requirements for nursing services, but expressed different views as to the extent of RN coverage required. Some commenters simply stated that the proposed requirement, under which the facility would have to have an RN or LPN on duty whenever it has inpatients, is generally reasonable and appropriate. However, one commenter recommended that we require an LPN to be in the facility whenever it has any patients, even if they require only a level of care below SNF care, such as ICF care. Another commenter recommended that where nurses are in short supply, a facility should be allowed to meet the RN availability requirements by having an RN available by telephone. Finally, one commenter stated that if a swing-bed RPCH has only patients at an SNF level of care, on-site RN coverage should be required for only 8 of the 24 hours per day, as is the case for SNFs (42 CFR 483.30(b)(1)).

Response: We expect that an RPCH will serve either ambulatory patients who will be treated primarily by a physician or a mid-level practitioner, or inpatients who will also require nursing services. We do not believe it is likely that an RPCH will routinely furnish levels of care which are not covered under Medicare. Therefore we did not adopt the comments recommending that we issue nurse staffing standards relating to noncovered levels of care.

Regarding the recommendation that a facility be allowed to meet RN coverage requirements by having an RN available by telephone, we agree that it would be desirable to have an RN on call for all hours when the facility is staffed only by an LPN. However, the RN functions described in proposed § 485.635(d) require personal performance, and it would not be realistic or appropriate to permit facilities to have RNs perform these functions by telephone. Therefore, we did not adopt the comment on telephone availability of RNs.

We agree that it would be desirable to have RN coverage for at least 8 of each 24 hours, since this would assure that RPCH patients receive a level of RN coverage that is at least as high as that required for SNFs. However, because of the difficulty of recruiting RNs in rural areas, we are concerned that many hospitals would not be able to qualify as RPCHs under this requirement. Therefore, we did not adopt the comment recommending that a minimum level of RN coverage be required. Instead we retained the proposed requirement under which either an RN (who may also be an NP or CNS) or an LPN is required to be on duty whenever the RPCH has inpatients, including swing-bed patients.

Standard: Responsibilities of the Doctor of Medicine or Osteopathy

Comment: Commenters expressed differing opinions on the timing of medical review of the care provided to RPCH patients and of the percentage of cases that should be reviewed. One commenter stated that it is not necessary for physicians to review the record of every patient, as would be required by § 485.631(b)(iii). In this commenter's opinion, review of a representative sample of records would be sufficient to assure physician oversight. Other commenters stated that there is no need for a physician to review the appropriateness of a discharge before it occurs but recommended that, as part of the quality assurance review required by § 485.641, physicians should review the appropriateness of discharges to ensure the patient was not released prematurely. Still other commenters stated that it is not necessary for a physician associated with the RPCH to review the records of discharged patients, since PRO review will be adequate to assure that quality care is being provided.

Commenters also expressed various opinions on the extent to which RPCHs should be required to provide for physician review of the records of patients treated by physician assistants, or other mid-level personnel. Some commenters recommended that, in States where only a physician can admit and discharge patients, physician review should be required only for a representative sample of patient records. Other commenters recommended that in States where mid-level practitioners are allowed to admit and treat patients without physician involvement, physician review should not be required. Instead, each mid-level practitioner should be required to sign patient records and should be held responsible for the care he or she provides. Review of mid-level practitioners' treatment should be provided by other mid-level practitioners, and internal reviews of all care should be done at the RPCH by multidisciplinary teams that include physicians, mid-level practitioners, and nurses. One commenter stated that physician review of the records of patients discharged by CNSs is not needed to assure health and safety, since these practitioners are independently responsible for the care they provide in most States. In the view of this commenter, the regulations should be revised to provide for joint review of a representative sample of discharged patient records by a physician, NP, and CNS.

Many commenters noted that in some States, mid-level practitioners are allowed to practice only with close supervision by a physician, and the physician retains responsibility for the patient's care. Under these circumstances the commenters argued that it is not necessary to require formal review of the records of patients treated by mid-level practitioners. PRO review will be sufficient to ensure patient health and safety, or that State requirements regarding physician oversight of nonphysicians would be sufficient to assure patient health and safety. Other commenters recommended that in States where mid-level practitioners such as PAs or NPs are allowed to practice without direct physician oversight, the RPCH rules should allow them the same freedom. One commenter stated that in States where physicians are required to directly supervise mid-level practitioners under State law, this supervision should be required for all ancillary services personnel.

Response: We do not agree with the comment on timing of review as it applies to inpatients, but believe it has some application to outpatients. With only six inpatient RPCH-level beds (or no more than 12 total beds (swing beds)), it should not be difficult for the RPCH physician to review all of these records during his or her periodic (that is, at least once every 2 weeks) visits to the facility. For outpatients treated by mid-level practitioners, we plan to require that in situations when the RPCH has an unusually high volume of outpatients (that is, 100 or more cases during a 2-week period), a random sample review of 25 percent would be sufficient (unless State practice laws require higher standards for physician oversight for mid-level practitioners). We have not revised the final regulations to include these review standards, but will include them in the survey instruments used to assess an RPCH's compliance with the conditions of participation.

We agree with the commenter who stated that there is no need for a physician to review the appropriateness of a discharge before it occurs, and note that neither the proposals nor these final

rules require such review. However, we do not agree that PRO review can substitute for facility-level review. In-house and PRO review can complement one another and can serve educational functions as well as providing a needed check on the quality of care. It would not be appropriate to forego the in-house review simply on the basis that a representative sample of cases is also being reviewed by the PRO. As noted above, we also do not believe that requiring physician review of the care provided by mid-level practitioners will impose an unreasonable burden on facilities. The small number of admissions to an RPCH would not preclude physicians from reviewing all inpatient care provided by mid-level practitioners.

We recognize that individual States have varying provisions regarding the degree of independence with which mid-level practitioners can function. While these provisions establish minimum requirements that an RPCH in each State must meet, we do not believe that this is a matter that should be left entirely to the discretion of the individual States. Moreover, we believe that patients who may receive services in an RPCH in more than one State have a right to expect national minimum standards of care. Because of these considerations, we did not adopt any of the comments recommending that physician review be curtailed or eliminated based on the individual State's scope of practice provisions. On the other hand, a State is free to impose more stringent physician review requirements than are established by these regulations.

Provision of Services (§ 485.635)

Standard: Patient Care Policies

Comment: Many commenters recommended that, to promote planning and cooperation within rural health networks, all services offered by the RPCH should be determined in consultation with other facilities in the network, and should be consistent with the State rural health plan. In addition, one commenter recommended use of cross-trained personnel within a network to reduce staffing costs, especially for laboratory services.

Response: We agree that it generally would be desirable for RPCHs to consult other network members and State rural health planners before deciding which services to offer, and that cross-training of personnel should be used, wherever feasible, to limit staffing expenses. However, the RPCH legislation does not specify that there should be a Federal role in determining how networks should coordinate their services. We expect that States, networks, and facilities that wish to work out arrangements for coordinating their services would be able to do so without the need for a Federal requirement. Therefore, we made no revisions to the final rules based on these comments.

Comment: Several commenters expressed opinions on the types of services RPCHs should offer. One recommended that the final rule state explicitly that RPCH inpatient services may not include psychiatric services but did not explain that recommendation. Other commenters suggested that the final rule be revised to state that RPCHs are permitted to offer clinical social work, occupational therapy, and nurse-midwife services. Still other commenters stated that some patients are especially concerned about being able to receive outpatient surgery or obstetrics in the local facility and that if they have to go elsewhere for these services, they are likely to bypass the RPCH entirely in seeking care. However, one commenter, reflecting another point of view, stated that there is no need for a uniform national rule regarding the scope of services RPCHs must offer, and suggested that this be decided at the network level.

Response: We did not adopt the comment recommending that a RPCH be prohibited from providing psychiatric services, since the RPCH legislation does not impose this limitation and there is no other provision that authorizes it. To the extent that the facility is appropriately equipped and staffed and is permitted to do so under State law, we see no obstacle to the provision of short-term psychiatric care in an RPCH as necessary to allow a patient's condition to be stabilized and where necessary, the referral of the patient to another facility for treatment.

We also did not adopt the comments regarding clinical social work, occupational therapy, nurse-midwife, surgical, or obstetrical services. While an RPCH clearly would be permitted to provide these services to the extent allowed by State law, we do not believe special regulatory recognition of them is required.

We agree with the commenter who stated that the scope of services is something in which the network has a legitimate interest and believe that the individual facilities, operating within the scope of their own resources, network policies, and State requirements, are best qualified to decide which services to offer.

Comment: Although RPCHs are not full-service facilities like hospitals, the proposed rules would make them subject to full-service hospital regulations governing standards of care, such as clinical laboratory and quality assurance standards.

Response: Any facility that furnishes health care incurs the responsibility to meet standards designed to assure the quality of care. Compliance is no less important in a small facility than in one having hundreds of beds. Because of this, we do not think it is inappropriate to require an RPCH to meet clinical laboratory, quality assurance, and other health and safety standards. However, we do not believe it is accurate to say that an RPCH is subject to the same standards as full-service hospitals. An RPCH is free to close its doors under certain circumstances and is not subject to the 24-hour nursing service requirements applicable to hospitals.

Comment: The provision regarding nutrition services (§ 485.635(a)(3)(vii)) does not specify whether the RPCH must prepare patient meals itself, or is free to obtain the meals under contract with another supplier. The provision should be revised to state that use of an outside supplier of food is permitted, but that the RPCH remains accountable for ensuring that the food furnished by the supplier provides meets inpatients' nutritional needs.

Response: An RPCH is free to obtain patient meals or other services under arrangements, to the extent it does not provide them directly, but doing so does not relieve an RPCH from the responsibility for assuring that the meals or other services meet applicable conditions of participation. The RPCH is responsible for the quality of arranged services on the same basis as if the services had been provided by employees. We have revised § 485.635(c) to make this clear.

Standard: Direct Services

Comment: Arterial blood gas tests (§ 485.635(b)(2)(xii)) require highly sensitive equipment and specialized technical expertise, neither of which is likely to be available in an RPCH. One commenter noted that the equipment is costly to acquire and maintain and that there is a danger of poor quality due to the low volume of tests that will likely be performed. Commenters' estimates of the cost of acquiring the equipment ranged from $25,000 through $30,000, with estimated maintenance costs running from $5,000 to $18,000 per year. Commenters stated that there are other tests of blood gases, such as oxygen saturation tests performed on an oximeter, that can provide enough clinical information to allow triage and stabilization and are much less costly. Some commenters estimated the

acquisition cost for an oximeter at $1,000, with very small maintenance expenses. Because of these concerns, commenters stated that RPCHs should not be required to provide arterial blood gas testing as a direct service.

Response: We agree with these comments and have revised the final regulations (§ 485.635(b)(2)(xii)) to require that RPCHs provide either oximetry testing or arterial blood gas testing.

Comment: The list of required laboratory services should not be viewed as exhaustive. Instead, RPCHs should be required to provide "such laboratory tests and services as are appropriate to the treatment of inpatients at the RPCH" or as are "appropriate and necessary for the type and level of care they provide".

Response: We agree that an RPCH should provide laboratory services in addition to the minimal set of services listed in the proposed rules if the other services are appropriate and necessary. However, the regulations proposed would not prohibit an RPCH from offering additional services, nor would adding a "necessary services" requirement assure that needed services are actually available and provided. Moreover, we do not wish to create any implication that an RPCH is obligated to purchase any prohibitively expensive equipment to participate in the program. Because of these concerns, we made no revisions to the final rules based on this comment.

Comment: Although primary culturing is listed as a required laboratory service, a commenter felt it is unclear what is really required. Particularly, the commenter questioned whether the regulation requires inoculation of culture media for transmittal to another laboratory, or whether it requires only collection of a specimen for culture for transmittal to another laboratory. If inoculation is required, the RPCH would have to stock culture media and various quality control organisms to quality control the media.

Response: The CLIA laboratory test categorization list published in the **Federal Register** on July 8, 1992 (57 FR 30362) removed primary culture inoculation from the list of moderate-complexity tests, and characterized it as not being a test. This procedure is not a laboratory service, but is the collection of a specimen, which is a general diagnostic and therapeutic service. This procedure has been removed from the list of required laboratory services and "specimen collection" has been added to § 485.635(b)(1). The remaining list of laboratory services does include moderate-complexity tests, and the RPCH must comply with CLIA certificate requirements imposed under section 353 of the Public Health Service Act and 42 CFR part 493.

Comment: Coagulation studies such as prothrombin time (PT) and activated partial thromboplastin time (APTT) are not listed as required services. Because of the short time between when blood is drawn and when the test is run, having the test available in the local community would be of great benefit to the local community. Moreover, the equipment needed for the test is reasonably priced and the required reagents and controls have a long shelf life.

Response: We do not believe that coagulation studies such as PT and APTT should be added to the list of required laboratory services, since their addition is not specifically required by the RPCH legislation or essential to patient health and safety. We do, however, agree that these tests would be beneficial as the commenter suggests, and we see nothing to preclude an RPCH from offering these test services as long as the RPCH meets the appropriate CLIA requirements.

Comment: Mandatory electrolyte level tests should be limited to those for sodium, potassium, and chloride.

Response: We did not adopt this comment since carbon dioxide level testing is also needed for diagnostic purposes.

Comment: Commenters expressed various points of view on the relationship between RPCHs and CLIA requirements. A number of commenters recommended that, because of the small size of their laboratories, RPCHs should be exempt from CLIA requirements. Other commenters stated that an RPCH should not be required to have a CLIA high complexity (Level 2) laboratory available at the facility but should be required to have one available in the network. One commenter recommended that the EACH be required to provide on-site inspections and quality checks to the RPCH. Still other commenters recommended that an RPCH be required to have a CLIA moderate complexity (Level 1) lab. Another commenter recommended that the reference to the CLIA in § 485.635(b)(2)(viii) be clarified to state that it is the Clinical Laboratory Improvement Amendments of 1988, and not the Clinical Laboratory Improvement Act of 1967 being referenced.

Response: Public Law 100–578, the Clinical Laboratories Improvement Amendments of 1988 (CLIA) applies to all laboratories that examine materials derived from the human body for the diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of human beings. Therefore, an RPCH laboratory cannot be exempt from CLIA regulations. (See 42 CFR part 493 and 57 FR 7002 through 7243, February 28, 1992.) Although RPCH laboratories cannot be exempted from the CLIA requirements, we have made changes where possible in the CLIA program to accommodate small rural facilities. For example, we have established a range of fees that is based on the scope and volume of laboratory testing. We have also reduced the compliance fee for low-volume laboratories that conduct 2,000 or fewer tests per year. Some of the RPCH tests listed in the proposed rule are waivered tests and some are of moderate complexity or high complexity or both, depending on the methodologies used by the laboratory. Sections 493.15, 493.25, and 493.1775 contain the CLIA requirements for laboratories performing both waivered tests and tests of moderate and high complexity. We did not adopt the comment requiring the provision of on-site inspections and other quality control measures in the RPCH by the EACH. While some EACHs and RPCHs may wish to work out agreements for these services, we do not believe they should be the subject of Federal rules.

We agree with the commenter who recommended that the reference to CLIA in § 485.635(b)(2)(viii) be clarified. However, since this subparagraph on primary culturing has been removed as explained earlier in this preamble, the reference to CLIA is no longer necessary.

Comment: The provisions on electrolytes and blood gases should list a complexity model instrument for a laboratory technician level person. By not specifying, the reader could conclude that a medical technologist is required.

Response: We do not agree with this comment. The CLIA standards were published in the **Federal Register** (57 FR 7002, February 28, 1992). The qualifications for personnel performing moderate complexity testing can be found at § 493.1423 and high complexity testing can be found at § 493.1489. There is no requirement that a medical technologist perform moderate or high complexity testing, although personnel requirements are more stringent for high complexity testing. Electrolytes and arterial blood gas analyses can be either classified as moderate or high complexity tests. The Specific List for Categorization of Laboratory Test Systems, Assays and Examinations by Complexity, published

in the **Federal Register** (57 FR 7245, February 28, 1992), lists 30 instruments that meet the moderate complexity requirements for determining arterial blood gases and nearly 100 instruments that meet the moderate complexity level for electrolytes. It is not practical or necessary to list test systems that meet moderately complex systems for arterial blood gas and electrolyte analyses. The RPCH can refer to this list and subsequent lists published in the **Federal Register** to determine which instruments to select to meet moderate complexity requirements.

Comment: One problem faced by hospital-based RHCs is that they are required to duplicate laboratory services available at the hospital in which they are based, because of the requirement that some services be furnished directly by the RHC. To avoid a similar duplication of services in RPCHs, the regulations in § 485.635 should be revised to allow all laboratory services to be provided under arrangement, as long as results are not unduly delayed and there is no jeopardy to patient care.

Response: As envisioned in the RPCH legislation, an RPCH is a limited-service facility located in a community where continued operation of a full-service hospital is not viable because of staffing shortages, low utilization, or other factors. Because of this, we believe it would be unlikely that there would be a functioning hospital laboratory in the same location as an RPCH that could furnish services to it. Moreover, when patients appear at the RPCH for treatment, often to receive emergency or urgent care, they have the right to expect the facility to have the capacity to furnish at least a minimum set of services at the facility through the use of facility personnel. Thus, while we have no objection to RPCHs' purchasing some specialized tests from off-site providers, we did not revise the regulations based on this comment.

Comment: One commenter stated that RPCHs should not be required to provide a specific set of radiology services, but only "such diagnostic and treatment radiologic procedures as are appropriate to the type and level of care they provide." Another commenter expressed the view that § 485.635(b)(2) should be revised to state that the RPCH is responsible for making available "such diagnostic imaging procedures and services as are appropriate to the treatment of inpatients at the RPCH," in order to allow more flexibility in developing radiology services appropriate to the facility's needs.

Response: We agree with these comments to the extent that the RPCH should be required only to provide services that are actually needed and not all services that conceivably could be provided. However, we note that the regulations as proposed would not require the provision of a specific set of radiological services, nor would they prohibit facilities from offering the range of services most appropriate to their patients' needs. Because of this, we did not revise the final regulations based on the comment.

Comment: One commenter noted that all radiology procedures expose the patient to some level of radiation, and recommended that § 485.635 of the proposed regulations be revised to state that there should be no "undue" exposure to radiation hazards.

Response: We recognize that all radiology procedures involve some exposure. We believe hospital and health care personnel understand radiation hazards and would monitor radiation levels to prevent any excess exposure when performing diagnostic or therapeutic procedures. We do not believe the regulation is unclear on this point but will assure that it is clarified in whatever survey guidelines are used to implement the requirement.

Standard: Services Provided Through Agreements or Arrangements

Comment: To assure coordination of services, RPCHs should be required to have transfer agreements with SNFs and home health agencies (HHAs) under which those entities would accept patients requiring those levels of care.

Response: We share the commenters' view that it would be desirable for RPCHs to have referral agreements with SNFs and HHAs as well as with full-service hospitals. Section 1820(g)(2) of the Act requires that members of a rural health network enter into agreements regarding patient referral and transfer. However, the RPCH legislation does not require these agreements with SNFs and HHAs that are not members of the network. In some rural areas where there are few health care facilities, it would be difficult for an RPCH to comply with this requirement. Therefore, we did not revise the final regulations based on these comments.

Comment: The final rule should be revised to state that RPCHs are permitted to offer clinical social work, occupational therapy, and nurse-midwife services.

Response: An RPCH that needs to offer these services to their patients would be permitted to do so under the language of the regulations as proposed. Because of this we do not believe it is necessary to add specific language authorizing them to offer these services, and we did not adopt this comment.

Standard: Nursing Services

Comment: One commenter stated that it is not necessary to have an RN evaluate the nursing care for each inpatient, as would be required by proposed § 485.635(d)(2), since this function could be performed equally well by a PA, and allowing this would give added flexibility to the RPCH.

Response: We agree that it would be desirable to allow an RPCH flexibility to use PAs to perform this function, if they are adequately trained and authorized to do so. If State laws and regulations governing the scope of practice for PAs would allow PAs to supervise and evaluate the nursing care for each inpatient, we would have no objection to having them perform these tasks. Therefore, we have revised § 485.635(d)(2) to permit PAs to perform this evaluation in any State in which State scope of practice laws specifically authorize PAs to evaluate nursing care.

Condition of Participation: Clinical Records (§ 485.638)

Comment: Some commenters stated that these clinical record requirements are generally appropriate to the protection of patient health and safety. However, one commenter noted that the proposed RPCH regulations, at § 485.638(a)(4)(iii), cite temperature graphics and progress notes describing the patient's response to treatment as illustrations of the kind of information needed to monitor the patient's progress which should be included in the medical record. The commenter identified these two items as being from the RHC medical records requirements and suggested that the final rule be revised to ensure that the RPCH requirements on this point are not more stringent than those for hospitals.

Response: The commenter is mistaken about the content of the hospital and RHC medical records requirements. The requirements for RHCs require the maintenance of "other pertinent information necessary to monitor the patient's progress" (§ 491.10(a)(1)(iii)), while hospitals are required to maintain records of "other information necessary to monitor the patient's condition" (§ 482.24(c)(2)(vi)). These requirements are not substantively different in this regard and the use of examples in the RPCH proposal was intended to illustrate the kind of information needed, not to impose a higher standard than would be imposed on hospitals. In any case, the specific items cited in the RPCH proposal are illustrative rather than definitive of the kinds of information that should be kept in the medical record. Thus, we do not agree

that the RPCH standard would be higher than the comparable hospital standard, and we did not revise the regulations based on these comments.

Condition of Participation: Periodic Evaluation and Quality Assurance Review (§ 485.641)

Comment: Some commenters stated that the periodic evaluation and quality assurance review provisions of § 485.641 and the physician review of mid-level practitioners' services criteria of § 485.631(b) are generally adequate to protect patient health and safety. However, others argued that because of low volume of services and short stays in RPCHs, it will be difficult to use outcome measures to evaluate quality of care in an RPCH. The commenters believe that, in view of this, it would be more appropriate to use structural measures to assess quality.

Response: We believe appropriate outcome measures can be developed even with low patient volume and short inpatient stays. Structural measures alone will not provide adequate indications of the quality of RPCH care or the information needed to improve RPCH care.

Comment: In addition to facility-level review, HCFA should consider establishing network-wide quality assurance programs.

Response: We agree that it would be desirable for networks to assist facilities in assessing and improving quality of care but believe the appropriate focus of quality assurance is the individual facility where the care is provided. Because of this, we made no changes in the regulations based on this comment.

Special Requirements for RPCH Providers of Long-term Care Services ("Swing-beds") (§ 485.645)

Comment: The listing of SNF requirements that must be met by swing-bed RPCHs should be updated to refer to the requirements published in the September 26, 1991 **Federal Register**. That is, the references to patient rights (§ 483.10 (a)(1) and (a)(2)) and notice of rights and services (§ 483.10 (b)(1), (b)(3), (b)(4), (b)(5), (b)(6), (b)(7), (b)(9), and (b)(10)) should be deleted and replaced by references to § 483.10 (b)(3), (b)(4), (b)(5), (b)(6), (d), (e), (h), (i), (j)(1)(vii), (j)(1)(viii), (l), and (m). Swing-bed RPCHs should also be required to meet the same requirements as swing-bed hospitals with respect to admission, transfer, and discharge (§ 483.12 (a)(1) through (a)(7)) and resident behavior and facility practices (§ 483.13).

Response: We agree with this comment and have revised § 485.645(b) to indicate that an RPCH that wishes to enter into swing-bed agreements must meet the same SNF requirements as a swing-bed hospital, as listed at § 482.66(b) except that they are not required to have a professional activities director (see following response and comment). A swing-bed RPCH must also comply with the nutrition requirement for SNFs (§ 483.25(i)) and must provide a comprehensive assessment and care plans for patients who receive SNF care at the RPCH for more than 14 consecutive days (§ 483.20 (b) and (d)).

Comment: It generally is appropriate to require RPCHs to meet the activities standard that applies to SNFs (§ 483.15(f)). However, the requirement in proposed § 485.645(b)(5) should be modified so that RPCHs are not required to have a full-time professional activities director. Because they are likely to have limited resources, RPCHs should be allowed to meet this requirement by designating an individual on the facility staff (who may also have other responsibilities) as the activities director and allowing him or her to serve as activities director with consultation from a therapeutic recreation specialist, occupational therapist, or other professional with experience or education in recreational therapy.

Response: Although the regulations at § 483.15(f) do not specify that the activities director must serve on a full-time basis, we agree that it would be appropriate to permit a facility designated as an RPCH to provide an activities program through consultation with a professional activities director rather than by employing such an individual directly. Accordingly, we have revised the patient activities requirement in § 485.645(b) to specify that the activities program may either be directed by a qualified professional meeting the requirements of § 483.15(f)(2), or be developed in consultation with a professional meeting the § 483.15(f) requirements and directed by an individual with education or experience in conducting activities programs.

Comment: Some commenters stated that, to avoid discouraging facilities from participation as RPCHs, RPCHs should not be required to meet any SNF conditions of participation beyond those which swing-bed hospitals must meet. One commenter recommended, however, that if RPCHs with swing beds are required to meet additional staffing requirements, there should be an added payment to facilities for the extra costs.

Response: In general, we agree that swing-bed facilities should meet the same SNF requirements whether they are hospitals or RPCHs, and the requirements in § 485.645(b) (for an RPCH) parallel those in § 482.66(b) (for a hospital). However, a hospital also is subject to food and dietetic services standards that are not imposed on an RPCH. Because of this and because patients in swing beds may have lengths of stay that considerably exceed the 72-hour time limit for regular RPCH inpatients, we believe additional dietary standards are necessary. We are, therefore, requiring a swing-bed RPCH to meet the SNF nutrition requirement in § 483.25(i). We are also concerned when a resident must stay in an RPCH swing-bed for 14 days or longer without a protocol for further systematic assessment or evaluation of the patient's status. Given the severe staff shortages in areas where an RPCH will exist, there could be greater risks associated with lengthy stays in an RPCH (for example, decubiti or diminished ability to perform activities of daily living) due to inadequate rehabilitative therapy for residents. Lack of nutritional assessment might also prolong recovery and rehabilitation. Without this regular assessment, it might also be difficult to evaluate a resident's discharge potential. Therefore, to avoid the possibility of negative outcomes that might extend length of stay, we have revised § 485.645 to require that an RPCH with a swing-bed agreement meet the SNF conditions of participation at § 483.20 (b), (d), and (e). The effect of this change is to require an RPCH to perform a comprehensive assessment for each patient receiving an SNF level of care no later than 14 days after the date on which the patient began receiving an SNF level of care. We will also require an RPCH to prepare a comprehensive care plan and discharge summary for all patients who remain in the facility for more than 21 days. This will help protect the health and safety of RPCH patients at an SNF level of care by ensuring that an RPCH does not keep a patient beyond the point at which it can provide an adequate level of care.

We will pay for SNF services of a swing-bed RPCH under the same payment methodology used for a swing-bed hospital, and note that the methodology does not authorize additional payment for added staffing costs. Therefore, we did not adopt the comment recommending that the additional payment be made.

Comment: The final rule should clarify whether beds used for the provision of intermediate care should count toward the 10-bed limit. Another commenter stated that the proposed § 485.645(a) limits RPCHs with swing-bed agreements to no more than 12

beds, of which no more than 10 may be used at any time for SNF-level patients. The final rule should make it clear that beds which are part of a provider certified separately from the RPCH, for example, a hospital or SNF, should not count toward these totals.

Response: All beds that are part of the RPCH and are available for use in treating RPCH inpatients will count toward the number of bed limit, even if they are occasionally used to provide a level of care lower than SNF care. (As explained later, the final rules will allow RPCHs with swing-bed agreements to have 12 rather than 10 inpatient beds.). However, we agree with the comment that beds in separately certified "distinct part" SNFs and NFs should not be included in determining whether the RPCH meets the limit on number of beds for a swing-bed RPCH and have revised § 485.645 accordingly.

Comment: Commenters expressed a variety of opinions on the proposal to limit the overall number of beds and the number of beds that could be used for the provision of SNF care in an RPCH. One commenter stated that limits on number of beds for swing-bed RPCHs are appropriate. Another agreed with this assessment, but recommended that the RPCH be permitted to use its beds for either SNF or NF care. Other commenters opposed the proposed limits on number of beds and suggested the following alternatives:

- An RPCH with swing-bed approval should be allowed up to 16 beds in all, with 10 permitted to swing.
- Because limits on number of beds unnecessarily restrict facilities' flexibility to configure themselves as acute/long-term care providers, in order to adapt their levels of care to short-term changes in demand, the 10/12-bed limits should be eliminated and replaced with separate staffing requirements for different acute/long-term care configurations.
- No limit on facility size should be imposed, so that each facility could set its own size based on community needs.
- States should be allowed to set their own standards for swing-bed RPCHs.
- RPCHs operated as part of facilities that also have distinct part SNFs should be allowed to retain all of their swing beds, or that RPCHs which have swing beds when they make the transition to RPCHs from hospitals should be allowed to maintain at least the number of swing beds they had as hospitals.
- In the context of a general principle that RPCHs with swing beds should not be held to a higher standard than hospitals, HCFA should develop flexible nurse staffing levels for whatever number of swing-beds an RPCH wants to operate, rather than limiting the number of swing-beds a facility may have. Flexible standards should be developed for sizes up to a limit of 30 beds.

Response: We considered the suggestion that the RPCH be allowed to use its swing beds for either SNF or NF care. However, we note that the statutory model for the development of swing-bed agreements is section 1883 of the Act, which authorizes the Secretary to enter into agreements for the provision of services that, if furnished by an SNF, would constitute extended care services. There is no authority in that section or elsewhere in the Social Security Act to enter into such agreements for the provision of NF or other types of care. Because of this, we did not adopt this recommendation.

We also considered the suggestion that the RPCH be allowed to maintain up to 16 beds, with up to 10 permitted to swing. We note, however, that this would allow an RPCH to provide inpatient care with a substantially larger number of beds than the number envisioned in the RPCH legislation, and because of this we did not adopt this comment.

We also considered the recommendations that no specific limit be set on number of beds, but that either the individual facilities or the States be allowed to regulate the number of beds. We do not agree that limits on number of beds are arbitrary, and did not adopt the recommendation that limit on number of beds be allowed to vary according to facility or State preference because this could lead to highly diverse types of facilities, some of which might furnish much less RPCH care than SNF care. We believe it would be inappropriate to allow such wide variations in the types of facilities certified as an RPCH, and that the use of limits on number of beds will help limit RPCH status to facilities having the delivery of RPCH services as their primary focus. Thus, we did not adopt these comments.

An RPCH that envisions a substantial and continuing need for SNF-level services in its community will be eligible to set up a distinct-part SNF. We also looked into the feasibility of setting up more detailed staffing standards that would relate to the number of swing beds in the facility. While we believe that this approach is reasonable in concept, we do not now have the information needed to establish objective standards for the staffing levels appropriate to each number of beds. Therefore, we did not adopt the comments recommending that number of beds be allowed to vary in proportion to staffing levels.

We also did not adopt the recommendation that the number of swing-beds allowed be the number the facility operated when it functioned as a hospital. First, this approach makes no provision for a RPCH that did not have swing beds when it functioned as a hospital, and thus would not allow us to set a standard on number of beds for such a facility. Moreover, community needs for SNF care may vary over time, based on such factors as population shifts or the opening or closing of other facilities in the area. It is almost unavoidable that limits based on prior needs would become obsolete in time.

Although different in their details, many commenters' recommendations were similar in that they involved greater flexibility for RPCHs in using their beds for either RPCH or SNF level inpatient care. In response to these recommendations, we have revised § 485.645 of these final rules to permit RPCHs with swing-bed agreements to use each of the 12 inpatient beds which they would be allowed to have for either RPCH or SNF care.

In making this decision, we considered section 1883, the section of the Act which authorizes the use of swing beds for rural hospitals. This section clearly intends that all the hospitals' beds be capable of being used interchangeably. We also looked at the language in the RPCH statute. There is a provision in section 1820(f)(3) that indicates that nothing in the statute should be construed to prohibit a State from designating as an RPCH a hospital with a swing bed agreement in effect. The title of this section, however, is "Permitting Rural Primary Care Hospitals To Maintain Swing Beds." We believe that this is a clear indication that the Congress intended RPCHs to be considered hospitals for purposes of the swing bed provisions. As a result, we believe that permitting the unrestricted use of swing beds by an RPCH is appropriate.

Comment: Several commenters stated that, in the competition between hospitals and nursing homes for a share of the long-term care market, nursing homes use certificate of need (CON) requirements as a barrier to access for hospitals. To prevent this, the regulations should be revised to allow RPCHs to replace beds which were previously licensed as hospital beds with swing beds without CON approval.

Response: Although we understand the commenter's concern that CON requirements not be used to give a nursing home an unfair advantage over a hospital in obtaining licensing for

long-term care beds, we have no authority to waive the CON requirements imposed by a State. We do not accept the commenter's assumption that the objective of CON review is to give one class of facility a competitive advantage over another rather than to assess community needs for care. Therefore, we did not make any changes in the regulations based on this comment.

Comment: One commenter asked whether patients could be admitted to an RPCH swing bed for SNF care directly, without first having been admitted as an inpatient for RPCH care.

Response: Such admissions are not prohibited by these regulations, but would not be covered under Medicare unless the 3-day prior hospital or RPCH stay requirement (§ 409.30) is met.

Comment: Because there is often little difference in level of care between inpatient RPCH care and SNF level care for certain illnesses, such as pneumonia or gastroenteritis, HCFA should review the payment levels for each type of care in an attempt to bring them closer together.

Response: We agree that there are some similarities between low-intensity RPCH care and SNF level care for the same illness. The same comparison could be made for a swing-bed hospital. However, the payment level for SNF-level care in a swing-bed hospital is established by law and we do not believe waiver of that provision of the law is necessary to conduct the RPCH program. We also believe it is more important to assure that payment levels for SNF care in an RPCH are comparable to the payment levels for SNF care in a swing-bed hospital, to prevent an inappropriate financial incentive to promote care in any one setting. Therefore, we did not make any changes in the regulations based on this comment.

Comment: To allow more flexibility in the provision of care, RPCHs should be allowed up to 10 swing beds, which could be used for either SNF or NF-level care.

Response: We agree and have revised the regulation to make it clear that when we approve an RPCH with swing beds (up to 12 total beds), the facility has complete flexibility to use those beds interchangeably for RPCH or SNF care. As noted previously, some RPCHs may use their beds to furnish a level of care not covered under Medicare. However, swing-bed agreements specify that the facility is entering into the agreement for the purpose of providing extended care services covered under Medicare. A facility which routinely used its facilities for noncovered levels of care would not be in compliance with its swing-bed agreement.

Comment: The RPCH that wants to enter into a swing-bed agreement should be limited to its licensed hospital bed capacity on the date it begins functioning as an RPCH and limited to an average daily census of six hospital patients. It should be required to have at least two beds occupied by or held for hospital patients at all times.

Response: For the reasons explained earlier in this preamble, we have decided not to allow an RPCH to have more than 12 beds when it has swing beds, and therefore would not use a facility's average daily census as a proxy for number of beds. Section 1820(i)(2)(B) of the Act permits the Secretary to designate as an RPCH a hospital which would not be eligible for designation by a State by virtue of having more than six beds. As discussed elsewhere in this preamble, it is this authority that we are using to designate as RPCHs swing-bed facilities with up to 12 beds. We believe that many RPCH facilities will be likely to staff with a single nurse when they have inpatients, and we established this bed limitation because we believe that it is necessary in this rule to balance the need for an RPCH to have the option to provide some long-term care services with the thrust of the 1987 nursing home reform scheme adopted under the Omnibus Reconciliation Act of 1987. Under the OBRA 87 provisions (currently reflected in regulations at 42 CFR part 483), nursing facilities are subject to a wide range of requirements. We believe that an RPCH which identifies a significant demand for SNF services would appropriately provide them by establishing a distinct-part SNF which meets the OBRA 87 requirements. Therefore, we did not adopt either of these comments. However, as noted, the final rule will not restrict the use of these beds either to RPCH or SNF care.

PRO Review of RPCH Services (§ 489.20(e))

Comment: The provisions of the regulations dealing with PRO review are unnecessarily vague and do not address the following important issues:

- Will the PROs review the diagnosis and treatment provided by mid-level practitioners, or only that of physicians?
- Are only inpatient services reviewed or will outpatient care be reviewed as well?
- Because RPCHs provide a different scope of service from other facilities, will PROs develop a separate set of review criteria for them?
- Will HCFA renegotiate the PRO scope of work to include RPCH review?
- Are the responsibilities of RPCHs with respect to PRO review (such as photocopying, providing access to records) the same for RPCHs as for hospitals, and what is the legal authority for imposing these responsibilities on RPCHs?

Response: The responses to this commenter's questions are as follows.

In response to the question concerning the types of practitioners whose work is reviewed, the PRO will review the care provided by all levels of practitioners, including mid-level practitioners. The review will be conducted to ensure that the care is medically necessary, that the RPCH level of care is the appropriate level of care for the patient, that the care meets acceptable standards of quality, and that the patient's diagnosis or diagnoses are supported by documentation in the patient's medical record.

In response to the question regarding the type of care to be reviewed (inpatient only or both inpatient and outpatient), review will be conducted for both inpatient and outpatient services which are covered under Medicare. As is the case for hospital services, review will not be conducted for types of services that are not covered under Medicare.

Regarding the issue of whether a separate set of review criteria for PROs will be developed, we believe that separate PRO review criteria are needed. We have initiated a process to develop these criteria and will issue them to the PROs as soon as possible after publication of these regulations. These criteria should reflect the special characteristics of the RPCH patient and provider and should address, at a minimum, the issues of quality of care, medical necessity of admissions, appropriateness of the level of care provided, adequacy of the preliminary workup, diagnosis, treatments, and discharge planning, in view of the presenting symptoms, and whether it was reasonable to treat the patient at the RPCH, in terms of whether the patient had a medical condition of such acuity or of such an unstable nature that the risk of transporting the patient to the nearest facility with the resources to treat the patient would be outweighed by the patient's need for those resources. Since the EACH program is new, we will also provide educational opportunities to promote collaborative relationships between the PRO and the provider community.

Regarding the question of whether HCFA will renegotiate the PRO scope of work to include PRO review, HCFA will issue a Directed Change Order to

existing contracts for affected PROs to include RPCH review.

In relation to photocopying and access to records, the responsibility of the RPCH is the same as that of a hospital. The statutory authority for the requirement that RPCHs enter into agreements with PROs is located at section 1866(a)(1)(F)(ii) of the Act.

Comment: Because of inherent differences between hospitals and RPCHs, § 485.641 should be revised by adding language similar to that in section 1154(a)(6)(A) of the Act and 42 CFR 466.100 to ensure that the review standards PROs use are relevant to the types of services RPCHs furnish.

Response: We do not believe it is necessary to add this language since the PROs are already required to follow the review standards in section 1154(a)(6)(A) of the Act which address differing, but acceptable, modes of treatment and methods of organizing and delivering care.

Comment: One view was that States could have greater flexibility in designating facilities as RPCHs if the PRO were required to review in advance the proposed admissions to EACHs from RPCHs. The commenter believes this would delay delivery of EACH services and convert RPCHs to little more than remote waiting rooms for EACHs. The commenter believes review of EACH admissions should be done by non-PRO physicians.

Response: We agree that the PRO should not be required to review in advance proposed admissions to EACHs from RPCHs, as we do not want to restrict or burden inordinately the routine admission procedure for RPCHs and their patient population. We disagree with the suggestion that EACH admission review be done by non-PRO physicians. This recommendation is not consistent with the requirement that all Medicare participating hospitals have contractual arrangements with the PROs in their areas to review the admissions, quality, appropriateness, and diagnostic information related to inpatient services covered by Medicare. Therefore, we did not adopt the recommendation.

IV. Provisions of the Final Regulations

For the most part, the final rule incorporates the provisions of the October 25, 1991 proposed rule. We have made various technical and conforming changes. For reasons explained in the responses to public comments, the final rule differs from the proposed rule in the following ways:

- In § 409.20, we clarify in paragraph (a) that a hospital or RPCH must be participating in Medicare in order for posthospital SNF care to be a covered service.
- We clarify in § 409.30(a) that a 72-hour stay in an RPCH can qualify a beneficiary for post-hospital extended care. This change is necessary to coordinate section 1861(i) with section 1820 of the Act.
- In § 409.60(a), we specify that a benefit period begins when a beneficiary is admitted to an RPCH.
- In § 410.3(a)(1) to accommodate a revision in the CFR (57 FR 33878, published July 31, 1992), we add federally qualified health center services as a covered service under medical and other health services.
- In § 410.28 in paragraph (a)(3), we do not include the reference to inpatient RPCH services that was inadvertently shown in the proposed rule.
- In § 410.152 we clarify the payment provisions applicable to RPCH services.
- In §§ 411.15(m)(2)(v) and 489.20(d)(5), in the list of services that are excluded from rebundling, we change the reference from certified registered nurse anesthetist to anesthetist as defined in § 410.69 in accordance with **Federal Register** publication 57 FR 33878, published July 31, 1992. Also, for clarity, we move the undesignated parenthetical expression from the end of paragraph (m) and add it as a last sentence to paragraph (m)(1).
- In § 412.90, we redesignate the proposed paragraph (i) as paragraph (j) to accommodate the recent addition of a new paragraph (i) (57 FR 39746, published September 1, 1992).
- In §§ 412.109(c) and 485.610(a)(3), we specify that a hospital reclassified from rural to urban by HCFA or the Geographic Classification Review Board will continue to be considered rural for purposes of these regulations if the reclassification affects only the wage index. If HCFA or the Board action affects the standardized amount, either separately or in conjunction with the wage index, the hospital will be considered urban under these regulations. We further state that a hospital that has been redesignated to an urban area under § 412.232 is not considered "rural" for purposes of EACH or RPCH designation.
- In § 412.109(d), we specify that HCFA would not grant an adjustment to an EACH's hospital-specific rate unless the hospital's inpatient operating costs per discharge exceed its hospital-specific rate.
- In § 413.1, we add RPCHs to the list of providers subject to the Medicare payment regulations in this part for services furnished to beneficiaries.
- A conforming change is made to § 413.13 by adding a new paragraph (c)(2)(iv) to provide an exclusion from the LCC provision in determining payment for inpatient RPCH services, and for outpatient RPCH services that are paid under the all inclusive rate method.
- We are revising § 413.70(a)(1) to stipulate that the per diem cost paid to an RPCH for inpatient services during its first 12-month cost reporting period is based on the RPCH's reasonable costs, without application of the lower of reasonable cost or customary charge limitation (§ 413.13).
- In § 413.70(b)(1) we now permit the RPCH, once it makes an election to have outpatient services paid under one of the outpatient methods, to change its election annually. The RPCH must make its election in writing before the beginning of the cost reporting period for which the election is made.

Although we are not changing the wording of the regulation text, we would like to clarify that under the "cost-based RPCH payment plus professional services" method described in § 413.70(b)(2)(i), payment for RPCH services is the same as Medicare payments for outpatient services furnished by any hospital (for example, the blended payment methods for approved ambulatory surgical center procedures, radiology and other diagnostic services; fee schedule payment for clinical diagnostic laboratory services, orthotics, and prosthetics; and payment based on the LCC for clinic visits, chemotherapy).

For payment purposes, we make RPCHs subject to the same rules for payment of professional services as hospital. We also define professional medical services to mean those services provided by a physician or other professional (for example, a physician assistant, an anesthetist, and a nurse practitioner) that could be billed separately to a carrier under Medicare.

- In § 413.70(b)(3) we stipulate that under the "all inclusive rate" method the rate per visit is based on reasonable costs, without application of the LCC limitation.
- In § 440.170 we clarify the language creating RPCH services as an optional Medicaid benefit and specify that inpatient RPCH services do not include SNF or nursing facility (NF) services furnished by an RPCH with swing-bed approval.
- We have redesignated the definition section from § 485.603 to § 485.602 and located the criteria for a rural health network, incorrectly included with the definitions in § 485.603. The criteria are unchanged.
- In § 485.604 in response to public comments, we add a description of the

qualifications for CNS as a new paragraph (a). The CNS may perform the same duties as a physician assistant or nurse practitioner. Existing paragraphs (a) and (b) have been redesignated (b) and (c), respectively.

- In § 485.612, we redesignate paragraph (b) as (c) and add a new paragraph (b) giving the States the discretion to determine the forms, content, and timing of the necessary RPCH application. Further, a State has the authority to deem an other wise eligible facility to have applied timely if it closed within the 12-month period ending on the date on which the application for RPCH designation is first made available to interested facilities.
- In § 485.614, under the exceptions for termination of inpatient care services in paragraph (b), we now state that an RPCH with a swing-bed agreement provides inpatient RPCH care and, under the agreement, posthospital extended care.
- In § 485.618, we redesignate the existing paragraph (c) on personnel standards as paragraph (d) and add a new paragraph (c) requiring the RPCH to provide the blood and blood banking services needed to deal with emergency cases. The blood storage facilities must be under the control and supervision of a pathologist or other qualified doctor of medicine or osteopathy. The services may be furnished either directly or under arrangement. The standard for coordination of emergency response systems in paragraph (e) is revised to remove the provisions allowing EMTs to perform telephone triage in emergencies, and to limit performance of this function to doctors of medicine or osteopathy.
- In § 485.620, we change the heading of the section and paragraph (a) to refer to "number of beds" instead of "bed size." We also delete the reference to a patient receiving posthospital SNF care under the length-of-stay requirement at the end of paragraph (b) since this is technically a discharge from the RPCH.
- In § 485.623(c)(4), we are deleting the requirement that RPCHs place exit signs in appropriate locations. RPCHs are required by § 485.623(d)(1) of the regulations to meet the Life Safety Code, and section 12–2.10 of the Code requires the use of exit signs. We believe that a it is neither necessary nor desirable to include in the regulations a provision which duplicates a Code requirement.
- In § 485.623(c)(4), we add the requirement that RPCHs maintain emergency fuel as well as water supplies. This requirement was not included in the proposed rule, but it parallels the requirement for emergency gas supplies in the hospital conditions of participation at 42 CFR 482.41(a)(2), and is necessary to patient health and safety. Since any facility seeking designation as an RPCH must first comply with (or previously have complied with) the requirement in § 482.41(a)(2) for hospitals, we do not expect RPCHs to have difficulty in meeting this requirement.
- In § 485.627, we are adding the standard that RPCHs have either an organized governing body or a single individual with full legal responsibility for determining, implementing and monitoring policies governing the RPCH's total operation and for ensuring that those policies are administered so as to provide quality health care in a safe environment. This standard was not included in the proposed rule, but is being included because it is necessary to ensure proper accountability for protection of patient health and safety.
- We are revising § 485.631 to specify that an RPCH staffed by one or more M.D.s or D.O.s may also have mid-level practitioners on staff but is not required to do so, and CNSs are allowed the same range of responsibilities and functions as NPs and PAs, if this is consistent with State law.
- In § 485.635 we give CNSs the same responsibilities and functions as NPs and PAs with regard to development of patient care policies. Under the laboratory services listed in § 485.635(b), we remove primary culture inoculations from the list of laboratory services in paragraph (b)(2)(viii). The CLIA laboratory test categorization list published in the **Federal Register** on July 8, 1992 (57 FR 30362) characterized this service as not being a test. Rather, this procedure is a collection of a specimen, which is a general diagnostic and therapeutic service. Therefore, we are adding specimen collection to the list of diagnostic and therapeutic services shown in paragraph (b)(1) of this section. We revise the requirement for arterial blood gas testing to include an option to use oximetry testing to meet the requirement. We also specify that food services for RPCH inpatients may be provided under arrangements, as well as directly by employees of the RPCH. We make the RPCH responsible for the quality of contracted services (those obtained under arrangements) to the same extent as if they were furnished directly. We state that PAs can review nursing care plans for RPCH inpatients, when this is consistent with State scope of practice laws.
- In § 485.638, we revised paragraph (c) to state that clinical records may be retained beyond the mandatory 6 years if they are needed in any pending proceeding.
- In § 485.641, we make CNS, like NPs and PAs, subject to an evaluation of quality and appropriateness of the diagnosis and treatment they provide.
- In § 485.645, we are revising paragraph (a)(1) to permit RPCHs with swing-bed agreements to use each of the 12 inpatient beds that they would be allowed to have for either RPCH or SNF care. We clarify that beds in separately certified distinct-part SNFs or NFs do not count toward the bed count of a swing-bed RPCH. We remove the requirement that the RPCH be granted a certificate of need for long-term care services from the State health planning and development agency. The statute implementing this requirement was repealed January 1, 1987. We require a swing-bed RPCH to meet the same SNF requirements as a swing-bed hospital (§ 482.66(b)) except that it is not required to employ a professional activities director, but may obtain the services of the director on a consulting basis. We specify a swing-bed RPCH must perform a comprehensive assessment of SNF-level patients kept longer than 14 days and to develop care plans and do discharge planning for patients kept at this level for more than 21 days.
- In § 489.20, we clarify that an RPCH furnishing inpatient RPCH services must maintain an agreement with a PRO for review of the services that the RPCH furnishes.
- We are amending part 498 concerning appeals procedures for determinations that affect participation in the Medicare program. Specifically, in § 498.2, we are adding RPCH to the definition of "Provider." By including an RPCH in the definition of provider in section 1861(u) of the Act, the statute accorded full provider status to an RPCH under the Medicare program. Thus, an RPCH is entitled to a hearing and judicial review of the hearing if dissatisfied with a determination described in section 1866(b)(2) of the Act that gives the Secretary the authority to refuse participation in Medicare to a provider failing to meet certain conditions.

V. Collection of Information Requirements

Final regulations at §§ 485.602, 485.623(d)(4), 485.635(a), (c), and (d), 485.638, and 485.641(b)(5)(iii) contain information collection requirements that are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.). Specifically, a hospital that wishes to be designated as an EACH must furnish certain information regarding its agreements

with RPCHs and an RPCH must submit an application when seeking RPCH designation. Public reporting burden for this collection of information is estimated to be 10 hours per EACH for the hospital's first year of operation as an EACH, and 2 hours for each later year. Public reporting burden for this collection of information for an RPCH is estimated to be 67 hours per year for the facility's first year as an RPCH, and 57 hours for each later year. A notice will be published in the Federal Register after approval is obtained. Organizations and individuals desiring to submit comments on the information collection and recordkeeping requirements should direct them to: Allison Herron Eydt, HCFA Desk Officer, Office of Information and Regulatory Affairs, room 3002, New Executive Office Building, Washington, DC 20503.

VI. Regulatory Impact Statement and Flexibility Analysis

A. Executive Order 12291 and the Regulatory Flexibility Act

Executive Order 12291 (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, that would likely 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
- 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 and publish 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 this final rule would not have a significant economic impact on a substantial number of small entities. For purposes of the RFA, we consider all hospitals and suppliers of medical services to be small entities. States and individuals are not considered small entities under the RFA.

Also, section 1102(b) of the Act requires the Secretary to prepare a regulatory flexibility analysis for any final rule that may 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. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside of a Metropolitan Statistical Area and has fewer than 50 beds.

As stated in the initial impact analysis, this final rule would not meet the $100 million criterion, nor do we believe it meets the other E.O. 12291 criteria. Therefore, this final rule is not a major rule under E.O. 12291, and an initial regulatory impact analysis is not required.

We are preparing a regulatory flexibility analysis because we believe some rural hospitals would be significantly affected by this final rule. The following discussion describes the anticipated impact on providers and rural hospitals.

B. Objectives of Final Regulations

The objective of the final regulations, like that of the legislation on which they are based, is to enhance the availability of outpatient and emergency care for Medicare patients in rural areas where maintenance of a full-service hospital is not financially feasible. The regulations would do this by providing criteria for the designation of certain facilities as RPCHs and by restating the legislative provisions which require the designation of hospitals as EACHs if they meet certain criteria governing location and number of beds, and agree to provide essential emergency and medical backup services for RPCHs. The regulations also are intended to ensure that the services furnished in RPCHs are of acceptable quality and do not endanger patient health and safety. (Since EACHs are hospitals, EACH services are subject to the health and safety rules in the hospital conditions of participation at 42 CFR part 482.)

C. Alternatives Considered

1. EACHs

The final regulations reflect the provisions of section 1820(i)(1)(B) of the Act, under which HCFA can designate certain hospitals as EACHs even though they were not so designated by the State, if the only reason for their nondesignation is that the hospitals have fewer than 75 inpatient beds and are located within 35 miles of another hospital. In the preamble to the proposed rule, we asked for public comment on how to make these designations.

We received general recommendations that we expand the use of the section 1820(i)(1)(B) of the Act authority to designate a facility as an EACH even though a facility does not meet the number of beds and location restrictions specified in the regulations. We also considered recommendations that we allow the States to exercise this authority on behalf of the Secretary. In addition, we received one comment that recommended we develop alternative service criteria for designating an EACH by compiling a profile of basic service requirements that a hospital would have to satisfy in order to meet the needs of patients referred from an RPCH. It was also recommended that these criteria be ones that could be modified to reflect the patient load of individual rural areas.

As noted elsewhere in this preamble, we have decided to use the section 1820(i)(1)(B) of the Act authority to allow a hospital having fewer than 75 beds to be designated as an EACH if the hospital meets other requirements and is not located within 35 of another hospital having 75 or more beds. However, we are not making other changes based on these comments at this time. While we understand the need for State and network-level flexibility in the provision of services, we also note that exercise of the section 1820(i)(1)(B) of the Act authority to designate a facility not meeting statutory criteria as an EACH could discourage compliance with those criteria. In our view, the program as passed by the Congress should be given a chance to operate before widespread variations from it are allowed. Therefore, we did not adopt the general recommendations for using the section 1820(i)(1)(B) of the Act authority extensively at the Federal level or for allowing designations under that provision to be made by States.

We also considered the suggestion regarding development of alternative service criteria that could be used in designating a hospital as an EACH. However, we do not now have enough information about the characteristics of potential EACH patients to develop the kind of alternative service criteria recommended by this commenter. Therefore, we made no changes based on this comment.

2. RPCHs

a. *Authority to designate RPCHs not meeting limits on number of beds or length of stay.* As explained earlier in this preamble, we considered commenters' recommendations that we use the section 1820(i) authority to designate facilities as EACHs or RPCHs even though they do not meet the restrictions on location, staffing or number of beds specified in the regulations, or that we allow the States to exercise this authority on behalf of the Secretary. However, we decided not to adopt any of these comments. (We did use the authority in section

1820(i)(2)(B) of the Act to allow swing-bed participation by an RPCH that has no more than 12 beds. This is discussed in more detail at paragraph 2.d. in this section.) We believe the minimal requirements we have established for RPCHs give these facilities adequate flexibility to organize themselves and provide services as they see fit. We also are concerned that fostering wide variations in the types of facilities designed as EACHs or RPCHs would not be fully consistent with patient health and safety and might not allow us to assure Medicare beneficiaries a uniform quality of care. Finally, we believe that the program as enacted by the Congress should be given a chance to operate in the seven grant States before widespread variations from it are allowed. Therefore, we did not adopt this alternative.

b. *Qualifications of emergency care personnel.* As noted above, the emergency care requirements state that a physician, physician's assistant, or nurse practitioner or a clinical nurse specialist (as added by this final rule) with training or experience in emergency care must be on call and immediately available by telephone or radio contact, and available on site at the RPCH within 30 minutes, on a 24-hour a day basis. As stated in the initial regulatory flexibility analysis, we believe the option of emergency staffing by a physician's assistant or nurse practitioner (or recently added clinical nurse specialist) should be allowed because physician availability is likely to be a problem in the rural areas served by RPCHs. However, it can be argued that only physicians are qualified to treat the full range of emergencies that may present themselves at an RPCH, and that allowing staffing by other practitioners does not meet the emergency care expectation in the law.

We believe allowing emergency services to be furnished by a physician assistant, nurse practitioner, or clinical nurse specialist will result in an adequate level of emergency care, and that imposing a higher requirement will only disqualify many facilities and deny patients access to their services. The requirement that a physician be available by radio or telephone will help ensure quality care by providing backup for the practitioner treating the patient.

c. *Keeping facility open for emergency care.* The final regulations do not require that an RPCH have any medical or paramedical personnel on site unless it has inpatients. One alternative view is that personnel should be at the RPCH at all times to provide emergency care for "walk-in" patients.

We rejected this option, and instead will allow the RPCH to close when it does not have inpatients.

While full-time staffing would improve response time for certain "walk-in" cases, we believe many hospitals that would apply to be RPCHs could not afford to remain open at all times on a standby basis, and that imposing such a requirement would discourage many hospitals from applying for RPCH status. Instead of full-time staffing, we will require each RPCH, in coordination with emergency response systems in the area, to establish procedures for 24-hour a day telephone triage of emergency cases by a doctor of medicine or osteopathy or other qualified practitioner. The practitioner must be qualified to receive emergency calls, provide information on treatment of emergency patients, and refer patients to the RPCH or other appropriate locations for treatment. We expect that this triage capacity allows for appropriate handling of emergency cases that arise when the RPCH is closed, but will not impose unacceptably high staffing burdens on the RPCH.

d. *Allowing RPCHs to have swing beds.* As one way of permitting flexibility in number of beds and length of stay for RPCHs, we are allowing swing-bed participation by an RPCH that has no more than 12 beds, provided that the RPCH otherwise meets the RPCH requirements.

This option allows RPCHs greater flexibility to treat certain medical conditions, such as pneumonia, which can be adequately managed in a limited-service RPCH but require more than a 72-hour recovery period.

We are limiting the number of beds that a swing-bed RPCH can have to 12, because the nurse staffing levels in RPCHs could probably not provide adequate care for more patients. Even for swing-bed RPCHs, however, we are not allowing stays of more than 72 hours by patients at an RPCH level of care, unless required because of inclement weather or other emergency conditions. In making this rule, we recognize that one possible alternative interpretation of the EACH/RPCH legislation is that RPCHs are a separate provider category from hospitals under the law, and that they thus are not eligible to enter into swing-bed agreements. We did not adopt this alternative, however, because we believe it is inconsistent with the overall objectives of the legislation and with the specific provision allowing swing-bed hospitals to be designated as RPCHs (section 1820(f)(3) of the Act).

As explained earlier in this preamble, a number of commenters were dissatisfied with the limited number of swing beds that we proposed to allow RPCHs and recommended that the limit on number of beds be raised. They suggested that no limit on beds be imposed by HCFA, that the facility be limited to the number of beds it had when it operated as a hospital, or that staffing level standards be developed to allow the RPCHs to have a higher number of swing beds. In general, we did not adopt these comments because we believe it would not be appropriate to permit wide variation in the size of facilities designated as RPCHs. We do not believe that limiting facilities to prior numbers of approved swing beds would provide equitable treatment to facilities without prior swing-bed approvals. (For a more indepth explanation, see the discussion of comments titled "Special requirements for RPCH providers of long-term care services ('swing-beds') (§ 485.645)".) While objective staffing standards would seem to allow for higher numbers of swing beds, we do not now have the information needed to develop those standards.

D. Projected Costs and Anticipated Benefits and Impact on Small Entities

We do not now have sufficient data to estimate the dollar amounts of the changes in facility costs or federal expenditures which would result from the adoption of these final regulations. However, it is possible to assess in qualitative terms the projected costs and benefits of the final rules. Since all hospitals which could be eligible for RPCH status, and many hospitals eligible to be designated as EACHs by the Secretary, would have fewer than 50 beds, a description of projected cost/benefit changes also explains the anticipated effect the final regulation will have on small entities.

1. EACH Provisions

Under existing criteria for the designation of sole community hospitals (SCHs) (42 CFR 412.92(a)), hospitals which meet one of the requirements for EACH designation (location more than 35 miles from another like hospital) can be designated as SCHs. Since EACHs are treated as SCHs for payment purposes, the final regulations will have the effect of extending SCH status to other hospitals, specifically those that have more than 75 beds and enter into network agreements with RPCHs. This means that instead of being paid on the same basis as PPS hospitals generally, these hospitals would receive a more favorable rate of payment. In addition,

if an EACH incurs increases in reasonable costs as a result of becoming a member of a rural health network in its State, and because of these increases will increase its costs for later cost reporting periods, the hospital-specific rate under section 1886(b)(3)(C) of the Act will be increased to account for these increases. As provided in section 1886(d)(5)(D)(i) of the Act, hospitals classified as SCHs beginning with cost reporting periods starting on or after April 1, 1990, will be paid based on whichever of the three following rates yields the greatest aggregate payment for the cost reporting period: the Federal national rate applicable to the hospital, the updated hospital-specific rate based on FY 1982 cost per discharge, or the updated hospital-specific rate cost per discharge based on FY 1987 cost per discharge.

The more favorable PPS payment rates will benefit hospitals designated as EACHs by increasing their revenues. To the extent the services would have been furnished in the hospitals that would not have qualified as SCHs in the absence of the EACH designation, Medicare program costs of inpatient hospital care could increase, although for some facilities that Federal rate would be the highest of the choices available. To the extent the network arrangements result in the EACHs' receiving referrals of patients who otherwise would be treated in larger urban facilities, Medicare costs could remain substantially the same or even diminish. If EACHs replace urban facilities as referral hospitals, some hospitals in small or mid-sized cities could experience higher utilization and hospitals in the urban areas could have corresponding decreases in patient volume. Patients and their families would likely benefit from more convenient access to kinds of medical care not available in their home communities.

2. RPCH Provisions

As envisioned in the legislation and the final regulations, an RPCH is in effect a freestanding hospital emergency department which offers limited inpatient services as needed to allow patients to be kept long enough for their conditions to be stabilized before they are discharged or referred on to an EACH for more extensive treatment. The payment mechanism for RPCH services to outpatients allows the RPCH to choose between being paid for its RPCH services on the same basis as an hospital outpatient department (that is, a reasonable cost or a blend of reasonable cost and fee schedule rates), with physicians' and other practitioners' professional services being billed for separately, or being paid an all-inclusive rate that reflects both the RPCH facility and professional service costs.

In response to public comments on the proposed rule, we have revised this final rule to preclude application of the lesser of cost or charges (LCC) principle in determining payment for RPCH outpatient services under the all-inclusive rate method. However, the LCC principle continues to apply for outpatient services under the cost-based facility fee method.

Inpatient services are to be paid on a reasonable cost per day basis for the RPCH's first year of operation, with payments for later years calculated on the basis of the base year costs, inflated by the PPS update factor for rural hospitals. In response to public comments on the proposed rule, we have revised this final rule to preclude application of the LCC principle in determining payment for 'inpatient' services.

In general, it appears that RPCHs should benefit from a level of payment for their outpatient services which is at least as high as they would have received if they had continued to function as hospitals. To the extent that the RPCHs can avoid costs by not being open on a full-time basis or by negotiating favorable compensation arrangements with practitioners under an all-inclusive rate approach, the benefits of this payment method for the RPCH may occur without any corresponding increase in Medicare costs for the outpatient services. We have revised the final rule to state that the LCC principle will not apply to payment under the all-inclusive rate method. However, consistent application of the statute requires that payment under the cost-based payment and professional payment method for outpatient services must include application of the LCC principle.

Since the payment method for inpatient hospital services is based on the RPCH's costs, the RPCH should experience increased revenues relative to hospital payment under the PPS, with correspondingly higher Medicare expenditures. If the care at the RPCH avoids the need for subsequent hospitalization or reduces the length of a subsequent hospital stay, however, the costs of care in the RPCH could be partly or entirely offset by lower spending for hospital care.

For beneficiaries and their families, the principal benefit should be improved access to emergency care and more convenient access to limited-scope inpatient care.

The cost effects of the swing-bed option are difficult to predict, since we do not know how many RPCHs would select this option or how lengthy the stays for posthospital extended care services would be. For beneficiaries, the principal effect is likely to be more convenient access to care.

E. Summary and Net Benefits

In general, the final regulations can be expected to benefit rural hospitals that may be experiencing financial problems under the PPS by allowing them more flexibility to reduce their costs and a more generous level of payment for the services they choose to continue to provide. This benefit would likely be accompanied by increased Medicare program costs since beneficiaries requiring inpatient treatment may choose to be treated in RPCHs near their home, which would be reimbursed on a cost-based system, rather than in larger, but more distant hospitals which are paid under the PPS. The level of cost increases may be higher than would otherwise be expected because recently closed hospitals would be able to reopen as RPCHs and could receive payment at higher rates than would have applied if they had continued to function as hospitals under the PPS. As the program continues, there may be offsetting savings resulting from shorter stays in referral hospitals and from the possible avoidance of some inpatient hospital admissions entirely. It is not clear whether the Medicare program savings realized in this way will be great enough to offset the higher costs.

For Medicare patients and their families, there should be a net benefit in that emergency and certain types of inpatient care would continue to be available in their local areas, allowing for earlier treatment of emergency cases and avoiding the need to travel to more distant hospitals for inpatient care. The level of deductible and coinsurance liability should remain the same since the inpatient services of RPCHs are subject to the part A deductible and coinsurance rules that apply to hospital services. For outpatient services, to the extent RPCHs pass along any operating savings in reduced charges, there may be a net saving to beneficiaries for these charges, through reduced copayments.

List of Subjects

42 CFR Part 400

Grant programs-health, Health facilities, Health maintenance organizations (HMO), Medicaid, Medicare, Reporting and recordkeeping requirements.

42 CFR Part 409

Health facilities, Medicare.

42 CFR Part 410

Health facilities, Health professions, Kidney diseases, Laboratories, Medicare, Rural areas, X-rays.

42 CFR Part 411

Medicare, Recovery against third parties, Secondary payments.

42 CFR Part 412

Health facilities, Medicare, Reporting and recordkeeping requirements.

42 CFR Part 413

Health facilities, Kidney diseases, Medicare, Reporting and recordkeeping requirements.

42 CFR Part 424

Assignment of benefits, Claims for payment, Emergency services, Physician certification, Plan of treatment.

42 CFR Part 440

Grant programs-health, Medicaid.

42 CFR Part 485

Health facilities, Incorporation by reference, Medicare, Reporting and recordkeeping requirements.

42 CFR Part 488

Forms and guidelines, Health facilities, Survey and certification.

42 CFR Part 489

Health facilities, Medicare.

42 CFR Part 498

Administrative practice and procedure, Health facilities, Health professions, Medicare, Reporting and recordkeeping requirements.

42 CFR chapter IV is amended as follows:

A. Part 400 is amended as set forth below:

PART 400—INTRODUCTION: DEFINITIONS

1. The authority citation for part 400 continues to read as follows:

Authority: Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh) and 44 U.S.C. chapter 35.

2. In § 400.202 the introductory language is republished, the definitions for *Provider* and *Services* are revised, and the definitions of *Essential Access Community Hospital* and *Rural Primary Care Hospital* are added in alphabetical order to read as follows:

§ 400.202 Definitions specific to Medicare.

As used in connection with the Medicare program, unless the context indicates otherwise—

* * * * *

Essential access community hospital (EACH) means a hospital designated by HCFA as meeting the applicable requirements of section 1820 of the Act and of subpart G of part 412 of this chapter.

* * * * *

Provider means a hospital, an RPCH, a skilled nursing facility, a comprehensive outpatient rehabilitation facility, a home health agency, or a hospice that has in effect an agreement to participate in Medicare, or a clinic, a rehabilitation agency, or a public health agency that has a similar agreement but only to furnish outpatient physical therapy or speech pathology services.

* * * * *

Rural primary care hospital (RPCH) means a facility designated by HCFA as meeting the applicable requirements of section 1820 of the Act and of subpart F of part 485 of this chapter.

Services means medical care or services and items, such as medical diagnosis and treatment, drugs and biologicals, supplies, appliances, and equipment, medical social services, and use of hospital, RPCH, or SNF facilities.

* * * * *

B. Part 409 is amended as follows:

PART 409—HOSPITAL INSURANCE BENEFITS

1. The authority citation for part 409 continues to read as follows:

Authority: Secs. 1102, 1812, 1813, 1861, 1862(h), 1871, and 1881 of the Social Security Act (42 U.S.C. 1302, 1395d, 1395e, 1395x, 1395y(h), 1395hh, and 1395rr).

§§ 409.10, 409.11, 409.12, 409.13, 409.14, 409.16, 409.30 409.65, 409.66, 409.68, 409.80, 409.82, 409.87 [Amended]

2. In the following locations, "hospital" is revised to read "hospital or RPCH":

§ 409.10(a)(3)
§ 409.11 (b)(1)(ii), (b)(3) introductory text
§ 409.12(b)
§ 409.13 (a)(1), (a)(2), (a)(3), (b)
§ 409.14(a)(1), (a)(2), (b) introductory text, (b)(1), (b)(2)
§ 409.16 (a), (b), (c)
§ 409.30 introductory text, (a)(2), (b)(1), (b)(2)
§ 409.65 (a)(1), (a)(3), (a)(4), (d)(1), (d)(2), (e)(1), (e)(2)(i), (e)(2)(ii)
§ 409.66 (b), (c)(2)
§ 409.68 (a)(1), (a)(2), (a)(3), (a)(4), (b)(2), (c)
§ 409.80 (a)(1), (a)(2)
§ 409.82(c)
§ 409.87(a)(3)

§§ 409.13, 409.14, 409.15, 409.16, 409.31, 409.61, 409.65, 409.68, 409.83 [Amended]

3. In the following locations, "inpatient hospital" is revised to read "inpatient hospital or inpatient RPCH":

§ 409.13(a) introductory text
§ 409.14(a) introductory text
§ 409.15 introductory text
§ 409.16 introductory text
§ 409.31 (b)(2)(i), (b)(2)(ii)
§ 409.61 (a)(2), (c)
§ 409.65(e)(2) introductory text
§ 409.68 heading, (a) introductory text
§ 409.83(c)(1)

4. In § 409.5 the first sentence is revised to read as follows:

§ 409.5 General description of benefits.

Hospital insurance (Part A of Medicare) helps pay for inpatient hospital or inpatient RPCH services and posthospital SNF care. * * *

Subpart B—Inpatient Hospital Services and Inpatient Rural Primary Care Hospital Services

5. The heading of subpart B is revised to read as shown above.

6. Section 409.10 is amended by revising the introductory text of paragraph (a) and paragraph (b) to read as follows:

§ 409.10 Included services.

(a) Subject to the conditions, limitations, and exceptions set forth in this subpart, the term "inpatient hospital or inpatient RPCH services" means the following services furnished to an inpatient of a participating hospital or of a participating RPCH or, in the case of emergency services or services in foreign hospitals, to an inpatient of a qualified hospital:

* * * * *

(b) "Inpatient hospital services" does not include SNF-type care furnished by a hospital or an RPCH that has a swing-bed approval, or any nursing facility-type care that may be furnished as a Medicaid service under title XIX of the Act.

7. In § 409.11(b), the heading, paragraph (b)(1)(iii) and (b)(3)(ii) are revised to read as follows:

§ 409.11 Bed and board.

* * * * *

(b) *Private accommodations.*—(1) *Conditions for payment in full.*

* * * * *

(iii) The hospital's or RPCH's semiprivate and ward accommodations are fully occupied by other patients, were so occupied at the time the patient

was admitted to the hospital or RPCH, respectively, for treatment of a condition that required immediate inpatient hospital or inpatient RPCH care, and have been so occupied during the interval.

* * * * *

(3) *Conditions for patient's liability.*

* * * * *

(ii) The private room was requested by the patient or a member of the family, who, at the time of the request, was informed what the hospital's or RPCH's charge would be.

8. In § 409.12, the heading and paragraph (a) are revised to read as follows:

§ 409.12 Nursing and related services, medical social services; use of hospital or RPCH facilities.

(a) Except as provided in paragraph (b) of this section, Medicare pays for nursing and related services, use of hospital or RPCH facilities, and medical social services as inpatient hospital or inpatient RPCH services only if those services are ordinarily furnished by the hospital or RPCH, respectively, for the care and treatment of inpatients.

* * * * *

9. In § 409.20, the introductory text of paragraph (a) is revised, the introductory text of paragraph (c) is republished and paragraph (c)(3) is added to read as follows:

§ 409.20 Coverage of services.

(a) *Included services.* Subject to the conditions and limitations set forth in this subpart and subpart D of this part, "posthospital SNF care" means the following services furnished to an inpatient of a participating SNF, or of a participating hospital or RPCH that has a swing-bed approval.

* * * * *

(c) *Terminology.* In §§ 409.22 through 409.36—

* * * * *

(3) The term "swing-bed hospital" includes an RPCH with swing-bed approval under subpart F of part 485 of this chapter.

10. Section 409.27 is revised as follows:

§ 409.27 Other diagnostic or therapeutic services.

Medicare pays for other diagnostic or therapeutic services as posthospital SNF care if they are provided by a participating hospital with which the SNF has in effect an agreement for the transfer of patients and exchange of clinical records, or by a hospital or an RPCH that has a swing-bed approval.

11. In § 409.30, the introductory text of paragraph (a) is republished and paragraph (a)(1) is revised to read as follows:

§ 409.30 Basic requirements.

* * * * *

(a) *Pre-admission requirements.* The beneficiary must—

(1) Have been hospitalized in a participating or qualified hospital or participating RPCH, for medically necessary inpatient hospital or inpatient RPCH care, for at least 3 consecutive calendar days, not counting the day of discharge, or have received inpatient RPCH care for 72 hours; and

* * * * *

12. In § 409.60, paragraphs (a) and (b)(1) are revised to read as follows:

§ 409.60 Benefit periods.

(a) *When benefit periods begin.* The initial benefit period begins on the day the beneficiary receives inpatient hospital, inpatient RPCH, or SNF services for the first time after becoming entitled to hospital insurance. Thereafter, a new benefit period begins whenever the beneficiary receives inpatient hospital, inpatient RPCH, or SNF services after he or she has ended a benefit period as described in paragraph (b) of this section.

(b) *When benefit periods end.*—(1) A benefit period ends when a beneficiary has, for at least 60 consecutive days not been an inpatient in any of the following:

(i) A hospital that meets the requirements of section 1861(e)(1) of the Act.

(ii) An RPCH that meets the requirements of section 1820 of the Act.

(iii) A SNF that meets the requirements of sections 1819(a)(1) or 1861(y) of the Act.

* * * * *

13. In § 409.61, the section heading of paragraph (a), the first sentence of paragraph (a)(1)(i), the headings of paragraphs (a)(3) and (b) and the first sentence of paragraph (b) are revised to read as follows:

§ 409.61 General limitations on amount of benefits.

(a) Inpatient hospital or inpatient RPCH services.—

(1) * * *

(i) For the first 60 days (referred to in this subpart as *full benefit days*), Medicare pays the hospital or RPCH for all covered services furnished the beneficiary, except for a deductible which is the beneficiary's responsibility.

* * *

(2) * * *

(3) *Order of payment for inpatient hospital or inpatient RPCH services.*

* * *

* * * * *

(b) *Posthospital SNF care furnished by a SNF, or by a hospital or an RPCH with a swing-bed approval.* Up to 100 days are available in each benefit period after discharge from a hospital or RPCH.* * *

* * * * *

§ 409.64 [Amended]

14. In § 409.64(a)(2)(ii), "hospital, SNF, or home health agency" is revised to read "hospital, RPCH, SNF, or home health agency".

15. In § 409.65, paragraph (d)(3) is revised to read as follows:

§ 409.65 Lifetime reserve days.

* * * * *

(d) *Filing the election.*

* * * * *

(3) A retroactive election (that is, one made after lifetime reserve days have been used because the regular days were exhausted), is not acceptable unless it is approved by the hospital or RPCH.

* * * * *

16. In § 409.82, paragraph (a)(1) is revised to read as follows:

§ 409.82 Inpatient hospital deductible.

(a) *General provisions.*—(1) The inpatient hospital deductible is a fixed amount chargeable to the beneficiary when he or she receives covered services in a hospital or an RPCH for the first time in a benefit period.

* * * * *

17. In § 409.83, paragraph (a)(1) is revised to read as follows:

§ 409.83 Inpatient hospital coinsurance.

(a) *General provisions.*—(1) Inpatient hospital coinsurance is the amount chargeable to a beneficiary for each day after the first 60 days of inpatient hospital care or inpatient RPCH care or both in a benefit period.

* * * * *

§ 409.87 [Amended]

18. In § 409.87(b)(l), "or RPCH's" is added immediately after "hospital's".

C. Part 410 is amended as follows:

PART 410—SUPPLEMENTARY MEDICAL INSURANCE (SMI) BENEFITS

1. The authority citation for part 410 is revised to read as follows:

Authority: Secs. 1102, 1832, 1833, 1834, 1835, 1861(r), (s), (cc), and (mm), 1861(aa), 1871, and 1881 of the Social Security Act (42 U.S.C. 1302, 1395k, 13951, 1395m, 1395n, 1395x(r), (s), (cc), and (mm), 1395x(aa), 1395hh, and 1395rr).

§§ 410.10, 410.28, 410.40, 410.155, 410.161 [Amended]

2. In the following locations, "hospital" is revised to read "hospital or RPCH":

§ 410.10(d)
§ 410.28 heading, (a) introductory text, (a)(2), (a)(4)
§ 410.40(a) in the definitions of "Locality" and "Outside Supplier", (b)(3)(i), (c)(1), (c)(2), (c)(3), (e)(1), (e)(2), (e)(3)
§ 410.155(b)
§ 410.161(b)(2)

3. In § 410.2, the introductory text is republished, the definitions are rearranged in alphabetical order, and the definitions for *nominal charge provider*, *participating* and *nonparticipating* are revised to read as follows:

§ 410.2 Definitions.

As used in this part—

Nominal charge provider means a provider that furnishes services free of charge or at a nominal charge, and is either a public provider, or another provider that (1) demonstrates to HCFA's satisfaction that a significant portion of its patients are low income, and (2) requests that payment for its services be determined accordingly.

* * * * *

Participating refers to a hospital, RPCH, SNF, HHA, CORF, or hospice that has in effect a provider agreement to participate in Medicare, and *nonparticipating* refers to a hospital, RPCH, SNF, HHA, CORF, or hospice that does not have in effect a provider agreement to participate in Medicare.

4. In § 410.3, paragraph (a)(1) is revised to read as follows:

§ 410.3 Scope of benefits.

(a) *Covered services.* * * *

(1) Medical and other health services such as physicians' services, outpatient services furnished by a hospital or an RPCH, diagnostic tests, outpatient physical therapy and speech pathology services, rural health clinic services, Federally qualified health center services, and outpatient renal dialysis services.

* * * * *

§ 410.10 [Amended]

5. In § 410.10, paragraph (c) is amended by revising "by a hospital." to read "by a hospital or an RPCH."

§ 410.28 [Amended]

6. In § 410.28, paragraph (a)(1) is amended by revising "participating hospital." to read "participating hospital or participating RPCH."

§ 410.32 [Amended]

7. In § 410.32, paragraph (b)(1) is amended by revising "participating hospital." to read "participating hospital or participating RPCH."

8. In § 410.38, paragraph (b) is revised to read as follows:

§ 410.38 Durable medical equipment: Scope and conditions.

* * * * *

(b) An institution that is used as a home may not be a hospital or an RPCH or a SNF as defined in sections 1861(e)(1), 1861(mm)(1) and 1819(a)(1) of the Act, respectively.

* * * * *

9. In § 410.40, the introductory text of paragraph (a) is republished, the definitions for *Appropriate hospital or SNF* and *Hospital inpatient* in paragraph (a) and the introductory text of paragraph (b)(3) are revised to read as follows:

§ 410.40 Ambulance services: Limitations.

(a) *Definitions.* As used in this section—

* * * * *

Appropriate hospital, RPCH or SNF refers to a hospital, RPCH or SNF that is capable of providing the required level and type of care for the patient's illness or injury and, in the case of a hospital, has available the type of physician or physician specialist needed to treat the patient's condition.

Hospital inpatient or RPCH inpatient means a beneficiary who has been formally admitted to a hospital or RPCH and has not been formally discharged.

* * * * *

(b) *Limits on coverage of ambulance transportation.* * * *

(3) In the case of a hospital inpatient and RPCH inpatient—

* * * * *

10. In § 410.60, paragraphs (b) and (d) are revised to read as follows:

§ 410.60 Outpatient physical therapy services: Conditions.

* * * * *

(b) *Outpatient physical therapy services to certain inpatients of a hospital or an RPCH or SNF.* Medicare Part B pays for outpatient physical therapy services furnished to an inpatient of a hospital, RPCH or SNF who requires them but who has exhausted or is otherwise ineligible for benefit days under Medicare Part A.

* * * * *

(d) *Excluded services.* No service is included as an outpatient physical therapy service if it would not be included as an inpatient hospital service if furnished to a hospital or RPCH inpatient.

11. In § 410.62, paragraphs (b) and (c) are revised to read as follows:

§ 410.62 Outpatient speech pathology services: Conditions and exclusions.

* * * * *

(b) *Outpatient speech pathology services to certain inpatients of a hospital, RPCH, or SNF.* Medicare Part B pays for outpatient speech pathology services furnished to an inpatient of a hospital, RPCH, or SNF who requires them but has exhausted or is otherwise ineligible for benefit days under Medicare Part A.

(c) *Excluded services.* No service is included as an outpatient speech pathology service if it would not be included as an inpatient hospital service if furnished to a hospital or RPCH inpatient.

12. In § 410.150, paragraph (a)(2) is revised, the introductory text in paragraph (b) is republished, and a new paragraph (b)(12) is added to read as follows:

§ 410.150 To whom payment is made.

(a) *General rules.*

* * * * *

(2) The services specified in paragraphs (b)(5) through (b)(12) of this section must be furnished by a facility that has in effect a provider agreement or other appropriate agreement to participate in Medicare.

(b) *Specific rules.* Subject to the conditions set forth in paragraph (a) of this section, Medicare Part B pays as follows:

* * * * *

(12) To a rural primary care hospital (RPCH) on the individual's behalf for outpatient RPCH services furnished by the RPCH.

13. In § 410.152, the heading in paragraph (a) and the introductory text in paragraph (a)(2) are revised and a new paragraph (k) is added to read as follows:

§ 410.152 Amounts of payment.

(a) *General provisions.*

* * * * *

(2) *Other applicable provisions.* Medicare Part B pays for incurred expenses the amounts specified in paragraphs (b) through (k) of this section, subject to the following:

* * * * *

(k) *Amount of payment: Outpatient RPCH services.*—(1) *General.* For services furnished by an RPCH to its outpatients, Medicare Part B payment is made under either one of the following methods elected by the RPCH.

(2) *Cost-based RPCH facility services payment plus professional medical services payment method.* Payment for

RPCH facility services is made in accordance with § 413.70(b)(2)(i) of this chapter, and payment for professional medical services is made on a reasonable charge or other fee basis in accordance with § 413.70(b)(2)(ii) of this chapter and with the other provisions of this chapter that apply to payment for professional medical services when they are not included in outpatient RPCH services.

(3) *All-inclusive rate method.* Payment for both RPCH facility services and professional medical services is made at a single all-inclusive rate per visit, subject to the applicable Part B deductible and coinsurance amounts, as described in § 413.70(b)(3) of this chapter.

D. Part 411 is amended as follows:

PART 411—EXCLUSIONS FROM MEDICARE AND LIMITATIONS ON MEDICARE PAYMENT

1. The authority citation continues to read as follows:

Authority: Secs. 1102, 1834, 1842(1), 1861, 1862, 1866, 1871, 1877, and 1879 of the Social Security Act (42 U.S.C. 1302, 1395m, 1395u(1), 1395x, 1395y, 1395cc, 1395hh, 1395nn, and 1395pp).

2. In § 411.15, the introductory language is republished and paragraph (m) is revised to read as follows:

§ 411.15 Particular services excluded from coverage.

The following services are excluded from coverage.

* * * * *

(m) *Services to hospital inpatients*—(1) *Basic rule.* Except as provided in paragraph (m)(2) of this section, any service furnished to an inpatient of a hospital by an entity other than the hospital, unless the hospital has an arrangement (as defined in § 409.3 of this chapter) with that entity to furnish that particular service to the hospital's inpatients. Services subject to exclusion under this paragraph include, but are not limited to, clinical laboratory services, pacemakers, artificial limbs, knees, and hips, intraocular lenses, total parenteral nutrition, and services incident to physicians' services. (As used in this paragraph (m)(1), the term "hospital" includes an RPCH.)

(2) *Exceptions.* The following services are not excluded from coverage:

(i) Physicians' services that meet the criteria of § 405.550(b) of this chapter for payment on a reasonable charge or fee schedule basis.

(ii) Physician assistant services, as defined in section 1861(s)(2)(K)(i) of the Act, that are furnished after December 31, 1990.

(iii) Certified nurse-midwife services, as defined in section 1861(ff) of the Act, that are furnished after December 31, 1990.

(iv) Qualified psychologist services, as defined in section 1861(ii) of the Act, that are furnished after December 31, 1990.

(v) Services of an anesthetist, as defined in § 410.69 of this chapter.

E. Part 412 is amended as follows:

PART 412—PROSPECTIVE PAYMENT SYSTEMS FOR INPATIENT HOSPITAL SERVICES

1. The authority citation for part 412 is revised to read as follows:

Authority: Secs. 1102, 1815(e), 1820, 1871, and 1886 of the Social Security Act (42 U.S.C. 1302, 1395g(e), 1395i-4, 1395hh, and 1395ww).

2. In § 412.90, a new paragraph (j) is added to read as follows:

§ 412.90 General rules.

* * * * *

(j) *Essential access community hospitals (EACH).* If a hospital meets the criteria of § 412.109 for designation as an EACH, HCFA determines the prospective payment rate for that hospital, as it does for sole community hospitals, under § 412.92(d).

3. A new § 412.109 is added in subpart G to read as follows:

§ 412.109 Special treatment: Essential access community hospitals (EACHs).

(a) *General rule.* For payment purposes, HCFA treats as a sole community hospital any hospital that HCFA designates as an EACH. The payment methodology for sole community hospitals is set forth at § 412.92(d).

(b) *Criteria for HCFA designation.*—(1) HCFA designates a hospital as an EACH if the hospital is located in a State receiving a grant under section 1820(a)(1) of the Act and is designated as an EACH by the State in which it is located.

(2) HCFA designates a hospital as an EACH if the hospital—

(i) Is recommended by the State for designation as the EACH member of a proposed network;

(ii) Is not eligible for State designation solely because the hospital has fewer than 75 beds and is located 35 miles or less from any other hospital; and

(iii) Is located more than 35 miles from the nearest hospital having 75 or more beds.

(c) *Criteria for State designation.* A State receiving a grant under section 1820(a)(1) of the Act may designate as an EACH any hospital in the State that meets the criteria of this paragraph (c).

(1) *Geographic location.* The hospital is located outside any area that is a Metropolitan Statistical Area as defined by the Office of Management and Budget or that has been recognized as urban under § 412.62, is not deemed to be located in an urban area under § 412.63, has not been classified as an urban hospital for purposes of the standardized payment amount by HCFA or the Medicare Geographic Classification Review Board, is not located in a rural county that has been redesignated to an adjacent urban area under § 412.232, and meets one of the following requirements:

(i) The hospital is located more than 35 miles from any hospital that meets any of the following conditions:

(A) Has been designated as an EACH.

(B) Has been classified as a rural referral center under § 412.96.

(C) Is located in an urban area and meets the criteria for classification as a regional referral center under § 412.96.

(ii) The hospital meets other criteria relating to geographic location, imposed by the State with HCFA's approval.

(2) *Bed capacity and location.* The hospital has at least 75 inpatient beds or is located more than 35 miles from any other hospital.

(3) *Agreements with RPCHs.* The hospital has in effect agreements with the RPCHs that participate in the rural health network (as defined in § 485.603 of this chapter) of which the hospital is a member, to—

(i) Provide emergency and medical backup services to RPCHs participating in the rural health network of which it is a member and throughout its service area;

(ii) Accept patients transferred from an RPCH;

(iii) Receive data from, and transmit data to, the RPCHs; and

(iv) Grant staff privileges to physicians who furnish care at the RPCHs.

(4) *Other requirements.* The hospital meets any other requirements imposed by the State with HCFA's approval.

(d) *Adjustment to the hospital-specific rate for EACH's experiencing increased costs*—(1) *General rule.* HCFA increases an EACH's applicable hospital-specific rate if, during a cost reporting period, the hospital experiences an increase in its Medicare inpatient operating costs per discharge that is directly attributable to activities related to its membership in a rural health network.

(2) *Request and documentation.* In order for a hospital to qualify for an increase in its hospital-specific rate, it must meet the following criteria:

(i) The hospital must submit its request to its intermediary no later than

180 days after the date on the intermediary's notice of program reimbursement.

(ii) The request must include documentation specifically identifying the increased costs resulting from the hospital's participation in a rural health network and show that the increased costs during the cost reporting period will result in increased costs in subsequent cost reporting periods that are not already accounted for under the prospective payment system payment.

(iii) The hospital must show that the cost increases are incremental costs that would not have been incurred in the absence of the hospital's membership in a rural health network.

(iv) The hospital must show that the cost increases do not include amounts for start-up and one-time, nonrecurring costs attributable to its membership in a rural health network.

(3) *Intermediary recommendation.* The intermediary forwards the following material to HCFA within 60 days of receipt from the hospital:

(i) The hospital's documentation and the intermediary's verification of that documentation.

(ii) Its analysis and recommendation of the request.

(iii) The hospital's Medicare cost report for the year in which the increase in costs occurred and the prior year.

(4) *HCFA determination.* HCFA determines, within 120 days of receiving all necessary information from the intermediary, whether an increase in the hospital-specific rate is warranted and, if it is, the amount of the increase. HCFA grants an adjustment only if a hospital's Medicare inpatient operating costs per discharge exceed the hospital's hospital-specific rate. The adjusted hospital-specific rate cannot exceed the hospital's Medicare inpatient operating costs per discharge for the cost reporting period.

F. Part 413 is amended as follows:

PART 413—PRINCIPLES OF REASONABLE COST REIMBURSEMENT; PAYMENT FOR END-STAGE RENAL DISEASE SERVICES

1. The authority citation for part 413 is revised to read as follows:

Authority: Secs. 1102, 1814(b), 1815, 1833(a), (i), and (n), 1861(v), 1871, 1881, 1883, and 1886 of the Social Security Act as amended (42 U.S.C. 1302, 1395f(b), 1395g, 13951(a), (i), and (n), 1395x(v), 1395hh, 1395rr, 1395tt, and 1395ww); sec. 608(d)(3) of Pub. L 100–485 (42 U.S.C. 1395ww (note)) and sec. 101(c) of Pub. L. 101–234 (42 U.S.C. 1395ww(note)).

§ 413.1 [Amended]

2. In § 413.1, paragraph (a)(1)(i) is amended by revising "Hospitals;" to read "Hospitals and rural primary care hospitals (RPCHs);".

3. In § 413.13, the headings of paragraph (c) and paragraph (c)(2) are republished and a new paragraph (c)(2)(iv) is added to read as follows:

§ 413.13 Amount of payment if customary charges for services furnished are less than reasonable costs.

* * * * *

(c) *Providers and services not subject to the principle—*

* * * * *

(2) *Services.*

* * * * *

(iv) *Rural Primary Care Hospital (RPCH) services.* The lesser of costs or charges principle does not apply in determining payment for inpatient services furnished by a RPCH under § 413.70(a) or outpatient RPCH services that are paid under the all-inclusive rate method described in § 413.70(b)(3).

* * * * *

4. Section 413.70 is added to subpart E to read as follows:

§ 413.70 Payment for services of an RPCH.

(a) *Payment for inpatient services furnished by an RPCH.*—(1) *Initial 12-month period of operation.* Payment for the first 12-month cost reporting period for which the RPCH operates as an RPCH is made on a per diem basis for the reasonable costs of the RPCH for inpatient services. This payment does not include physician and other practitioner services paid on a charge or fee basis, and is subject to the principles of cost reimbursement in this part and in part 405, subpart D of this chapter; however, the principle of the lesser of costs or charges in § 413.13 does not apply.

(2) *Subsequent periods.* Payment for a cost reporting period subsequent to the initial 12-month period for which the RPCH operates as an RPCH is made on the basis of adjusting the amount determined in paragraph (a)(1) of this section. The adjustment added to the per diem amount is the market basket percentage increase under section 1886(b)(3)(B)(i) of the Act for the subsequent cost reporting period applicable to hospitals located in rural areas.

(3) *Reduction for grants.* The payment amounts otherwise determined under this paragraph (a) are reduced to the extent necessary to avoid any duplication of any grant payments made under section 1820(a)(2) of the Act or under section 4005(e) of the Omnibus Budget Reconciliation Act of 1987, Grant Program for Rural Health Care Transition, to cover the provision of inpatient RPCH services.

(b) *Payment for outpatient services furnished by an RPCH.*—(1) *General.* An RPCH may elect either the method in paragraph (b)(2) of this section or the method in paragraph (b)(3) of this section for payment for outpatient services. The method of payment elected by the RPCH must be made in writing on an annual basis prior to the beginning of the affected cost reporting period.

(2) *Cost-based RPCH payment plus professional services method.*—(i) *RPCH services.* Payment under this method for outpatient RPCH services is equal to the amounts described in section 1833(a)(2)(B) of the Act (which describes amounts paid for hospital outpatient services) and subject to the principles of cost reimbursement in this part and in part 405, subpart D of this chapter, as applicable. This payment is subject to applicable part B deductible and coinsurance amounts. This payment does not include payment for physician services or other professional services paid on a charge or other fee basis.

(ii) *Professional services.* Payment for professional medical services furnished in an RPCH is made on a charge or other fee basis under the provisions of this chapter that would apply to payment for the services if they had not been furnished in an RPCH. For purposes of RPCH payment, professional medical services are defined as those services provided by a physician or other professional (for example, a physician assistant, an anesthetist, and a nurse practitioner) that could be billed separately to a carrier under Medicare.

(3) *All-inclusive rate method.*—(i) If the RPCH elects payment under this method, a combined payment including both RPCH facility services and professional medical services is made at an all-inclusive rate per visit. This rate is subject to applicable part B deductible and coinsurance amounts, as described in § 410.3(b) of this chapter. The all-inclusive rate is an average rate based on the reasonable costs of RPCH facility services and professional services, as defined in the principles of cost reimbursement, divided by the number of outpatient RPCH visits. In determining reasonable costs, the principle of the lesser of costs or charges in § 413.13 does not apply.

(ii) All health professionals must have a compensation arrangement with the RPCH. The health professionals' actual time is divided among inpatient services, outpatient services, and non-allowable activities such as research; the percentage of actual time applicable to

outpatient services is applied to total compensation. The resulting amount is included with the RPCH's outpatient facility costs for determination of the average cost per outpatient RPCH visit. (No breakdown is required for physician professional services versus technical services.)

(iii) A RPCH outpatient visit represents a face-to-face encounter between the patient and a health professional during which the RPCH outpatient services are furnished. Encounters with more than one health professional and multiple encounters with the same health professionals which take place on the same day constitute a single visit, except for cases in which subsequent encounters occur on the same day for an injury or illness requiring additional diagnosis or treatment different from the injury or illness associated with the initial encounter. These subsequent encounters are counted as separate visits.

(iv) Final reimbursement to the RPCH is based on a year-end cost report, as required under § 413.20(b), that provides for the average per visit amount methodology.

5. In § 413.114, the section heading is revised, the introductory text of paragraph (b) is republished, and the definition of *swing-bed hospital* is revised to read as follows:

§ 413.114 Payment for posthospital SNF care furnished by a swing-bed hospital.

* * * * *

(b) *Definitions.* For purposes of this section—

* * * * *

Swing-bed hospital means a hospital or RPCH participating in Medicare that has an approval from HCFA to provide posthospital SNF care as defined in § 409.20 of this chapter, and meets the requirements specified in § 482.66 or § 485.645 of this chapter, respectively.

* * * * *

G. Part 424 is amended as follows:

PART 424—CONDITIONS FOR MEDICARE PAYMENT

1. The authority citation for part 424 continues to read as follows:

Authority: Secs. 216(j), 1102, 1814, 1815(c), 1835, 1842(b), 1861, 1866(d), 1870(e) and (f), 1871 and 1872 of the Social Security Act (42 U.S.C. 416(j), 1302, 1395f, 1395g(c), 1395n, 1395u(b), 1395x, 1395cc(d), 1395gg(e) and (f), 1395hh, and 1395ii).

2. A new § 424.15 is added to read as follows:

§ 424.15 Requirements for inpatient RPCH services.

(a) *Content of certification.* Medicare part A pays for inpatient RPCH services only if a physician certifies that the services were required to be furnished immediately on a temporary, inpatient basis.

(b) *Timing of certification.* Certification is required no later than 1 day before the date on which the claim for payment for the inpatient RPCH services is submitted.

§ 424.20 [Amended]

3. In § 424.20, in the undesignated introductory text, "or RPCH" is added immediately after "hospital".

H. Part 440 is amended as follows:

PART 440—SERVICES: GENERAL PROVISIONS

1. The authority citation for part 440 continues to read as follows:

Authority: Sec. 1102 of the Social Security Act (42 U.S.C. 1302).

2. In § 440.170, a new paragraph (g) is added to read as follows:

§ 440.170 Any other medical care or remedial care recognized under State law and specified by the Secretary.

* * * * *

(g) *Rural primary care hospital (RPCH) services.*—(1) RPCH services means services that (i) are furnished by a provider that meet the requirements for participation in Medicare as an RPCH (see subpart F of part 485 of this chapter), and (ii) are of a type that would be paid for by Medicare when furnished to a Medicare beneficiary.

(2) Inpatient RPCH services do not include nursing facility services furnished by an RPCH with a swing-bed approval.

I. Part 485 is amended as follows:

PART 485—CONDITIONS OF PARTICIPATION AND CONDITIONS OF COVERAGE: SPECIALIZED PROVIDERS

1. The authority citation for part 485 is revised to read as follows:

Authority: Secs. 1102, 1124, 1138, 1820, 1861(aa) and (cc) and 1871 of the Social Security Act; (42 U.S.C. 1302, 1320a-3, 1320b-8, 1395i-4, 1395x(aa) and (cc), and 1395hh); and sec. 353 of the Public Health Service Act (42 U.S.C. 263a).

2. Subpart E is added and reserved and a new subpart F consisting of §§ 485.601 through 485.645 is added, as follows:

Subpart E—[Reserved]

Subpart F—Conditions of Participation: Rural Primary Care Hospitals (RPCHs)

Sec.

485.601 Basis and scope.
485.602 Definitions.
485.603 Rural health network.
485.604 Personnel qualifications.
485.606 Designation of RPCHs.
485.608 Condition of participation: Compliance with Federal, State, and local laws and regulations.
485.610 Condition of participation: Location.
485.612 Condition of participation: Compliance with hospital requirements at time of application.
485.614 Condition of participation: Termination of inpatient care services.
485.616 Condition of participation: Agreement to participate in network communications systems.
485.618 Condition of participation: Emergency services.
485.620 Condition of participation: Number of beds and length of stay.
485.623 Condition of participation: Physical plant and environment.
485.627 Condition of participation: Organizational structure.
485.631 Condition of participation: Staffing and staff responsibilities.
485.635 Condition of participation: Provision of services.
485.638 Condition of participation: Clinical records.
485.641 Condition of participation: Periodic evaluation and quality assurance review.
485.645 Special requirements for RPCH providers of long-term care services ("swing-beds").

§ 485.601 Basis and scope.

(a) *Statutory basis.* This subpart is based on section 1820 of the Act which sets forth the conditions for designating certain hospitals as RPCHs.

(b) *Scope.* This subpart sets forth the conditions that a hospital must meet to be designated as an RPCH.

§ 485.602 Definitions.

As used in this subpart, unless the context indicates otherwise:

Direct services means services provided by the staff of the RPCH.

§ 485.603 Rural health network.

A rural health network is an organization that meets the following specifications:

(a) It includes—

(1) At least one hospital that the State has designated or plans to designate as an RPCH; and

(2) At least one hospital that meets one of the following conditions:

(i) The State has designated or plans to designate the hospital as an EACH under § 412.109(c) of this chapter.

(ii) HCFA has classified the hospital as a referral center under § 412.96 of this chapter.

(iii) The hospital is located in an urban area and meets the criteria for classification as a regional referral center under § 412.96 of this chapter.

(b) The members of the organization have entered into agreements regarding—

(1) Patient referral and transfer;

(2) The development and use of communications systems, including, where feasible, telemetry systems and systems for electronic sharing of patient data; and

(3) The provision of emergency and nonemergency transportation among members.

§ 485.604 Personnel qualifications.

Staff that furnish services in an RPCH must meet the applicable requirements of this section.

(a) *Clinical nurse specialist.* A clinical nurse specialist must be a person who performs the services of a clinical nurse specialist as authorized by the State, in accordance with State law or the State regulatory mechanism provided by State law.

(b) *Nurse practitioner.* A nurse practitioner must be a registered professional nurse who is currently licensed to practice in the State, who meets the State's requirements governing the qualification of nurse practitioners, and who meets one of the following conditions:

(1) Is currently certified as a primary care nurse practitioner by the American Nurses' Association or by the National Board of Pediatric Nurse Practitioners and Associates.

(2) Has successfully completed a 1 academic year program that—

(i) Prepares registered nurses to perform an expanded role in the delivery of primary care;

(ii) Includes at least 4 months (in the aggregate) of classroom instruction and a component of supervised clinical practice; and

(iii) Awards a degree, diploma, or certificate to persons who successfully complete the program.

(3) Has successfully completed a formal educational program (for preparing registered nurses to perform an expanded role in the delivery of primary care) that does not meet the requirements of paragraph (a)(2) of this section, and has been performing an expanded role in the delivery of primary care for a total of 12 months during the 18-month period immediately preceding June 25, 1993.

(c) *Physician assistant.* A physician assistant must be a person who meets the applicable State requirements governing the qualifications for assistants to primary care physicians, and who meets at least one of the following conditions:

(1) Is currently certified by the National Commission on Certification of Physician Assistants to assist primary care physicians.

(2) Has satisfactorily completed a program for preparing physician assistants that—

(i) Was at least one academic year in length;

(ii) Consisted of supervised clinical practice and at least 4 months (in the aggregate) of classroom instruction directed toward preparing students to deliver health care; and

(iii) Was accredited by the American Medical Association's Committee on Allied Health Education and Accreditation.

(3) Has satisfactorily completed a formal educational program (for preparing physician assistants) that does not meet the requirements of paragraph (c)(2) of this section and has been assisting primary care physicians for a total of 12 months during the 18-month period immediately preceding June 25, 1993.

§ 485.606 Designation of RPCHs.

(a) *Criteria for State designation*—(1) A State receiving a grant under section 1820(a)(1) of the Act may designate as an RPCH any hospital in the State that meets the RPCH conditions of participation in this subpart F and applies to the State for designation as an RPCH.

(2) The State must give preference to hospitals participating in a rural health network, as defined in § 485.603.

(3) The State must not deny any hospital that is otherwise eligible for designation as an RPCH under this paragraph (a) solely because the hospital has entered into an agreement under which the hospital may provide posthospital SNF care as described in § 482.66 of this chapter.

(b) *Criteria for HCFA designation*—(1) HCFA designates a hospital as an RPCH if the hospital is designated as an RPCH by the State in which it is located.

(2) HCFA may designate a hospital as an RPCH if the hospital is not eligible for State designation and meets all the requirements in paragraph (c)(2) of this section.

(3) HCFA may also designate not more than 15 hospitals as RPCHs if the hospitals are not located in States receiving grants under section 1820(a)(1) of the Act and meet the requirements of paragraph (c)(1) of this section.

(c) *Special rule: Hospitals not eligible for State designation as RPCHs*—(1) HCFA may designate not more than 15 hospitals as RPCHs under this paragraph (c)(1). These hospitals must not be located in a State receiving a grant under section 1820(a)(1) of the Act but must meet the requirements with regard to location, participation in the Medicare program, and emergency services as defined in §§ 485.610, 485.612 and 485.618, respectively. In designating a hospital as an RPCH under this paragraph (c)(1), HCFA—

(i) Gives preference to a hospital that has entered into an agreement with a rural health network as defined in § 485.603 that is located in a State receiving a grant under section 1820(a)(1) of the Act; and

(ii) Does not deny this designation to a hospital that otherwise is eligible for this designation, solely because the hospital has entered into an agreement as described in § 482.66 of this chapter under which the hospital provides posthospital SNF care.

(2) HCFA may designate a hospital as an RPCH if the hospital is located in a State receiving a grant under section 1820(a)(1) of the Act and is not eligible for State designation under paragraph (a) of this section solely because the hospital—

(i) Has not ceased, or agreed to cease, providing inpatient care services, as described in § 485.614;

(ii) Has more than six inpatient beds or does not transfer or discharge patients within 72 hours after admission, as described in § 485.620; or

(iii) Has not met the staffing requirements as described in § 485.631.

§ 485.608 Condition of participation: Compliance with Federal, State, and local laws and regulations.

The RPCH and its staff are in compliance with applicable Federal, State and local laws and regulations.

(a) *Standard: Compliance with Federal laws and regulations.* The RPCH is in compliance with applicable Federal laws and regulations related to the health and safety of patients.

(b) *Standard: Compliance with State and local laws and regulations.* All patient care services are furnished in accordance with applicable State and local laws and regulations.

(c) *Standard: Licensure of RPCH.* The RPCH is licensed in accordance with applicable Federal, State and local laws and regulations.

(d) *Standard: Licensure, certification or registration of personnel.* Staff of the RPCH are licensed, certified, or registered in accordance with applicable Federal, State, and local laws and regulations.

§ 485.610 Condition of participation: Location.

(a) *General rule.* The RPCH meets the following requirements:

(1) The RPCH is located outside any area that is a Metropolitan Statistical

Area, as defined by the Office of Management and Budget, or that has been recognized as urban under the regulations in § 412.62(f) of this chapter.

(2) The RPCH is not deemed to be located in an urban area under § 412.63(b) of this chapter.

(3) The RPCH has not been classified as an urban hospital for purposes of the wage index adjustment by HCFA or the Medicare Geographic Classification Review Board under § 412.230(e) of this chapter, and is not among a group of hospitals that have been redesignated to an adjacent urban area under § 412.232 of this chapter.

(b) *Exception.* An RPCH located in a Metropolitan Statistical Area or similar area as defined in § 412.62(f) of this chapter is deemed to meet the requirements of paragraph (a) of this section if—

(1) The RPCH is located in a county whose geographic area is substantially larger than the average geographic area for urban counties in the United States; and

(2) The RPCH's service area is characteristic of the service areas of hospitals located in rural areas.

§ 485.612 Condition of participation: Compliance with hospital requirements at time of application.

(a) The hospital has a provider agreement to participate in the Medicare program as a hospital at one of the following times—

(1) At the time the hospital applies for designation as an RPCH; or

(2) At the time the hospital closed if that time was within the 12 months prior to the hospital's application for RPCH designation.

(b) The State is authorized to determine the form, content, and timing of the application needed to be considered for designation as an RPCH, and to deem an otherwise eligible facility to have applied timely under paragraph (a) if it closed within the 12-month period ending on the date on which the application for RPCH designation is first made available to interested facilities.

(c) The hospital is not found, on the basis of a survey under part 489 of this chapter, to be in violation of any of the provisions of its provider agreement either at the time the hospital applies for designation as an RPCH or at the time the hospital closed.

§ 485.614 Condition of participation: Termination of inpatient care services.

(a) *General rule.* The hospital has ceased providing inpatient hospital care or has agreed to cease providing inpatient hospital care upon approval of its application for designation as an RPCH.

(b) *Exceptions*—(1) The RPCH has a swing-bed agreement under § 485.645 of this chapter, provides inpatient RPCH care as described in paragraph (b)(2) and, under the swing-bed agreement, provides posthospital SNF care.

(2) The RPCH does not have a swing-bed agreement and provides not more than six inpatient beds for providing inpatient RPCH care for a period not to exceed 72 hours if needed to stabilize a patient's condition before discharge or transfer to a hospital. This 72-hour period may be extended if transfer to a hospital is precluded because of inclement weather or other emergency conditions.

(3) The RPCH is designated by HCFA as an RPCH under the specific criteria in § 485.606(c) of this chapter.

§ 485.616 Condition of participation: Agreement to participate in network communications system.

In the case of an RPCH that is a member of a rural health network as defined in § 485.603 of this chapter, the RPCH has in effect an agreement to participate with other hospitals and facilities in the communications system of the network, including the network's system for the electronic sharing of patient data, including telemetry and medical records, if the network has in operation such a system.

§ 485.618 Condition of participation: Emergency services.

The RPCH provides emergency care necessary to meet the needs of its inpatients and outpatients.

(a) *Standard: Availability.* Emergency services are available on a 24-hours a day basis.

(b) *Standard: Equipment, supplies, and medication.* Equipment, supplies, and medication used in treating emergency cases are kept at the RPCH and are readily available for treating emergency cases. The items available must include the following:

(1) *Drugs and biologicals* commonly used in life-saving procedures, including analgesics, local anesthetics, antibiotics, anticonvulsants, antidotes and emetics, serums and toxoids, antiarrythmics, cardiac glycosides, antihypertensives, diuretics, and electrolytes and replacement solutions.

(2) *Equipment and supplies* commonly used in life-saving procedures, including airways, endotracheal tubes, ambu bag/valve/mask, oxygen, tourniquets, immobilization devices, nasogastric tubes, splints, IV therapy supplies, suction machine, defibrillator, cardiac monitor, chest tubes, and indwelling urinary catheters.

(c) *Standard: Blood and blood products.* The facility provides, either directly or under arrangements, the following:

(1) Services for the procurement, safekeeping, and transfusion of blood, including the availability of blood products needed for emergencies on a 24-hours a day basis.

(2) Blood storage facilities that meet the requirements of 42 CFR part 493, subpart K, and are under the control and supervision of a pathologist or other qualified doctor of medicine or osteopathy. If blood banking services are provided under an arrangement, the arrangement is approved by the facility's medical staff and by the persons directly responsible for the operation of the facility.

(d) *Standard: Personnel*—(1) There must be a practitioner with training or experience in emergency care on call and immediately available by telephone or radio contact, and available on site within 30 minutes, on a 24-hours a day basis.

(2) The practitioner referred to in paragraph (d)(1) must be a doctor of medicine or osteopathy, a physician assistant, or a nurse practitioner.

(e) *Standard: Coordination with emergency response systems.* The RPCH must, in coordination with emergency response systems in the area, establish procedures under which a doctor of medicine or osteopathy is immediately available by telephone or radio contact on a 24-hours a day basis to receive emergency calls, provide information on treatment of emergency patients, and refer patients to the RPCH or other appropriate locations for treatment.

§ 485.620 Condition of participation: Number of beds and length of stay.

(a) *Standard: Number of beds.* Except as permitted for RPCHs having swing-bed agreements under § 485.645 of this chapter, the RPCH maintains no more than six inpatient beds.

(b) *Standard: Length of stay.* The RPCH discharges or transfers each inpatient within 72 hours after admission, unless transfer to a hospital is precluded because of inclement weather or other emergency conditions.

§ 485.623 Condition of participation: Physical plant and environment.

(a) *Standard: Construction.* The RPCH is constructed, arranged, and maintained to ensure access to and safety of patients, and provides adequate space for the provision of direct services.

(b) *Standard: Maintenance.* The RPCH has housekeeping and preventive maintenance programs to ensure that—

(1) All essential mechanical, electrical, and patient-care equipment is maintained in safe operating condition;

(2) There is proper routine storage and prompt disposal of trash;

(3) Drugs and biologicals are appropriately stored;

(4) The premises are clean and orderly; and

(5) There is proper ventilation, lighting, and temperature control in all pharmaceutical, patient care, and food preparation areas.

(c) *Standard: Emergency procedures.* The RPCH assures the safety of patients in non-medical emergencies by—

(1) Training staff in handling emergencies, including prompt reporting of fires, extinguishing of fires, protection and, where necessary, evacuation of patients, personnel, and guests, and cooperation with fire fighting and disaster authorities;

(2) Providing for emergency power and lighting in the emergency room and for battery lamps and flashlights in other areas;

(3) Providing for an emergency fuel and water supply; and

(4) Taking other appropriate measures that are consistent with the particular conditions of the area in which the RPCH is located.

(d) *Standard: Life safety from fire*—(1) Except as provided in paragraphs (d)(2) and (d)(3) of this section, the RPCH must meet the requirements of chapter 12, New Health Care Occupancy, or chapter 13, Existing Health Care Occupancy, of the 1985 edition of the Life Safety Code of the National Fire Protection Association. Incorporation by reference of the 1985 edition of the National Fire Protection Association's Life Safety Code (published February 7, 1985; ANSI/NFPA 101) was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. The Code is available for inspection at the HCFA Information Resource Center, 6325 Security Boulevard, Room G–10–A East High Rise Building, Baltimore, MD 21207, and the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC. Copies may be obtained from the National Fire Protection Association, Batterymarch Park, Quincy, Mass. 02209. If any changes in this code are also to be incorporated by reference, a document to that effect will be published in the **Federal Register.**

(2) Any RPCH that as a hospital on or before November 26, 1982, complied, with or without waivers, with the requirements of the 1967 edition of the Life Safety Code, or after November 26, 1982 and on or before May 9, 1988, complied with the 1981 edition of the Life Safety Code, is considered to be in compliance with this standard as long as the RPCH continues to remain in compliance with that edition of the Code. The 1967 and 1981 Life Safety Codes are available for inspection at the HCFA Information Resource Center, 6325 Security Boulevard, Room G–10–A East High Rise Building, Baltimore, MD 21207.

(3) After consideration of State survey agency findings, HCFA may waive specific provisions of the Life Safety Code that, if rigidly applied, would result in unreasonable hardship on the RPCH, but only if the waiver does not adversely affect the health and safety of patients.

(4) The RPCH maintains written evidence of regular inspection and approval by State or local fire control agencies.

§ 485.627 Condition of participation: Organizational structure.

(a) *Standard: Governing body or responsible individual.* The RPCH has a governing body or an individual that assumes full legal responsibility for determining, implementing and monitoring policies governing the RPCH's total operation and for ensuring that those policies are administered so as to provide quality health care in a safe environment.

(b) *Standard: Disclosure.* The RPCH discloses the names and addresses of—

(1) Its owners, or those with a controlling interest in the RPCH or in any subcontractor in which the RPCH directly or indirectly has a 5 percent or more ownership interest, in accordance with subpart C of part 420 of this chapter;

(2) The person principally responsible for the operation of the RPCH; and

(3) The person responsible for medical direction.

§ 485.631 Condition of participation: Staffing and staff responsibilities.

(a) *Standard: Staffing*—(1) The RPCH has a professional health care staff that includes one or more doctors of medicine or osteopathy, and may include one or more physician assistants, nurse practitioners, or clinical nurse specialists.

(2) Any ancillary personnel are supervised by the professional staff.

(3) The staff is sufficient to provide the services essential to the operation of the RPCH.

(4) A doctor of medicine or osteopathy, nurse practitioner, clinical nurse specialist, or physician assistant is available to furnish patient care services at all times the RPCH operates.

(5) A registered nurse, clinical nurse specialist, or licensed practical nurse is on duty whenever the RPCH has one or more inpatients.

(b) *Standard: Responsibilities of the doctor of medicine or osteopathy.*—(1) The doctor of medicine or osteopathy—

(i) Provides medical direction for the RPCH's health care activities and consultation for, and medical supervision of, the health care staff;

(ii) In conjunction with the physician assistant and/or nurse practitioner member(s), participates in developing, executing, and periodically reviewing the RPCH's written policies governing the services it furnishes.

(iii) In conjunction with the physician assistant and/or nurse practitioner members, periodically reviews the RPCH's patient records, provides medical orders, and provides medical care services to the patients of the RPCH; and

(iv) Periodically reviews and signs the records of patients cared for by nurse practitioners, clinical nurse specialists, or physician assistants.

(2) A doctor of medicine or osteopathy is present for sufficient periods of time, at least once in every 2 week period (except in extraordinary circumstances) to provide the medical direction, medical care services, consultation, and supervision described in this paragraph, and is available through direct radio or telephone communication for consultation, assistance with medical emergencies, or patient referral. The extraordinary circumstances are documented in the records of the RPCH. A site visit is not required if no patients have been treated since the latest site visit.

(c) *Standard: Physician assistant, nurse practitioner, and clinical nurse specialist responsibilities.*—(1) The physician assistant, the nurse practitioner, or clinical nurse specialist members of the RPCH's staff—

(i) Participate in the development, execution and periodic review of the written policies governing the services the RPCH furnishes; and

(ii) Participate with a doctor of medicine or osteopathy in a periodic review of the patients' health records.

(2) The physician assistant, nurse practitioner, or clinical nurse specialist performs the following functions to the extent they are not being performed by a doctor of medicine or osteopathy:

(i) Provides services in accordance with the RPCH's policies.

(ii) Arranges for, or refers patients to, needed services that cannot be

furnished at the RPCH, and assures that adequate patient health records are maintained and transferred as required when patients are referred.

(3) Whenever a patient is admitted to the RPCH by a nurse practitioner, physician assistant, or clinical nurse specialist, a doctor of medicine or osteopathy on the staff of the RPCH is notified of the admission.

§ 485.635 Condition of participation: Provision of services.

(a) *Standard: Patient care policies.*—(1) The RPCH's health care services are furnished in accordance with appropriate written policies that are consistent with applicable State law.

(2) The policies are developed with the advice of a group of professional personnel that includes one or more doctors of medicine or osteopathy and one or more physician assistants, nurse practitioners, or clinical nurse specialists; at least one member is not a member of the RPCH staff.

(3) The policies include the following:

(i) A description of the services the RPCH furnishes directly and those furnished through agreement or arrangement.

(ii) Policies and procedures for emergency medical services.

(iii) Guidelines for the medical management of health problems that include the conditions requiring medical consultation and/or patient referral, the maintenance of health care records, and procedures for the periodic review and evaluation of the services furnished by the RPCH.

(iv) Rules for the storage, handling, dispensation, and administration of drugs and biologicals. These rules must provide that there is a drug storage area that is administered in accordance with accepted professional principles, that current and accurate records are kept of the receipt and disposition of all scheduled drugs, and that outdated, mislabeled, or otherwise unusable drugs are not available for patient use.

(v) Procedures for reporting adverse drug reactions and errors in the administration of drugs.

(vi) A system for identifying, reporting, investigating and controlling infections and communicable diseases of patients and personnel.

(vii) If the RPCH furnishes inpatient services, procedures that ensure that the nutritional needs of inpatients are met in accordance with recognized dietary practices and the orders of the practitioner responsible for the care of the patients, and that the requirement of § 483.25(i) is met with respect to inpatients receiving posthospital SNF care.

(4) These policies are reviewed at least annually by the group of professional personnel required under paragraph (a)(2) of this section, and reviewed as necessary by the RPCH.

(b) *Standard: Direct services*—(1) *General.* The RPCH staff furnishes those diagnostic and therapeutic services and supplies that are commonly furnished in a physician's office or at another entry point into the health care delivery system, such as a low intensity hospital outpatient department or emergency department. These include medical history, physical examination, specimen collection, assessment of health status, and treatment for a variety of medical conditions.

(2) *Laboratory services.* The RPCH provides basic laboratory services essential to the immediate diagnosis and treatment of the patient that meet the laboratory certificate requirements in part 493 of this chapter. The services provided include:

(i) Chemical examination of urine by stick or tablet methods or both (including urine ketones);

(ii) Microscopic examinations of urine sediment;

(iii) Complete blood count with differential;

(iv) Blood glucose;

(v) Gram stain;

(vi) Examination of stool specimens for occult blood;

(vii) Pregnancy tests;

(viii) Test for pinworm;

(ix) Erythrocyte sedimentation rate;

(x) Electrolytes; and

(xi) Arterial blood gas or oximetry testing.

(3) *Radiology services.* Radiology services furnished at the RPCH are provided by staff qualified under State law, and do not expose RPCH patients or staff to radiation hazards.

(4) *Emergency procedures.* In accordance with the requirements of § 485.618, the RPCH provides medical emergency procedures as a first response to common life-threatening injuries and acute illness.

(c) *Standard: Services provided through agreements or arrangements.*—(1) The RPCH has agreements or arrangements (as appropriate) with one or more providers or suppliers participating under Medicare to furnish other services to its patients, including—

(i) Inpatient hospital care;

(ii) Services of doctors of medicine or osteopathy; and

(iii) Additional or specialized diagnostic and clinical laboratory services that are not available at the RPCH.

(iv) Food and other services to meet inpatients' nutritional needs to the extent these services are not provided directly by the RPCH.

(2) If the agreements or arrangements are not in writing, the RPCH is able to present evidence that patients referred by the RPCH are being accepted and treated.

(3) The RPCH maintains a list of all services furnished under arrangements or agreements. The list describes the nature and scope of the services provided.

(4) The person principally responsible for the operation of the RPCH under § 485.627(b)(2) of this chapter is also responsible for the following:

(i) Services furnished in the RPCH whether or not they are furnished under arrangements or agreements.

(ii) Ensuring that a contractor of services (including one for shared services and joint ventures) furnishes services that enable the RPCH to comply with all applicable conditions of participation and standards for the contracted services.

(d) *Standard: Nursing services.* Nursing services must meet the needs of patients.

(1) A registered nurse must provide (or assign to other personnel) the nursing care of each patient, including patients at a SNF level of care in a swing-bed RPCH. The care must be provided in accordance with the patient's needs and the specialized qualifications and competence of the staff available.

(2) A registered nurse or, where permitted by State law, a physician assistant, must supervise and evaluate the nursing care for each patient, including patients at a SNF level of care in a swing-bed RPCH.

(3) All drugs, biologicals, and intravenous medications must be administered by or under the supervision of a registered nurse, a doctor of medicine or osteopathy, or, where permitted by State law, a physician assistant, in accordance with written and signed orders, accepted standards of practice, and Federal and State laws.

(4) A nursing care plan must be developed and kept current for each inpatient.

§ 485.638 Conditions of participation: Clinical records.

(a) *Standard: Records system.*—(1) The RPCH maintains a clinical records system in accordance with written policies and procedures.

(2) The records are legible, complete, accurately documented, readily accessible, and systematically organized.

(3) A designated member of the professional staff is responsible for

maintaining the records and for ensuring that they are completely and accurately documented, readily accessible, and systematically organized.

(4) For each patient receiving health care services, the RPCH maintains a record that includes, as applicable—

(i) Identification and social data, evidence of properly executed informed consent forms, pertinent medical history, assessment of the health status and health care needs of the patient, and a brief summary of the episode, disposition, and instructions to the patient;

(ii) Reports of physical examinations, diagnostic and laboratory test results, including clinical laboratory services, and consultative findings;

(iii) All orders of doctors of medicine or osteopathy or other practitioners, reports of treatments and medications, nursing notes and documentation of complications, and other pertinent information necessary to monitor the patient's progress, such as temperature graphics, progress notes describing the patient's response to treatment; and

(iv) Dated signatures of the doctor of medicine or osteopathy or other health care professional.

(b) *Standard: Protection of record information.*—(1) The RPCH maintains the confidentiality of record information and provides safeguards against loss, destruction, or unauthorized use.

(2) Written policies and procedures govern the use and removal of records from the RPCH and the conditions for the release of information.

(3) The patient's written consent is required for release of information not required by law.

(c) *Standard: Retention of records.* The records are retained for at least 6 years from date of last entry, and longer if required by State statute, or if the records may be needed in any pending proceeding.

§ 485.641 Condition of participation: Periodic evaluation and quality assurance review.

(a) *Standard: Periodic evaluation.*—(1) The RPCH carries out or arranges for a periodic evaluation of its total program. The evaluation is done at least once a year and includes review of—

(i) The utilization of RPCH services, including at least the number of patients served and the volume of services;

(ii) A representative sample of both active and closed clinical records; and

(iii) The RPCH's health care policies.

(2) The purpose of the evaluation is to determine whether the utilization of services was appropriate, the established policies were followed, and any changes are needed.

(b) *Standard: Quality assurance.* The RPCH has an effective quality assurance program to evaluate the quality and appropriateness of the diagnosis and treatment furnished in the RPCH and of the treatment outcomes. The program requires that—

(1) All patient care services and other services affecting patient health and safety, are evaluated;

(2) Nosocomial infections and medication therapy are evaluated;

(3) The quality and appropriateness of the diagnosis and treatment furnished by nurse practitioners, clinical nurse specialists, and physician assistants at the RPCH are evaluated by a member of the RPCH staff who is a doctor of medicine or osteopathy or by another doctor of medicine or osteopathy under contract with the RPCH;

(4) The quality and appropriateness of the diagnosis and treatment furnished by doctors of medicine or osteopathy at the RPCH are evaluated by the PRO for the State in which the RPCH is located; and

(5)(i) The RPCH staff considers the findings of the evaluations, including any findings or recommendations of the PRO, and takes corrective action if necessary.

(ii) The RPCH also takes appropriate remedial action to address deficiencies found through the quality assurance program.

(iii) The RPCH documents the outcome of all remedial action.

§ 485.645 Special requirements for RPCH providers of long-term care services ("swing-beds").

An RPCH that has a Medicare provider agreement to participate in Medicare as an RPCH must meet the following requirements in order to be granted an approval from HCFA to provide posthospital SNF care, as specified in § 409.30 of this chapter, and be paid as a swing-bed hospital, as specified in § 413.114 of this chapter.

(a) *Eligibility.* An RPCH must meet the following eligibility requirements:

(1) The RPCH has no more than 12 beds for the use of inpatients. Beds used for posthospital SNF care in separately certified SNFs and nursing facilities are not included in this determination.

(2) The RPCH has not had a swing-bed approval terminated within the 2 years previous to application.

(b) *SNF services.* The RPCH is substantially in compliance with the following SNF requirements contained in subpart B of part 483 of this chapter:

(1) Resident rights (§ 483.10(b)(3) through (b)(6), (d), (e), (h), (i), (j)(1) (vii) and (viii), (l), and (m) of this chapter).

(2) Admission, transfer, and discharge rights (§ 483.12(a) of this chapter).

(3) Resident behavior and facility practices (§ 483.13 of this chapter).

(4) Patient activities (§ 483.15(f) of this chapter), except that the services may be directed either by a qualified professional meeting the requirements of § 485.15(f)(2), or by an individual on the facility staff who is designated as the activities director and who serves in consultation with a therapeutic recreation specialist, occupational therapist, or other professional with experience or education in recreational therapy.

(5) Social services (§ 483.15(g) of this chapter).

(6) Comprehensive assessment, comprehensive care plan, and discharge planning (§ 483.20(b), (d), and (e) of this chapter).

(7) Specialized rehabilitative services (§ 483.45 of this chapter).

(8) Dental services (§ 483.55 of this chapter).

(9) Nutrition (§ 483.25(i) of this chapter).

J. Part 488 is amended as follows:

PART 488—SURVEY AND CERTIFICATION PROCEDURES

1. The authority citation for part 488 continues to read as follows:

Authority: Secs. 1102, 1814, 1861, 1865, 1866, 1871, 1880, 1881, 1883, and 1913 of the Social Security Act (42 U.S.C. 1302, 1395f, 1395x, 1395bb, 1395cc, 1395hh, 1395qq, 1395rr, 1395tt, and 13961).

§ 488.1 [Amended]

2. In § 488.1, the definition for *Provider of services or provider* is amended by adding "rural primary care hospital," immediately after "hospital,".

K. Part 489 is amended as follows:

PART 489—PROVIDER AGREEMENTS UNDER MEDICARE

1. The authority citation for part 489 continues to read as follows:

Authority: Secs. 1102, 1861, 1864(m), 1866, and 1871 of the Social Security Act (42 U.S.C. 1302, 1395x, 1395aa(m), 1395cc, and 1395hh).

2. In § 489.2, the introductory text of paragraph (b) is republished and a new paragraph (b)(7) is added to read as follows:

§ 489.2 Scope of part.

* * * * *

(b) The following providers are subject to the provisions of this part:

* * * * *

(7) Rural primary care hospitals (RPCHs).

* * * * *

3. In § 489.20, the undesignated introductory text is republished, and

paragraphs (d) and (e) are revised to read as follows:

§ 489.20 Basic commitments.

The provider agrees to the following:

* * * * *

(d) In the case of a hospital or an RPCH that furnishes services to Medicare beneficiaries, either to furnish directly or to make arrangements (as defined in § 409.3 of this chapter) for all Medicare-covered services to inpatients of a hospital or an RPCH except the following:

(1) Physicians' services that meet the criteria of § 405.550(b) of this chapter for payment on a reasonable charge basis.

(2) Physician assistant services, as defined in section 1861(s)(2)(K)(i) of the Act, that are furnished after December 31, 1990.

(3) Certified nurse-midwife services, as defined in section 1861(ff) of the Act, that are furnished after December 31, 1990.

(4) Qualified psychologist services, as defined in section 1861(ii) of the Act, that are furnished after December 31, 1990.

(5) Services of an anesthetist, as defined in § 410.69 of this chapter.

(e) In the case of a hospital or RPCH that furnishes inpatient hospital services or inpatient RPCH services for which payment may be made under Medicare, to maintain an agreement with a PRO for that organization to review the admissions, quality, appropriateness, and diagnostic information related to those inpatient services. The requirement of this paragraph (e) applies only if, for the area in which the hospital or RPCH is located, there is a PRO that has a contract with HCFA under part B of title XI of the Act.

L. Part 498 is amended as follows:

PART 498—APPEALS PROCEDURES FOR DETERMINATIONS THAT AFFECT PARTICIPATION IN THE MEDICARE PROGRAM

1. The authority citation for part 498 continues to read as follows:

Authority: Secs. 205(a), 1102, 1861(aa), 1869(c), 1871, and 1872 of the Social Security Act (42 U.S.C. 405(a), 1302, 1395x(aa), 1395ff(c), 1395hh, and 1395ii), unless otherwise noted.

§ 498.2 [Amended]

2. In § 498.2, the definition for *Provider* is amended by adding "rural primary care hospital (RPCH)," immediately after "hospital,".

(Catalog of Federal Domestic Assistance Programs No. 93–773, Medicare—Hospital Insurance Program and No. 93–774, Medicare—Supplementary Medical Insurance)

Dated: March 18, 1993.

William Toby, Jr.,

Acting Deputy Administrator, Health Care Financing Administration.

Approved: April 19, 1993.

Donna E. Shalala,

Secretary.

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