

Acute exacerbation of asthma & bronchiectasis  
 Dementia with behavioral disturbances  
 Postmenopausal status  
 Prolonged pregnancy  
 Plica of the knee  
 Update on the ICD-10-PCS coding system  
 Urological procedures  
 Neuroprotective agents  
 Stem cell transplantation with or without purging  
 Application of Anti-adhesion barrier gel in spinal surgery  
 Addenda

**CONTACT PERSON FOR ADDITIONAL INFORMATION:** Amy Blum, Medical Classification Specialist, Data Policy and Standards Staff, NCHS, 6526 Belcrest Road, Room 1100, Hyattsville, Maryland 20782, telephone 301/436-7050 ext. 164 (diagnosis), or Amy Gruber, Health Insurance Specialist, Division of Acute Care, HCFA, 7500 Security Blvd., Room C4-07-07, Baltimore, Maryland, 21244 telephone 410-786-1542 (procedures).

The Director, Management Analysis and Services Office, has been delegated the authority to sign **Federal Register** notices pertaining to announcements of meetings and other committee management activities, for both CDC and the Agency for Toxic Substances and Disease Registry.

Dated: October 15, 1999.

**Carolyn J. Russell,**

*Director, Management Analysis and Services Office, Centers for Disease Control and Prevention (CDC).*

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BILLING CODE 4160-18-P

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Health Care Financing Administration

[HCFA-1060-CN]

RIN 0938-AJ57

### Correction Notice—Schedules of Per-Visit and Per-Beneficiary Limitations on Home Health Agency Costs for Cost Reporting Periods Beginning on or After October 1, 1999 and Portions of Cost Reporting Periods Beginning Before October 1, 2000 (Medical Program)—ACTION

**Schedules of Per-Visit and Per-Beneficiary Limitations on Home Health Agency Costs for Cost Reporting Periods Beginning on or After October 1, 1999 and Portions of Cost Reporting Periods Beginning Before October 1, 2000 (Medical Program)**

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

**ACTION:** Correction of notice with comment period.

**SUMMARY:** In the August 5, 1999 issue of the **Federal Register** (64 FR 42766), we published a notice with comment period setting forth revised schedules of limitations on home health agency costs that may be paid under the Medicare program for cost reporting periods beginning on or after October 1, 1999. This document corrects technical errors made in that document.

**EFFECTIVE DATE:** October 1, 1999.

#### FOR FURTHER INFORMATION CONTACT:

Cathy Johnson, (410) 786-5241.

#### SUPPLEMENTARY INFORMATION:

## Background

In the August 5, 1999 notice, we announced the limitations for home health agencies for cost reporting periods beginning on or after October 1, 1999, including the per-visit limitations. We are correcting table 6A, Per-Visit Limitations, to account for an inadvertent misapplication of the 1.1 percent reduction related to the market basket update factors. The aggregate per-beneficiary limits were calculated correctly in the August 5 notice and are not affected.

In addition, there were inadvertent rounding errors and a typographical error in the three tables discussing OASIS adjustment. Due to these errors, we are correcting Table 1, Continuous Oasis Adjustment: Base; Table 2, Continuous OASIS Adjustment: 5-Year Depreciation Averaging; and Table 3, OASIS Adjustment: "One-Time". Below are the corrected figures and corrected Tables 1 through 3. The total continuous OASIS adjustment factor should be \$.118895, rather than \$.11916. The total continuous OASIS adjustment factor of \$.118895 when added to the one-time OASIS adjustment of \$.010267 yields an overall adjustment of \$.129162.

## Correction of Errors

1. On page 42771, Table 1 is corrected to read as follows:

TABLE 1.—CONTINUOUS OASIS ADJUSTMENT: BASE  
 [For data reporting]

| Type of Adjustment                    | Source  | Formula  | Cost per visit |
|---------------------------------------|---|--|----------------|
| Audits to ensure data accuracy .....  | University of Colorado (CHPR), BLS Occupational Employment Survey (1996), 1994 & 1995 HCFA Cost Report Data.  | (((10 records per month * 12 months) * .25 hrs) * \$25.42)/30,000 avg visits)<br>. . . professional staff                            | .02542         |
| Data entry, editing, & auditing ..... | University of Colorado (CHPR), Estimated average salary for clerical staff 1994 & 1995 HCFA Cost Report Data. | (((8.5 hrs per month * 12) + (5 hrs per month * 12) + (1 hr per month * 12) + (5 hrs per year)) * \$10 per hour) /30,000 avg visits) | .059667        |
| Supplies .....                        | HCFA-3006-IFC OASIS Reporting (64 FR 3748), 1994 & 1995 HCFA Cost Report Data.                                | \$250 avg cost / 30,000 avg visits .....   | .008333        |
| Ongoing telephone costs .....         | Regional telephone company 1994 & 1995 HCFA Cost Report Data (for average size HHA).                          | ((((\$13.14 per month, per line) + (\$6.38 per month subscriber fee)) * 12 months) / 30,000 avg visits)                              | .007808        |
| Total .....                           |   |  | \$ .101228     |

2. On page 42771, Table 2 is corrected to read as follows:

TABLE 2.—CONTINUOUS OASIS ADJUSTMENT: 5-YEAR DEPRECIATION AVERAGING  
[For data reporting]

| Type of adjustment  | Source  | Formula   | Cost per visit |
|---|---|---|----------------|
| Computer Hardware:<br>American Hospital Association's Health Data & Coding Standards Group's "Estimated Useful Lives of Depreciable Hospital Assets" (revised 1998) |   |   |                |
| —Computer .....   | Average cost for PC with minimal acceptable standards 1994 & 1995 HCFA Cost Report Data.      | \$2050 computer depreciated over 3 years....<br>(((\$2050/3) / 30,000 avg visits).  | \$.022778      |
| —Printer .....  | Average cost for printer with minimal acceptable standards 1994 & 1995 HCFA Cost Report Data. | \$600 printer cost depreciated over 5 years...<br>(((\$600/5) / 30,000 avg visits). | .004           |
| First 3 Year's Adjustment .....   |   | * Note: computer & printer depreciation .....                                       | .026778        |
| Next 2 Year's Adjustment .....  |   | * Note: printer ONLY depreciation .....   | .004           |
| 5 Year Average Adjustment .....   |   | (((\$0.026778*3) + (\$.004 * 2)) / 5) .....   | .017667        |

3. On page 42771 and continuing on page 42772, Table 3 is corrected to read as follows:

TABLE 3.—CONTINUOUS OASIS ADJUSTMENT: "ONE-TIME"  
[For data reporting]

| Type of adjustment                 | Source   | Formula  | Cost per visit |
|------------------------------------|--|--|----------------|
| Training of Data Entry Staff ..... | BLS Employer Provided Training (Hrs of Training (1995) & an estimated average salary for clerical personnel 1994 & 1995 HCFA Cost Report Data. | (24 hrs * \$10) / 30,000 avg visits .....                                | \$ .008        |
| Telephone installation .....       | 1994 & 1995 HCFA Cost Report Data ...  | (\$28 processing fee) + (\$40 per line connect fee) / 30,000 avg visits. | .002267        |
| Total One Time Adjustment .....    |  |  | .010267        |

4. On page 42772, the following corrections are made:

a. In the first paragraph of column 1, in line 13, "\$.101561" is corrected to read "\$.101228".

b. In the first paragraph of column 1, in the fifth line from the bottom, "\$.0267" is corrected to read "\$.026778".

c. In the second paragraph of column 1, which continues in column 2, in line

15, "\$.026777" is corrected to read "\$.026778".

d. In the second paragraph of column 1, in line 23, "\$.01766" is corrected to read "\$.017667".

e. In the second paragraph of column 1, the last sentence as continued in column 2, is corrected to read "This yearly average computer hardware depreciation adjustment (\$.017667),

when added to the base continuous OASIS adjustment (\$.101228), results in a total continuous OASIS adjustment of \$.118895."

f. In the first full paragraph in column 2, in line 6, "\$.0103" is corrected to read "\$.010267".

5. On page 42777, Table 6A is corrected in its entirety to read as follows:

TABLE 6A.—PER-VISIT LIMITATIONS

| Type of visit                 | Per-visit limitation | Labor portion | Nonlabor portion |
|-------------------------------|----------------------|---------------|------------------|
| MSA (NECMA) location:         |                      |               |                  |
| Skilled nursing care .....    | \$100.81             | \$78.91       | \$21.90          |
| Physical therapy .....        | 115.56               | 90.16         | 25.40            |
| Speech therapy .....          | 117.06               | 91.40         | 25.66            |
| Occupational therapy .....    | 115.97               | 90.46         | 25.51            |
| Medical social services ..... | 141.40               | 110.13        | 31.27            |
| Home health aide .....        | 46.43                | 36.39         | 10.04            |
| NonMSA location:              |                      |               |                  |
| Skilled nursing care .....    | 111.07               | 90.28         | 20.79            |
| Physical therapy .....        | 127.15               | 103.15        | 24.00            |
| Speech therapy .....          | 133.00               | 107.68        | 25.32            |
| Occupational therapy .....    | 132.50               | 107.01        | 25.49            |
| Medical social services ..... | 174.10               | 141.49        | 32.61            |
| Home health aides .....       | 46.66                | 37.98         | 8.68             |

Section 1861(v)(1)(A) of the Social Security Act (42 U.S.C. 1395x (v)(1)(A). (Catalog of Federal Domestic Assistance Program No. 93.773 Medicare—Hospital Insurance)

Dated: October 15, 1999.

**Brian P. Burns,**

*Deputy Assistant Secretary for Information Resources Management.*

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Health Care Financing Administration

[HCFA-8005-N]

RIN 0938-AB52

### Medicare Program; Inpatient Hospital Deductible and Hospital and Extended Care Services Coinsurance Amounts for 2000

**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 2000 under Medicare's hospital insurance program (Medicare Part A). The Medicare statute specifies the formulae used to determine these amounts.

The inpatient hospital deductible will be \$776. The daily coinsurance amounts will be: (a) \$194 for the 61st through 90th day of hospitalization in a benefit period; (b) \$388 for lifetime reserve days; and (c) \$97 for the 21st through 100th day of extended care services in a skilled nursing facility in a benefit period.

**EFFECTIVE DATE:** This notice is effective on January 1, 2000.

**FOR FURTHER INFORMATION CONTACT:**

Clare McFarland, (410) 786-6390.

For case-mix analysis only: Gregory J. Savord, (410) 786-1521.

**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 2000

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) 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).

Under section 1886(b)(3)(B)(i) of the Act, as amended by section 4401(a) of the Balanced Budget Act of 1997 (BBA '97) (Public Law 105-33), the percentage increase used to update the payment rates for fiscal year 2000 for hospitals paid under the prospective payment system is the market basket percentage increase minus 1.8 percentage points.

Under section 1886(b)(3)(B)(ii) of the Act, as amended by section 4411(a) of the BBA '97, the percentage increase used to update the payment rates for fiscal year 2000 for hospitals excluded from the prospective payment system depends on the hospital's allowable operating costs of inpatient hospital services. If the hospital's allowable operating costs of inpatient hospital services for the most recent cost reporting period for which information is available—

(1) Are equal to or exceed 110 percent of the hospital's target amount for that cost reporting period, the applicable percentage increase is the market basket percentage;

(2) Exceed 100 percent but are less than 110 percent of the hospital's target amount for that cost reporting period, the applicable percentage increase is the market basket percentage minus 0.25 percentage points for each percentage point by which the hospital's allowable operating costs are less than 110 percent of the target amount for that cost

reporting period (but not less than 0 percent);

(3) Are equal to or less than 100 percent of the hospital's target amount for that cost reporting period, but exceed two-thirds of the target amount, the applicable percentage increase is 0 percent or, if greater, the market basket percentage minus 2.5 percentage points; or

(4) Do not exceed two-thirds of the hospital's target amount for that cost reporting period, the applicable percentage increase is 0 percent.

The market basket percentage increase for fiscal year 2000 is 2.9 percent, as announced in the **Federal Register** on July 30, 1999 (64 FR 41490). Therefore, the percentage increase for hospitals paid under the prospective payment system is 1.1 percent. The average payment percentage increase for hospitals excluded from the prospective payment system is 0.9 percent. 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 2000 is 1.09 percent.

To develop the adjustment for real case mix, we first calculated for each hospital an average case mix that reflects the relative costliness of that hospital's mix of cases compared to those of other hospitals. We then computed the change in average case mix for hospitals paid under the Medicare prospective payment system in fiscal year 1999 compared to fiscal year 1998. (We excluded from this calculation hospitals excluded from the prospective payment system because their payments are based on reasonable costs and are affected only by real changes in case mix.) We used bills from prospective payment hospitals received in HCFA as of April 1999. These bills represent a total of about 5.6 million discharges for fiscal year 1999 and provide the most recent case mix data available at this time. Based on these bills, the change in average case mix in fiscal year 1999 is -0.87 percent. Based on past experience, we expect the overall case mix change to be -0.6 percent as the year progresses and more fiscal year 1999 data become available.

Section 1813 of the Act requires that the inpatient hospital deductible be adjusted only by that portion of the case mix change that is determined to be real. There is a negligible change in overall case mix for fiscal year 1999. We estimate that there is no change in real case mix; that is, we estimate that the change in real case mix for fiscal year 1999 is 0.0 percent.