Information Collection: Internal Revenue Service/Social Security Administration/Health Care Financing Administration Data Match 42 CFR 411; *Form No.*: HCFA–R–137; *Use:* Employers who are identified through a match of IRS, SSA, and Medicare records will be contacted concerning group health plan coverage of identified individuals to ensure compliance with Medicare Secondary Payer provisions found at 42 U.S.C. 1395y(b). *Frequency:* Semi-annually; *Affected Public:* Individuals or Households, Business or other for profit, Not for profit institutions, Farms, Federal Government and State, Local or Tribal Government; *Number of Respondents:* 596,241; *Total Annual Responses:* 596,241; *Total Annual Hours Requested:* 2,325,449.

To obtain copies of the supporting statement for the proposed paperwork collections referenced above, access HCFA's WEB SITE ADDRESS at http://www.hcfa.gov, or to obtain the supporting statement and any related forms, E-mail your request, including your address and phone number, to Paperwork@hcfa.gov, or call the Reports Clearance Office on (410) 786–1326. Written comments and recommendations for the proposed information collections must be mailed within 60 days of this notice directly to the HCFA Paperwork Clearance Officer designated at the following address: HCFA, Office of Financial and Human Resources, Management Analysis and Planning Staff, Attention: Louis Blank, Room C2–26–17, 7500 Security Boulevard, Baltimore, Maryland 21244–1850.

Dated: October 25, 1996.

Edwin J. Glatzel,

Director, Management Analysis and Planning Staff, Office of Financial and Human Resources.

[FR Doc. 96–28147 Filed 11–01–96; 8:45 am]

BILLING CODE 4120–03–P

[OACT–054–N]

RIN 0938–AHO8

Medicare Program; Inpatient Hospital Deductible and Hospital and Extended Care Services Coinsurance Amounts for 1997

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

ACTION: Notice.

SUMMARY: This notice announces the inpatient hospital deductible and the hospital and extended care services coinsurance amounts for services furnished in calendar year 1997 under Medicare's hospital insurance program (Medicare Part A). The Medicare statute specifies the formulae to be used to determine these amounts.

The inpatient hospital deductible will be $760. The daily coinsurance amounts will be: (a) $190 for the 61st through 90th days of hospitalization in a benefit period; (b) $380 for lifetime reserve days; and (c) $95 for the 21st through 100th days of extended care services in a skilled nursing facility in a benefit period.

EFFECTIVE DATE: This notice is effective on January 1, 1997.

FOR FURTHER INFORMATION CONTACT: John Wandishin, (410) 786–6389. For case-mix analysis only: Gregory J. Savord, (410) 786–6384.

SUPPLEMENTARY INFORMATION:

I. Background

Section 1813 of the Social Security Act (the Act) provides for an inpatient hospital deductible to be subtracted from the amount payable by Medicare for inpatient hospital services furnished to a beneficiary. It also provides for certain coinsurance amounts to be subtracted from the amounts payable by Medicare for inpatient hospital and extended care services. Section 1813(b)(2) of the Act requires us to determine and publish between September 1 and September 15 of each year the amount of the inpatient hospital deductible and the hospital and extended care services coinsurance amounts applicable for services furnished in the following calendar year.

II. Computing the Inpatient Hospital Deductible for 1997

Section 1813(b) of the Act prescribes the method for computing the amount of the inpatient hospital deductible. The inpatient hospital deductible is an amount equal to the inpatient hospital deductible for the preceding calendar year, changed by our best estimate of the payment-weighted average of the applicable percentage increases (as defined in section 1886(b)(3)(B) of the Act). This estimate is used for updating the payment rates to hospitals for discharges in the fiscal year that begins on October 1 of the same preceding calendar year and adjusted to reflect real case mix. The adjustment to reflect real case mix is determined on the basis of the most recent case mix data available. The amount determined under this formula is rounded to the nearest multiple of $4 (or, if midway between two multiples of $4, to the next higher multiple of $4).

For fiscal year 1997, section 1886(b)(3)(B)(i)(XI) of the Act provides that the applicable percentage increase for hospitals in all areas is the market basket percentage increase minus 0.5 percent. Section 1886(b)(3)(B)(ii)(V) of the Act provides that, for fiscal year 1997, the otherwise applicable rate-of-increase percentages (the market basket percentage increase) for hospitals that are excluded from the prospective payment system are reduced by the lesser of 1 percentage point or the percentage point difference between 10 percent and the percentage by which the hospital's allowable operating costs of inpatient hospital services for cost reporting periods beginning in fiscal year 1990 exceeds the hospital's target amount. Hospitals or distinct part hospital units with fiscal year 1990 operating costs exceeding target amounts by 10 percent or more receive the market basket index percentage. The market basket percentage increases for fiscal year 1997 are 2.5 percent for prospective payment system hospitals and 2.5 percent for hospitals excluded from the prospective payment system, as announced in the Federal Register on August 30, 1996 (VOL. 61, No. 170 FR 46166). Therefore, the percentage increases for Medicare prospective payment rates are 2.0 percent for all hospitals. The average payment percentage increase for hospitals excluded from the prospective payment system is 1.96 percent. Thus, weighting these percentages in accordance with payment volume, our best estimate of the payment-weighted average of the increases in the payment rates for fiscal year 1997 is 2.0 percent.

To develop the adjustment for real case mix, an average case mix was first calculated for each hospital that reflects the relative costliness of that hospital's mix of cases compared to that of other hospitals. We then computed the increase in average case mix for hospitals paid under the Medicare prospective payment system in fiscal year 1996 compared to fiscal year 1995. (Hospitals excluded from the prospective payment system were excluded from this calculation since their payments are based on reasonable costs and are affected only by real increases in case mix.) We used bills from prospective payment hospitals received in HCFA as of July 1996. These bills represent a total of about 8.2 million discharges for fiscal year 1996 and provide the most recent case mix data available at this time. Based on these bills, the increase in average case mix in fiscal year 1996 is 1.1 percent. Based on past experience, we expect overall case mix to increase to 1.4

percent as the year progresses and more fiscal year 1996 data become available.

Section 1813 of the Act requires that the inpatient hospital deductible be increased only by that portion of the case mix increase that is determined to be real. We estimate that the increase in real case mix is about 1 percent. Since real case mix had been assumed to be increasing at about 1 percent per year in prior years, we expect this pattern to continue.

Thus, the estimate of the payment-weighted average of the applicable percentage increases used for updating the payment rates is 2.0 percent, and the real case mix adjustment factor for the deductible is 1 percent. Therefore, under the statutory formula, the inpatient hospital deductible for services furnished in calendar year 1997 is $760. This deductible amount is determined by multiplying $736 (the inpatient hospital deductible for 1996) by the payment rate increase of 1.02 multiplied by the increase in real case mix of 1.01 which equals $758.23 and is rounded to $760.

III. Computing the Inpatient Hospital and Extended Care Services Coinsurance Amounts for 1997

The coinsurance amounts provided for in section 1813 of the Act are defined as fixed percentages of the inpatient hospital deductible for services furnished in the same calendar year. Thus, the increase in the deductible generates increases in the coinsurance amounts. For inpatient hospital and extended care services furnished in 1997, in accordance with the fixed percentages defined in the law, the daily coinsurance for the 61st through 90th days of hospitalization in a benefit period will be $190 (¼ of the inpatient hospital deductible); the daily coinsurance for lifetime reserve days will be $380 (½ of the inpatient hospital deductible); and the daily coinsurance for the 21st through 100th days of extended care services in a skilled nursing facility in a benefit period will be $95 (⅛ of the inpatient hospital deductible).

IV. Cost to Beneficiaries

We estimate that in 1997 there will be about 9.2 million deductibles paid at $760 each, about 3.1 million days subject to coinsurance at $190 per day (for hospital days 61 through 90), about 1.4 million lifetime reserve days subject to coinsurance at $380 per day, and about 21.3 million extended care days subject to coinsurance at $95 per day. Similarly, we estimate that in 1996 there will be about 8.9 million deductibles paid at $736 each, about 3.0 million days subject to coinsurance at $184 per day (for hospital days 61 through 90), about 1.4 million lifetime reserve days subject to coinsurance at $368 per day, and about 20.8 million extended care days subject to coinsurance at $92 per day. Therefore, the estimated total increase in cost to beneficiaries is about $610 million (rounded to the nearest $10 million), due to (1) the increase in the deductible and coinsurance amounts and (2) the change in the number of deductibles and daily coinsurance amounts paid.

V. Waiver of Notice of Proposed Rulemaking

The Medicare statute, as discussed previously, requires publication of the Medicare Part A inpatient hospital deductible and the hospital and extended care services coinsurance amounts for services for each calendar year. The amounts are determined according to the statute. As has been our custom, we use general notices, rather than formal notice and comment rulemaking procedures, to make such announcements. In doing so, we acknowledge that, under the Administrative Procedure Act, interpretive rules, general statements of policy, and rules of agency organization, procedure, or practice are excepted from the requirements of notice and comment rulemaking.

We considered publishing a proposed notice to provide a period for public comment. However, we may waive that procedure if we find good cause that prior notice and comment are impracticable, unnecessary, or contrary to the public interest. We find that the procedure for notice and comment is unnecessary because the formula used to calculate the inpatient hospital deductible and the hospital and extended care services coinsurance amounts is statutorily directed, and we can exercise no discretion in following that formula. Moreover, the statute establishes the time period for which the deductible and coinsurance amounts will apply and delaying publication of these amounts would be contrary to the public interest. Therefore, we find good cause to waive publication of a proposed notice and solicitation of public comments.

VI. Impact Statement

This notice merely announces amounts required by legislation. This notice is not a proposed rule or a final rule issued after a proposal and does not alter any regulation or policy. Therefore, we have determined, and certify, that no analyses are required under Executive Order 12866, the Regulatory Flexibility Act (5 U.S.C. 601 through 612), or section 1102(b) of the Act.

In accordance with the provisions of Executive Order 12866, this notice was reviewed by the Office of Management and Budget.

Authority: Section 1813(b)(2) of the Social Security Act (42 U.S.C. 1395e(b)(2)).

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance)

Dated: September 10, 1996.

Bruce C. Vladeck,

Administrator, Health Care Financing Administration.

Dated: September 27, 1996.

Donna E. Shalala,

Secretary.

[FR Doc. 96–28142 Filed 11–1–96; 8:45 am]

BILLING CODE 4120–01–M

[OACT–053–N]

RIN 0938–AH45

Medicare Program; Part A Premium for 1997 for the Uninsured Aged and for Certain Disabled Individuals Who Have Exhausted Other Entitlement

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

ACTION: Notice.

SUMMARY: This notice announces the hospital insurance premium for calendar year 1997 under Medicare's hospital insurance program (Part A) for the uninsured aged and for certain disabled individuals who have exhausted other entitlement. The monthly Medicare Part A premium for the 12 months beginning January 1, 1997 for these individuals is $311. The reduced premium for certain other individuals as described in this notice is $187. Section 1818(d) of the Social Security Act specifies the method to be used to determine these amounts.

EFFECTIVE DATE: This notice is effective on January 1, 1997.

FOR FURTHER INFORMATION CONTACT: John Wandishin, (410) 786–6389.

SUPPLEMENTARY INFORMATION:

I. Background

Section 1818 of the Social Security Act (the Act) provides for voluntary enrollment in the Medicare hospital insurance program (Medicare Part A), subject to payment of a monthly premium, of certain persons who are age 65 and older, uninsured for social security or railroad retirement benefits and do not otherwise meet the requirements for entitlement to Medicare Part A. (Persons insured under the Social Security or Railroad