DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Parts 414 and 484

[CMS–1304–F]

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Medicare Program; Home Health Prospective Payment System Rate Update for Calendar Year 2007 and Deficit Reduction Act of 2005 Changes to Medicare Payment for Oxygen Equipment and Capped Rental Durable Medical Equipment; Final Rule

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Final rule.

SUMMARY: This final rule sets forth an update to the 60-day national episode rates and the national per-visit amounts under the Medicare prospective payment system for home health services. In addition, this final rule sets forth policy changes related to Medicare payment for certain durable medical equipment for the purpose of implementing sections 1834(a)(5) and 1834(a)(7) of the Social Security Act, as amended by section 5101 of the Deficit Reduction Act of 2005. This final rule also responds to public comments on the August 3, 2006, proposed rule that pertain to a number of issues including the requirement that home health payments are based on the reporting of specific quality data by home health agencies.

DATES: *Effective Date:* These regulations are effective on January 1, 2007.

FOR FURTHER INFORMATION CONTACT: Randy Throndset, (410) 786–0131, or Sharon Ventura, (410) 786–1985 (for issues related to the home health prospective payment system). Doug Brown, (410) 786–0028 (for issues related to reporting home health quality data). Alexis Meholic, (410) 786–2300 (for issues related to payments for oxygen equipment and capped rental durable medical equipment).

SUPPLEMENTARY INFORMATION:

I. Background

A. Statutory Background

The Balanced Budget Act of 1997 (BBA) (Pub. L. 105–33), enacted on August 5, 1997, significantly changed the way Medicare pays for Medicare home health services. Until the implementation of a home health prospective payment system (HH PPS) on October 1, 2000, home health agencies (HHAs) received payment under a cost-based reimbursement system. Section 4603 of the BBA governed the development of the HH PPS.

Section 4603(a) of the BBA provides the authority for the development of a PPS for all Medicare-covered home health services provided under a plan of care that were paid on a reasonable cost basis by adding section 1895, entitled ''Prospective Payment For Home Health Services,'' to the Social Security Act (the Act).

Section 1895(b)(1) of the Act requires the Secretary to establish a PPS for all costs of home health services paid under Medicare.

Section 1895(b)(3)(A) of the Act requires that (1) the computation of a standard prospective payment amount include all costs of home health services covered and paid for on a reasonable cost basis and be initially based on the most recent audited cost report data available to the Secretary, and (2) the prospective payment amounts be standardized to eliminate the effects of case-mix and wage levels among HHAs.

Section 1895(b)(3)(B) of the Act addresses the annual update to the standard prospective payment amounts by the home health applicable increase percentage as specified in the statute.

Section 1895(b)(4) of the Act governs the payment computation. Sections 1895(b)(4)(A)(i) and (b)(4)(A)(ii) of the Act require the standard prospective payment amount to be adjusted for case-mix and geographic differences in wage levels. Section 1895(b)(4)(B) of the Act requires the establishment of an appropriate case-mix adjustment factor that explains a significant amount of the variation in cost among different units of services. Similarly, section 1895(b)(4)(C) of the Act requires the establishment of wage-adjustment factors that reflect the relative level of wages and wage-related costs applicable to the furnishing of home health services in a geographic area compared to the national average applicable level. These wage-adjustment factors may be the factors used by the Secretary for the different area wage levels for purposes of section 1886(d)(3)(E) of the Act.

Section 1895(b)(5) of the Act gives the Secretary the option to grant additions or adjustments to the payment amount otherwise made in the case of outliers because of unusual variations in the type or amount of medically necessary care. Total outlier payments in a given fiscal year cannot exceed 5 percent of total payments projected or estimated.

On February 8, 2006, the Congress enacted the Deficit Reduction Act (DRA) of 2005 (Pub. L. 109–171). This legislation made additional changes to the HH PPS.

Section 5201 of the DRA changed the CY 2006 update from the applicable home health market basket percentage increase minus 0.8 percentage points to a 0 percent update.

Section 5201 of the DRA amended section 421(a) of the MMA. The amended section 421(a) of the MMA requires, for home health services furnished in a rural area (as defined in section 1886(d)(2)(D) of the Act) with respect to episodes and visits beginning on or after January 1, 2006 and before January 1, 2007, that the Secretary increase by 5 percent the payment amount otherwise made under section 1895 of the Act. The statute waives budget neutrality for purposes of this increase as it specifically requires that the Secretary not reduce the standard prospective payment amount (or amounts) under section 1895 of the Act applicable to home health services furnished during a period to offset the increase in payments resulting in the application of this section of the statute.

The 0 percent update to the payment rates and the rural add-on provisions of the DRA were implemented through Pub. 100–20, One Time Notification, Transmittal 211 issued February 10, 2006.

In addition, section 5201(c) of the DRA amends the statute to add section 1895(b)(3)(B)(v) to the Act, requiring HHAs to submit data for purposes of measuring health care quality. This requirement is applicable for 2007 and each subsequent year. For 2007 and each subsequent year, in the case of a HHA that does not submit quality data, the home health market basket percentage increase would be reduced by 2 percentage points.

B. Updates

1. 2000 Final Rule

On July 3, 2000, we published a final rule (65 FR 41128) in the **Federal Register** to implement the HH PPS legislation. That final rule established requirements for a new PPS for HHAs as required by section 4603 of the BBA, and as subsequently amended by section 5101 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act (OCESAA) for Fiscal Year 1999 (Pub. L. 105–277), enacted on October 21, 1998; and by sections 302, 305, and 306 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act (BBRA) of 1999 (Pub. L. 106–113), enacted on November 29, 1999. The requirements include the implementation of a PPS for home

health services, consolidated billing requirements, and a number of other related changes. The PPS described in that rule replaced the retrospective reasonable-cost-based system that was used by Medicare for the payment of home health services under Part A and Part B.

2. 2005 Final Rule

On November 9, 2005, we published a final rule (70 FR 68132), which set forth an update to the 60-day national episode rates and the national per-visit amounts under the Medicare prospective payment system for home health services for CY 2006. As part of that final rule, we adopted revised area labor market Metropolitan Statistical Area designations for CY 2006. In implementing the new area labor market designations, we allowed for a 1-year transition period. This transition consists of a blend of 50 percent of the new area labor market designations' wage index and 50 percent of the previous area labor market designations' wage index. In addition, we revised the fixed dollar loss ratio, which is used in the calculation of outlier payments.

C. System for Payment of Home Health Services

Generally, Medicare makes payment under the HH PPS on the basis of a national standardized 60-day episode payment, adjusted for case mix and wage index. For episodes with four or fewer visits, Medicare pays on the basis of a national per-visit amount by discipline, referred to as a low utilization payment adjustment (LUPA). Medicare also adjusts the 60-day episode payment for certain intervening events that give rise to a partial episode payment adjustment (PEP adjustment) or a significant change in condition adjustment (SCIC). For certain cases that exceed a specific cost threshold, an outlier adjustment may also be available. For a complete and full description of the HH PPS as required by the BBA and as amended by OCESAA and BBRA, see the July 3, 2000 HH PPS final rule (65 FR 41128).

D. Changes in Payment for Oxygen and Oxygen Equipment and Other Durable Medical Equipment (Capped Rental Items)

The Medicare payment rules for durable medical equipment (DME) are set forth in section 1834(a) of the Act and 42 CFR part 414, subpart D of our regulations. General payment rules for DME are set forth in section 1834(a)(1) of the Act and § 414.210 of our regulations, and § 414.210 also contains paragraphs relating to maintenance and servicing of items and replacement of items. Specific rules for oxygen and oxygen equipment are set forth in section 1834(a)(5) of the Act and § 414.226 of our regulations, and specific rules for capped rental items are set forth in section 1834(a)(7) of the Act and § 414.229 of our regulations. Rules for determining a period of continuous use for the rental of DME are set forth in § 414.230 of our regulations. The Medicare payment basis for DME is equal to 80 percent of either the lower of the actual charge or the fee schedule amount for the item. The beneficiary coinsurance is equal to 20 percent of either the lower of the actual charge or the fee schedule amount for the item.

In accordance with the rules set forth in section 1834(a)(5) of the Act and § 414.226 of our regulations, since 1989, suppliers have been paid monthly for furnishing oxygen and oxygen equipment to Medicare beneficiaries. Suppliers have also been paid an add-on fee for furnishing portable oxygen equipment to patients when medically necessary. Before the enactment of the DRA, these monthly payments continued for the duration of use of the equipment, provided that Medicare Part B coverage and eligibility criteria were met. Medicare covers three types of oxygen delivery systems: (1) Stationary or portable oxygen concentrators, which concentrate oxygen in room air; (2) stationary or portable liquid oxygen systems, which use oxygen stored as a very cold liquid in cylinders and tanks; and (3) stationary or portable gaseous oxygen systems, which administer compressed oxygen directly from cylinders. Both liquid and gaseous oxygen systems require delivery of oxygen contents.

Medicare payment for furnishing oxygen and oxygen equipment is made on a monthly basis and the fee schedule amounts vary by State. Payment for oxygen contents for both stationary and portable equipment is included in the fee schedule allowances for stationary equipment. Medicare fee schedules for home oxygen equipment are modality neutral; meaning that in a given State, there is one fee schedule amount that applies to all stationary systems and one fee schedule amount that applies to all portable systems.

Effective January 1, 2006, section 5101(b) of the DRA amended the Act at section 1834(a)(5) of the Act, limiting to 36 months the total number of continuous months for which Medicare will pay for oxygen equipment on a rental basis. At the end of the 36-month period, this section mandates that the supplier transfer title to the stationary and portable oxygen equipment to the beneficiary. Section 5101(b) of the DRA does not, however, limit the number of months for which Medicare will pay for oxygen contents for beneficiary-owned stationary or portable gaseous or liquid systems, and payment will continue to be made as long as the oxygen remains medically necessary. Section 5101(b) of the DRA also provides that payment for reasonable and necessary maintenance and servicing of beneficiary-owned oxygen equipment will be made for parts and labor not covered by a supplier's or manufacturer's warranty. In the case of beneficiaries using oxygen equipment on December 31, 2005, the 36-month rental period prescribed by the DRA begins on January 1, 2006.

In accordance with the rules set forth in section 1834(a)(7) of the Act and § 414.229 of our regulations, before the enactment of the DRA, suppliers of capped rental items (that is, other DME not described in paragraphs (2) through (6) of section 1834(a) of the Act) were paid on a rental or purchase option basis. Payment for most items in the capped rental category was made on a monthly rental basis, with rental payments being capped at 15 months or 13 months, depending on whether the beneficiary chose to continue renting the item or to take over ownership of the item through the ''purchase option.'' For all capped rental items, the supplier was required to inform the beneficiary of his or her purchase option, during the 10th rental month, to enter into a purchase agreement under which the supplier would transfer title to the item to the beneficiary on the first day after the 13th continuous month during which payment was made for the rental of the item. Therefore, if the beneficiary chose the purchase option, rental payments to the supplier would continue through the 13th month of continuous use of the equipment, after which time title to the equipment would transfer from the supplier to the beneficiary. Medicare would also make payment for any reasonable and necessary repair or maintenance and servicing of the equipment following the transfer of title. If the beneficiary did not choose the purchase option, rental payments would continue through the 15th month of continuous use. In these cases, suppliers would maintain title to the equipment but would have to continue furnishing the item to the beneficiary as long as medical necessity continued. Beginning 6 months after the 15th month of continuous use in which payment was made, Medicare would also make semi-annual maintenance and servicing payments to suppliers. These payments were approximately equal to 10 percent

of the purchase price for the equipment as determined by the statute. Total Medicare payments made through the 13th and 15th months of rental equal 105 and 120 percent, respectively, of the purchase price for the equipment.

In the case of power-driven wheelchairs, since 1989 payment has also been made on a lump-sum purchase basis at the time that the item is initially furnished to the beneficiary if the beneficiary chooses to obtain the item in this manner. Most beneficiaries choose to obtain power-driven wheelchairs via this lump-sum purchase option.

Effective for items for which the first rental month occurs on or after January 1, 2006, section 5101(a) of the DRA of 2005 amended section 1834(a)(7) of the Act, limiting to 13 months the total number of continuous months for which Medicare will pay for DME in this category. After a 13-month period of continuous use during which rental payments are made, the statute requires that the supplier transfer title to the equipment to the beneficiary. Beneficiaries may still elect to obtain power-driven wheelchairs on a lump-sum purchase agreement basis. In all cases, payment for reasonable and necessary maintenance and servicing of beneficiary-owned equipment will be made for parts and labor not covered by the supplier's or manufacturer's warranty.

E. Requirements for Issuance of Regulations

Section 902 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) amended section 1871(a) of the Act and requires the Secretary, in consultation with the Director of the Office of Management and Budget, to establish and publish timelines for the publication of Medicare final regulations based on the previous publication of a Medicare proposed or interim final regulation. Section 902 of the MMA also states that the timelines for these regulations may vary but shall not exceed 3 years after publication of the preceding proposed or interim final regulation except under exceptional circumstances.

This final rule finalizes provisions set forth in the August 3, 2006 proposed rule. In addition, this final rule has been published within the 3-year time limit imposed by section 902 of the MMA. Therefore, we believe that the final rule is in accordance with the Congress' intent to ensure timely publication of final regulations.

II. Provisions of the Proposed Regulations

We published a proposed rule in the **Federal Register** on August 3, 2006 (71 FR 44081) that set forth a proposed update to the 60-day national episode rates and the national per-visit amounts under the Medicare prospective payment system for home health services. In addition, that proposed rule set forth proposed policy changes related to Medicare payment for certain durable medical equipment for the purpose of implementing sections 1834(a)(5) and 1834(a)(7) of the Social Security Act, as amended by section 5101 of the Deficit Reduction Act of 2005. That proposed rule also invited comments on a number of issues including payments based on reporting quality data, the adoption of health information technology, as well as how to improve data transparency for consumers.

A. National Standardized 60-Day Episode Rate

The Medicare HH PPS has been effective since October 1, 2000. As set forth in the final rule published July 3, 2000 in the **Federal Register** (65 FR 41128), the unit of payment under the Medicare HH PPS is a national standardized 60-day episode rate. As set forth in § 484.220, we adjust the national standardized 60-day episode rate by a case mix grouping and a wage index value based on the site of service for the beneficiary. The proposed CY 2007 HH PPS rates used the same case-mix methodology and application of the wage index adjustment to the labor portion of the HH PPS rates as set forth in the July 3, 2000 final rule. In the October 22, 2004 final rule, we rebased and revised the home health market basket, resulting in a labor-related share of 76.775 percent and a non-labor portion of 23.225 percent (69 FR 62126). We multiply the national 60-day episode rate by the patient's applicable case-mix weight. We divide the case-mix adjusted amount into a labor and non-labor portion. We multiply the labor portion by the applicable wage index based on the site of service of the beneficiary.

As required by section 1895(b)(3)(B) of the Act, we have updated the HH PPS rates annually in a separate **Federal Register** document. Section 484.225 sets forth the specific annual percentage update. To reflect section 1895(b)(3)(B)(v) of the Act, as added by section 5201 of the DRA, we proposed to revise § 484.225, paragraph (g) as follows:

(g) For 2007 and subsequent calendar years, the unadjusted national rate is equal to the rate for the previous calendar year increased by the applicable home health market basket index amount unless the HHA has not submitted quality data in which case the unadjusted national rate is equal to the rate for the previous calendar year increased by the applicable home health market basket index amount minus 2 percentage points.

For CY 2007, we proposed to use again the design and case-mix methodology described in section III.G of the HH PPS July 3, 2000 final rule (65 FR 41192 through 41203). For CY 2007, we will base the wage index adjustment to the labor portion of the PPS rates on the most recent pre-floor and pre-reclassified hospital wage index as discussed in section II.F of the August 3, 2006 proposed rule (not including any reclassifications under section 1886(d)(8)(B) of the Act).

As discussed in the July 3, 2000 HH PPS final rule, for episodes with four or fewer visits, Medicare pays the national per-visit amount by discipline, referred to as a LUPA. We update the national per-visit amounts by discipline annually by the applicable home health market basket percentage. We adjust the national per-visit amount by the appropriate wage index based on the site of service for the beneficiary as set forth in § 484.230. We will adjust the labor portion of the updated national per-visit amounts by discipline used to calculate the LUPA by the most recent pre-floor and pre-reclassified hospital wage index, as discussed in section II.F of the August 3, 2006 proposed rule.

Medicare pays the 60-day case-mix and wage-adjusted episode payment on a split percentage payment approach. The split percentage payment approach includes an initial percentage payment and a final percentage payment as set forth in § 484.205(b)(1) and § 484.205(b)(2). We may base the initial percentage payment on the submission of a request for anticipated payment (RAP) and the final percentage payment on the submission of the claim for the episode, as discussed in § 409.43. The claim for the episode that the HHA submits for the final percentage payment determines the total payment amount for the episode and whether we make an applicable adjustment to the 60-day case-mix and wage-adjusted episode payment. The end date of the 60-day episode as reported on the claim determines which calendar year rates Medicare would use to pay the claim.

We may also adjust the 60-day case-mix and wage-adjusted episode payment based on the information submitted on the claim to reflect the following:

• A low utilization payment provided on a per-visit basis as set forth in § 484.205(c) and § 484.230.
• A partial episode payment adjustment as set forth in § 484.205(d) and § 484.235.
• A significant change in condition adjustment as set forth in § 484.205(e) and § 484.237.
• An outlier payment as set forth in § 484.205(f) and § 484.240.

B. CY 2007 Update to the Home Health Market Basket Index

Section 1895(b)(3)(B) of the Act, as amended by section 5201 of the DRA, requires for CY 2007 that the standard prospective payment amounts be increased by a factor equal to the applicable home health market basket update. The proposed rule contained a home health market basket update of 3.1 percent. Since publication of the proposed rule, we have estimated a new home health market basket update of 3.3 percent for CY 2007.

CY 2007 Adjustments

In calculating the annual update for the CY 2007 60-day episode rates, we first look at the CY 2006 rates as a starting point. The CY 2006 national 60-day episode rate, as modified by section 5201(a)(4) of the DRA (and implemented through Pub. 100–20, One Time Notification, Transmittal 211 issued February 10, 2006) is $2,264.28.

In order to calculate the CY 2007 national 60-day episode rate, we multiply the CY 2006 national 60-day episode rate ($2,264.28) by the estimated home health market basket update of 3.3 percent for CY 2007. The estimated home health market basket percentage increase reflects changes over time in the prices of an appropriate mix of goods and services included in covered home health services. The estimated home health market basket percentage increase is generally used to update the HH PPS rates on an annual basis.

We increase the CY 2006 60-day episode payment rate by the estimated home health market basket update (3.3 percent) ($2,264.28 × 1.033) to yield the updated CY 2007 national 60-day episode rate ($2,339.00) (see Table 1 below). The CY 2007 HH PPS rates apply to episodes ending on or after January 1, 2007, and before January 1, 2008.

TABLE 1.—NATIONAL 60-DAY EPISODE AMOUNTS UPDATED BY THE ESTIMATED HOME HEALTH MARKET BASKET UPDATE FOR CY 2007, BEFORE CASE-MIX ADJUSTMENT

Total CY 2006 Prospective Payment Amount Per 60-day Episode	Multiply by the Estimated Home Health Market Basket Update (3.3 Percent)[1]	CY 2007 Updated National 60-Day Episode Rate
$2,264.28	× 1.033	$2,339.00

[1] The estimated home health market basket update of 3.3 percent for CY 2007 is based on Global Insight, Inc, 3rd Qtr, 2006 forecast with historical data through 2nd Qtr, 2006.

National Per-Visit Amounts Used To Pay LUPAs and Compute Imputed Costs Used in Outlier Calculations

As discussed previously in the August 3, 2006 proposed rule, the policies governing the LUPAs and outlier calculations set forth in the July 3, 2000 HH PPS final rule will continue during CY 2007. In calculating the annual update for the CY 2007 national per-visit amounts we use to pay LUPAs and to compute the imputed costs in outlier calculations, we look again at the CY 2006 rates as a starting point. We then multiply those amounts by the estimated home health market basket update for CY 2007 (3.3 percent) to yield the updated per-visit amounts for each home health discipline for CY 2007 (episodes ending on or after January 1, 2007, and before January 1, 2008) (see Table 2 below).

TABLE 2.—NATIONAL PER-VISIT AMOUNTS FOR LUPAS AND OUTLIER CALCULATIONS UPDATED BY THE ESTIMATED HOME HEALTH MARKET BASKET UPDATE FOR CY 2007

Home health discipline type	Final CY 2006 per-visit amounts per 60-day episode for LUPAs	Multiply by the estimated home health market basket (3.3 percent) [1]	CY 2007 per-visit payment amount per discipline for LUPAs
Home Health Aide	$44.76	× 1.033	$46.24
Medical Social Services	158.45	× 1.033	163.68
Occupational Therapy	108.81	× 1.033	112.40
Physical Therapy	108.08	× 1.033	111.65
Skilled Nursing	98.85	× 1.033	102.11
Speech-Language Pathology	117.44	× 1.033	121.32

[1] The estimated home health market basket update of 3.3 percent for CY 2007 is based on Global Insight, Inc, 3rd Qtr, 2006 forecast with historical data through 2nd Qtr, 2006.

C. Rural Add-On

As stated above, section 5201(b) of the DRA requires, for home health services furnished in a rural area (as defined in section 1886(d)(2)(D) of the Act) with respect to episodes and visits beginning on or after January 1, 2006 and before January 1, 2007, that the Secretary increase by 5 percent the payment amount otherwise made under section 1895 of the Act. The statute waives budget neutrality related to this provision as it specifically states that the Secretary shall not reduce the standard prospective payment amount (or amounts) under section 1895 of the Act applicable to home health services furnished during a period to offset the increase in payments resulting in the application of this section of the statute.

While the rural add-on primarily affects those episodes paid based on CY 2006 rates, it also affects a number of CY 2007 episodes. For example, an episode that begins on December 20, 2006 and ends on February 17, 2007 for services furnished in a rural area, will be paid based on CY 2007 rates because the episode ends on or after January 1, 2007 and before January 1, 2008; and the

episode will also receive the rural add-on because the episode begins on or after January 1, 2006 and before January 1, 2007.

The applicable case-mix and wage index adjustment is subsequently applied to the 60-day episode amount for the provision of home health services where the site of service for the beneficiary is a non-Metropolitan Statistical Area (MSA). Similarly, the applicable wage index adjustment is subsequently applied to the LUPA per-visit amounts adjusted for the provision of home health services where the site of service for the beneficiary is a non-MSA area. We implemented this provision for CY 2006 on February 13, 2006 through Pub. 100–20, One Time Notification, Transmittal 211 issued February 10, 2006. The 5 percent rural add-on is noted in tables 3 and 4 below.

TABLE 3.—PAYMENT AMOUNTS FOR 60-DAY EPISODES BEGINNING IN CY 2006 AND ENDING IN CY 2007 UPDATED BY THE ESTIMATED HOME HEALTH MARKET BASKET UPDATE FOR CY 2007 WITH RURAL ADD-ON, BEFORE CASE-MIX ADJUSTMENT

CY 2007 Total prospective payment amount per 60-day episode	5 Percent rural add-on	CY 2007 Payment amount per 60-day episode beginning in CY 2006 and before January 1, 2007 and ending in CY 2007 for a beneficiary who resides in a non-MSA area
$2,339	× 1.05	$2,455.95

TABLE 4.—PER-VISIT AMOUNTS FOR EPISODES BEGINNING IN CY 2006 AND ENDING IN CY 2007 UPDATED BY THE ESTIMATED HOME HEALTH MARKET BASKET UPDATE FOR CY 2007 WITH RURAL ADD-ON

Home health discipline type	CY 2007 Per-visit amounts	Multiply by the 5 percent rural add-on	CY 2007 per-visit payment amount per discipline for 60-day episodes beginning on or after January 1, in CY 2006 and ending in CY 2007 for a beneficiary who resides in a non-MSA area
Home Health Aide	$46.24	× 1.05	$48.55
Medical Social Services	163.68	× 1.05	171.86
Occupational Therapy	112.40	× 1.05	118.02
Physical Therapy	111.65	× 1.05	117.23
Skilled Nursing	102.11	× 1.05	107.22
Speech-Language Pathology	121.32	× 1.05	127.39

D. Home Health Care Quality Improvement

Section 5201(c)(2) of the DRA added section 1895(b)(3)(B)(v)(II) to the Act, requiring that ''each home health agency shall submit to the Secretary such data that the Secretary determines are appropriate for the measurement of health care quality. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this clause.'' In addition, section 1895(b)(3)(B)(v)(I) of the Act, as also added by section 5201(c)(2) of the DRA, dictates that ''for 2007 and each subsequent year, in the case of a home health agency that does not submit data to the Secretary in accordance with subclause (II) with respect to such a year, the home health market basket percentage increase applicable under such clause for such year shall be reduced by 2 percentage points.''

The Omnibus Budget Reconciliation Act of 1987 (OBRA 87) required the use of a standardized assessment instrument for quality oversight of HHAs. A standardized assessment instrument provides an HHA with a uniform mechanism to assess the needs of their patients and provide CMS with a uniform mechanism to assess the HHA's ability to adequately address those needs. To fulfill the OBRA 87 mandate, CMS required that, as part of their comprehensive assessment process, HHAs collect and report Outcome and Assessment Information Set (OASIS) data and later mandated the submission of this data as a Medicare Condition of Participation for home health agencies at 42 CFR 484.20 and 484.55.

The OASIS data provide consumers and HHAs with ten publicly-reported home health quality measures which have been endorsed by the National Quality Forum (NQF). Reporting this quality data has also required the development of several supporting mechanisms such as the HAVEN software used to encode and transmit data using a CMS standard electronic record layout, edit specifications, and data dictionary. Use of the HAVEN software, which includes the OASIS, has become a standard practice within HHA operations. These early investments in data infrastructure and supporting software that CMS and HHAs have made over the past several years in order to create this quality reporting structure, have made quality reporting and measurement an important component of the HHA industry. The 10 measures are:

(1) Improvement in ambulation/locomotion
(2) Improvement in bathing
(3) Improvement in transferring
(4) Improvement in management of oral medications
(5) Improvement in pain interfering with activity
(6) Acute care hospitalization
(7) Emergent care
(8) Improvement in dyspnea
(9) Improvement in urinary incontinence
(10) Discharge to community

We proposed to use OASIS data and the 10 quality measures based on those data as the appropriate measure of home health quality for CY 2007. Continuing to use the OASIS instrument minimizes

the burden to providers and ensures that costs associated with the development and testing of a new reporting mechanism are not incurred. We believe that the noted 10 quality measures are the most appropriate measure of home health quality. Accordingly, for CY 2007, we proposed to require that the OASIS data, specifically the 10 quality measures, be submitted by HHAs, to meet the requirement that each HHA submit data appropriate for the measurement of health care quality, as determined by the Secretary.

Additionally, section 1895(b)(3)(B)(v)(II) of the Act provides the Secretary with the discretion to require the submission of the required data in a form, manner, and time specified by him. For CY 2007, we proposed to consider OASIS data submitted by HHAs to CMS for episodes beginning on or after July 1, 2005 and before July 1, 2006 as meeting the reporting requirement. This proposed reporting time period would allow a full 12 months of data and provides CMS the time necessary to analyze and make any necessary payment adjustments to the CY 2007 payment rates for HHAs that fail to meet the reporting requirement. HHAs that met the reporting requirement would be eligible for the full home health market basket percentage increase. Using historical data to determine a prospective update is also used for hospital pay for reporting.

As discussed in the August 3, 2006 proposed rule, during the next few years, we noted that we would be pursuing the development of patient level process measures for home health agencies. We also proposed to continue to refine the current OASIS tool in response to recommendations from a Technical Expert Panel conducted to review the data elements that make up the OASIS tool. These process measures would refer to specific care practices that are, or are not, followed by the home health agency for each patient. An example of this type of measure may be: the percentage of patients at risk of falls for whom prevention of falls was addressed in the care plan. We expect to introduce these additional measures over CY 2008 and CY 2009 so as to complement the existing OASIS outcome measures. During the years leading to CY 2010 payments, we will test and refine these measures to determine if they can more accurately reflect the level of quality care being provided at HHAs without being overly burdensome with the data collection instrument. Some process measures are in the very early stages of development. To the extent that evidence-based data are available on which to determine the appropriate measure specifications, and adequate risk-adjustments are made, we anticipate collecting and reporting these measures as part of each agency's home health quality plan. We believe that future modifications to the current OASIS tool including reducing the number of questions on the tool, refining possible responses, as well as adding new process measures will be made. In all cases, we anticipate that any future quality measures should be evidence-based, clearly linked to improved outcomes, and able to be reliably captured with the least burden to the provider. We are also beginning work in order to measure patient experience of care (in the form of a patient satisfaction survey) in the home health setting.

We recognize, however, that the conditions of participation (42 CFR part 484) that require OASIS submission also provide for exclusions from this requirement. Generally, agencies are not subject to the OASIS submission requirement, and thus do not receive Medicare payments, for patients that are not Medicare beneficiaries or for patients that are not receiving Medicare-covered home health services. Under the conditions of participation, agencies are excluded from the OASIS reporting requirement on individual patients if:

- Those patients are receiving only non-skilled services,
- Neither Medicare nor Medicaid is paying for home health care (patients receiving care under a Medicare or Medicaid Managed Care Plan are not excluded from the OASIS reporting requirement),
- Those patients are receiving pre- or post-partum services,
- Those patients are under 18 years of age.

We believe that the rationale behind our proposal to exclude these agencies from submitting OASIS data on patients excluded from OASIS submission as a condition of participation is equally applicable to HHAs for purposes of meeting the DRA quality data reporting requirement. If an agency is not submitting OASIS for patients excluded from OASIS submission as a condition of participation, we believe that the submission of OASIS data for quality measures for Medicare payment purposes is also not necessary. Accordingly, we proposed that HHAs would not need to submit quality measures for DRA reporting purposes for those patients who are excluded from OASIS submission as a condition of participation.

Additionally, we proposed that agencies that are newly certified (on or after May 31, 2006 for payments to be made in CY 2007) would be excluded from the DRA reporting requirement as data submission and analysis would not be possible for an agency certified this late in the reporting time period. In future years, agencies that certify on or after May 31 of the preceding year involved would be excluded from any payment penalty under the DRA for the following calendar year. For example, for purposes of determining compliance with the quality data reporting requirement for CY 2007, if HHA ''X'' were to enroll in the Medicare Program on or before May 30, 2006, CMS would expect HHA ''X'' to submit the required quality data (unless covered by another exclusion protocol) on or before June 30, 2006 (the end of the reporting period for payments effectuated in CY 2007). However, if HHA ''Y'' was to enroll in the Medicare Program on or after May 31, 2006, CMS would automatically exclude HHA ''Y'' from the DRA quality data reporting requirements and the agency would be entitled to the full market basket increase for CY 2007. We note that these proposed exclusions would only affect reporting requirements under the DRA and would not otherwise affect the agency's OASIS reporting responsibilities under the conditions of participation.

We proposed to require that all HHAs, unless covered by these specific exclusions, meet the reporting requirement, or be subject to a 2 percent reduction in the home health market basket percentage increase in accordance with section 1895(b)(3)(B)(v)(I) of the Act. The 2 percent reduction would apply to all episodes ending on or before December 31, 2007. We provide the reduced payment rates in tables 5, 6, 7, and 8 below.

TABLE 5.—FOR HHAS THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA— NATIONAL 60-DAY EPISODE AMOUNT UPDATED BY THE ESTIMATED HOME HEALTH MARKET BASKET UPDATE FOR CY 2007, MINUS 2 PERCENTAGE POINTS, BEFORE CASE-MIX ADJUSTMENT

Total CY 2006 prospective payment amount per 60-day episode	Multiply by the estimated home health market basket update (3.3 Percent [1] minus 2 percent)	CY 2007 updated national 60-day episode rate for HHAs that do not submit required quality data
$2,264.28	× 1.013	$2,293.72

[1]The estimated home health market basket update of 3.3 percent for CY 2007 is based on Global Insight, Inc, 3rd Qtr, 2006 forecast with historical data through 2nd Qtr, 2006.

TABLE 6—FOR HHAS THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA—NATIONAL PER-VISIT AMOUNTS UPDATED BY THE ESTIMATED HOME HEALTH MARKET BASKET UPDATE FOR CY 2007, MINUS 2 PERCENTAGE POINTS

Home health discipline type	Final CY 2006 per-visit amounts per 60-day episode	Multiply by the estimated home health market basket update (3.3 percent [1] minus 2 percent)	CY 2007 per-visit payment amount per discipline for HHAs that do not submit required quality data
Home Health Aide	$44.76	× 1.013	$45.34
Medical Social Services	158.45	× 1.013	160.51
Occupational Therapy	108.81	× 1.013	110.22
Physical Therapy	108.08	× 1.013	109.49
Skilled Nursing	98.85	× 1.013	100.14
Speech-Language Pathology	117.44	× 1.013	118.97

[1]The estimated home health market basket update of 3.3 percent for CY 2007 is based on Global Insight, Inc, 3rd Qtr, 2006 forecast with historical data through 2nd Qtr, 2006.

TABLE 7.—FOR HHAS THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA— PAYMENT AMOUNT FOR 60-DAY EPISODES BEGINNING IN CY 2006 AND ENDING IN CY 2007 UPDATED BY THE ESTIMATED HOME HEALTH MARKET BASKET FOR CY 2007, MINUS 2 PERCENTAGE POINTS, WITH RURAL ADD-ON, BEFORE CASE-MIX ADJUSTMENT

CY 2007 Updated national 60-day episode rate for HHAs that do not submit required quality data	5 Percent rural add-on	CY 2007 Payment amount per 60-day episode beginning in CY 2006 and ending in CY 2007 for a beneficiary who resides in a non-MSA area for HHAs that do not submit required quality data
$2,293.72	× 1.05	$2,408.41

TABLE 8—FOR HHAS THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA— PER-VISIT PAYMENT AMOUNTS FOR EPISODES BEGINNING IN CY 2006 AND ENDING IN CY 2007 UPDATED BY THE ESTIMATED HOME HEALTH MARKET BASKET FOR CY 2007, MINUS 2 PERCENTAGE POINTS, WITH RURAL ADD-ON

Home health discipline type	CY 2007 Per-visit amounts for HHAs that do not submit required quality data	5 Percent rural add-on	CY 2007 Per-visit payment amounts for episodes beginning in CY 2006 and ending in CY 2007 for a beneficiary who resides in a non-MSA area for HHAs that do not submit required quality data
Home Health Aide	$45.34	× 1.05	$47.61
Medical Social Services	160.51	× 1.05	168.54
Occupational Therapy	110.22	× 1.05	115.73
Physical Therapy	109.49	× 1.05	114.96
Skilled Nursing	100.14	× 1.05	105.55
Speech-Language Pathology	118.97	× 1.05	124.92

Section 1895(b)(3)(B)(v)(III) of the Act further requires that the ''Secretary shall establish procedures for making data submitted under subclause (II) available to the public.'' Additionally, the statute requires that ''such procedures shall ensure that a home health agency has the opportunity to review the data that is to be made public with respect to the agency prior to such data being made public.'' To meet the requirement for making such data public, we proposed

to continue to use the CMS *Home Health Compare* Web site whereby HHAs are listed geographically. Currently the 10 proposed quality measures are posted on the CMS *Home Health Compare* Web site. Consumers can search for all Medicare-approved home health providers that serve their city or zip code and then find the agencies offering the types of services they need as well as the required quality measures. See *http://www.medicare.gov/HHCompare*. HHAs would continue to have access (through the *Home Health Compare* contractor) to its own quality data (updated periodically) and we would establish a process by which agencies would receive a report before reporting the data publicly.

Currently, the CMS *Home Health Compare* Web site does not publicly report data when agencies have fewer than 20 episodes of care within a reporting period. In light of the DRA requirements, we recognize the need to provide the required data to the public and would make these statistics available through expansion of the CMS *Home Health Compare* Web site.

In the July 27, 2005 Medicare Payment Advisory Commission (MedPAC) testimony before the U.S. Senate Committee on Finance, MedPAC expressed support for the concept of differential payments for Medicare providers, which could create incentives to improve quality. To support this initiative, MedPAC stated that ''outcome measures from CMS' Outcome-based Quality Indicators'' (currently collected through the OASIS instrument) ''could form the starter set.'' MedPAC further states ''* * * the Agency for Healthcare Research and Quality concur(s) that a set of these measures is reliable and adequately risk adjusted.''

The MedPAC testimony recognizes that while the goal of care for many home health patients is improving health and functioning, for some patients the goal of the HHA is to simply stabilize their conditions and prevent further decline. Additionally, the MedPAC testimony reflects that measures of structure and process could also be considered.

Various home health outcome measures are now in common use and have been studied for some time. A number of these measures have been endorsed by the National Quality Forum (NQF) and are evidence-based, well accepted, and not unduly burdensome. When determining outcome measures that will be most appropriate, it is important to measure aspects of care that providers can control and are adequately risk-adjusted. Home-based care presents particular difficulties for provider control because patient conditions are compounded by a variety of home environment and support system issues.

We are currently pursuing the development of patient-level process measures for HHAs, as well as refining the current OASIS tool in response to recommendations from a Technical Expert Panel conducted to review the data elements that make up the OASIS tool. These additional measures would complement the existing OASIS outcome measures and would assist us in identifying processes of care that lead to improvements for certain populations of patients. These process measures are currently in the very early stages of development. As we stated previously, to the extent that evidence-based data are available on which to determine the appropriate measure specifications, and adequate risk-adjustments are made, we anticipate collecting and reporting these measures as part of our home health quality plan. Possible modifications to the current OASIS tool include reducing the number of questions on the tool, refining possible responses, as well as adding new process measures.

We solicited comments on how to make the outcome measures more useful. We also solicited comments on measures of home health care processes for which there is evidence of improved care to beneficiaries. In all cases, we noted that measures should be evidence-based, clearly linked to improved outcomes, and able to be reliably captured with the least burden to the provider. We also considered measures of patient experience of care in the home health setting, as well as efficiency measures, and solicited comment on the use of these measures and their importance in the home health setting. In the proposed rule, we noted that we would address any changes to the HH PPS quality data submission requirement in future rulemaking.

We also stated our intent to provide guidance on the specifications, definitions, and reporting requirements of any additional measures through the standard protocol for measure development.

We proposed to revise the regulations at § 484.225 to reflect these proposed payment requirements which would require submission of quality data. For CY 2007, we will finalize the requirement to use the 10 OASIS measures as meeting the DRA quality data reporting requirement as discussed in section II.D. of the August 3, 2006 proposed rule and the regulations at § 484.225.

E. Outliers and Fixed Dollar Loss Ratio

Outlier payments are payments made in addition to regular 60-day case-mix and wage-adjusted episode payments for episodes that incur unusually large costs due to patient home health care needs. Outlier payments are made for episodes for which the estimated cost exceeds a threshold amount. The episode's estimated cost is the sum of the national wage-adjusted per-visit payment amounts for all visits delivered during the episode. The outlier threshold for each case-mix group, PEP adjustment, or total SCIC adjustment is defined as the 60-day episode payment amount, PEP adjustment, or total SCIC adjustment for that group plus a fixed dollar loss amount. Both components of the outlier threshold are wage-adjusted.

The wage-adjusted fixed dollar loss (FDL) amount represents the amount of loss that an agency must bear before an episode becomes eligible for outlier payments. The FDL is computed by multiplying the wage-adjusted 60-day episode payment amount by the FDL ratio, which is a proportion expressed in terms of the national standardized episode payment amount. The outlier payment is defined to be a proportion of the wage-adjusted estimated costs beyond the wage-adjusted threshold. The proportion of additional costs paid as outlier payments is referred to as the loss-sharing ratio.

Section 1895(b)(5) of the Act requires that estimated total outlier payments are no more than 5 percent of total estimated HH PPS payments. In response to the concerns about potential financial losses that might result from unusually expensive cases expressed in comments to the October 28, 1999 proposed rule (64 FR 58133), the July 2000 final rule set the target for estimated outlier payments at the 5 percent level. The FDL ratio and the loss-sharing ratio were then selected so that estimated total outlier payments would meet the 5 percent target.

For a given level of outlier payments, there is a trade-off between the values selected for the FDL ratio and the loss-sharing ratio. A high FDL ratio reduces the number of episodes that can receive outlier payments, but makes it possible to select a higher loss-sharing ratio and, therefore, increase outlier payments for outlier episodes. Alternatively, a lower FDL ratio means that more episodes can qualify for outlier payments, but outlier payments per episode must be lower. As a result of public comments on the October 28, 1999 proposed rule, in our July 2000 final rule, we made the decision to attempt to do the former.

In the July 2000 final rule, we chose a value of 0.80 for the loss-sharing ratio, which preserves incentives for agencies to attempt to provide care efficiently for outlier cases. A loss-sharing ratio of 0.80 was also consistent with the loss-sharing ratios used in other Medicare PPS outlier policies. Furthermore, we estimated the value of the FDL ratio that would yield estimated total outlier payments that were 5 percent of total home health PPS payments. The resulting value for the FDL ratio for the July 2000 final rule was 1.13.

Our CY 2005 update to the HH PPS rates (69 FR 62124) changed the FDL ratio from the original 1.13 to 0.70 to allow more home health episodes to qualify for outlier payments and to better meet the 5 percent target of outlier payments to total HH PPS payments. We stated in that CY 2005 update that we planned to continue to monitor the outlier expenditures on a yearly basis and to make adjustments as necessary (69 FR 62129). To do so, we planned on using the best Medicare data available at the time of publication. For the CY 2005 update, we used CY 2003 home health claims data.

Our CY 2006 update to the HH PPS rates (70 FR 68132) changed the FDL ratio from 0.70 to 0.65 to allow even more home health episodes to qualify for outlier payments and to better meet the 5 percent target of outlier payments to total HH PPS payments. For the CY 2006 update, we used CY 2004 home health claims data.

At the time of publication of the August 3, 2006 proposed rule, we did not have more recent data, but we noted that we may update the FDL ratio for CY 2007 depending on the availability of more recent data. We further noted that if we updated the FDL ratio for the CY 2007 update, we would use the same methodology performed in updating the current FDL ratio described in the October 22, 2004 final rule. Subsequent to the publication of the August 3, 2006 proposed rule, we have now obtained more recent data, that is, CY 2005 home health claims data.

Accordingly for this final rule, we have used the same methodology and performed an analysis on the CY 2005 HH PPS analytic data to update the FDL ratio for CY 2007. The results of this analysis indicate that an FDL ratio of 0.67 is consistent with the existing loss-sharing ratio of 0.80 and a projected target percentage of estimated outlier payments of 5 percent. Therefore, we are updating the FDL ratio from the current 0.65 to 0.67 for CY 2007.

Expressed in terms of a fixed dollar loss amount, an FDL ratio of 0.67 indicates that providers would absorb approximately $1,567 of their costs (before wage adjustment), in addition to their loss-sharing portion of the estimated cost in excess of the outlier threshold. This fixed dollar loss amount of approximately $1,567 is computed by multiplying the standard 60-day episode payment amount (2,339.00) by the FDL ratio (0.67). In contrast, using the current FDL ratio (0.65), the fixed dollar loss amount would be approximately $1,520 ($2,339.00 × 0.65)

F. Hospital Wage Index—Revised OMB Definitions for Geographical Statistical Areas

Sections 1895(b)(4)(A)(ii) and (b)(4)(C) of the Act require the Secretary to establish area wage adjustment factors that reflect the relative level of wages and wage-related costs applicable to the furnishing of home health services and to provide appropriate adjustments to the episode payment amounts under the HH PPS to account for area wage differences. We apply the appropriate wage index value to the labor portion (76.775 percent; see 60 FR 62126) of the HH PPS rates based on the geographic area in which the beneficiary received home health services as discussed in section II.A of the August 3, 2006 proposed rule. Generally, we determine each HHA's labor market area based on definitions of Metropolitan Statistical Areas (MSAs) issued by the Office of Management and Budget (OMB).

We acknowledged in our October 22, 2004 final rule that on June 6, 2003, the OMB issued an OMB Bulletin (No. 03–04) announcing revised definitions for MSAs, new definitions for Micropolitan Statistical Areas and Combined Statistical Areas, and guidance on using the statistical definitions. A copy of the Bulletin may be obtained at the following Internet address: *http://www.whitehouse.gov/omb/bulletins/b03–04.html.* At that time, we did not propose to apply these new definitions known as Core-Based Statistical Areas (CBSAs). In the November 9, 2005 final rule, we adopted the OMB-revised definitions and implemented a one-year transition policy consisting of a 50/50 blend of the MSA-based and the new CBSA-based wage indexes.

As discussed previously and set forth in the July 3, 2000 final rule, the statute provides that the wage adjustment factors may be the factors used by the Secretary for purposes of section 1886(d)(3)(E) of the Act for hospital wage adjustment factors. Again, as discussed in the July 3, 2000 final rule, we proposed to use the pre-floor and pre-reclassified hospital wage index data to adjust the labor portion of the HH PPS rates based on the geographic area in which the beneficiary receives the home health services. We believe the use of the pre-floor and pre-reclassified hospital wage index data results in the appropriate adjustment to the labor portion of the costs as required by statute. For the CY 2007 update to the home health payment rates, we proposed to continue using the most recent pre-floor and pre-reclassified hospital wage index available at the time of publication. See Addenda A and B of this final rule, respectively, for the rural and urban hospital wage indexes using the CBSA designations. For the HH PPS rates addressed in the August 3, 2006 proposed rule, we used preliminary 2007 pre-floor and pre-reclassified hospital wage index data. We incorporated updated hospital wage index data for the 2007 pre-floor and pre-reclassified hospital wage index to be used in this final rule (not including any reclassifications under section 1886(d)(8)(B) of the Act).

As implemented under the HH PPS in the July 3, 2000 HH PPS final rule, each HHA's labor market is determined based on definitions of MSAs issued by OMB. In general, an urban area is defined as an MSA or New England County Metropolitan Area (NECMA) as defined by OMB. Under § 412.62(f)(1)(iii), a rural area is defined as any area outside of an urban area. The urban and rural area geographic classifications are defined in § 412.62(f)(1)(ii) and § 412.62(f)(1)(iii), respectively, and have been used under the HH PPS since it was implemented.

Under the HH PPS, the wage index value is based upon the site of service for the beneficiary (defined by section 1861(m) of the Act as the beneficiary's place of residence). As has been our longstanding practice, any area not included in an MSA (urban area) is considered to be nonurban (§ 412.64(b)(1)(ii)(C)) and receives the statewide rural wage index value (see, for example, 65 FR 41173).

For CY 2007, we proposed using 100 percent of the CBSA-based wage area designations for purposes of determining the HH PPS wage index adjustment.

In adopting the CBSA designations, we identified some geographic areas where there were no hospitals, and thus no hospital wage data on which to base the calculation of the CY 2007 home health wage index. For CY 2006, we adopted a policy in the HH PPS final rule (70 FR 68132) of using the CY 2005 pre-floor, pre-reclassified hospital wage index value for rural areas when no rural hospital wage data are available. We also adopted a policy that for urban labor markets without an urban hospital

from which a hospital wage index can be derived, all of the CBSAs within the State would be used to calculate a statewide urban average wage index to use as a reasonable proxy for these areas. We have not received any concerns from the industry regarding our policy to calculate an urban wage index, using an average of all of the urban CBSAs wage index values within the State, for urban labor markets without an urban hospital from which a hospital wage index can be derived. Consequently, in the August 3, 2006 proposed rule, we proposed to continue to apply the average wage index from all urban areas in the state to any urban areas lacking hospital wage data in that state. Currently, the only CBSA that would be affected by this is CBSA 25980 Hinesville, Georgia.

In the August 3, 2006 proposed rule, we again proposed to apply the CY 2005 pre-floor/pre-reclassified hospital wage index to rural areas where no hospital wage data is available. Currently, the only rural areas that would be affected by this are Massachusetts and Puerto Rico. Since publication of the CY 2006 HH PPS final rule, representatives of the home health industry have expressed concerns with this policy, specifically as it applies to Massachusetts. In response to these concerns and in recognition that, in the future, there may be additional rural areas impacted by a lack of hospital wage data from which to derive a wage index, we considered alternative methodologies for imputing a rural wage index for areas where no hospital wage data are available.

We specifically considered imputing a rural wage index by computing a simple average of all of the statewide (rural) wage indexes at the Census Division level. Census Divisions are defined by the U.S. Census Bureau and may be found at *www.census.gov/geo/www/us_regdiv.pdf.* Massachusetts is located in Census Division I, along with Connecticut, Maine, New Hampshire, Vermont and Rhode Island. The Census Bureau states, ''Puerto Rico and the Island Areas are not part of any census region or census division.'' Therefore, we could not compute a rural wage index for Puerto Rico using this alternative methodology.

In the August 3, 2006 proposed rule, we solicited comments on the current methodology and alternative methodologies for determining a wage index for areas without the necessary hospital wage data. Since publication of the August 3, 2006 proposed rule, we have received numerous comments regarding our policy for determining a wage index for rural areas without the necessary hospital wage data. In direct response to these comments, we have decided to revise the methodology for imputing a rural wage index. We discuss the change to the methodology for imputing a rural wage index in section III of this final rule.

G. Payment for Oxygen, Oxygen Equipment and Capped Rental DME Items

As discussed in the August 3, 2006 proposed rule, we would amend our regulations at § 414.226 by revising the payment rules for oxygen and oxygen equipment in paragraph (a), adding a new paragraph (f) that provides that the beneficiary assumes ownership of oxygen equipment on the first day that begins after the 36th continuous month in which rental payments are made, and adding a new paragraph (g) that contains new supplier requirements that we believe are necessary in light of the amendments made to section 1834(a)(5) of the Act by section 5101(b) of the DRA. As discussed in the August 3, 2006 proposed rule, we would amend our regulations at § 414.226 by adding a new paragraph (c) that establishes new classes and national payment amounts for oxygen and oxygen equipment based on our authority in section 1834(a)(9)(D) of the Act. We also proposed to revise paragraph (b) of this section to incorporate the special payment rules for oxygen equipment mandated by section 1834(a)(21) of the Act. The provisions of section 1834(a)(21), which we believe are self-implementing, resulted in adjustments to Medicare payment amounts for oxygen contents and stationary oxygen equipment as well as portable oxygen equipment in 2005, which were implemented through program instructions. We are now seeking to codify these changes to make our regulations consistent with the payment methodology for these items in 2005 and 2006, and because the payment reductions mandated by section 1834(a)(21) are incorporated into our proposal, as more fully discussed in section I of the August 3, 2006 proposed rule, to create new payment classes for oxygen and oxygen equipment. The August 3, 2006 proposed rule indicated that we would redesignate old paragraph (c) of this section as paragraph (d) and would amend this paragraph to indicate under what situations payments would be made for the items and services described in new paragraph (c). Finally, the August 3, 2006 proposed rule indicated that we would redesignate old paragraph (d) of this section as paragraph (e) and would make technical changes to this paragraph so that the cross-references are accurate in light of the other changes we proposed to make to § 414.226.

The August 3, 2006 proposed rule would also amend our regulations at § 414.229 by revising the payment rules for capped rental durable medical equipment (DME) items (also called capped rental items) in paragraph (a), revising paragraph (f) to provide for new payment rules for capped rental items furnished beginning on or after January 1, 2006, revising paragraph (g) to provide for supplier requirements that we believe are necessary in light of the amendments made to section 1834(a)(7)(A) of the Act by section 5101(a) of the DRA, and adding a new paragraph (h) to address the lump-sum purchase option for power-driven wheelchairs furnished on or after January 1, 2006. The language in current paragraphs (f) and (g) of this section is obsolete, and therefore, we proposed to delete this language.

The August 3, 2006 proposed rule indicated that we would amend our regulations at § 414.210 by revising the maintenance and servicing rules in paragraph (e) and the replacement of equipment rules in paragraph (f) to further implement the new supplier requirements that we proposed below.

Finally, we proposed to revise § 414.230(b) to incorporate section 5101(b)(2)(B) of the DRA, which provides that for all beneficiaries receiving oxygen equipment paid for under section 1834(a) on December 31, 2005, the period of continuous use begins on January 1, 2006. We also proposed to revise § 414.230(f), which governs when a new period of continuous use begins if a beneficiary receives new equipment, to account for the fact that oxygen equipment is paid on a modality neutral basis.

Section 5101(a) of the DRA changes the Medicare payment methodology for capped rental equipment to beneficiary ownership after 13 months of continuous use, for those beneficiaries who need the equipment for more than 13 months. This section also makes the transfer of title for the capped rental items a requirement rather than a beneficiary option after 13 months of continuous use. The changes made by this section of the DRA apply to capped rental items, including rented power-driven wheelchairs, for which the first rental month occurs on or after January 1, 2006. We proposed to update § 414.229 of our regulations to reflect these new statutory requirements. However, for capped rental items and rented power-driven wheelchairs for which the first rental month occurred before January 1, 2006, the existing rules in § 414.229 would continue to apply. In

addition, as was the case before enactment of the DRA, beneficiaries may elect to obtain power-driven wheelchairs furnished on or after January 1, 2006, on a lump-sum purchase basis.

Section 5101(b) of the DRA changes the Medicare payment methodology for oxygen equipment from continuous rental to beneficiary ownership after 36 months of continuous use, for those beneficiaries who medically need the oxygen equipment for more than 36 months. For beneficiaries who were receiving oxygen equipment on December 31, 2005 for which payment was made under section 1834(a) of the Act, the 36-month rental period began on January 1, 2006. For beneficiaries who begin to rent oxygen equipment on or after January 1, 2006, the 36-month rental period commences at the time they begin to rent the equipment. We proposed to update § 414.226 of our regulations to incorporate these new requirements.

In light of the changes made by sections 5101(a) and (b) of the DRA, we believe it was necessary to propose additional supplier requirements in order to maintain beneficiary protections and access to oxygen, oxygen equipment, and capped rental DME items under section 1834(a) of the Act. For both capped rental DME items and oxygen equipment, the DRA amendments make the transfer of title from the supplier to the beneficiary a requirement rather than an option after the statutorily-prescribed rental period ends for each category of items. Therefore, suppliers and beneficiaries should be aware that title to these items will automatically transfer to the beneficiary if the medical need for the equipment continues for a period of continuous use that is longer than 36 months for oxygen equipment and 13 months for capped rental items. We are concerned that there may be incentives for suppliers to avoid having to transfer title to equipment to beneficiaries as required by the DRA. For example, we are aware of cases where a supplier has informed beneficiaries that it would decline to accept assignment for capped rental items and would charge beneficiaries who elected the purchase option the full retail price for the item during the 13th rental month (which was right before the supplier would be required to transfer title under the purchase option). In these cases, the beneficiary would become financially liable for the total retail price for the equipment in the 13th month if they elected the purchase option. In our August 3, 2006 proposed rule, we made several proposals relating to the furnishing of oxygen equipment and capped rental items which we believe protect beneficiaries from these types of abusive practices and which we believe are reasonable for a supplier to comply with. Our authority to promulgate these requirements stems from our authority to administer the payment rules at section 1834(a)(5) of the Act for oxygen equipment and section 1834(a)(7) of the Act for capped rental items, as well as the general authority provided in section 1871 of the Act for prescribing regulations necessary for administering the Medicare program. Other than the length of the rental periods, which the DRA made effective beginning on January 1, 2006 for all oxygen equipment and for capped rental items for which the first rental period began on or after that date, we proposed that the requirements presented in this section of the regulations would be effective on January 1, 2007, and would apply to suppliers that furnish oxygen equipment or capped rental items on a rental basis.

We believe that a supplier of an item that is subject to these new payment rules that furnishes the item in the first month for which a rental payment is made has an obligation to continue furnishing the item to the beneficiary for the entire period of medical need in which payments are made, up to and including the time when title to the equipment transfers to the beneficiary. We believe it is reasonable for the beneficiary to have an expectation that he or she will not be forced to change equipment or suppliers during the period of medical need unless he or she wants to. Therefore, we proposed that unless an exception applies, the supplier that furnishes oxygen equipment or a capped rental item for the first month of the statutorily prescribed rental period must continue to furnish the oxygen equipment or the capped rental item for as long as the equipment remains medically necessary, up to and including the last month for which a rental payment is made by Medicare. We believe that this proposal was necessary to ensure beneficiary access to equipment during a period of medical need, which we believe could be jeopardized if suppliers have the option to take back the rented equipment just before the rental period expires in order to retain title to that equipment. We proposed that this requirement would be subject to the following exceptions: (1) Cases where the item becomes subject to a competitive acquisition program implemented in accordance with section 1847(a) of the Act; (2) cases where a beneficiary relocates on either a temporary or permanent basis to an area that is outside the normal service area of the initial supplier; (3) cases where the beneficiary chooses to obtain equipment from a different supplier; and (4) other cases where CMS or the carrier determine that an exception is warranted. We have proposed rules in connection with the first exception in our Notice of Proposed Rulemaking for Competitive Acquisition for Certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) and Other Issues. These proposed rules are addressed beginning on page 25662 of the May 1, 2006 proposed rule (71 FR 25654). If the second exception applies, we proposed that the supplier or beneficiary would need to arrange for another supplier in the new area to furnish the item on either a temporary or permanent basis. This proposed exception is consistent with what currently happens when beneficiaries move outside a supplier's service area on either a temporary or permanent basis. The third exception is intended to protect a beneficiary's right to obtain the equipment from the supplier of his or her choice. Finally, we proposed to allow other exceptions to this proposed requirement on a case-by-case basis at the discretion of CMS or the Medicare contractor. CMS will be monitoring the case-by-case determinations made by the Medicare contractor.

We are concerned that there might be potential incentives for a supplier to replace more valuable or newer equipment used by the beneficiary with less valuable or older equipment from its inventory at some point before the 36th rental month for oxygen equipment or 13th rental month for capped rental DME expires in order to avoid losing title to the more valuable equipment. In order to avoid such potential situations, we proposed that the supplier may not provide different equipment from that which was initially furnished to the beneficiary at any time during the 36-month period for oxygen equipment or 13th rental month for capped rental DME unless one of the following exceptions applies: (1) The equipment is lost, stolen, or irreparably damaged; (2) the equipment is being repaired while loaner equipment is in use; (3) there is a change in the beneficiary's medical condition such that the equipment initially furnished is no longer appropriate or medically necessary; or (4) the carrier determines that a change in equipment is warranted. However, we proposed that a change from one oxygen equipment modality to another

without physician documentation that such a change is medically necessary for the individual would not be considered a change in equipment that is warranted under the fourth exception stated above since there is no medical basis for the change. In those cases where the equipment is replaced, we proposed that the replacement item must be equipment that is, at minimum, in the same condition as the equipment being replaced. That proposal was intended to safeguard beneficiary access to quality oxygen equipment and capped rental items throughout the duration of the rental period.

Under Medicare, suppliers who furnish items of DME can accept assignment on all claims for Medicare services or on a claim-by-claim basis. Assignment is an agreement between the supplier and the beneficiary under which the supplier agrees to request direct payment from Medicare for the item, to accept 80 percent of the Medicare allowed payment amount for the item from the carrier, and to charge the beneficiary not more than the remaining 20 percent of the Medicare approved payment amount, plus any unmet deductible. If a supplier elects not to accept assignment, Medicare pays the beneficiary 80 percent of the Medicare allowed payment amount, after subtracting any unmet deductible, and there is no limit under Title XVIII of the Act on the amount the supplier can charge the beneficiary for rental of the DME item. The beneficiary, in these situations, is financially responsible for the difference between 80 percent of the Medicare allowed payment amount and the amount the supplier charges for the rental of the DME item.

Section 1842(h) allows suppliers to sign a participation agreement where the supplier agrees voluntarily, before a calendar year, to accept assignment for all Medicare items and services furnished to a beneficiary for the following calendar year. Current supplier participation agreements are renewable annually. However, the agreements do not apply for a full period of medical need for specific beneficiaries in cases where such need extends for more than a calendar year. Nor do current participation agreements apply to periods of medical need where such a period overlaps calendar years. In the latter case, while a supplier may renew its participation agreement annually, a beneficiary would not know before choosing a supplier whether the supplier would be willing to accept assignment of all claims during the 13-month or 36-month rental period.

In order for the beneficiary to make an informed choice, we proposed that before furnishing the oxygen equipment or a capped rental item, the supplier must disclose to the beneficiary its intentions regarding whether it will accept assignment of all monthly rental claims for the equipment during the period of medical necessity, up to and including the 36th month of continuous use for oxygen equipment or the 13th rental month of continuous use for capped rental DME in which rental payments could potentially be made. We believe that it is reasonable for the supplier to disclose to each beneficiary its intentions regarding assignment of claims for all months during a rental period as this decision has a direct financial effect on the beneficiary. A supplier's intentions could be expressed in the form of a written agreement between the supplier and a beneficiary. This proposal would require suppliers to give beneficiaries advance notice of the possible extent of their financial liability during the period of medical need in which monthly rental payments are made for the equipment, so that they can use this information to help select a supplier. Additionally, to promote informed beneficiary choices, we plan to post information on a CMS and/or CMS contractor Web site(s) indicating supplier specific information on oxygen equipment and capped rental items such as (1) the percentage of beneficiaries for whom each supplier accepted assignment during a prior period of time (for example, a quarter), and/or (2) the percentage of cases in which the supplier accepted assignment during the beneficiary's entire rental period. We believe that those proposals create reasonable rules for suppliers that furnish oxygen equipment and capped rental items and ensure that beneficiaries have information necessary to make informed choices that could have significant financial consequences for them.

H. Payment for Oxygen Contents for Beneficiary-Owned Oxygen Equipment

Section 1834(a)(5) of the Act, as amended by section 5101(b)(1) of the DRA, requires that Medicare continue to make monthly payments for the delivery and refilling of oxygen contents for the period of medical need after beneficiaries own their own gaseous or liquid oxygen stationary or portable equipment. Before the enactment of the DRA, Medicare made monthly payments for the delivery and refilling of oxygen contents for beneficiaries who own their own stationary and/or portable equipment (equipment they obtained on a purchase basis before June 1, 1989, out-of-pocket, or before they enrolled in Medicare Part B). In accordance with the DRA, we proposed that after the supplier transfers title to the stationary and/or portable oxygen equipment to the beneficiary, Medicare would continue to make separate monthly payments for gaseous or liquid oxygen contents until medical necessity ends. We also proposed that if the beneficiary-owned equipment is replaced, and Medicare pays for the replacement in accordance with proposed revised § 414.210(f) (see section K of this final rule for a more complete discussion of our proposed oxygen equipment replacement policies), a new 36-month rental period start and the payment for oxygen contents would be included in the monthly rental payments. We proposed that all oxygen content payment amounts would be based on new rates developed in accordance with our proposal to establish new payment classes, as discussed in section I below.

In transferring title to gaseous or liquid oxygen equipment used during the 36-month rental period, we proposed that suppliers must transfer title for all equipment that will meet the beneficiary's continued medical need, including those oxygen cylinders or vessels that are refilled at the supplier's place of business. Customary practice by suppliers for refilling oxygen contents is to deliver to the beneficiary cylinders filled with contents and take back the empty cylinders to the supplier's place of business to refill the oxygen contents. Under our proposal, title would transfer for both sets of cylinders, meaning the ones that are being used by the beneficiary for the month and the ones that the supplier refills in its business location and delivers for use during the next subsequent month. This policy would apply to both gaseous and liquid oxygen stationary equipment and portable systems. Similarly, in those cases where the beneficiary uses an oxygen equipment system which includes a compressor which fills portable gaseous cylinders in the beneficiary's home, we proposed that suppliers must transfer title for this equipment to the beneficiary.

Concerns have been raised regarding beneficiary access to, and safety issues associated with, the delivery of oxygen contents for beneficiary-owned stationary and portable gaseous or liquid equipment. We believe that these concerns are based on the misconception that beneficiaries become responsible for filling their own cylinders. To the contrary, there are numerous State and Federal regulations governing the safe handling, filling, and transport of oxygen and those regulations are unaffected by the DRA oxygen provisions. We expect that

suppliers will continue to furnish replacement contents for beneficiary-owned gaseous and liquid systems in the same way that they have furnished replacement contents for beneficiary-owned equipment in the past. For example, suppliers that deliver a 1 month supply of gaseous cylinders to a beneficiary's home at the same time that they are picking up empty cylinders that the beneficiary used during the previous month could continue this practice under section 5101(b) of the DRA.

I. Classes of Oxygen and Oxygen Equipment

Based on information from paid Medicare claims with dates of service in calendar year 2004, distribution of usage among the four general categories of oxygen systems was: (a) 69 percent of beneficiaries used both a stationary concentrator (which does not require delivery of oxygen contents) and a portable system that requires delivery of gaseous or liquid oxygen, (b) 5 percent of beneficiaries used a stationary system that requires delivery of gaseous or liquid oxygen and a portable system that requires delivery of gaseous or liquid oxygen, (c) 24 percent of beneficiaries used a stationary concentrator system only, and (d) 2 percent of beneficiaries used only a stationary system that requires delivery of liquid or gaseous oxygen. The prevalent use of stationary concentrator systems is due, in part, to the fact that this system is the most cost-effective and dependable of the stationary oxygen modalities. The main reason that the concentrator system is the most cost-effective system is that the oxygen is concentrated from room air, and therefore, the high cost of delivering contents to the beneficiary's residence is removed when this system is used. Medicare's current payment structure results in two separate payments for beneficiaries using both stationary and portable systems, both of which are modality neutral, meaning that the payment amount does not differ depending on the type of oxygen delivery system (gaseous, liquid, or concentrator) that is furnished. One payment, hereinto referred to as the ''stationary payment,'' includes payment for the rental of stationary equipment, delivery of stationary oxygen contents (for gaseous or liquid systems), and delivery of portable oxygen contents (for gaseous or liquid systems). A separate add-on payment, hereinto referred to as the ''portable add-on,'' is also made in cases where the beneficiary is renting portable oxygen equipment. As a result of this payment methodology which has been in place since 1989, suppliers have a financial incentive to furnish low cost concentrator systems as opposed to more expensive gaseous or liquid systems because the monthly payment is the same regardless of which system is used. Finally, in implementing section 1834(a)(5) and (9) of the Act, monthly payment amounts were established through regulations at § 414.226 for (1) stationary and portable oxygen contents (for beneficiaries who use stationary and, if applicable, portable equipment), and (2) portable oxygen contents only (for beneficiaries who only use portable oxygen equipment). The current average statewide monthly payment amounts are:

Equipment & Contents		Oxygen Contents Only	
Stationary Pmt	$199	Stationary & Portable	$156
Portable Add-on	32	Portable Only	21

Based on our data, 36 percent of Medicare beneficiaries continue using oxygen equipment for more than 3 years, that is, beyond the 36th month after which title for the equipment would transfer to the beneficiary in accordance with the DRA.

We have heard concerns about the appropriateness of the current payment structure for oxygen and oxygen equipment in light of changes in the technologies for oxygen delivery systems that have occurred since 1989, and these concerns have been amplified in light of the recent changes made by the DRA. The specific concerns pertain to beneficiary access to (1) portable oxygen contents after title to the equipment transfers to the beneficiary, (2) devices that allow a beneficiary to fill portable tanks at home (otherwise referred to in the oxygen equipment industry as transfilling systems), and (3) portable oxygen concentrators. As we implement the DRA provisions for oxygen equipment and promulgate additional supplier requirements, we want to ensure that the Medicare payment methodology results in payments for oxygen and oxygen equipment that are accurate, do not impede beneficiary access to innovations in technology, and do not create inappropriate incentives for suppliers.

Some believe that Medicare's stationary payment for equipment and contents (average of $199) is ''too high'' and that Medicare's payment for portable oxygen contents only for beneficiary-owned portable equipment (average of $21) is ''too low''. While some contend that the overall payment (stationary payment plus portable add-on) for oxygen and oxygen equipment is adequate as long as the beneficiary continues to rent the equipment, they are concerned about the adequacy of Medicare's $21 monthly payment for furnishing oxygen contents for beneficiary-owned portable equipment. Some believe that Medicare's current average monthly payment of $156 for oxygen contents, which includes payment for both stationary and portable systems, is high enough to create an incentive for suppliers to furnish stationary oxygen systems that require the ongoing delivery of oxygen contents, rather than stationary concentrator systems that do not require delivery of oxygen contents.

Some technologies provide an attachment to a stationary oxygen concentrator that allows beneficiaries to fill their own portable tanks at home. Delivery of portable oxygen contents to the beneficiary's home is, therefore, not necessary since this equipment refills the beneficiary's rented or owned portable oxygen tanks. This transfilling technology eliminates the need for frequent and costly trips by a supplier to a beneficiary's home to refill portable oxygen tanks and would save the Medicare program and beneficiaries who use portable equipment the expense of paying for delivery of portable oxygen contents. We note that we are not aware that a similar ''transfilling'' technology has been developed that would be capable of filling stationary tanks in the beneficiary's home. Therefore, there remains a need for ongoing delivery of gaseous or liquid oxygen contents for stationary equipment. In accordance with the DRA, after 36 months of continuous use, title for the transfilling equipment and accompanying portable oxygen tanks would transfer to the beneficiary who would then own a portable equipment system that self-generates oxygen in their home. However, some are concerned that current Medicare payment rules that

allow payment for oxygen contents for stationary equipment creates an incentive for suppliers to furnish stationary oxygen equipment that require liquid or gaseous oxygen deliveries, rather than concentrators and transfilling equipment that self-generate oxygen in the beneficiary's home. In addition, portable oxygen concentrators are now available that meet both the beneficiary's stationary and portable oxygen needs. Some have raised concern about whether the combination of the Medicare stationary payment and portable add-on payment (approximately $231 per month), which is what is currently paid for portable oxygen concentrators, is sufficient to facilitate use of this new technology which, like a transfilling system, eliminates the need for delivery of oxygen contents, but is more expensive than a ''standard'' or ''non-portable'' concentrator.

In light of these concerns, we proposed regulatory changes to address the Medicare payment rates for oxygen and oxygen equipment. We proposed to address these issues by using our authority under section 1834(a)(9)(D) of the Act to establish separate classes and monthly payment rates for items of oxygen and oxygen equipment. Specifically, there are two changes we proposed for oxygen and oxygen equipment:

1. We proposed to establish a new class and monthly payment amount for oxygen generating portable oxygen equipment (for example, portable concentrators and transfilling systems).

2. We proposed to establish separate classes and monthly payment amounts for gaseous and liquid oxygen contents that must be delivered for beneficiary-owned stationary and portable oxygen equipment.

The first change involves creating a new separate class for portable oxygen systems that generate their own oxygen and therefore eliminate the need for delivery of oxygen contents (for example, portable concentrator systems or transfilling systems). A higher monthly payment amount would be allowed, as described below, for these systems to account for the increased, up-front costs to the supplier of furnishing these more expensive concentrator or transfilling systems, which would be partially offset by the reduced payments that the supplier would receive from the Medicare program and beneficiaries due to the fact that these systems do not require the delivery of oxygen contents.

The second change involves creating two separate classes (stationary contents only and portable contents only) and monthly payment rates for furnishing oxygen contents for beneficiary-owned stationary and portable systems. Currently, the combined average monthly payment amount of $156 for furnishing oxygen contents for beneficiary-owned stationary and portable systems includes payment for both stationary contents and portable contents. The current fee schedule amounts for oxygen contents are based on calendar year data from 1986 for the combined average Medicare monthly payment for both stationary and portable contents divided by number of rental months for stationary liquid and gaseous oxygen equipment. As a result, the current combined stationary/portable contents payment results in Medicare payments for portable contents even in those cases where the beneficiary does not use portable oxygen equipment. Under our proposal to create one payment class for oxygen contents used for stationary equipment, and a separate class for oxygen contents used for portable equipment, new national monthly payment amounts for stationary contents delivery and portable contents delivery would be established by splitting the combined payment of $156 into two new payments as explained below. This change would increase the monthly payment for furnishing portable oxygen contents and would address the concerns that the monthly payment rate of $21 is too low for the delivery and filling of portable tanks after the beneficiary assumes ownership of the equipment in accordance with the DRA.

In order to achieve budget neutrality for the new classes of oxygen and increase payment amounts for furnishing portable contents, we would need to reduce other Medicare oxygen payment rates. Budget neutrality would require that Medicare's total spending for all modalities of stationary and portable systems, including contents, be the same under the proposed change as they would be without the change.

We proposed to achieve budget neutrality by reducing the current monthly payment amounts (the stationary payment) for stationary oxygen equipment and oxygen contents (for stationary or portable equipment) made during the rental period. This reduction in payment is necessary to offset increased payments for the changes identified above and to meet the requirement in section 1834(a)(9)(D)(ii) that the classes and payments be established in a budget neutral fashion. In most cases, suppliers furnish Medicare beneficiaries with stationary oxygen concentrators. These devices can be purchased for $1,000 or less and the current, average Medicare payment of $199 pays suppliers $1,990 over 10 months. We believe that these facts indicate that making a reduction (from $199 on average to $177) in Medicare payment for this relatively inexpensive oxygen equipment in order to pay oxygen suppliers adequately for furnishing portable oxygen contents and more expensive portable oxygen equipment technologies is warranted. With this approach, the proposed new classes, as well as proposed new national monthly payment rates, would be as follows:

1. Stationary Payment: $177.

2. Portable Add-On: $32.

3. Oxygen Generating Portable Equipment Add-On (portable concentrators or transfilling systems): $64.

4. Stationary Contents Delivery: $101.

5. Portable Contents Delivery: $55.

We provide a detailed discussion of the payment rate calculations/adjustments in the paragraphs that follow. Under the proposed new oxygen and oxygen equipment class structure described above, in those cases where the beneficiary needs both stationary and portable oxygen, monthly payments of $241 or $209 (proposed revised stationary payment of $177 plus one of two proposed portable equipment payments, $32 or $64) would be made during rental months 1 through 36. The stationary payment (which includes payment for stationary equipment, as well as oxygen contents for stationary and portable systems) of $177 would be made during rental months 1 through 36 for beneficiaries who only need stationary oxygen and oxygen equipment. Monthly payments of $101 for stationary oxygen contents and/or $55 for portable oxygen contents would be made in cases where beneficiaries own their stationary and/or portable oxygen equipment. As explained in more detail in the paragraphs that follow, the $101 payment is for stationary oxygen contents only and is derived from the current payment of $156, which is made for both stationary and portable oxygen contents. The $55 payment for portable oxygen contents only is also derived from the current payment of $156 that is made for both stationary and portable oxygen contents and would replace the current statewide portable oxygen contents fees (average of $21), which was based on a relatively small number of claims and allowed services compared to the number of claims and allowed services that were used in computing the statewide fees (average of $156) for a combination of stationary and portable oxygen contents.

As noted above, the proposed national payment rates for delivery of oxygen contents for beneficiary-owned gaseous/liquid equipment were derived from the current average payment for a combined oxygen contents delivery of $156. We proposed to establish $101, or 65 percent of $156, as the monthly payment rate for delivery of larger, heavier, beneficiary-owned stationary gaseous oxygen cylinders or liquid oxygen vessels and $55, or 35 percent of $156, as the monthly payment rate for delivery of smaller, lighter, beneficiary-owned portable gaseous oxygen cylinders or liquid oxygen vessels. The 65/35 split is based on our understanding that there are higher costs associated with delivering stationary tanks (cylinders of gaseous oxygen and vessels of liquid oxygen) which are approximately twice as large as the portable tanks. Such costs include supplier overhead costs, including the costs to purchase, maintain, and dispatch trucks, obtain insurance, and purchase fuel. The 65/35 split is intended to account for the difference in costs associated with the size of the tanks. Larger tanks take up more space on the trucks, take longer to fill, are harder to move, and result in increased fuel costs.

We estimate that the increase from $21 to $55 in the monthly payment rate for delivery of oxygen contents for beneficiary-owned portable equipment will result in increased expenditures of approximately $22 million over a 24 month period, or $11 million annually. This figure is based on current data on utilization of portable oxygen by Medicare beneficiaries.

The add-on payment amount of $64 for the oxygen generating portable equipment class was calculated based on data indicating long term savings generated from use of equipment that eliminated the need for payment of $55 per month for portable oxygen contents. The first step in calculating the proposed $64 payment for oxygen generating portable equipment involves the computation of a national, enhanced, modality neutral monthly payment amount of $241 for new technology systems (stationary concentrators and transfilling systems, as well as portable concentrators), which was derived from the sum of the current average stationary payment ($199), the current average portable add-on payment ($32), and an additional $10 to pay suppliers for furnishing more expensive equipment that eliminates the need for delivery of portable oxygen contents. Specifically, we calculated the modality neutral increased payment (that is, $10 above the current combination of the stationary payment and portable add-on payment) by estimating potential savings that the Medicare program would realize as a result of not having to pay for delivery of oxygen contents for beneficiary-owned portable oxygen systems in the fourth and fifth years of use. We calculated the increased payment to be equal to potential savings from not delivering oxygen contents. In calculating this increased payment, we were only factoring in savings from the fourth and fifth years of use since we assume that most beneficiaries will elect to obtain replacement equipment after the 5-year reasonable useful lifetime for their equipment has expired. Since our data indicate that 35.8 percent of beneficiaries will use oxygen equipment for more than 3 years, and that approximately 74 percent of these beneficiaries use portable equipment, the $10 amount is calculated based on the following formula, and is rounded to the nearest dollar:

$$\frac{((.358 \times \$55) \times 24 \text{ months}) \times .74}{36 \text{ months}}$$

We estimate that the additional $10 payment per month for oxygen generating portable equipment (transfilling units and portable concentrators) will result in increased expenditures of approximately $15 million over a 36 month period, or $5 million annually. This figure is based on current data on utilization of stationary and portable oxygen by Medicare beneficiaries over 36 months.

The second step in calculating the proposed $64 add-on payment for the proposed new class of oxygen generating portable equipment involves subtracting the proposed new stationary payment. Therefore, the national monthly payment of $241 computed in the first step above would be reduced by $177, the proposed new adjusted stationary payment amount, to arrive at the proposed add-on payment of $64 for just the oxygen generating portable equipment. In addition, to offset the increased annual payments of approximately $16 million that will result from increased payments for portable oxygen contents ($11 million) and newer technology oxygen generating portable equipment ($5 million), we proposed to decrease the current stationary payment by $22 ($199–$177). We estimated that this offset would result in annual Medicare savings of approximately $16 million, and would therefore offset the increased payments for new technology oxygen generating portable equipment and delivery of oxygen contents for other beneficiary-owned portable equipment. We proposed that these fees be established on a nationwide basis due to the fact that the variation in the current statewide fee schedule amounts for oxygen and oxygen equipment, as well as the portable equipment add-on payment, are currently only 3 percent and 5 percent, respectively.

We proposed that the $64 add-on payment would be made for oxygen generating portable equipment only if the equipment eliminates the need for delivery or portable oxygen contents. However, if transfilling equipment is used in connection with a stationary oxygen concentrator (whether as an integrated system component or as a separate part) to both deliver stationary oxygen and fill portable oxygen tanks, Medicare would make both a $177 stationary payment for the stationary oxygen concentrator and stationary oxygen contents, and a separate $64 oxygen generating portable equipment payment for the portable oxygen transfilling equipment.

There are also portable oxygen transfilling products that are not part of or used in conjunction with a stationary oxygen concentrator. These products are only used to fill portable oxygen tanks in the beneficiary's home. If the beneficiary is using one of these products, Medicare would make a $64 oxygen generating portable equipment payment. If the patient is also renting any type of stationary oxygen equipment (gaseous, liquid, or concentrator), Medicare would make a separate, additional $177 stationary equipment payment for that equipment.

If a portable oxygen concentrator is furnished, Medicare would make the $64 oxygen generating portable equipment add-on payment if the portable oxygen concentrator is used as both the beneficiary's stationary oxygen equipment and portable oxygen equipment. In this case, the portable oxygen concentrator equipment would fall under both the stationary oxygen equipment class and the oxygen generating portable equipment class. Therefore, the $177 stationary payment would also be made in this situation, since the equipment being furnished meets the beneficiary's needs for both stationary and portable oxygen equipment. In this case, it would be necessary for the supplier to use two HCPCS codes to bill for this device since it is being used as both the stationary and portable oxygen equipment for the beneficiary. If the beneficiary owns any type of stationary equipment (concentrator, liquid, or gaseous), and is also furnished with a portable oxygen concentrator, only the

oxygen generating payment of $64 would be made (that is, the supplier would not also receive the $177 payment) and the portable oxygen concentrator equipment would fall under the oxygen generating portable equipment class because it is only being used to meet the beneficiary's need for portable oxygen equipment. Finally, if, the beneficiary is renting any type of stationary equipment (concentrator, liquid, or gaseous), and is also furnished with a portable oxygen concentrator, the oxygen generating add-on payment of $64 would be paid for the portable oxygen concentrator and the stationary payment of $177 would be paid separately for the stationary oxygen equipment and contents.

In summary, we proposed new payment classes for oxygen contents for beneficiary-owned stationary equipment, oxygen contents for beneficiary-owned portable equipment, and oxygen generating portable equipment. Payments for oxygen contents for beneficiary-owned portable equipment and oxygen generating portable equipment would exceed what is currently paid for these items to ensure access to portable oxygen regardless of the type of equipment used. These increased payments would be offset by a reduction in the stationary payment. The six broad categories of oxygen equipment used by beneficiaries are as follows:

A. Concentrator and liquid or gaseous portable equipment.

B. Concentrator and/or oxygen generating portable equipment.

C. Liquid or gaseous stationary equipment and liquid or gaseous portable equipment.

D. Liquid or gaseous stationary equipment and oxygen generating portable equipment.

E. Concentrator only.

F. Liquid or gaseous stationary equipment only.

Based on our proposed new payment classes, Medicare payment under these six categories would be as follows:

Category	Equipment rental and contents	Contents for beneficiary-owned equipment
A	$209 ($177 + $32)	$55
B	$241 ($177 + $64)	$0
C	$209 ($177 + $32)	$156 ($101 + $55)
D	$241 ($177 + $64)	$101
E	$177	$0
F	$177	$101

We proposed to revise our regulations in order to implement these new payment classes and payment amounts, effective for claims with dates of service on or after January 1, 2007.

J. Payment for Maintenance and Servicing of Oxygen and Oxygen Equipment and Capped Rental Items

Immediately following passage of the DRA, concerns were raised regarding the ability of a beneficiary to obtain maintenance and servicing of his or her DME once he or she has taken title to it. We believe that these concerns are largely based on misconceptions that the beneficiary will ''be on his or her own'' in terms of maintenance and servicing of equipment and submission of claims for payment for these services. We believe that these concerns are unfounded because Medicare payment has traditionally been made for reasonable and necessary repair and maintenance of beneficiary-owned DME. In addition, section 1834(a)(5)(F)(ii)(II)(bb) of the Act, as amended by section 5101(b)(1)(B) of the DRA, and Section 1834(a)(7)(A)(iv) of the Act, as amended by Section 5101(A)(1) of the DRA, require that Medicare continue to pay for reasonable and necessary maintenance and servicing for parts and labor not covered under a manufacturer's or supplier's warranty in amounts determined to be appropriate by the Secretary.

Medicare has also traditionally paid for loaner equipment used while the beneficiary's equipment is being repaired, or in some cases, when the beneficiary does not have access to the equipment (for example, in cases when a natural disaster such as a hurricane forces the beneficiary to be evacuated from his or her home). We proposed to continue Medicare payment for such loaner equipment.

We are not aware of instances where beneficiaries have encountered problems in finding suppliers to provide maintenance and servicing of beneficiary-owned DME. Section 414.210(e) of our regulations currently provides that reasonable and necessary charges for maintenance and servicing of DME are those charges made for parts and labor not otherwise covered under a manufacturer's or supplier's warranty. This definition has been applied in paying claims for maintenance and servicing of beneficiary-owned DME for several years, and the wording of this regulatory definition is parallel to that used in amended sections 1834(a)(7)(A)(iv) and (a)(5)(F)(ii)(II)(bb) of the Act in describing the ''maintenance and servicing'' payments that are permitted for capped rental DME and oxygen equipment after title has transferred to the beneficiary. We proposed to continue use of this existing regulatory definition to define ''maintenance and servicing'' in section 5101 of the DRA. We, however, also proposed to apply our existing policy of not covering certain routine maintenance or periodic servicing of purchased equipment, such as testing, cleaning, regulating, changing filters, and general inspection of beneficiary-owned DME that can be done by the beneficiary or caregiver, to beneficiary-owned oxygen equipment and to continue that policy for beneficiary-owned capped rental equipment. As specified in current program instructions at section 110.2.B of chapter 15 of the Medicare Benefit Policy Manual (Pub 100–02), ''the owner [of the equipment] is expected to perform such routine maintenance rather than a retailer or some other person who charges the beneficiary.'' We expect that the supplier, when transferring title to the equipment to the beneficiary, would also provide to the beneficiary any operating manuals published by the manufacturer which describe the servicing an owner may perform to properly maintain the equipment. We also believe that these owner manuals are commonly available at the various manufacturer Web sites. In addition, the Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) supplier standards at § 424.57(c)(12) require suppliers to provide the beneficiary with necessary information and instructions on how to use DME items safely and effectively. We believe that after receiving this information, and after becoming familiar with the equipment during the 13 or 36 month rental period, the beneficiary and/or caregiver should be very knowledgeable regarding the routine

maintenance required for the item. All non-routine maintenance of beneficiary-owned oxygen equipment and capped rental items which would need to be performed by authorized technicians would be covered as reasonable and necessary maintenance and servicing. Examples of the types of maintenance that would be covered are currently listed in program instructions at section 110.2.B of chapter 15 of the Medicare Benefit Policy Manual (Pub 100–02) and include ''breaking down sealed components and performing tests which require specialized testing equipment not available to the beneficiary.''

We proposed that maintenance and servicing of beneficiary-owned oxygen equipment and capped rental items would be reasonable and necessary if it is non-routine maintenance and servicing necessary to make the equipment serviceable. Payment is currently made under the Medicare program for parts and labor associated with repairing beneficiary-owned DME. Medicare allowed payment amounts for replacement parts are currently paid based on the carrier's individual consideration of the item. With regard to replacement parts for beneficiary-owned oxygen equipment or capped rental equipment, we proposed that the carrier pay for the parts in a lump sum amount based on its consideration of the cost of the item, as is consistent with what our carriers currently do when evaluating maintenance and servicing claims for other beneficiary-owned DME. Currently, payment for labor is based on 15-minute increments in amounts that are established by the carriers and updated on an annual basis by the same factor specified in section 1834(a)(14) of the Act, which is used to update fee schedule amounts for DME. We proposed that the carriers use the same fee for labor that is currently used in paying for labor associated with repairing, maintaining, and servicing other beneficiary-owned DME, as we are not aware of any past problems associated with access to these services paid at these rates. We believe that the current methods and fees used by carriers in paying for maintenance and servicing of beneficiary-owned DME are reasonable given that we are not aware of any past problems associated with access to these services paid at these rates. In most cases, neither the Medicare program nor the beneficiary actually pays the full amount for repairing or maintaining an item since manufacturer warranties that cover all or part of these costs are widespread. For example, some manufacturers of commonly used oxygen concentrators offer full warranties that cover all parts and labor for 5 years. Rules in § 414.210(f) regarding replacement of DME that has been in continuous use for the equipment's reasonable useful lifetime provide that the beneficiary can elect to obtain replacement equipment after the reasonable useful lifetime for the equipment has expired. Therefore, we believe that the beneficiary should incur little, if any, expense for repair or maintenance of necessary equipment in cases where manufacturer warranties exist that cover parts and labor necessary to repair a new item during a 5-year period.

K. Payment for Replacement of Beneficiary-Owned Oxygen Equipment, Capped Rental Items, and Associated Supplies and Accessories

Medicare has traditionally paid for replacement beneficiary-owned DME after the expiration of the equipment's useful lifetime (see § 414.210(f) and § 414.229(g) of our regulations), and for replacement supplies and accessories used in conjunction with beneficiary-owned DME when these supplies and accessories are necessary for the effective use of the DME (see § 110.3 of Chapter 15 of the Medicare Benefit Policy Manual (pub. 100–02)). Examples of supplies include drugs and administration sets used with infusion pumps. Examples of accessories include masks and tubing used with respiratory equipment. We proposed to apply these policies to beneficiary-owned oxygen equipment, as well as the supplies and accessories used in conjunction with this equipment, and to continue to apply these policies to beneficiary-owned capped rental items, as well as the supplies and accessories used in conjunction with these items.

Specifically, we proposed to update § 414.210(f) and § 414.229(g) of our regulations to reflect that payment may be made for the replacement of beneficiary-owned oxygen equipment and capped rental DME in cases where the item is lost, stolen, or irreparably damaged, or in cases where the item has been in continuous use for its reasonable useful lifetime. We proposed that payment for the replacement be made on a rental basis in accordance with the payment rules in § 414.226 for oxygen equipment and § 414.229 for capped rental items. We also proposed to revise § 414.229 to reflect that these proposed changes to the replacement policy for beneficiary-owned capped rental items only apply to those items for which the first rental month occurs on or after January 1, 2007 since the DRA does not apply to capped rental items for which the first rental month occurs before January 1, 2006. The current rules will remain in place for capped rental items to which the DRA does not apply.

We are aware that some manufacturer warranties may cover replacement of oxygen or capped rental equipment within a certain time period after the item is furnished. As was our policy before the enactment of DRA (see § 110.2.C of Chapter 15 of the Medicare Benefit Policy Manual (pub. 100–02)), we proposed that Medicare not pay for the replacement of beneficiary-owned oxygen equipment or capped rental items covered by a manufacturer's or supplier's warranty. In cases where equipment replacement is not covered by a manufacturer's or supplier's warranty, we proposed that the supplier must still replace beneficiary-owned oxygen equipment or beneficiary-owned capped rental items at no cost to the beneficiary or to the Medicare program if: (1) The total accumulated costs, as illustrated in the example below, to repair the item after transfer of title to the beneficiary exceed 60 percent of the replacement cost; and (2) the item has been in continuous use for less than its reasonable useful lifetime, as established in accordance with the procedures set forth in proposed revised § 414.210(f). For example, a capped rental item that can be replaced for $1,000 (total of fee schedule payments after 13 rental months) and for which title has transferred to the beneficiary in accordance with section 1834(a)(7)(A)(ii) of the Act can be used to illustrate what we mean when we use the term ''accumulated costs'' above. In this example, if Medicare has paid a total of $500 for 3 repairs necessary to make the item functional, and a fourth repair costing $200 is needed in order to make the item functional, the accumulated costs for repair in this case will equal $700, which exceeds $600 or 60 percent of the $1,000 cost to replace the item. In this case, the supplier would be required to furnish a replacement item. The greater than 60 percent of cost threshold for replacement is consistent with the threshold repair costs that can result in the replacement of prosthetics (artificial limbs) in accordance with section 1834(h)(1)(G) of the Act. We believe this threshold should apply to oxygen equipment and capped rental items as well, because artificial limbs, like these items, are built to withstand repeated use.

We proposed that the supplier be responsible for the cost of the replacement equipment because we believe that the item in this case did not last for the entire reasonable useful

lifetime. After the beneficiary acquires title to the item, the supplier that transferred title would be responsible for furnishing the replacement item. We proposed this provision to safeguard the beneficiary from receiving, and the Medicare program from paying for, substandard equipment, and to avoid creating an incentive for suppliers to increase the number of claims submitted for repairs in an effort to recover revenue lost as a result of DRA section 5101. We believe that this requirement is not unreasonable since suppliers should be furnishing items in good working order and are otherwise bound by regulations at § 424.57(c)(15) to accept returns from beneficiaries of substandard items. Exceptions to this rule may be granted by CMS or the carrier as appropriate (for example, the supplier would not be responsible for replacing an item in need of repair due to beneficiary neglect or abuse).

L. Periods of Continuous Use

Rules that apply in determining a period of continuous use for rental of DME are found at § 414.230 of our regulations. We proposed that these rules would continue to apply in implementing section 5101 of the DRA, with one exception. The rules in § 414.230(f) provide that a new period of continuous use begins for new or additional equipment prescribed by a physician and found to be medically necessary, even if the new or additional equipment is similar to the old equipment.

Medicare payments for stationary and portable oxygen and oxygen equipment are currently modality neutral, which means that the same payment amounts apply to the different types of oxygen equipment furnished to Medicare beneficiaries. Since there is no distinction made between oxygen equipment modalities for payment purposes under the Medicare program, we do not believe that it is necessary or appropriate to begin a new period of continuous use when the beneficiary changes from one oxygen equipment modality to another. We proposed to revise § 414.230(f) of our regulations to designate the existing language in this section as paragraph (f)(1) and to add a new paragraph (f)(2) to reflect this exception, effective for oxygen equipment furnished on or after January 1, 2007. We also proposed to revise § 414.230(b) to incorporate section 5101(b)(2)(B) of the DRA, which provides that for all beneficiaries receiving oxygen equipment paid for under section 1834(a) on December 31, 2005, the period of continuous use begins on January 1, 2006.

M. Other Issues: Health Care Information Transparency, Health Information Technology, and Medicare Payment Structures

Both Medicare's payment structures and the actual delivery of post acute care have evolved significantly over the past decade. Before the BBA, HHAs and other post-acute settings such as inpatient rehabilitation facilities (IRFs) and skilled nursing facilities (SNFs) were paid on the basis of cost. Since that time, we have implemented various legislative mandates that established prospective payment systems in these settings. The PPS methodologies used in these settings rely on patient-level clinical information to provide pricing, support the provision of high quality services, and encourage the efficient delivery of care. CMS is exploring refinements to the existing provider-oriented ''silos'' to create a more seamless system for payment and delivery of post-acute care (PAC) under Medicare. This new model could feature more consistent payments for the same type of care across different sites of service, value based purchasing incentives, and the collection of uniform clinical assessment information to support quality and discharge planning functions.

CMS is considering a demonstration to determine whether incentive payments to HHAs impact improvements in the quality of care of Medicare beneficiaries.

Section 5008 of the Deficit Reduction Act of 2005 (DRA) provides for a demonstration on uniform assessment and data collection across different sites of service. This 3-year demonstration project is to be established by January 1, 2008. We are in the early stages of developing a standard, comprehensive assessment instrument to be completed at hospital discharge and ultimately integrated with PAC assessments. The demonstration will enable us to test the usefulness of this instrument, and analyze cost and outcomes across different PAC sites. The lessons learned from this demonstration will inform efforts to improve the post-acute payment systems.

We have evaluated the existing assessment instruments that managed care and other insurers use. These instruments will form the basis of our efforts to create a discharge assessment tool that can serve to facilitate post-hospital placement decisions; enhance the safety and quality of care during patient transfers through transmission of core information to a receiving provider; and provide baseline information for longitudinal follow-up of health and function.

In the April 25, 2006 Inpatient Prospective Payment System proposed rule (71 FR 23996), we discussed in detail the Health Care Information Transparency Initiative and our efforts to promote effective use of Health Information Technology (HIT) as a means to help improve health care quality and improve efficiency. Specifically, with regard to the transparency initiative, we discussed several potential options for making pricing and quality information available to the public (71 FR 24120 through 24121). We solicited comments on ways the Department can encourage transparency in health care quality and pricing whether through its leadership on voluntary initiatives or through regulatory requirements. We also sought comments on the Department's statutory authority to impose such requirements. In addition, we discussed the potential for HIT to facilitate improvements in the quality and efficiency of health care services (71 FR 24100 through 24101). We solicited comments on our statutory authority to encourage the adoption and use of HIT. The 2007 Budget states that ''the Administration supports the adoption of Health Information Technology (HIT) as a normal cost of doing business to ensure patients receive high quality care.'' We also sought comments on the appropriate role of HIT in potential value-based purchasing programs, beyond the intrinsic incentives of a PPS to provide efficient care, encourage the avoidance of unnecessary costs, and increase quality of care. In addition, we sought comments on promotion of the use of effective HIT and how CMS can encourage its use in HHAs.

We intend to consider both the health care information transparency initiative and the use of HIT as we refine and update all Medicare payment systems. Therefore, we sought comments on these initiatives as applied to the HH PPS in the August 3, 2006 proposed rule, including the Department's statutory authority to impose any such requirements. We stated that we may address these initiatives in the final HH PPS rule. For example, a HIT proposal could include adding a requirement that HHAs use HIT that is compliant with and certified by the Certification Commission for Health Information Technology (CCHIT) in the areas in which the technology is available. As noted previously, the CMS *Home Health Compare* Web site contains home health quality information. We note that we are in the process of seeking input on these initiatives in various proposed Medicare

payment rules being issued this year. In particular, we intend to consider both the health care information initiative and the use of HIT as we refine and update all Medicare payment systems.

III. Analysis of and Responses to Public Comments

We received approximately 106 comments on the August 3, 2006 proposed rule.

General

Comment: Several commenters raised concerns about combining several unrelated matters into a single public notice. The commenters believed the style to be confusing and counter to CMS' initiatives for better public communication.

Response: We recognize the commenters concern and note that we make every attempt to provide sufficient information in the **Federal Register** document to clearly and specifically state the contents of the **Federal Register** document. We note that we targeted a similarly situated audience in that suppliers of oxygen equipment, DME suppliers, and HHAs all provide services in the post-acute care setting.

Comment: Several commenters requested that telehealth services be directly funded. These commenters believe that utilization of telehealth services would save Medicare money by reducing hospitalization and decreasing the use of multiple medical services.

Response: Telehealth services are not a recognized visit or service under the HH PPS. Specifically, in section 1895(e)(1)(B) of the Act, telecommunications services are not considered a home health visit for the purposes of eligibility or payment under this title.

Comment: A commenter stated that CMS should indefinitely retain the 5 percent rural add-on. Other commenters recognized that it would take congressional action to extend the 5 percent rural add-on for rural providers. Nonetheless, these commenters supported an extension of the rural add-on period. In addition, commenters recommended that CMS examine the differences between the cost of providing home health services in a rural setting and those costs of providing home health services in an urban area.

Response: The rural add-on was a temporary add-on established by the DRA. Specifically, section 5201 of the DRA required, for home health services furnished in a rural area with respect to episodes and visits beginning on or after January 1, 2006 and before January 1, 2007, that we increase by 5 percent the payment amount that otherwise would be made for the services. The statute does not provide for a continuation of the rural add-on. We will continue to monitor the HH PPS to help ensure that home health providers continue to receive appropriate reimbursement for the services they provide.

Market Basket

Comment: Several commenters believe that the proposed market basket update falls short of increased costs in the delivery of home health services. Specifically, they state that labor costs have risen significantly with the continuing shortage of nursing and therapy staff, transportation costs skyrocketed in 2005–2006 at a rate far greater than the estimated 2.2 percent that was set out in the 2006 rate setting rule, technology costs, and costs associated with regulatory compliance have grown. Some of these commenters believe the problem with the estimated market basket increase appears to stem from two weaknesses in the calculation formula: The use of FY 2000 cost reports and the accuracy of the projection. These commenters believe the FY 2000 cost reports are inaccurate because they only contained a portion of the operational changes that have occurred since the onset of the prospective payment system.

Response: The home health market basket is a fixed-weight Laspeyres-type price index, which measures the average change in the price of goods and services purchased by HHAs in providing an efficient level of home health care services. Furthermore, the projected estimated HH market basket has been fairly consistent with the actual market basket determination. Since the inception of the PPS in FY 2001 including years through CY 2005, the forecasted average annual increase of the home health market basket has been 3.3 percent while the actual average annual increase of the home health market basket has been 3.2 percent.

With respect to the use of the FY 2000 cost reports, they represent the most recent and complete cost reports available at the time of the most recent rebasing of the home health market basket presented in the CY 2005 proposed rule. Our recent analysis of Medicare cost report data for 2001 through 2003 shows very similar cost weights, including those associated with compensation, to the FY 2000 based market basket. Therefore, we believe the use of the FY 2000 cost reports continue to accurately reflect a proxy of home health weights.

We further note that for the final rule, we are using the 2006 3rd quarter forecast with historical data through 2006, 2nd quarter, which results in a forecast for the home health market basket for CY 2007 of 3.3 percent. This projection includes a higher forecast for the CPI for private transportation (2.2 percent) and higher forecast for the price of compensation (3.5 percent) compared to the forecast in the proposed rule of 0.3 percent and 3.4 percent, respectively.

Comment: One commenter suggested that CMS move away from using the CPI for private transportation to proxy price changes associated with transportation costs and substitute it with a more accurate reflection of home health care transportation experience.

Response: We believe the CPI for private transportation is an accurate proxy for the price changes associated with home health care agencies' transportation costs. This CPI measures the price changes of new and used motor vehicles, motor fuels, motor vehicle parts and equipment, maintenance and repair, and insurance costs. We believe that home health agencies incur all of these transportation costs.

Comment: One commenter suggested that the market basket weights assigned to each input should be re-examined every 2 years using cost report data that are less than 2 years old. The commenter also suggests that the validity of the weights should be periodically tested using audited cost report data.

Response: We rebase the home health market basket on a periodic basis. When we rebase a market basket, we examine the costs for each year since the most recent rebasing. In general, cost weights remain stable from year to year and become less so over a longer time period, such as 5 or more years. Additionally, we always use the most recent and complete cost report data at the time of rebasing. For the CY 2005 proposed rule, the most recent and complete cost report data available was for the year 2000. We are also confident in the validity of the Medicare cost report data received by the industry. Thus, we believe a formal audit is not required. However, as part of the standard rebasing methodology in calculating the cost report weights, we trim the data to remove the impact of outliers.

Comment: One commenter recommended that the shortfalls in annual cost increase projections be added to succeeding year inflation updates. The commenter stated, for example, the under-projection in

transportation cost increases in 2006 should be reflected in 2007 and 2008.

Response: We believe that the accuracy of the market basket updates has been reasonable, as evidenced by the last several years which contained average forecasted updates of 3.3 percent while actual average annual increase of the home health market basket has been 3.2 percent.

Comment: One commenter suggested that projections should be thoroughly evaluated and validated. The commenter is aware that CMS uses a proprietary system, Global Insights, Inc. (GII), in determining its projections and believes this system should be examined by a CMS Technical Expert Panel in the immediate future.

Response: GII is an independent firm that forecasts price proxies and other economic indicators. We believe that the projections we use are unbiased and consistent across all GII customers, both private and government. Moreover, we continue to work closely with GII to continually monitor the reasonableness of its projections.

Comment: Other commenters expressed support for a market basket update of 3.1 percent and a 15 percent adjustment to the standardized rates for dually eligible beneficiaries.

Response: We appreciate the support for the proposed market basket increase. Section 1895(b)(3)(B) of the Act requires the unadjusted national rate for CY 2007 to be increased by the applicable home health market basket index amount. The home health market basket for CY 2007 is forecasted to be 3.3 percent. We do not, however, have the statutory authority to establish a 15 percent adjustment to the standardized rates for dually eligible beneficiaries.

Comment: One commenter stated that home care providers should receive their full Medicare market basket update for 2007 and each subsequent year.

Response: HHAs will receive payments based on a full market basket update for services provided to Medicare beneficiaries for CY 2007 and subsequent years as provided at section 1895(b)(3)(B)(v) of the Act, subject to submitting the required quality measures and other possible legislative mandates.

Quality/Pay for Reporting

Comment: A commenter recommended that CMS make the penalty for not submitting the required quality data budget neutral and thus increase the national standardized episode amount. This would provide a small reward for the majority of agencies that already comply with the data submission requirement.

Response: Section 1895(b)(3)(B)(V)(I) of the Act, added by section 5201(c)(2) of the DRA, stipulates that the market basket percentage increase be reduced by 2 percentage points for HHAs who fail to submit required data. The statute does not provide that the reduction in the market basket percentage increase be budget neutral.

Comment: Several commenters supported CMS' proposed and continued use of the OASIS instrument and reporting infrastructure in response to the DRA requirements.

Response: We appreciate the commenters' support for this decision. One of our goals is to allow HHAs to fulfill the DRA's quality data reporting requirements in the most efficient and least burdensome way possible.

Comment: Several commenters believe that CMS needs to continue to refine and enhance the OASIS assessment instrument and associated quality measures.

Response: As we stated previously, we intend to refine the current OASIS instrument and associated quality measures. We will also continue improving the assessment instrument's accuracy in reflecting both the health status and improvements in condition of our beneficiaries.

Comment: Several commenters confused the various HH Conditions of Participation requirements, that is, the completion, completeness, and accuracy of the OASIS assessment, with the reporting requirements established by the DRA.

Response: The proposed rule dealt solely with the requirements of section 5201(c)(2) of the DRA to specify the health quality data needed for quality measurements under the HH PPS. To meet the requirements established in the DRA, we proposed to rely on the data submitted by home health providers through the OASIS instrument. The regulations surrounding completion, completeness, timeliness or other rules associated with the OASIS were not affected by the HH PPS proposed rule.

Comment: A few commenters were concerned that the reporting timeframe established in the proposed rule is over before publication of the final rule. The commenters noted that prior notification of payment penalties associated with the DRA quality measures requirement could not be known before the reporting period commenced.

Response: We acknowledge the commenters' concern, but we believe our proposed approach adequately addresses these issues. Section 5201(c)(2) of the DRA amends the Act to such that ''each home health agency shall submit to the Secretary such data that the Secretary determines are appropriate for the measurement of health care quality. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary.'' In considering how to best implement this provision while still obtaining the needed quality measures, our approach was to use processes and mechanisms that were already in place and functioning, as the most efficient and appropriate way to meet the statutory requirements. Using historical data to determine the prospective update is similar to the methodology used for hospital pay for reporting. In this manner, by utilizing an existing system, we were able to provide the least burdensome measures on the providers, and would penalize only those providers who were not otherwise meeting the OASIS submission requirement under the home health Conditions of Participation.

Comment: One commenter supported CMS' initiative to refine the home health quality measures and to complement those measures with health information technology. This commenter stated that the proper use of new quality measures in certain areas coupled with the appropriate use of health information technology will help to promote quality care, efficiency, save Federal dollars, and satisfy the needs of our beneficiaries.

Response: We appreciate the commenter's support and will continue to pursue using health information technology to further the goals of providing appropriate payments for quality services under the HH PPS.

Outlier Payments and Fixed Dollar Loss Ratio

Comment: A commenter expressed concerns with CMS' proposal to update the fixed dollar loss ratio in the final rule if current data become available. The commenter believes that CMS has an obligation to modify PPS outlier criteria each year until the 5 percent set aside is realized. Commenters urged CMS to ensure that data is available before the final rule is published. The commenter recommended that CMS provide an opportunity for review and comment before implementation of any change that reduces the likely number of episodes qualifying for outlier payments. Another commenter urged CMS to retain or increase the current outlier payment structure.

Response: Section 1895(b)(5) of the Act states that the ''Secretary may provide for an addition or adjustment to the payment amount otherwise made in the case of outliers * * * [t]he total

amount * * * may not exceed 5 percent of the total payments projected or estimated to be made based on the'' HH PPS. The statute makes clear that to the extent the Secretary chooses to provide for an outlier adjustment in HH PPS, such adjustment may not be more than 5 percent of the projected or estimated HH PPS payments. The statute does not provide for an outlier adjustment of 5 percent.

At the time of publication of the August 3, 2006 proposed rule, we did not have more recent data, but noted that we may update the FDL ratio for CY 2007 depending on the availability of more recent data. We stated that depending on the availability of more recent data at the time of publication of the HH PPS final rule for CY 2007, we may, if necessary, implement an update to the FDL ratio for the CY 2007 update to the HH PPS rates. Subsequent to the publication of the August 3, 2006 proposed rule, we have now obtained more recent data, that is, CY 2005 home health claims data. Accordingly, for this final rule, we have used the same methodology and performed analysis using the CY 2005 data to update the FDL ratio for CY 2007. For CY 2007, we are not only retaining the current outlier payment structure but also increasing the FDL ratio to allow more episodes to qualify for outlier payments. This new FDL ratio is 0.67.

Home Health Wage Index

Comment: Several commenters expressed serious concerns about the use of the pre-floor, pre-reclassified hospital wage index for adjusting for geographic variation in wages. These commenters believe that CMS has the regulatory authority to take immediate steps to implement a wage index that secures a reasonable level of parity with hospitals in the geographic areas served by HHAs. Specific recommendations include applying the State-specific rural floor to all urban areas and implementing a reclassification value proxy for HHAs operating in areas where hospitals have been reclassified. Commenters also made recommendations that CMS consider a wholesale revision and reform of the home health wage index.

Response: These commenters are referring to the rural floor and geographic reclassification applicable to hospital payments. The rural floor provision is provided at section 4410 of Public Law 105–33 and is specific to hospitals. The reclassification provision provided at section 1886(d)(10) of the Act is also specific to hospitals. Because these floors and reclassifications apply only to hospitals, and not to HHAs, we believe the use of the most recent available pre-floor and pre-reclassified hospital wage index data results in the appropriate adjustment to the labor portion of home health costs as required at 1895(b)(4)(C). As to the revision and reform of the home health wage index, we further note that CMS has, along with the industry, explored the feasibility of developing a home health specific wage index. Because of the volatility of the home health wage data and the significant amount of resources that would be required to improve the quality of those data, we do not expect to propose a home health specific wage index until we can demonstrate that a home health specific wage index would be more reflective of the wages and salaries paid in a specific area, that it would significantly improve our ability to determine payment for HHAs, and that we can justify the resources required to collect the data, as well as the increased burden on providers.

Comment: One commenter was concerned about the wage index for CBSA 12940 ''East Baton Rouge, Ascension, Livingston, West Baton Rouge, Louisiana.'' The commenter stated that the proposed ''wage index reflects a decrease from .8593 in CY 2006 to .8099 in CY 2007, a decrease of nearly 6%.'' The commenter believes this must be the result of an error and that this wage index should be reviewed for accuracy.

Response: First, the wage index that is applied to payments for services furnished to home health patients in CY 2006 in CBSA 12940 is not 0.8593. In CY 2006, we apply a transition wage index of either 0.7967 or 0.8618 (depending on the State and county code where the beneficiary resides) to payments for home health services provided in CBSA 12940. This is clearly noted in Addendum A of the CY 2006 HH PPS final rule (70 FR 68161). The wage index value of 0.8593 would have been applied to payments for home health services rendered in CBSA 12940 had we not implemented a transition policy for CY 2006. As noted in the CY 2006 final rule (70 FR 68138), we implemented a transition policy based on the concern about the potential negative financial impact of moving to a CBSA-based wage index. The final wage index value for CBSA 12940 will be 0.8084 for CY 2007.

Second, the change in the wage index value for CBSA 12940 is also due in part to the inclusion of wage data from the following counties: East and West Feliciana Counties, Iberville County, Pointe Coupee County, and St. Helena County. These five counties were previously classified as rural. However, under the CBSA designations, which we implemented beginning in CY 2006, they are now part of CBSA 12940.

We further note that we employ processes to review the accuracy of the wage index. The home health wage index is derived from the pre-floor, pre-reclassified hospital wage index which is calculated based on cost report data from hospitals paid under the hospital inpatient prospective payment system (IPPS). All IPPS hospitals must complete the wage index survey (Worksheet S–3, Parts II and III) as part of their Medicare cost reports. Cost reports will be rejected if Worksheet S–3 is not completed. Additionally, intermediaries perform desk reviews on all hospitals' Worksheet S–3 wage data, and we run edits on the wage data to further ensure the accuracy and validity of the wage data. In addition, HHAs have the opportunity to submit comments on the hospital wage index data during the annual IPPS rulemaking period. Therefore, we believe our review processes result in an accurate reflection of the applicable wages for the areas given.

Comment: A commenter expressed concern because implementation of a CBSA-based wage index places Lake County, Illinois in the same CBSA as Racine, Wisconsin rather than in the CBSA-based wage index that includes Chicago. The commenter states that Lake County, Illinois draws from the same employment pool as does the Chicago metro area. The commenter further states that this situation requires dual licensure in order for HHAs in Illinois to hire nurses from Wisconsin.

Response: Lake County, Illinois is not included in the same CBSA with Racine, Wisconsin. Racine County is in CBSA 39540 and has a CY 2007 wage index of 0.9356. Lake County, Illinois is included with Kenosha County, Wisconsin in CBSA 29404. Lake County and Kenosha County are adjacent counties in the States of Illinois and Wisconsin, respectively. The CY 2007 wage index for CBSA 29404 is 1.0570. OMB considers Lake County and Kenosha County to be part of the same Metropolitan Division. OMB defines a ''metropolitan division'' as ''a county or group of counties within a core-based statistical area that contains a core with a population of at least 2.5 million. A metropolitan division consists of one or more main counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.'' This information is available at the following Web address: *http://www.whitehouse.gov/omb/bulletins/b03–04.html.* We believe that

the OMB geographic designations generally reflect the general labor market.

State participation in the Nurse Licensure Compact alleviates the need for nurses to be licensed in multiple states. The state of Wisconsin participates in the Nurse Licensure Compact but Illinois does not. Illinois' participation in the Nurse Licensure Compact would alleviate the need for nurses to be licensed in both states.

Comment: Other commenters had issues with the decreases in wage index that they will experience in the move to a full CBSA-based wage index in CY 2007.

Response: We appreciate the detailed concerns sent by the commenters regarding the impact of the wage index update for their specific areas. We note that there will always be some areas that experience an increase in wage index values while others experience a decrease in wage index values. Variability in wage index values occurs each year as wage index values fluctuate from year to year based on the changes to the hospital wage data. As a result, wage index values within the system increase or decrease. We are aware of the changes to wage index values may be due in part to the adoption of the revised OMB designations, and in light of these concerns, we provided a one-year transition period for CY 2006. As to the appropriateness of what CBSA a particular area has been designated into, CBSA designations are determined by the Office of Management and Budget (OMB). We continue to believe that OMB's CBSA designations reflect the most recent available geographic classifications and are a reasonable and appropriate way to define geographic areas for purposes of determining wage index values.

Comment: One commenter recommended that CMS apply a transition policy that would phase in large and unexpected wage index reductions over a two-year period, similar to the transition CMS applied for the IPPS conversion to CBSAs.

Response: As noted previously, we implemented a one-year transition policy as a means to gradually introduce the changes and impact of a CBSA-based wage index to the HH PPS. We believe that the transitional one-year period was appropriate and do not agree that a longer transition period is necessary or appropriate. We again note that fluctuations in each wage index would be expected even if we did not adopt the revised OMB designations.

Comment: Commenters raised concerns with CMS' proposal to continue to use the CY 2005 rural wage index for areas where there is no rural hospital data to compute a wage index.

Commenters also raised concerns with the alternative methodology that we discussed, that is, basing the imputed rural wage index on data from the state's Census Division. Commenters believe that this type of situation highlights the need to move away from using pre-floor, pre-reclassified hospital wage data for the home health wage index. Commenters recommended a number of alternative methodologies for imputing a wage index value for areas where there are no rural hospital data to compute a wage index value. The commenters all believe that an imputed proxy should be reflective of the most local data available. Almost all of these comments specifically refer to the wage index for rural Massachusetts.

Response: As noted above, several commenters recommended alternative methodologies for imputing a rural wage index. One recommended alternative was to use CAH data to impute a wage index for rural Massachusetts. However, CAHs are not required to submit the cost reporting worksheets that we use to compute the hospital wage index. Requiring CAHs to do so would impose an additional data collection burden on them. Additionally, those data would then need to be collected and audited. Therefore, we believe this option would be unduly burdensome and inefficient.

Another alternative that was recommended was to use the rural wage index from the single state closest to the Massachusetts rural area. Rhode Island is the closest State to the Massachusetts rural area, but Rhode Island has no rural areas. The commenter acknowledged this and proposed using the wage index for Connecticut. We do not believe that using the rural wage index from the closest State is appropriate because this methodology is not easy to apply to other states where this situation could arise.

Another alternative that was recommended was to use the same methodology that we use to calculate an ''imputed rural floor'' for PPS hospitals with no rural areas (69 FR 49111). This methodology compares the three States that lack rural hospital wage data (Rhode Island, New Jersey, and Massachusetts) to those three States as a class. As the commenter recognized, this approach does not match the criterion for using rural data. The commenter also recognized that since it uses data from hospitals in New Jersey, it does not meet the criterion of using the most local data available. We agree with the commenter that this is not the optimum alternative for imputing a rural wage index for the HH PPS.

A fourth alternative that was recommended was to use the average wage index from contiguous CBSAs as an acceptable proxy for a rural wage index.

A fifth alternative that was suggested was to use BLS wage data to derive a ratio of rural wages to wages in an urban MSA within the State. That ratio could then be multiplied by the wage index from the urban MSA to derive an estimated wage index for the rural area. We do not believe that using the BLS data to impute a rural wage index is the best alternative as it does not meet our criterion of using pre-floor, pre-reclassified hospital data. Also, using the BLS wage data would require a determination as to which health sector occupations to consider. This alternative methodology would also not weight the occupations appropriately. In contrast, the pre-floor, pre-reclassified hospital wage data encompasses wages and hours, that is, actual utilization per occupation.

Using OMB's geographic classification system, the entire rural Massachusetts area, consists of Dukes and Nantucket Counties. Both of these counties are islands. This creates a unique set of circumstances to consider.

As we stated in the August 3, 2006 proposed rule, we also believe that an imputed proxy should (1) use pre-floor, pre-reclassified hospital data, (2) use rural wage data, (3) be easy to evaluate, and (4) be easily updatable from year-to-year. After a thorough review of the comments received and a further review of the needs and concerns inherent in this situation, we agree with the commenters that an additional criterion should be added, that is, that the most ''local'' data available should be used to impute a rural wage index. We have re-evaluated our proposed method of imputing a rural wage index, (that is, using the CY 2005 wage index) and have decided that a more appropriate proxy is needed. Although our proposed methodology uses local, rural pre-floor, pre-reclassified hospital wage data, this method is not updateable from year-to-year. In addition, we now believe that the alternative methodology noted in the August 3, 2006 proposed rule (that is, using an average of the wage indexes in the Census Division) is not optimal because although it uses pre-floor, pre-reclassified hospital wage data from rural areas, it does not use the most local data available.

We believe that the alternative methodology of using the wage index from contiguous CBSAs best meets our criteria for imputing a rural wage index and represents an appropriate wage index proxy for rural areas without

hospital wage data. While it does not use rural data, it does use pre-floor, pre-reclassified hospital wage data, it is easy to evaluate, it is updateable from year to year, and it uses the most local data available. Therefore, we are revising our methodology for imputing a wage index for rural areas without hospital wage data. We will use the average wage index from all CBSAs that are contiguous to that rural area if the rural area does not have rural hospital wage data.

In determining an imputed rural wage index, we interpret ''contiguous'' as sharing a border. In the case of Massachusetts, the entire rural area consists of Dukes and Nantucket Counties. We determined that the borders of Dukes and Nantucket Counties are ''contiguous'' with Barnstable and Bristol Counties. The wage indexes for Barnstable (1.2539) and Bristol (1.0783) are averaged resulting in an imputed rural wage index of 1.1661 for rural Massachusetts for CY 2007. While we believe that this policy could be readily applied to other rural areas that lack hospital wage data (possibly due to hospitals converting to a different provider type (such as a CAH) that does not submit the appropriate wage data), should a similar situation arise in the future, we may re-examine this policy.

However, we do not believe that this final policy is appropriate for Puerto Rico. As noted in the August 3, 2006 proposed rule, there are sufficient economic differences between the hospitals in the United States and those in Puerto Rico, including the fact that hospitals in Puerto Rico are paid on blended Federal/Commonwealth-specific rates that a separate distinct policy for Puerto Rico is necessary. Consequently, any alternative methodology for imputing a wage index for rural Puerto Rico would need to take into account those differences. Our policy of imputing a rural wage index based on the wage index(es) of CBSAs contiguous to that rural area does not recognize the unique circumstances of Puerto Rico. We received neither comments on our proposed approach to impute a wage index for rural areas in Puerto Rico nor any alternative suggestions. While we have not yet identified an alternative methodology for imputing a wage index for rural Puerto Rico, we will continue to evaluate the feasibility of using existing hospital wage data and, possibly, wage data from other sources.

Accordingly, we will continue to use the most recent wage index previously available for Puerto Rico, that is, the wage index from 2004, which is 0.4047.

Health Care Information Transparency and Health Information Technology

Comment: One commenter addressed our discussion of health care information transparency and health information technology. The commenter disagreed with our implication that public comment was previously solicited from the home health community via the 2006 IPPS proposed rule published on August 25, 2006. However, the commenter is pleased that CMS has initiated a public dialogue in this area. The commenter suggests that CMS conduct a technology inventory in home health services to determine utilization and perceived roadblocks to expanded utilization. The commenter also believes that any such mandate must be accompanied by adjustments in payments. Additional commenters raised concerns about the potential impact of health information technology. Commenters do not believe that CMS has sufficiently supported the significant investments agencies have had to make in the past several years to establish and maintain HIT capabilities. Commenter concerns focused on the potential financial impact on providers who have invested significantly in HIT. Commenters believe that HIT requires a shared investment between providers and purchasers of care, to include CMS.

Response: As explained in the proposed rule, we intend to consider both the health care information transparency initiative and the use of HIT as we refine and update all Medicare payment systems. As previously stated, the 2007 Budget states that ''the Administration supports the adoption of health information technology (HIT) as a normal cost of doing business to ensure patients receive high quality care.'' We are not including specific recommendations in this final rule. However, we appreciate the input and recommendations provided in the use of HIT and welcome further comments on this important topic from HHAs.

Comment: One commenter stated that the public does not understand how Medicare's HH PPS works. The commenter believes that a prospective system is a ''soft'' reimbursement methodology, as payment rates have little relationship to home health pricing noting that in some instances the HH PPS payment far exceeds charges and in other instances the payment falls short of charges.

Response: We are actively pursuing the goal of price and quality transparency generally in the health care system. We have already released payment information on inpatient services and ambulatory surgical centers and are considering how to do so in other care settings. We agree that any pricing information released publicly should be clearly understood by the public, both consumers and patients. We recognize that Medicare payment for home health services captures a wide variety of costs and that payment rates may not always exactly match the costs for specific patients. However, as a prospective payment system, HH PPS payments estimate the average cost of providing services and are designed to recognize the higher costs associated with care for more severely ill patients. As such, the information could be of great interest to individual patients and the general public when they consider treatment options. It may also be important for patients and their families to understand what services the payment covers, to assist in planning for their health care needs.

The price of home health care is also an important component of price information in broader episodes of care. For example, a patient hospitalized with congestive heart failure may have a variety of post-acute care options, including being discharged home without home health services. The ability to identify the cost of different services, including home health, in a total episode of care allows patients, providers, and the Medicare program to be better educated about the value of different mixes of services. This type of analysis, including knowing the price of home health services, could provide valuable data such as re-admission information and indicating the value of specific care sites to patients.

We are not including specific recommendations in this final rule. However, we will continue to identify price and quality information that could be publicly released to help inform patient and consumer health care decisions and encourage higher value health care. We welcome further comments on this important topic from HHAs.

Consolidated Billing and Supply Issues

Comment: One commenter requested that CMS exclude HCPCS Code A7043 (vacuum drainage bottle and tubing for use with implanted catheter) from the HH PPS. The commenter believes that the regulations authorize CMS to exclude prosthetic devices and items related to prosthetic devices that are covered under Part B from the HH PPS. The commenter stated that the Pleurx pleural catheter and vacuum drainage bottle meet the definition of a prosthetic device because they replace the malfunctioning pleura by artificially

draining the pleura. Additionally, the commenter believes that the HH PPS rates do not adequately compensate HHAs when they care for beneficiaries requiring the Pleurx pleural catheter and vacuum drainage bottle.

Response: We addressed consolidated billing requirements in the Final Rule for the HH PPS published on July 3, 2000 (65 FR 41139). Medical supplies are a covered home health service and are bundled into the payment rate under the HH PPS. Section 1861(m)(5) specifically includes catheters and catheter supplies as a covered home health service. Therefore, vacuum drainage bottles and tubing for use with an implanted catheter are bundled medical supplies while the patient is under a home health episode of care.

Moreover, as we have consistently noted in responding to comments, the statute does not provide for an exception or carve-out of medical supplies from the PPS rate for patients under a plan of care under the HH PPS. The costs of all such supplies are included in the HH PPS rate (see 65 FR 41139).

We disagree with the commenter that the HH PPS rates do not adequately compensate HHAs when they care for beneficiaries requiring vacuum drainage bottles and tubing for use with the implanted catheter because this medical supply was included within the original list of 199 non-routine medical codes subject to home health consolidated billing effective October 1, 2000. While the HCPCS code for vacuum drainage bottles has changed, the cost of vacuum drainage bottles was included in the original case-mix weights used to determine the HH PPS rates (65 FR 41138).

Comment: Several commenters raised concerns about being unable to obtain the same brand of single-use urinary catheter from their HHA that they received directly from a DMEPOS supplier prior to receiving home health. These commenters believed that excluding HCPCS code A4353, which includes single-use catheters, would allow them to receive their catheters directly from the DMEPOS supplier. A number of commenters also request that HHAs be allowed to omit a patient's chronic urinary condition from the patient's specific home health plan of care which they say will allow the patient to continue to obtain the same name brand of single-use catheter they were using prior to receiving home health.

Response: As noted above, medical supplies are bundled into the HH PPS payment rate and cannot be excluded from that rate. As to this specific item under HCPCS code A4353, that item is considered to be a medical supply and accordingly bundled into the HH PPS payment rate.

We remind the commenters that if they believe that a product is not adequately described in the existing HCPCS Level II code set, they may submit an application to CMS to revise the code set, using the format and guidance provided on CMS' HCPCS Web site at *www.cms.hhs.gov/medhcpcsgeninfo.*

We note that under consolidated billing, the billing for those medical supplies is the responsibility of the HHA. If the patient's physician determines that a particular feature of a given supply is medically necessary for the patient, the physician may specify the designated feature in the physician's order for the supply and in the plan of care. If the HHA determines that there exists an appropriate substitute for the supply ordered by the physician, it may provide that patient with the appropriate substitute supply. If the home health patient does not agree with the HHA that the substitute supply is appropriate, the patient should contact us through the Medicare Hotline at 1–800–MEDICARE (1–800–633–4227). This toll-free helpline is available 24 hours a day, 7 days a week to answer questions. Beneficiaries can speak to a customer service representative in English or Spanish. TTY users should call 1–877–486–2048.

We disagree with the request that a HHA omit a medical condition from a plan of care in order to allow the patient to obtain desired medical supplies outside of the plan of care. The regulations at 42 CFR 484.18 require that the plan of care covers all pertinent diagnoses, including types of services and equipment required. In addition to calling 1–800-MEDICARE, if the home health patient believes that she is not receiving the necessary Medicare covered supplies, she may call the Regional Home Health Intermediary (RHHI) or CMS regional office. Under the Contacts section of our Web site at *http://www.cms.hhs.gov/center/hha.asp* we provide information on how to contact the RHHIs and CMS regional offices.

HH PPS Refinements

Comment: One commenter urged CMS to undertake a review of the HH PPS and make appropriate adjustments to the case-mix weights before 2008. Another commenter requested that there be a review of LUPA rates, and to subsequently increase the LUPA rates to ensure that they cover the costs of providing care to those patients. One commenter recommended that an ''add-on'' to the HH PPS payment be made for dually eligible beneficiaries in order to recognize the added costs incurred by such patients. The same commenter also believes that the costs associated with wound care are not adequately paid for in the current case-mix system.

Response: Our ongoing research agenda on the HH PPS refinements encompasses review of case-mix adjustment and other payment adjustment provisions under the HH PPS. Our continuing work also includes review of overall system performance to the extent data permit analysis of this topic. We intend to address certain aspects of the HH PPS, which could include LUPA rates, when we initiate a refinement regulation. We also note it is common with new payment systems for providers to go through a period of adaptation. The adaptation process influences the data we use to study refinements, and those data lag by up to a year from the time a service is rendered to when the claim is submitted and processed into a standard analytical file. Our study results will be more effective and provide a better basis for policy proposals when the data used in the studies reflect the ''end point'' of the adaptation period. Assuming that the necessary data files will become complete, we believe that the end point of the adaptation period will allow us to pursue a refinement rule in the near future.

Comment: A commenter recommended that CMS establish a home health technical advisory group to regularly review and update the multitude of component parts of the HH PPS reimbursement methodology.

Response: We appreciate the comment; however, we do not believe such a group is necessary at this time. We have always received input from the industry on various aspects of our Medicare payment systems, and we anticipate this practice will continue into the future. Additionally, for the past few years, we have conducted ''open-door'' forums to provide the public with an opportunity to provide input and comment on the HH PPS and related issues. Finally, as part of ongoing refinement research, a technical expert panel (TEP) addressed the various aspects of the HH PPS for possible refinements to the system. We strongly believe that specific refinements to the HH PPS, if appropriate, should be addressed in a single refinement regulation. In doing so, the causes and effects that any particular refinement would have on the rest of the system could be taken into effect, eliminating the risk of

implementing any one refinement in a vacuum and resulting in a complete and responsible refinement to the system.

Classes of Oxygen and Oxygen Equipment

Statutory Authority

Comment: One commenter asserted that the statute does not give authority for CMS to create new classes for these items and that payments must be made at the rate set by statute.

Response: We disagree. Section 1834(a)(9)(D) of the Act provides authority to create separate classes and payment amounts for any item of oxygen and oxygen equipment as long as they are budget neutral, that is, the separate classes and payment amounts do not result in expenditures for any year to be more or less than expenditures that would otherwise have been made if the classes had not been established.

New Oxygen Generating Portable Equipment Technology

Comment: One commenter commended CMS for recognizing the many benefits that oxygen generating portable equipment (OGPE) can provide. Some commenters urged that the proposed payment rate for OGPE be increased to provide adequate compensation for suppliers and to encourage suppliers to invest in the new technologies. Two commenters asked CMS to reconsider the proposed payment rates for OGPE to accurately reflect the cost of the equipment; which is claimed to range from $2,500 to $3,500. Some commenters recommended that CMS should not implement the proposed payment rates changes at this time and that setting new payment rates should be delayed until sufficient data is gathered to identify the costs of oxygen services.

Response: We appreciate the support for our proposal to create a new payment category for OGPE. We do not agree with the commenters who suggested delaying the new categories because we are concerned that maintaining the current system could create incentives for suppliers to utilize older technology rather than newer technology that may be more appropriate for certain beneficiaries. We believe that it is appropriate and necessary to implement a new payment class for OGPE in order to ensure access to these items; therefore, we will finalize a new payment category for OGPE.

In the proposed rule, we explained that there are currently two different types of OGPE: transfilling units that work independently or in conjunction with standard, stationary oxygen concentrators to fill portable oxygen canisters in the home; or portable oxygen concentrators that meet both the patient's stationary and portable oxygen needs. In both cases, the supplier can bill for both the monthly payment for oxygen and oxygen equipment (currently averaging $199.84) and the portable equipment add-on (currently averaging $31.79). In establishing the new payment rate for OGPE, we proposed to consider the savings that would be generated from use of these new technologies. The savings would come from not having to make payments for portable oxygen contents for beneficiary owned portable systems that generate their own oxygen. The new, enhanced monthly payment for OGPE would be paid in conjunction with the monthly payment for stationary equipment. The combined monthly payments for stationary oxygen equipment and OGPE would provide extra payments to suppliers of the newer technology portable oxygen equipment, with the extra payments being directly linked to the savings generated for the program by eliminating the need to make future payments for portable oxygen contents.

The proposed add-on for OGPE of $64 was derived using a multiple step process described in section I of the provisions of the proposed regulation. As explained above, this process would involve determining savings generated from not having to pay proposed monthly payments of $55 for portable oxygen contents during the beneficiary ownership period and applying the savings evenly over the 36-month OGPE rental period. A total payment of $241 was proposed for stationary equipment ($177) plus the OGPE add-on payment ($64). The final process for calculating the OGPE add-on payment, like the proposed process, involved determining savings generated from not having to pay final monthly payments of $77.45 for portable oxygen contents during the beneficiary ownership period and applying the savings evenly over the 36-month OGPE rental period. To determine these savings we multiplied $77.45 by 24 months (number of months in the equipment ownership period) to get $1,858.80. We divided $1,858.80 by the 36 months of the rental period to get the OGPE add-on of $51.63 per month. However, as explained above in the discussion of the final methodology necessary to assure annual budget neutrality of the new classes of oxygen and oxygen equipment, distribution of use of items in the various classes over five years is factored into the calculation used to determine the budget neutrality adjustment factor. Therefore, the final payment rates for the new classes are based on current utilization and an assumption of the number of beneficiaries that will be using OGPE in the future. The total payment for stationary equipment and OGPE for 2007 is $250.03 ($198.40 for stationary + $51.63 for OGPE). The total payment for stationary equipment and OGPE is estimated to be $250.03 in 2008, $244.84 in 2009, and $241.02 in 2010; this compares to the total payment in the proposed rule of $241.

We also note that in response to comments on the budget neutrality of our proposal, the final national limited monthly payment rates for each oxygen class were computed using weighted average fee schedule amounts instead of straight average fee schedule amounts. As a result, we have used slightly different numbers in our responses to comments than we used in the proposed rule. Our revised budget neutrality analysis is discussed in full below.

Comment: One commenter stated that CMS needs to provide assurance that payment rates will not decrease, except in the case of competitive bidding, and that each year the rates will be increased by the percentage change in the Consumer Price Index for Urban Consumers (CPI–U), the covered item update factor that is generally established as the annual update for DME, unless otherwise indicated.

Response: We cannot provide assurance that oxygen payment rates will never be decreased in the future or that rates will always be increased by the CPI–U update. CMS is required to implement provisions of law passed by Congress, including the covered item updates to the fee schedule amounts for oxygen and oxygen equipment. Further, in order to maintain annual budget neutrality for the oxygen payment classes as required by Section 1834(a)(9)(D)(ii) of the Act, CMS may need to adjust the payment amounts as appropriate.

Definition of Modality

Comment: Many commenters asked us to clarify the definition of ''modality.'' The commenters stated that the definition should be based on clinical characteristics of the beneficiary rather than physical characteristics of the device such that: a stationary oxygen class of patients who are moribund, bed bound with limited need to leave the home; a portable oxygen class of patients who require oxygen at night only and have limited mobility; and an ambulatory oxygen class of patients

whose oxygen needs include support for frequent ambulation. The commenters state that the HCPCS code should be modified to ensure that each respective clinical class can be identified.

Response: Medicare currently pays for two classes of oxygen equipment, stationary and portable. For the stationary class, there are three modalities that Medicare pays the same ''modality neutral'' payment rate for: concentrators, liquid cylinders and gaseous tanks. For the portable class, Medicare makes a modality neutral payment for all types of portable equipment. For the final rule, we are adding a new payment class for OGPE and new separate payment classes for delivery of stationary and portable oxygen contents. As has always been the case, a physician may order a specific oxygen equipment modality based on the clinical needs of the patient, and the supplier is bound by that order. However, there is currently no Medicare national coverage determination (NCD) that establishes medical necessity criteria for different oxygen modalities. Therefore, at this time, we do not believe it is necessary or appropriate to separate oxygen and oxygen equipment into different classes based on the clinical characteristics of different beneficiary populations.

Comment: A few commenters asked us to clarify the medical policy that defines the criteria allowing patients to switch from one modality of oxygen equipment to another modality. The commenters also asked CMS to create a payment policy to pay suppliers for this type of equipment change. Some commenters recommended that CMS instruct its DME program safeguard contractor (PSC) to incorporate specific medical necessity coverage requirements in a local coverage determination (LCD) that specifies under what circumstances or diagnoses a beneficiary could change from one modality of equipment to another, how suppliers will be paid for furnishing a new equipment modality to a beneficiary, and specific documentation requirements for both the supplier and physician for a change in modality.

Response: A physician prescription for home oxygen is required for coverage for home oxygen equipment. Generally, the physician prescribes the units of oxygen the patient needs and the beneficiary works with the supplier in deciding the modality of the oxygen equipment. In the final rule, we are allowing beneficiaries the option to change modalities during their rental period (this policy modification is discussed below); however, as we proposed in section L of the proposed rule, a new 36-month rental period would not begin in order to comply with the modality neutral payment rules for oxygen and oxygen equipment that we developed in accordance with sections 1834(a)(5) and (9) of the Act. Even if Medicare coverage rules and medical necessity criteria for different modalities of oxygen equipment were established in an NCD or LCD, there would be no effect on Medicare payments for specific types of items furnished under each payment class. It is important to note, however, that Medicare coverage and medical necessity for oxygen and oxygen equipment is outside the scope of this rulemaking effort.

Stationary and Portable Oxygen Contents

Comment: One commenter asked for justification of the 65 percent and 35 percent apportionment of the payment for oxygen contents. We also received comments recommending the same payment rate for all types of oxygen contents because oxygen contents are the same regardless of the weight of the container. One commenter recommended we keep the reduction of approximately $22 to stationary equipment (from $199 to $177) and reallocate the excess savings to (a) portable gaseous oxygen contents and/or equipment, increasing the rates to $75 to $80 and applying the increased rate to portable gaseous oxygen equipment furnished during the equipment rental period and portable gaseous oxygen contents furnished after the equipment rental period and (b) portable liquid oxygen contents and/or equipment, increasing the rates to $90 to $95 and applying the increased rate to portable liquid oxygen equipment furnished during the equipment rental period and portable liquid oxygen contents furnished after the equipment rental period.

Response: In the proposed rule, we proposed to apportion the current oxygen contents rate of $156 per month by 65 percent and 35 percent based on the weight of the containers and other factors that might make delivery of stationary oxygen contents more expensive than delivery of portable oxygen contents. Stationary oxygen containers are larger and heavier than the portable oxygen containers; therefore, we proposed to apportion a greater amount of the payment to delivery of stationary oxygen contents. We received comments indicating that the average monthly costs of furnishing both types of oxygen contents are the same despite the fact that stationary oxygen contents are bulkier than portable oxygen contents. This is because stationary oxygen contents are delivered and refilled at a lower frequency than portable oxygen contents. Therefore, we are modifying the proposed payment rates for the two types of oxygen contents based on an even (that is, 50–50 percent) split in the current $154.90 weighted average payment amount for both stationary and portable oxygen contents. As a result, we will be paying the same monthly rate of $77.45 for delivery of each of stationary oxygen contents and portable oxygen contents. We will therefore continue to pay $154.90 in cases where both stationary and portable oxygen contents are medically necessary and are delivered. A payment of $77.45 per month rather than $55 per month for delivery of portable oxygen contents will further ensure that beneficiaries will receive necessary contents for their portable oxygen systems and is consistent with a suggestion from one commenter that payment for delivery of portable gaseous oxygen contents should be from $75 to $80. Most patients currently use gaseous portable oxygen systems as opposed to liquid portable gaseous systems or portable concentrators. A very small number of beneficiaries use stationary liquid or gaseous systems, and, in most cases, the supplier that delivers stationary oxygen contents for beneficiaries who use both stationary and portable liquid or gaseous systems would also be the supplier of the portable oxygen contents as well. Therefore, we believe that reducing the proposed payment for stationary oxygen contents from $101 to $77.45 is appropriate in light of the increased payment for portable oxygen contents.

Comment: One commenter suggested that CMS establish a delivery fee for each time a supplier delivers oxygen.

Response: The longstanding Medicare policy for payment for delivery of DME and other supplier expenses is that payment for these costs are included in the single payment made for furnishing the equipment. This policy is based on section 1834(a)(5) of the Act, which provides that a monthly payment amount recognized under section 1834(a)(9) be paid for oxygen and oxygen equipment, and section 1834(a)(9), which mandates that monthly payment (or fee schedule) amounts be calculated based on payments made in 1986 under the reasonable charge payment methodology. The reasonable charges that were used to calculate the fee schedule payment amounts included delivery costs and all other costs for furnishing the equipment. Therefore,

the cost associated with the delivery of oxygen contents is included in the fee schedule payment amounts for stationary and portable oxygen contents. Furthermore, section 1834(a)(9)(D)(i) of the Act requires that monthly payment rates are to be established for each class of oxygen and oxygen equipment. Since total Medicare expenditures under the new classes and payment amounts will be the same as they would have been under the old classes and fee schedule amounts, we believe that the new payment rates incorporate the delivery costs that made up part of the old fee schedule amounts.

Comment: One commenter was concerned that the payment rate for delivery of oxygen contents for beneficiary-owned portable oxygen equipment would not be enough to cover the number of tanks or cylinders needed for each beneficiary. The commenter indicated that under the previous payment methodology where monthly payments for oxygen and oxygen equipment were made as long as medical necessity continued, suppliers were able to offset costs associated with delivering portable oxygen contents with the payment made for the stationary oxygen and oxygen equipment. The commenter expressed concern that the proposed $55 monthly payment for delivery of portable oxygen contents will not cover the costs of delivering more than 11 portable tanks per month. In addition, the commenter stated that this figure does not include the cost of delivery. Another commenter noted that the current fee schedule amount of approximately $21 per month would not cover the costs of one delivery per month of portable oxygen contents, and that this will force suppliers to adopt a policy whereby the beneficiary must pick up tanks from the supplier's store.

Response: We agree with the commenters that the payment rate for portable oxygen contents of $21 is insufficient as a monthly payment for the delivery of portable oxygen contents, and therefore; we are finalizing our proposal to increase it in this final rule. We are dividing $154.90, the current weighted average payment amount for both stationary and portable oxygen contents evenly so that the payment rate for portable oxygen contents will be increased from the current weighted average payment amount of $20.77 to $77.45 per month. The revised payment rate for stationary oxygen contents will also be $77.45 per month. These monthly payment rates include delivery of tanks and cylinders, a service that the supplier is required to perform in order to be in compliance with standards set forth at § 424.57(c)(12). Based on comments received on this issue, we believe that the finalized payment rate of $77.45 will adequately pay suppliers for delivery of stationary or portable oxygen contents. We are therefore confident that the payment rate adequately covers the supplier's costs of delivering oxygen contents.

Comment: One commenter asked for clarification on payment if there is a change in equipment due to medical necessity. For example, the commenter asked whether a new 36-month rental period starts when there is an increase in the patient's oxygen volume that would require delivery of more portable oxygen tanks.

Response: As we discuss more fully below, suppliers can furnish another capped rental item or type of oxygen equipment with a physician prescription or if the beneficiary would like newer technology or an upgraded item. However, unless the change in equipment is based on medical necessity, a new rental period will not start. In addition, because there is no distinction made between oxygen equipment modalities for payment purposes under the Medicare program, we would not consider a change from one modality to another to be a change in the type of equipment furnished to a beneficiary. Accordingly, a new period of continuous use would not start in those circumstances.

Budget Neutrality

Comment: Several commenters claimed that the proposed rates were not budget neutral. They claimed that the calculation of decreased expenditures that would result from a $22 reduction in payment for stationary equipment is underestimated and that such payment reduction translates to savings ranging from $239 million to $260 million. One commenter stated that the proposed rule was not budget neutral for each year as required by statute. Another commenter pointed out that the 2004 data did not have specific utilization rates for portable concentrators or transfilling systems since separate HCPCS codes did not exist for these services at that time.

Response: We have revised the offset/budget neutrality calculations that we proposed based on comments received and have modified the payment rates for the classes of oxygen accordingly.

First, in response to the commenter that expressed concern with our use of 2004 data, we have updated our analysis by using the latest available data from the SADMERC on the number of beneficiaries for which claims were received from July 1, 2006 through September 30, 2006, for HCPCS codes E0424, E0431, E0434, E0439, E1390, E1391, and E1392 to determine the distribution of beneficiaries among the categories of stationary and portable oxygen equipment. This data is used to count the number of beneficiaries using items in each equipment class. The number and percent distribution of beneficiaries using the different categories of equipment are shown in table 10. These latest data show 0.3 percent of beneficiaries using portable concentrators. While using these later claims gives us data on users of portable concentrators, we do not have data on beneficiaries using transfilling systems since the code for such equipment began on October 1, 2006. Thus, for purposes of calculating rates, we had to make an assumption about the percent of beneficiaries who will use OGPE equipment (which include both portable concentrators and transfilling systems) after the new classes and payment rates go into effect. From comments received, we assumed a shift of 5 percent of beneficiaries towards OGPE for our budget neutrality calculations. We will revisit this assumption on an annual basis and make adjustments through program instructions to rates applicable to years after 2007 if actual utilization of oxygen equipment by beneficiaries is different from our assumptions.

TABLE 10.—CATEGORIES OF OXYGEN USERS

Equipment/Modality	Number of beneficiaries	Percent of users (percent)
Stationary Equipment Only	327,863	31.3
Liquid/Gas Stationary AND Portable Equipment	57,950	5.5
Concentrator AND Portable Equipment	657,948	62.8

TABLE 10.—CATEGORIES OF OXYGEN USERS—Continued

Equipment/Modality	Number of beneficiaries	Percent of users (percent)
Stationary AND Oxygen Generating Portable Equipment	3,248	0.3
Total Number of Beneficiaries	1,047,009	100.0

As in the proposed rule, we used a five year period for determining the rate changes because the reasonable useful lifetime policy for DME equipment allows beneficiaries to elect to obtain a new item after five years of use. Therefore, we assumed that Medicare would make three years of rental payments and two years of payment for oxygen contents.

To calculate budget neutral rates, as in the proposed rule, we compared estimates of Medicare spending for oxygen equipment and contents based on current classes of items and payment rates with estimates of the spending that Medicare would make based on the new classes and payment rates outlined in this final rule. In order to further address the concerns of commenters that the payment rates for the new classes be budget neutral, we compared the payment rates for the new classes to the current, weighted average monthly payment amounts for oxygen and oxygen equipment (for example, $199.84 for stationary equipment), as opposed to comparing them to the straight average monthly payment amounts rounded to the nearest dollar (for example, $199 for stationary equipment). Based on the concerns expressed by commenters regarding the importance of assuring the budget neutrality of the new classes of oxygen and oxygen equipment, we are using the average of the current monthly payments per State weighted by actual utilization by State to establish a more precise average Medicare payment for each class of oxygen and oxygen equipment. To estimate total expenditures for oxygen and oxygen equipment for a given year, we multiplied the monthly payment rate for each category of equipment by the total number of users of each such category, then by the percent of users at the midpoint of each of three equipment rental years, then by 12 for the number of months in a year. Then, we multiplied the monthly payment rate for each category of oxygen contents by the total number of users of each such category, then by the percent of users at the midpoint of each of two beneficiary ownership years, then by 12 for the number of months in a year. We added the estimated spending for equipment and contents to obtain the five year total of payments for equipment and contents. We used data from the September 2006 OIG report, entitled ''Medicare Home Oxygen Equipment: Cost and Servicing'' (OEI–09–04–00420), on the distribution of the number of beneficiaries using stationary concentrators by the number of months rented that showed the following percentages of oxygen users at the midpoint of each year: 61 percent for the first year, 36 percent for the second year, 26 percent for the third year, 19 percent for the fourth year, and 14 percent for the fifth year. We then used this same methodology to estimate Medicare spending incorporating the payment rate changes in this final rule. Since spending is greater under the payment rate changes in this final rule, we applied a budget neutrality adjustment to the monthly payment amount for stationary equipment in order to achieve the same expenditures that would be spent under payment rates without the changes in the final rule.

In response to comments received about our proposed methodology not being budget neutral annually, we calculated budget-neutral rates for a five-year period from 2006 to 2010, applying the methodology described above. The complete, detailed budget neutrality analysis, data, and payment rate calculations are available at the following internet website: *http://www.cms.hhs.gov/DMEPOSFeeSched/*. This results in smaller budget-neutrality adjustments in the early years and larger ones in the later years because the increased expenditures in the first three years results primarily from the OGPE add-on payment. The full effect of the higher payments for portable oxygen contents will not be realized until 2010, which will be the second year of the equipment ownership for beneficiaries who have been renting oxygen equipment on a continuous basis since 2006.

Table 11 shows the 2007 budget neutral monthly payment rates and our estimates of the budget neutral monthly payment rates for 2008 through 2010 for the five classes of oxygen and oxygen equipment, in addition to the combined rates for stationary and portable oxygen contents. The rates for stationary equipment decrease by year to offset the new OGPE class and the increase in the portable contents rate. Table 12 shows the 2007 monthly payment rates and our estimates of the monthly payment rates for 2008 through 2010 for four of the most common combinations of oxygen equipment.

TABLE 11.—CURRENT WEIGHTED AVERAGE MONTHLY PAYMENT AMOUNTS COMPARED TO PROPOSED AND FINAL MONTHLY PAYMENT RATES FOR CLASSES OF OXYGEN AND OXYGEN EQUIPMENT

Oxygen class	Current	Proposed	Final 2007	2008*	2009*	2010*
During Equipment Rental Period (36 Months)						
Stationary Equipment (offset needed)	$199.84	$177.00 (−22.84)	$198.40 (−1.44)	$198.40 (−1.44)	$193.21 (−6.63)	$189.39 (−10.45)
Portable Add-on	31.79	32.00	31.79	31.79	31.79	31.79
OGPE Add-on	N/A	64.00	51.63	51.63	51.63	51.63

Oxygen class	Current	Proposed	Final 2007	2008	2009	2010
Contents Payments After Equipment Ownership						
Stationary & Portable Contents	154.90	156.00	154.90	154.90	154.90	154.90
Portable Contents Only	20.77	55.00	77.45	77.45	77.45	77.45
Stationary Contents Only	N/A	$101.00	$77.45	$77.45	$77.45	$77.45

*Rates for 2008 and beyond are budget-neutral based on assumed OGPE utilization of 5 percent. Actual OGPE utilization will be reviewed on an annual basis and rates will be adjusted, if necessary, through program instructions to ensure annual budget neutrality.

TABLE 12.—PAYMENTS FOR VARIOUS COMBINATIONS OF OXYGEN EQUIPMENT

[Estimated for calendar years 2008 thru 2010]

Categories of equipment	During rental period	Contents after ownership
Concentrator only:		
2007/2008	$198.40	$0
2009	193.21	0
2010	189.39	0
Concentrator + gaseous portable:		
2007/2008	230.19 (198.40 + 31.79)	77.45
2009	225.00 (193.21 + 31.79)	77.45
2010	221.18 (189.39 + 31.79)	77.45
Concentrator + OGPE:		
2007/2008	250.03 (198.40 + 51.63)	0
2009	244.84 (193.21 + 51.63)	0
2010	241.02 (189.39 + 51.63)	0
Liquid stationary & portable:		
2007/2008	230.19 (198.40 + 31.79)	154.90 (77.45 × 2)
2009	225.00 (193.21 + 31.79)	154.90 (77.45 × 2)
2010	221.18 (189.39 + 31.79)	154.90 (77.45 × 2)

These estimates assume that 5 percent of oxygen users will use OGPE equipment in all years. However, we will monitor actual use and, as part of our annual budget-neutrality determination, we will revise rates through program instructions under the methodology specified in this final rule if actual OGPE usage is different from our assumption. We also plan to revise the payment rates in the future based on updated data on the distribution of beneficiaries using oxygen equipment and the number of months they use the equipment. These rates apply to all beneficiaries who use oxygen equipment on or after January 1, 2007, including both new and existing users.

Comment: Some expressed concern that the proposed payment amounts for portable oxygen equipment and portable oxygen contents are not sufficient to offset the cost of providing these systems. The commenters recommend reallocating the savings that comes from the proposed reduction of the stationary class to upwardly adjust the monthly payment for portable equipment and contents. Some commenters strongly urged CMS to offset any future cuts in home oxygen concentrator payments with appropriate increases in other classes of oxygen specifically portable and ambulatory classes.

Response: We have changed the payment amounts based on comments received and have increased portable contents payment amount from approximately $20.77 to $77.45 per month and have increased the add-on rate for OGPE from approximately $31.79 (the current portable add-on rate during the rental period) to $51.63 per month. We have also recalculated the offsets for budget neutrality and in order to maintain budget neutrality, and will not be reducing stationary payments from approximately $199.84 to $177 as proposed. The stationary equipment payment will be $198.40 in 2007, and is projected to be $198.40 in 2008, $193.21 in 2009, and $189.39 in 2010, based on current calculations discussed above. The fees for 2008 and later would be adjusted on an annual basis, if necessary, to ensure the annual budget neutrality of the change in payment classes and rates. We will annually reevaluate the actual distribution of oxygen equipment and make any adjustment in the payment amounts through program instructions that are necessary to maintain annual budget neutrality as required by section 1834(a)(9)(D)(ii) of the Act.

Data

Comment: A few commenters were concerned about the lack of data provided that established the budget neutrality proposal and asked CMS to release the data and assumptions. A few commenters stated that the proposed rule did not conform to the requirements of the Data Quality Act (DQA) that require Agencies to provide information on sources of the disseminated information as well as supporting data and models in a scientific, financial, or statistical context so the public may question the objectivity of the data and source.

Response: The DQA requires agencies to, among other things, issue guidelines to ensure and maximize the quality, objectivity, utility, and integrity of information disseminated by the agency. While the DQA applies to a wide variety of information dissemination activities and all types of media, it has not been established that the DQA applies to rulemaking. Nevertheless, we are providing extensive details in this final rule about the data and methodology used to calculate budget neutrality. Consistent with our guidelines for information quality assurance, the information upon which we relied is from a reliable source that uses accepted methods for data collection and analysis, and we reviewed the quality of the information before using it. Where CMS is responsible for disseminating influential information (that is, information that will have a substantial impact on important public policies or important private sector decisions), we ensure that there is a high degree of transparency about the data and methods to facilitate its reproducibility by qualified third parties. To the extent

the data upon which we rely is not confidential, our guidelines call for identification and documentation of data sets in producing estimates and projections, and for clear descriptions of the methods used.

Transition

Comment: Some commenters asked CMS to allow for a grace period during which suppliers could transfer patients, with their consent, to other modalities. Many commenters urged CMS to allow for a grandfathering process so that those who began renting oxygen on January 1, 2006 would be under former payment rates and policies. These commenters argued that the final rule should only apply prospectively.

Response: The final rule, including the new oxygen payment classes and rates, will be effective on January 1, 2007. However, as explained above and illustrated in table 11, the new payment rates will be annually adjusted if necessary to ensure budget neutrality. We disagree with the comment that we allow for a grandfathering provision whereby beneficiaries who began renting equipment on January 1, 2006 be allowed to continue under the former payment rates and policies. Such an approach would deny such beneficiaries the opportunity to obtain access to the new technology equipment. We will periodically reevaluate actual distribution and make any adjustment in payment amounts through program instructions that are necessary to maintain annual budget neutrality as required by statute. Adjustments in payment amounts will be determined based on the model we are using to ensure annual budget neutrality as explained above. As we discuss below, we will allow for changes in modalities during the rental period if the beneficiary requests an upgrade or if the physician provides a new order for the equipment modality.

Comment: One commenter strongly urged CMS to adopt a blended rate during a three-year transition policy. Traditionally CMS has established blended rates by taking 75 percent of the original rate and 25 percent of the new rate during the first year; 50 percent and 50 percent in the second year; and 25 percent and 75 percent in the third year.

Response: As explained above, we have revised the calculation of the budget-neutral oxygen equipment payment amounts in response to comments. Our revised approach calculates the budget-neutral rates that will apply for the first five years based on our estimates of the number of beneficiaries that will use specific types of equipment during each of these years. We have also determined that we may need to adjust the rates on an annual basis after the fifth year to ensure that budget neutrality is maintained. Based on our calculations, we do not believe that the blended percentages recommended by the commenter would result in budget neutral payment amounts.

Deficit Reduction Act Requirements

Rental Cap

Comment: Numerous commenters were concerned that the 36-month rental period for oxygen equipment will not help beneficiaries and will create undue hardship for them because they will lose services that they have valued for years. Moreover, they stated that current Medicare benefit guidelines, as well as guidelines issued by all major national insurance companies, State Medicaid programs and all home care industry accreditation organizations, have always classified oxygen equipment as ''high maintenance equipment needing frequent maintenance service which is not recommended or advisable for patients to own.'' Other commenters predicted that hospital admissions will likely be increased as a result of the cap. These commenters argued that capping home oxygen services would direct patients toward the most expensive part of our health care system, which is hospitalization. Another commenter felt it was inappropriate to transfer title to this equipment to a patient because medical oxygen is a prescribed drug. The commenter believes that allowing beneficiaries to assume ownership is akin to giving them the source of a controlled substance.

Response: The Congress mandated in section 1834(a)(5)(F)(ii)(I) of the Act (added by section 5101(b)(1) of the DRA) that on the first day that begins after the 36th continuous month during which payment is made for rented oxygen equipment, title to the oxygen equipment must transfer to the beneficiary. Section 1834(a)(5)(F)(ii)(II) provides that the Secretary must make reasonable and necessary maintenance and servicing payments for the equipment after the beneficiary assumes ownership of it and we are planning to do so, as detailed in the provisions of this final rule and in response to comments received regarding maintenance and servicing of beneficiary-owned equipment. Suppliers will be paid on a monthly basis for the delivery of oxygen contents in tanks and cylinders in accordance with the requirements of section 1834(a)(5)(F)(ii)(II) of the Act. As part of this ongoing service, we expect suppliers to deliver tanks and cylinders in proper working condition. As a result, we believe that beneficiary-owned equipment will be properly maintained and that beneficiaries will not suffer undue hardship as a result of the title transfer provisions. We also do not see how the title transfer provisions will affect how much oxygen beneficiaries use, since oxygen must be prescribed by a physician and delivered by a supplier in accordance with that prescription.

Comment: Several commenters remarked that, as beneficiaries, they cannot afford to take care of their oxygen equipment once title to the equipment has transferred to them and request that we reconsider the rule. One commenter noted that his/her portable equipment must be replaced at least a couple of times a year due to malfunctions.

Response: Although section 1834(a)(5)(F) of the Act requires beneficiary ownership of oxygen equipment after 36 continuous rental payments are made, this subparagraph also mandates that payment be made for reasonable and necessary maintenance and servicing of the beneficiary-owned equipment. The provisions of this final rule describe the changes we are making in the regulations to ensure that the beneficiary will continue to have access to equipment that will function for the entire reasonable useful lifetime established for the equipment. In accordance with existing regulations, if the equipment has been in continuous use for the equipment's useful lifetime, the beneficiary may elect to obtain new equipment. However, we note that a beneficiary would not be required to obtain new oxygen equipment as long as the equipment continued to function properly. In addition, as we discuss below, we are finalizing a provision under which a supplier may be required to replace the item at no charge to the beneficiary if the equipment does not function for the entire useful lifetime. In addition to meeting the annual Part B deductible, for assigned claims, the beneficiary is only responsible for paying 20 percent of the allowed charge for reasonable and necessary maintenance and servicing of beneficiary-owned equipment. We believe that these policies will help limit beneficiary costs once title to oxygen equipment has transferred.

Comment: One commenter expressed concern about the 13-month rental period for capped rental DME and recommended that CMS reconsider the assignment of certain products to the capped rental category, particularly

those that sell for under $250.00 or rent for under $25.00 per month. The commenter argued that the expense of submitting and processing claims for 13 months exceeds any savings from short-term rentals.

Response: The statute only allows for purchase of DME that is: inexpensive or routinely purchased (section 1834(a)(2)(A) of the Act); a power-driven wheelchair (section 1834(a)(7)(A)(iii) of the Act); or customized (section 1834(a)(4) of the Act). In accordance with the statute, inexpensive DME includes equipment having a purchase price of $150 or less and routinely purchased DME is equipment that is acquired at least 75 percent of the time by purchase. In accordance with section 1834(a)(7) of the Act, capped rental DME is DME not described in any of the other payment categories in paragraphs (2) through (6) of section 1834(a) of the Act. We do not have authority to redefine these categories because they are statutorily based.

Transfer of Title

Comment: A commenter noted that the loss of title to the oxygen equipment will serve as a disincentive for suppliers to invest in advancing oxygen equipment technology. As a result, manufacturers will shift their research and development efforts away from the development of smaller, longer-lasting portable systems and instead, focus on the development of cheaper devices.

Response: We are obligated to implement section 1834(a)(5)(F)(ii)(I) of the Act, which requires that on the first day that begins after the 36th continuous month in which rental payments are made for oxygen equipment, the supplier transfer title to the equipment to the beneficiary. However, we disagree with the commenter that this rule will act to stymie advancements in oxygen equipment technology and are finalizing policies in this rule that we believe will properly incentivize suppliers to invest in new oxygen technology. In the case of portable oxygen equipment, the purpose of establishing an additional payment class for OGPE is to increase payments for the newer, more efficient, but more expensive OGPE technologies. In addition, as discussed below, we are clarifying in this final rule that beneficiaries may select newer technology items or upgraded items during the equipment rental period by agreeing to sign an Advanced Beneficiary Notification (ABN).

Comment: Several commenters were concerned about the development of a secondary market for oxygen equipment resulting from individuals interested in selling their used equipment. They stated that the sale of these medical devices would not be monitored to ensure the condition of the device being sold, patient safety or clinical effectiveness. Several commenters requested that we work with the FDA to develop standardized guidelines that apply specifically to the public's resale of used medical devices.

Response: We are aware that there may be safety issues associated with the resale of used oxygen equipment, and our regulations would not supersede any other Federal or State laws that govern these transactions. However, section 1834(a)(5)(F)(ii)(I) specifically mandates beneficiary ownership of both stationary and portable oxygen equipment after 36 months of continuous use. It has long been common practice for suppliers to pick up beneficiary-owned DME after medical necessity ends, in cases where the beneficiary or relatives of the beneficiary make such a request. In order to minimize the possibility that beneficiaries will incorrectly dispose of oxygen equipment that is no longer medically necessary, we will encourage suppliers to advise beneficiaries that they can pick-up and store the beneficiary's oxygen equipment if the beneficiary no longer needs it. Suppliers would be paid for picking up and storing oxygen tanks and cylinders that are no longer medically necessary (see below for a full discussion of this modification to our maintenance and servicing proposal). We will also note in the final regulations that in cases where suppliers have picked up beneficiary-owned oxygen equipment under these circumstances and the beneficiary's medical necessity for the equipment subsequently resumes, the supplier must return to the beneficiary similar equipment of equal or greater value to the beneficiary-owned equipment that was picked up, unless the beneficiary elects to obtain new equipment because the reasonable useful lifetime for the previous equipment has expired, or unless a different oxygen modality is prescribed and the beneficiary signs an advanced beneficiary notice (ABN) (see below for a full discussion of this policy modification).

Comment: Several commenters urged that CMS and the Food and Drug Administration (FDA) discuss the ability of suppliers of oxygen contents for beneficiary-owned equipment to comply with 21 CFR 210 and 211. Further, the commenters stated that CMS must outline the process for reimbursing suppliers for any in-home services they would need to perform in the event of an FDA recall after the beneficiary takes title to the device. Another commenter noted that once the beneficiary takes ownership, many devices will no longer be trackable for recall purposes. Several commenters recommended that CMS develop safety standards that can be applied to beneficiary owned equipment. Standards would help ensure that beneficiaries/caregivers comply with Department of Transportation (DOT), FDA and the Compressed Gas Association oxygen guidelines as well as ensure that they do not inappropriately handle or dispose of cylinders. One commenter observed that the proposed rule provided no clarification on how many cylinders Medicare expects to be transferred in ownership to the patient. There are several factors that can influence the number of cylinders a patient receives, such as oxygen liter flow, activity level of the patient, and distance from the patient's residence to the supplier's warehouse. Given these variables, the commenter noted that a patient could receive from 2–6 cylinders at the time of set-up. Additionally, beneficiaries may receive more cylinders temporarily to accommodate travels outside of the supplier's service area. One commenter questioned how CMS will address instances where beneficiaries require more or less portable cylinders post title transfer. Another commenter requested that Medicare not require suppliers to transfer title to oxygen tanks to beneficiaries since it would be burdensome and unmanageable for suppliers to keep track of virtually identical tanks. Under the current regulatory framework for oxygen as a medical gas, one commenter noted that suppliers are not permitted to label oxygen containers with the beneficiary's name which makes it difficult to develop tracking systems to ensure that each patient's cylinders can be identified. One commenter estimated that beneficiaries use anywhere from 2 to 10 or more tanks of oxygen per week. Another commenter recommended that we not require transfer of title for both sets of cylinder vessels, but rather only those that are in use in the home and not the ones that the supplier refills in its business location. One commenter recommended that we retain the current, efficient approach where the supplier owns all the cylinders because this allows the supplier to use different cylinders with the same patient. Several commenters noted that our proposal to transfer title to both the oxygen cylinder that is being filled and the one in the beneficiary's home is unworkable given

its impact on supplier's operations and the regulatory framework for oxygen as a medical gas. The FDA guidance defines the custody, control and management of filling liquid container to be in compliance when the filling company owns the liquid containers. When the patient owns the liquid containers after 36 months, the company would no longer be able to fill the container without extensive testing prior to filling because the containers would be considered by FDA to be out of the filler's control. In addition, the filling company would no longer be assured that the container was maintained in accordance with the manufacturer's specification. The DOT requires that the filling company have access to service and maintenance records in order to determine which inspections and tests to perform and at what frequency. If this information is not available to the filler, then the FDA mandates additional testing which requires more sophisticated testing equipment than the typical supplier of home medical oxygen has available. Similarly, in accordance with DOT regulations, a cylinder filled with a hazardous material may not be offered for transportation unless it was filled by the owner of the cylinder or with the owner's consent. This requires that the manufacturer of the medical oxygen, that is, the company that fills the oxygen container under FDA regulations, to have the equipment owner's permission prior to refilling the container. After the patient owns the oxygen equipment, compliance with this regulation will be very difficult for the supplier, especially if the transfilling is done by a third-party. The new supplier has no knowledge of how the compressed gas cylinders have been stored and maintained and how or when federally-mandated hydrostatic testing has been performed. The commenter predicted that it is likely that the new supplier will decline to service the cylinders for fear of employee injury and subsequent liability. Several commenters urged us to confer with the FDA about the application of FDA regulations to patient owned cylinders.

Response: We are aware that oxygen tanks and cylinders must be handled in accordance with Federal statutes and regulations and expect that suppliers' equipment will meet the requirements set forth in these statutes and regulations before they transfer title to the equipment to the beneficiaries. Once title transfers, the supplier will still be required to deliver refilled oxygen contents in tanks and cylinders. We are also aware that beneficiaries might not know about other Federal laws that govern the disposal and resale of oxygen equipment. Although CMS doesn't administer or enforce these laws, we believe it is appropriate to take steps to ensure that beneficiaries are made aware of them. Therefore, we are adding a provision to the final rule that would require suppliers to educate beneficiaries at the time of title transfer about safety issues associated with disposing of oxygen equipment that is no longer medically necessary, and to advise beneficiaries that they must comply with any applicable Federal, State, and local laws that govern the disposal or resale of oxygen equipment. In addition, as we stated above, we would encourage suppliers to advise beneficiaries that they can pick-up and store the tanks once they are no longer medically necessary, and Medicare would pay for this service (discussed below). Further, suppliers could offer to buy the tanks back from the beneficiary.

In the proposed rule, we proposed that the title to two sets of cylinders or tanks would be transferred to the beneficiary after 36 months of continuous rental. That is, title would transfer for one set of cylinders or tanks that the beneficiary would use at home, and title would transfer for a second set that would be refilled at the supplier's location. The number of tanks or cylinders is dependent on how many tanks or cylinders a beneficiary uses and how many tank or cylinder deliveries a supplier makes during a given month. After considering the comments, we have concluded that it is unrealistic and inappropriate to require suppliers to comply with a policy where beneficiaries own specific tanks that must be refilled by suppliers for specific beneficiaries. Therefore, we are changing this policy in this final rule. Even though the beneficiary owns the equipment, the supplier may switch out the tanks or cylinders with their tank and cylinder supply, similar to how propane tanks are refilled in the market today. Just as owners of propane tanks receive different tanks each time they need replacement contents, we are clarifying in this final rule that this propane tank model will be the practice under Medicare with delivery and refilling of oxygen contents for beneficiary-owned oxygen tanks and cylinders. Because this policy modification will enable suppliers to continue swapping tanks and cylinders for beneficiaries, as they currently do, we believe that suppliers should also be able to handle recall situations as they currently do. In the case of other beneficiary-owned oxygen equipment such as concentrators, we expect suppliers to handle recalls in the same way manner that they currently handle recalls of other beneficiary-owned DME, such as power-driven wheelchairs. The decision regarding whether such services would be considered reasonable and necessary maintenance and servicing would be made by the Medicare contractor. For example, if suppliers currently bill and are paid by Medicare contractors for labor and parts when performing in-home services needed in the event of an FDA recall after the beneficiary takes title to a DME device such as a power wheelchair, then they should continue this practice. If the supplier has never furnished DME paid on a purchase basis by Medicare or capped rental items, they should consult with the Medicare contractor to determine if these services would be considered reasonable and necessary maintenance and servicing.

Comment: One commenter stated that the OIG study on oxygen entitled ''Medicare Home Oxygen Equipment: Cost and Servicing,'' is flawed and presents an inaccurate representation of Medicare ''equipment and servicing.''

Response: The commenter provides no factual information to support their claim that the findings of this study are flawed. Although none of the policies of this final rule are based solely on the findings in this report, we do believe that the information in the report is credible and provides useful information regarding the maintenance and servicing of and costs of oxygen concentrators as reported by suppliers. Since we did not author the OIG study on oxygen, any concerns or comments about the contents of this report should be addressed to the Department of Health and Human Services, Office of the Inspector General.

Comment: A commenter requested access to the Medicare Common Working File (CWF), the system that houses beneficiary specific information regarding Medicare eligibility and past claims history, in order to obtain beneficiary specific information such as whether the beneficiary has received the ''same or similar'' equipment from another supplier in the past. The commenter stated that suppliers must also be able to access historical usage data so that they may understand whether they will be paid for the equipment and services they are being asked to provide within 2 to 4 hours of the typical referral. Another commenter suggested that if access to information in the CWF was not possible, CMS must establish criteria for using ABNs to notify the beneficiaries of their financial

responsibility if there is ''same or similar'' medical equipment.

Response: The request for access to the CWF is outside the scope of this rulemaking process. We note that general criteria for use of the ABN can be found in Chapter 30 of the Medicare Claims Processing Manual, located at *http://www.cms.hhs.gov/Manuals/IOM/list.asp*.

Comment: Several commenters questioned whether Medicare would require suppliers to transfer title to capped rental items and oxygen equipment to beneficiaries who have not paid their coinsurance or deductibles under Part B. One commenter recommended that we provide an exception to the title transfer requirement if a beneficiary has failed to pay his or her coinsurance for a significant period (such as more than 6 months) across the course of the 36-month rental period. The commenter also suggested that we could take responsibility, once the title transfers, for attempting to collect the amount of missed coinsurance payments from the beneficiary or pay the supplier's bad debt for unpaid deductibles and coinsurance. Several commenters urged that we clarify this provision in the final rule and recommended that title to the equipment should not transfer to the patient until payment is made in full for all services rendered through the 36th month. (Medicare typically pays the 36th month's rate approximately 30 days later).

Response: Section 5101 of the DRA is clear that the title to equipment transfers from the supplier to the beneficiary on the first day that begins after the 13th continuous month in which payment is made for capped rental items and on the first day that begins after the 36th continuous month in which payment is made for oxygen equipment. The statute mandates that ownership transfer after the 13th and 36th continuous month for capped rental items and oxygen equipment, and does not make transfer of ownership contingent on payment of beneficiary coinsurance. We believe that suppliers have a sufficient period of time to collect any outstanding beneficiary coinsurance during the rental period before title is required to be transferred. In addition, our rules would not preclude a supplier from seeking unpaid coinsurance or deductible amounts from a beneficiary after title has transferred. CMS or the carrier will have the discretion to review cases that allow suppliers to stop furnishing an item to a beneficiary, if warranted.

Comment: Some commenters are concerned that the proposed rule does not provide sufficient clarity and specificity for stakeholders and Medicare beneficiaries alike to fully recognize the impact the final rule will have on beneficiaries when it becomes effective. The commenters predicted that the complexity of oxygen equipment, as well as the fact that each different type of equipment carries with it different safety and routine maintenance requirements, will be overwhelming for the average Medicare beneficiary.

Response: We recognize that equipment maintenance may be overwhelming for some beneficiaries and, as we explain in more detail below, we are revising the final rule to allow for payment every six months for general maintenance and servicing of certain beneficiary-owned oxygen equipment. These payments would be made in addition to payment for any reasonable and necessary replacement parts and repairs that are non-routine and not covered by the manufacturer's warranty. We intend to monitor the implementation of these provisions to ensure beneficiary safety.

Back Up Equipment

Comment: Some suppliers furnish backup oxygen equipment for use by beneficiaries in the event of power failures or malfunction of primary oxygen equipment. Several commenters requested that the final rule state that since Medicare has not made any rental payments for backup oxygen equipment, title to this equipment should not transfer to the beneficiary. The commenters believe that title to backup equipment does not transfer under the coverage rules established under Medicare contractor local coverage determinations (LCDs) for oxygen equipment.

Response: We agree with the commenters that the title for backup oxygen equipment would not transfer to the beneficiary after 36 months because Medicare does not make rental payments for this equipment. In addition, the LCDs referred to by the commenters correctly reflect Medicare's policy that equipment is not medically necessary if it is identical or similar to equipment already in use by the beneficiary and is used to meet the same set of medical needs. That is, backup equipment is a second piece of equipment used for precautionary reasons to deal with an emergency in case the primary piece of equipment malfunctions rather than to meet a different set of medical needs. Therefore, the beneficiary-ownership provision would not apply to backup oxygen equipment.

Payment for Oxygen, Oxygen Equipment and Capped Rental DME

Comment: Several commenters requested that a new rental period begin whenever a change in supplier takes place, regardless of the reason. One commenter indicated that now that payments for oxygen equipment will be limited to 36 months of continuous use, the administrative burden on suppliers, such as ascertaining how many Medicare rental payments have already been made for specific items used by specific beneficiaries, will increase. The new suppliers will need additional resources to complete a thorough screening of all new patients to determine the amount of Medicare payments that may be made for specific items.

Response: Longstanding policy found in § 414.230(g) regarding a change in suppliers during a period of continuous use of rented DME indicates that a change in supplier will not result in a new rental episode. In accordance with the amendments made by section 5101 of the DRA to section 1834(a)(7)(A) of the Act, and section 1834(a)(5) of the Act, payment may not extend over a period of continuous use of longer than 13 or 36 months, respectively, for capped rental items and oxygen equipment. For the reasons indicated below, we are applying the policy in § 414.230(g) to all beneficiary-owned capped rental items and oxygen equipment.

Comment: One commenter requested that we acknowledge those situations in which the title is not held by a supplier that rents oxygen equipment or cylinders to beneficiaries. The commenter indicated that it is common practice for a supplier to rent equipment from a manufacturer and never hold title to the equipment, but stated that the 36-month rental cap for oxygen equipment fails to address this common problem.

Response: We understand that in some instances, suppliers furnish oxygen equipment to beneficiaries that they themselves have rented from manufacturers or leasing companies. However, under section 1834(a)(5)(F)(ii)(I) of the Act (added by section 5101(b)(1)(B) of the DRA), suppliers are required to transfer title of oxygen equipment to beneficiaries on the first day that begins after the 36th month during which payment is made for the equipment. In addition, under section 1834(a)(7)(A)(ii) of the Act (added by section 5101(a)(1) of the DRA), suppliers are required to transfer title of capped rental equipment to beneficiaries on the first day that begins

after the 13th month during which payment is made for the equipment. Therefore, regardless of what arrangements a supplier might make with a manufacturer or leasing company, the supplier must be in a position to transfer title to the equipment in accordance with these statutory provisions.

Payment for Maintenance and Servicing

Comment: One commenter requested that during the period of continuous use, suppliers be permitted to continue the current practice of replacing equipment in need of service or repair with equipment of the same type that is in good working order. The commenter further requested that the rule build in the added costs of administration and delivery if the original piece of equipment must be delivered to the patient.

Response: We recognize that under current practice, suppliers sometimes choose to replace oxygen or capped rental equipment, rather than repair it, during the rental period, and as we discuss below, we have decided to allow this practice to continue. However, as discussed in detail in the proposed rule, we continue to be concerned that beneficiaries be protected from situations where equipment may be replaced with equipment of lesser value prior to the transfer of title to the equipment. Therefore, we would require that the replacement equipment must be in the same or better condition as the equipment being replaced. Delivery of the equipment is included in the monthly rental payment amount.

Comment: Several commenters stated that the proposed rule does not address the service components that are currently provided to beneficiaries which may require trained and qualified personnel to administer. These services include: Verifying oxygen purity, oxygen dose verification, verification of alarm system functions, cleaning and replacement of filters, disposable oxygen accessories, 24-hour, 7-day per week on-call and emergency support, patient training, and clinical professional support. The proposed rule also does not address that some manufacturers require equipment maintenance, which requires disassembly of the device, to be performed every 5,000 hours and this must be performed at the supplier's facility. This additional equipment maintenance requires suppliers to incur the additional costs of picking up the equipment and providing loaner equipment. One commenter stated that regular maintenance takes place in the patient's home, on average, every 90 days. Another commenter provided a statistic from the June 2006 Morrison Informatics Inc. study, which demonstrated that non-equipment costs comprise 72 percent of suppliers' total costs. Commenters also noted that the new quality standards confirm that the non-equipment professional and administrative services cost categories reported in the Morrison study are legitimate costs that should be recognized in the Medicare payment for home oxygen. Further, the rule does not address reimbursement for licensed respiratory therapists who conduct in-home clinical patient assessments according to written or verbal physician orders for beneficiaries who own oxygen equipment. The commenters urged CMS to allow patients to continue receiving these assessments, but note that this activity will only be sustainable if CMS establishes a new HCPCS code and appropriate reimbursement rate. The commenter noted that suppliers cannot provide these assessments without fair reimbursement rates because it could constitute an illegal inducement and raise other fraud and abuse concerns. Commenters stated that we need to establish regular and ongoing payment after ownership transfers to support beneficiary access to necessary clinical, support, and other services.

Response: Section 1834(a)(5)(F)(ii)(II) of the Act requires CMS to pay separately for any reasonable and necessary maintenance and servicing after the beneficiary assumes ownership of oxygen equipment, and section 1834(a)(7)(A)(iv) of the Act requires the same in the case of capped rental DME items. We proposed to use the standard in § 414.210(e) of our regulations to define the ''maintenance and servicing'' for which Medicare would make payment under section 5101 of the DRA. We also proposed to apply our existing policy of not covering certain routine or periodic servicing of purchased equipment, such as testing, cleaning, regulating, changing filters, and general inspection, that could be done by the beneficiary or caregiver, and referred to chapter 15, section 110.2B of the Medicare Benefit Policy Manual for further guidance on what types of routine maintenance would not be covered. After considering comments that raise concerns regarding a beneficiary's ability to properly maintain his or her oxygen equipment, as well as safety issues that could arise if the equipment is not properly maintained, we have decided to revise our policy in the final rule under which, beginning 6 months after title to oxygen equipment transfers to the beneficiary, the supplier may bill for general maintenance and servicing of certain beneficiary-owned oxygen equipment once every 6 months. We believe that allowing payment every 6 months is reasonable based on findings by the Department of Health and Human Services, Office of the Inspector General, in a September 2006 report entitled ''Medicare Home Oxygen Equipment: Cost and Servicing,'' that the current frequency of suppliers in checking concentrators (every four months, on average) exceeds the guidelines of the two major manufacturers that accounted for two-thirds of the concentrators rented by beneficiaries sampled for purposes of the report. In addition, according to guidelines from two major concentrator manufacturers, comprehensive preventative maintenance need only performed annually or after several thousand hours of use. Under this policy, suppliers could bill for general maintenance and servicing of all oxygen equipment except liquid or gaseous equipment (stationary and portable) because these types of systems consist primarily of tanks or cylinders, as well as replacement supplies and accessories (for example, masks and tubing) which we proposed to pay for separately, and we would expect that as a part of the tank and cylinder filling process, suppliers would check to ensure that the tanks and cylinders were functioning properly. However, we will make payment for the pick-up and storage or disposal of tanks and cylinders that are no longer medically needed by the beneficiary. We are also specifying that the general maintenance and servicing payments for oxygen equipment other than liquid and gaseous equipment would not begin until at least 6 months after the date that title to the equipment transfers because suppliers should only be transferring title to equipment that is in good working order and that has been routinely maintained. Payment for general maintenance and servicing would be limited to 30 minutes of labor, which we believe will adequately compensate suppliers based on findings by the OIG in the same September 2006 report that many routine maintenance activities performed by suppliers on concentrators could be performed in less than 5 minutes. Finally, as we explained above, these payments for general maintenance and servicing would be made in addition to payment for reasonable and necessary repairs of beneficiary-owned oxygen equipment. Suppliers would be able to bill for such

non-routine maintenance, to the extent that the parts and labor are not covered by the manufacturer's warranty, beginning immediately after the beneficiary assumes ownership of the equipment, and as we proposed, payment would be made for the parts in a lump sum amount based on the carrier's consideration of the cost for the item because this is consistent with how we currently pay for replacement parts for other beneficiary-owned DME. We would also make an additional labor payment if such non-routine maintenance is performed at the same time as general maintenance, as long as the non-routine repair takes longer than 30 minutes. In addition, we are finalizing our proposal to pay on a purchase basis for all supplies and accessories (*e.g.*, tubing, masks, cannulas, etc.) necessary for the effective use of beneficiary-owned oxygen equipment.

In addition, to further limit the possibility raised by commenters that beneficiaries will incorrectly dispose of tanks and cylinders, we are modifying our proposal to allow suppliers to submit a bill for picking up beneficiary-owned oxygen tanks and cylinders that are no longer medically necessary should a beneficiary request such a pick-up. The supplier could submit this bill any time after the beneficiary has acquired ownership to the tanks or cylinders. This pick-up allowance would not apply to other types of oxygen equipment, such as concentrators, because beneficiary storage of such equipment does not raise safety concerns.

In-home clinical patient assessments by licensed respiratory therapists fall outside the scope of the Medicare Part B benefit for DME.

Comment: Several commenters requested that Medicare develop standard protocols for routine maintenance of oxygen equipment and reimburse suppliers for providing this service. Several commenters requested that the non-routine maintenance include: inspection of internal components for dust, debris, wear; internal filter changes; oxygen purity testing that requires an oxygen analyzer device; coil cleaning and any maintenance that requires breaking internal seals. Several commenters requested that ''routine maintenance'' and ''non-routine maintenance'' be clearly defined in the final rule, specifically for oxygen and capped rental DME. Several commenters proposed that routine maintenance be defined as follows: wiping down outside surfaces of oxygen devices, changing the external cabinet filter, changing oxygen tubing and cleaning and replacing oxygen humidifier bottles.

Response: As we explained above, we are modifying our maintenance and servicing proposal for oxygen equipment to allow for general maintenance and servicing of oxygen equipment other than liquid or gaseous oxygen equipment. Medicare will pay for up to 30 minutes of labor spent performing general, routine maintenance during each of these maintenance calls. Medicare will also pay separately for any replacement parts that are necessary to properly service the equipment during these calls, and for labor associated with any non-routine maintenance required as part of the visit if it takes longer than the 30 minutes we are already paying for under the general maintenance and servicing policy. However, to the extent that a supplier services beneficiary-owned oxygen equipment more often than every six months, or services beneficiary-owned capped rental items at any time, Medicare will only make payments for non-routine maintenance and servicing. In the proposed rule, we stated that examples of the types of maintenance and servicing that would be covered as non-routine maintenance of oxygen equipment and capped rental DME can be found in section 110.2.B of Chapter 15 of the Medicare Benefit Policy Manual (Pub. 100–02). This policy has been in the manual for many years and we have never experienced any major problems associated with interpretation of these guidelines on what constitutes reasonable and necessary maintenance and servicing. We also believe that the examples provided in the manual represent good, general guidance that will enable beneficiaries and suppliers to discern what types of maintenance and servicing would be covered. We therefore do not believe that it is necessary to provide a listing of every service that constitutes routine and non-routine maintenance.

Comment: Several commenters recommended that we develop a methodology to provide for emergency services for beneficiary-owned equipment. Commenters also requested that this emergency mechanism, including after-hours care, in-home assessments, patient education and adherence monitoring, take into account the value of the therapists' time, mileage reimbursement expense and related costs. One commenter noted that patients rely on the 24-hour, 7-day-a-week on-call service to answer major and minor questions related to their equipment. A large percentage of these calls result in an in-home visit after hours and on the weekend.

Response: Payment will be made for any reasonable and necessary maintenance and servicing of beneficiary-owned DME, including emergency situations. In addition, consistent with current Medicare policies, payment for rental of loaner equipment would be made while repairs of beneficiary-owned equipment are provided. In-home clinical patient assessments by licensed respiratory therapists fall outside the scope of the Medicare Part B benefit for DME.

Comment: One commenter predicts that a number of beneficiaries may hire a third party to perform routine maintenance tasks that the beneficiary would otherwise be responsible for performing once he or she takes title to oxygen equipment to ensure that there is no chance for error. As a result, these beneficiaries may likely pay more for home oxygen therapy than they are paying under the current provisions.

Response: As we discussed above, we are allowing payment for general maintenance and servicing of beneficiary-owned oxygen equipment other than liquid or gaseous oxygen equipment. In addition, a liquid or gaseous system consists of only tanks or cylinders, which we would expect a supplier to maintain as part of the filling process, and supplies, which we will pay for separately. As a result, we expect that a beneficiary's maintenance costs will not be significantly higher under this rule than it was under the previous rules.

Comment: One commenter recommended that we conduct a study in a clearly-defined marketplace to ascertain the level of hospitalizations, emergency room visits, physician office visits, or other Part A/B expenses incurred by beneficiaries as a result of their being unable to access a qualified supplier after they assume ownership of the medical equipment under the new rules.

Response: We disagree that such a study is necessary. As described in detail above, we have provided for appropriate payments for maintenance, servicing, and repairs of beneficiary-owned equipment. Therefore, we believe that beneficiaries will have sufficient access to qualified suppliers after assuming ownership of equipment.

Comment: A few commenters noted that the proposed rule does not provide any guidelines or timetable as to how often Medicare will pay to replace the disposable supplies associated with home oxygen therapy, such as cannulas, oxygen tubing, humidification bottles, adaptors, and filters. These components

require frequent replacement and are currently included in the monthly Medicare rental fee. As the proposed rule is currently drafted, suppliers would be required to provide replacements of necessary supplies for free and commenters believe that this will lead to a reduction in the number of suppliers that furnish oxygen.

Response: Medicare has traditionally paid for supplies and accessories that are necessary to use in conjunction with the beneficiary-owned DME item. This policy can be found in section 110.3 of Chapter 15 of the Medicare Benefit Policy Manual (Pub. 100–02). We proposed to apply this policy to supplies and accessories used in conjunction with beneficiary-owned oxygen equipment and capped rental items and did not receive comments opposing this proposal. Therefore, we are finalizing our proposal to pay separately for these supplies and accessories as often as is reasonable and necessary.

Comment: Several commenters are concerned that serious health problems could affect a Medicare beneficiary's ability to understand and take responsibility for routine maintenance and servicing of his or her oxygen equipment. Commenters noted that some beneficiaries are physically and mentally unable to perform the necessary routine maintenance on equipment, and it is simply unsafe to impose the responsibility for maintaining this equipment on beneficiaries. Another commenter noted that even the OIG's September 2006 Oxygen Report, entitled ''Medicare Home Oxygen Equipment: Cost and Servicing'' (OEI–09–04–00420), reinforced the point that a certain percentage of patients will not be able to perform routine maintenance by stating that ''50 percent of the service visits conducted through the surveyed patients included what has been describes routine maintenance.'' Other commenters noted that transferring the burden of maintenance and repair of sophisticated oxygen technologies to the beneficiary and, therefore, the total management of their home oxygen therapy regimen, presents serious risk to patient safety and care. Commenters also indicated that oxygen and oxygen equipment are more technically complex than other types of DME and can cause serious injury if improperly maintained and serviced.

Response: Although we believe that the one commenter misquoted the OIG report and took their data out of context, we agree with the commenters' general concerns regarding the ability of beneficiaries to properly maintain their oxygen equipment once they acquire title to it and are revising the rule to permit payments for general maintenance and servicing of certain beneficiary-owned equipment as explained above.

Comment: Several commenters suggested that we establish HCPCS codes to adequately describe the parts and repair services that will be covered and reimbursed for beneficiary-owned oxygen equipment. Another commenter requested that we implement a national policy and fee schedule for repair parts and labor that is eligible for either a Consumer Price Index (CPI) or Medicare Economic Index (MEI) adjustment annually. The fee schedule should reflect the fully-loaded costs of providing repair, not just repair parts and labor. A standardized approach will address those instances where a supplier goes out of business and is unable to assist in maintaining equipment. Another commenter indicated that services that are currently included as part of the monthly bundled rate for oxygen and equipment would no longer be provided after the 36th month unless a HCPCS code and allowable is developed.

Response: We have generally given the carrier discretion to determine rates for labor and parts with respect to the non-routine repair of beneficiary-owned equipment based on reasonable charges and believe that this methodology results in adequate reimbursement to suppliers. However, should these commenters wish to make specific requests or recommendations for addition of specific codes for replacement parts, we would encourage them to participate in the HCPCS editorial process, which is described online at: *http://www.cms.hhs.gov/MedHCPCSGenInfo/.*

Comment: Several commenters request that we provide guidance on the type of documentation that CMS expects suppliers to obtain to support repair claims. They stated that DME MACs and CMS must have clear policies outlining when Medicare will pay for repairs and the documentation it will require to support those claims.

Response: In accordance with the rules at § 414.210(e), Medicare carriers have long had discretion to require any documentation from suppliers that is necessary to enable them to make determinations regarding whether maintenance and servicing of beneficiary-owned DME is reasonable and necessary. The carriers provide guidance to suppliers regarding the specific documentation that is needed for these purposes.

Comment: Several commenters requested that ''labor'' be redefined to start when the technician leaves the facility and ends when he or she returns to the shop. The labor time charge should not be just for technician time in the home or shop. The commenters noted that the current parts and labor fees do not take into consideration any travel time or time to evaluate the equipment.

Response: Medicare payment for labor is based on 15-minute increments for time when the technician is working on the equipment. Separate payment is not allowed for delivery and service charges for DME such as travel time to and from the beneficiary's home. Such payment is included in the payment for the item or service. This policy has been in place for many years and we have not encountered serious problems with access to repair of beneficiary-owned DME. However, this policy does allow for additional payment for extraordinary expenses in rare or unusual circumstances as specified in current program instructions. This policy can be found in section 60 of Chapter 20 of the Medicare Claims Processing Manual (Pub. 100–04). This payment determination for travel is at the discretion of the carrier.

Payment for Replacement of Equipment

Comment: Many commenters expressed concern about our equipment replacement proposal. Numerous commenters believed that this provision places an unreasonable economic burden on suppliers. Commenters indicated that we should specify that, once ownership shifts to the patient, it becomes the patient's responsibility to maintain and repair the equipment. Some commenters believe that, given the 5-year useful life of the equipment, the circumstances that would require equipment to be replaced may be so far removed from the date that title transferred that there would be no plausible connection between the supplier's actions and a conclusion that the supplier delivered substandard equipment. Commenters noted that the proposed rule does not allow for the supplier to receive a new continuous rental period for replacement equipment which is not yet patient-owned, so it is inequitable to require a supplier to replace free of charge the patient-owned equipment that prematurely fails because the patient did not maintain it in accordance with the manufacturer's guidelines. This situation should be remedied by providing for a new continuous rental should the beneficiary's action during the ownership useful lifetime period result

in the premature failure of the equipment. Commenters also complained that routine maintenance often must be performed by the user and that the supplier has no means to ensure when or if this was done or done correctly. Several commenters indicated that manufacturer warranties for oxygen equipment are void if the title is transferred. Therefore, requiring that the supplier that furnished the oxygen equipment replace at no cost items that, under Medicare rules, did not last for the entire reasonable useful lifetime would subject suppliers to undue financial burden.

Response: We expect that equipment furnished by the supplier will function for the entire period established under Medicare regulations and program instructions as the equipment's reasonable useful lifetime. If this is not the case, then the supplier has not furnished a quality item of durable medical equipment for which they have been paid. If suppliers have information or data that proves that specific types of DME do not routinely last for 5 years, they can furnish this information to CMS for consideration in possibly establishing a new reasonable useful lifetime for equipment.

Comment: A commenter stated that suppliers are financially unable to furnish additional equipment in the event it needs to be replaced after the title is transferred. Another commenter noted that once the title is transferred, patients may find it difficult to locate an oxygen supplier that is willing or able to provide them with a loaner unit on short notice.

Response: We expect that oxygen equipment and capped rental items furnished by the supplier will function for the entire period established under Medicare regulations and program instructions as the reasonable useful lifetime. As long as suppliers are furnishing items that meet this standard, they should not generally need to replace beneficiary-owned items and should not suffer the kind of financial hardship envisioned by the commenter. In addition, we believe that the modifications to our maintenance and servicing policy will limit the possibility that oxygen equipment will not be properly maintained after the beneficiary acquires title to it. Accordingly, we are finalizing our proposal to require that suppliers replace malfunctioning oxygen equipment that does not last for its reasonable useful lifetime, however, as explained more fully below, we are modifying it to allow carriers greater discretion in determining when a supplier must replace the item at no charge to the beneficiary or the Medicare program. We are also finalizing the same proposal with respect to capped rental DME. The replacement item must be equipment of equal or greater value to the equipment being replaced. We have never encountered major problems associated with beneficiaries obtaining servicing of equipment. Due to the current abundance of oxygen suppliers, we believe that this will also be the case with regard to servicing of beneficiary-owned oxygen equipment.

Comment: A commenter noted that our current definition of ''useful life'' exceeds the warranty that manufacturers typically provide on most of the current oxygen technologies, and expressed concern that forcing a supplier to be financially responsible for a device beyond the manufacturer's warranty period would impose a significant financial burden on suppliers. The commenter stated that Medicare should modify its definition of ''useful life'' and develop technology or equipment-specific definitions. Another commenter noted that it is unclear in the rule if we are basing ''lifetime'' on manufacturer warranty or some other basis. The commenter stated that basing our definition of ''lifetime'' on the manufacturer warranty could be problematic since an equipment's ''lifetime'' varies widely by manufacturer and type of equipment.

Response: Under § 414.220(f) of our regulations, the reasonable useful lifetime of durable medical equipment is either the period established through program instructions or, in the absence of program instructions, the period determined by our carriers (at least five years). These periods are not based on manufacturer warranties. If suppliers have information or data that proves that specific types of durable medical equipment do not routinely last for five years, they can furnish this information to CMS for consideration in possibly establishing a new reasonable useful lifetime for equipment. In addition, consistent with how we currently measure the reasonable useful lifetime for capped rental items, we would measure the reasonable useful lifetime for oxygen equipment beginning on the date that the equipment is furnished to the beneficiary.

Comment: Several commenters requested that we not adopt the proposal that a supplier be required to replace equipment once accumulated repair costs exceed 60 percent of the cost to replace the equipment. Although the commenters acknowledged that the 60 percent threshold was based on a similar replacement provision for artificial limbs, the commenters do not believe that the proposal is appropriate since unlike oxygen, artificial limbs do not require regular maintenance or additional supplies that must be regularly replaced in order to function properly. The commenters also noted that the proposed rule does not define ''replacement cost'' and how such cost would be calculated in determining the 60 percent threshold. According to the commenters, the proposal is not clear regarding whether the ''replacement cost'' is the original cost to Medicare of the equipment being replaced, the Medicare fee schedule amount, or the fair market value of the item. Several commenters requested that we eliminate the 60 percent analysis and reimburse at the cost of each incident of repair rather than the accumulation of repairs. Several commenters noted that given the 5-year useful lifetime of the equipment, the circumstances that would require equipment to be replaced may be so far removed from the date that title transferred that there would be no plausible connection between the supplier's actions and a conclusion that the supplier delivered substandard equipment. Several commenters requested that responsibility for the equipment shift to the patient once the title transfers because the supplier will not have any record of routine maintenance in years four and five, placing the supplier in the position of having to replace equipment that may not have been properly maintained. One commenter suggested that we could establish a supplier responsibility period of 30 days following transfer of title that would require replacement if the repair costs were 60 percent of the replacement cost. Some commenters indicated that we appear to be trying to balance appropriate coverage for needed non-warranty repairs with beneficiary protection from receiving poor quality equipment via the proposed rule that covers repairs until they accumulate to 60 percent of the replacement cost. Some commenters indicated that some equipment, such as semi-electric hospital beds and power wheelchairs, have component parts that can be quite expensive to repair/replace and that these costs could easily exceed the 60 percent trigger but still be in the equipment's useful lifetime. Repairs of such equipment are often a function of active use, not poor quality of defective equipment.

One commenter remarked that there are areas of the proposed rule that present legal concerns because Medicare does not have statutory authority to implement these requirements. The

commenter is unaware of any statutory requirement for the repair or replacement of patient-owned equipment or for the use of a 60 percent threshold. Moreover, CMS has not conducted any independent laboratory studies or manufacturer surveys of DME or oxygen equipment to determine if the 5-year ''average useful life'' is accurate or current before making it subject to such a provision.

Response: We agree with the commenters that the proposed 60 percent threshold may not be pertinent in all cases and have revised the final rule to reflect a more general policy. Equipment furnished must function for the entire period established under Medicare regulations and program instructions as the reasonable useful lifetime. We are modifying our proposal to permit our contractors to use the 60 percent repair threshold at their discretion when making case-by-case determinations on whether a supplier must replace equipment that does not function during the reasonable useful lifetime. However, we continue to believe that the 60 percent threshold is a useful factor for our carriers to consider because it is probative of whether the beneficiary has been furnished with, and the Medicare program has paid for, a substandard item.

The replacement item must be equipment of equal or greater value to the equipment being replaced. Under § 414.210(f) of our regulations, the reasonable useful lifetime for DME is five years, unless we determine otherwise. For a capped rental DME item, § 414.229(b) of our regulations specifies that the monthly fee schedule amount for rental of the item equals ten percent of the purchase price for the item; therefore, the replacement cost of the item is equal to the rental fee schedule amount multiplied by ten. For oxygen equipment, there is no established purchase price for Medicare purposes, so the replacement cost of an item will be established by the carrier on an individual, case-by-case basis using information such as invoices to determine the replacement cost of the item. With respect to beneficiary-owned oxygen equipment, ''repair'' costs will not include the costs of labor associated with general maintenance and servicing of the equipment.

Comment: One commenter requested that we provide information about how equipment failures due to beneficiary neglect or abuse will be determined. Another commenter questioned who is responsible for providing the replacement equipment in the event that there is more than one supplier involved, for example, if the beneficiary moves.

Response: We are finalizing a policy that would allow CMS or the carrier to make determinations if replacement equipment is warranted. We will be monitoring the number of replacement equipment provided to a beneficiary. In the case that a beneficiary is abusing or neglecting the equipment, CMS or the carrier may determine that the supplier is not responsible for furnishing replacement equipment.

Comment: One commenter suggested that in lieu of prohibiting the replacement of equipment during the period of continuous use, CMS can require that the beneficiary receive title to equipment that is of comparable quality to the equipment delivered at the beginning of the period of continuous use.

Response: As we explained above, we have decided to modify our proposal and allow suppliers to furnish different equipment during the rental period as long as the equipment is of equal or greater value as the equipment being replaced.

Comment: Several commenters questioned that under the proposed regulations, a new period of continuous use would begin only when beneficiary-owned equipment is lost, stolen or irreparably damaged. The commenter requested that a new period of continuous use begin when a supplier furnishes replacement equipment during the period of continuous use. Otherwise, suppliers replacing lost equipment will be forced to transfer title to two devices, but receive payment only for one. Alternatively, commenters suggested allowing the carriers to make the determination whether to initiate a new period of continuous use on a case-by-case basis. Two commenters stated that while they agree with the proposed provision that a new period of continuous use would begin when beneficiary-owned equipment is lost, stolen, or irreparably damaged, they questioned our decision to apply this exception only to beneficiary-owned equipment. The commenters noted that when equipment is lost, stolen, or irreparably damaged during the period of continuous use and a supplier furnishes replacement equipment, a new period of continuous use should begin; otherwise, the regulation would impose a patently unfair result when rented equipment is lost or damaged through no fault of the supplier. The commenters suggested if this is the case, CMS should allow carriers to make the determination whether to initiate a new period of continuous use on a case-by-case basis to ensure a more balanced application of the requirement to transfer equipment ownership to beneficiaries.

Response: Current rules regarding replacement of capped rental items located at § 414.229(g) allow for replacement of rented items if the carrier determines that the item is lost or irreparably damaged. In the proposed rule, we inadvertently deleted this text when we proposed to revise § 414.229(g), although we never intended to change this longstanding policy, which reflects our belief that suppliers should be compensated for furnishing a new rental item if the item is needed as a result of circumstances beyond the supplier's control. Therefore, as part of this final rule, we will reincorporate this policy in our regulations but will move it to § 414.210(f), the general section on replacement of equipment, so that the policy applies to all rented items. To be consistent with what we proposed in the context of beneficiary-owned items, we will also specify that this policy would also apply if an item is stolen.

However, we continue to believe that a new period of continuous use should not automatically begin whenever the beneficiary changes equipment (that is, from equipment falling under one HCPCS code to different but similar equipment described by another HCPCS code). This is consistent with longstanding policy relating to payment for DME. This policy can be found in section 30.5.4 of Chapter 20 of the Medicare Claims Processing Manual (Pub. 100–04). In no case can a new rental period begin for a change in equipment from one product within a HCPCS code to another product within the same HCPCS code or from one oxygen modality within a payment class to another oxygen modality within a payment class. Items falling within the same HCPCS code and paid based on the same payment rules and fee schedule amounts are considered the same item or service for Medicare purposes. Likewise, oxygen modalities falling under the same payment class and paid based on the same payment rules and fee schedule amounts are considered the same item or service for Medicare purposes. Oxygen modality changes are generally done for the convenience of the beneficiary, and not because they are medically necessary. The Medicare NCD and contractor LCDs establish medical necessity criteria for oxygen and oxygen equipment, but do not establish separate medical necessity criteria for different types or modalities of stationary or portable oxygen equipment. We also note that beneficiaries who wish to exchange

equipment or oxygen modalities during the rental period for reasons other than medical necessity can be required to sign an ABN.

Periods of Continuous Use

Comment: Several commenters requested that we clarify how a ''break in service'' applies to short-term or intermittent usage of home oxygen therapy. They stated that patients that fall within the Group II oxygen coverage guidelines may not be sufficiently hypoxemic to require ongoing oxygen therapy and their short-term use should not be included in the 36-month continuous rental period. They also stated that other ''breaks in service'' that should not count towards the period include skilled nursing facility stays or acute care admissions any longer than a month. The commenters noted that current rules at § 414.230(c) state that an interruption in the use of the equipment of not longer than 60 consecutive days plus the days remaining in the rental month in which use ceases is temporary, regardless of the reason for the interruption. Current Medicare program instructions indicate that a new rental period begins in cases where the interruption is greater than 60 days plus the days remaining in the rental month in which use ceases if it is supported by new medical necessity documentation. The commenters believe that there is no basis for CMS to apply different break-in-service rules to oxygen.

One commenter stated that beneficiary enrollment/disenrollment in Medicare managed care plans further complicates our proposals on switching equipment and consistent assignment during the rental period. The commenter indicated that a single beneficiary may be in traditional Medicare, enroll in one HMO, disenroll and go back on transitional Medicare, then enroll in a different HMO all in one rental period. The commenter questioned how these scenarios can possibly be addressed in a reasonable manner under the proposed rule.

Response: The rules for defining a period of continuous use for which we make payments for DME were first adopted in an October 9, 1991 interim final rule with comment (56 FR 50821). In that rule, we stated that we believed certain language in the House Committee Report accompanying section 4062(b)(1) of the Omnibus Reconciliation Act of 1987 (Pub. L. 100–203) (which authorized the implementation of the DME fee schedules) indicated that Congress did not intend for a period of continuous use to automatically terminate each time there was a break in service. Therefore, we stated that an interruption in the rental period of not longer than 60 days plus the days remaining in the rental month in which the use ceases would be considered a temporary suspension of the period of continuous use pending resumption of medical need. This precedent, which we finalized in a December 3, 1992 final rule (57 FR 57109), has now become longstanding Medicare policy, has worked well throughout the years and has addressed all of the situations highlighted by the commenters (e.g., short term use of DME, breaks-in-service, etc.). Therefore, we believe that these rules should continue to apply. In accordance with § 414.230(c) and current program instructions found in section 30.5.4 of Chapter 20 of the Medicare Claims Processing Manual (Pub. 100–04), if the interruption is less than 60 consecutive days plus the days remaining in the rental month in which use ceases, contractors will not begin a new rental period. Also, when an interruption continues beyond the end of the rental month in which the use ceases, contractors will not make payment for additional rental until use of the item resumes. Contractors will establish a new date of service when use resumes. Unpaid months of interruption do not count toward the 15-month limit. These policies will apply to beneficiary-owned oxygen equipment and capped rental DME. In addition, because Medicare makes payment for a rental item on the date of delivery of the item, and payment for each subsequent rental month on the same day, or ''anniversary date'' for that month, if the break in service is short, the supplier would still be paid for that rental month.

Comment: Several commenters were concerned about the impact and interaction of the proposed DRA policy and payment changes and the competitive bidding provisions. One commenter noted that certain DRA provisions and planned competitive bidding provisions overlap and conflict. The commenters requested that we clarify the conflicts in both final rules. The commenter stated that, for example, a rule conflict exists when a contract supplier is forced to accept an oxygen patient with only 6 months rental left in the 36-month rental period. To address this conflict, the commenter suggested that we allow the 36-month period to start over again whenever a patient switches suppliers if less than 36 months of continuous use have transpired.

Response: We will address issues that pertain to the Medicare DMEPOS Competitive Bidding Program in the final rule for that program.

Comment: Several commenters requested that we clarify which supplier's equipment transfers to the beneficiary if the beneficiary has two residences in different areas and uses a local supplier in each area. They stated that ''snow birds'' may face hurdles in maintaining access to equipment unless a new period of continuous use begins when they change suppliers. The commenters suggested that extended travel outside of the supplier's service area should not be counted toward the period of continuous use to the extent the supplier is not paid for furnishing the oxygen equipment during that period. Another commenter noted that the proposed rule does not address how suppliers that coordinate services for patients who travel after they have purchased the equipment will be reimbursed. Another commenter indicated that the proposed rule was unclear on the methodology for those who have two homes during different times of the year. The supplier in the new area will not have the full 36 months to collect reimbursement.

Response: We expect that travel arrangements for beneficiaries with oxygen equipment would be handled by suppliers in the same manner that such instances are currently arranged for beneficiaries with capped rental items. Capped rental items have been paid under these circumstances and addressed through program instructions since 1989. The capped rental policies that apply when a beneficiary changes suppliers are listed in section 30.5.4 of chapter 20 of the Medicare Claims Processing Manual (Pub. 100–04) and indicate that if a beneficiary changes suppliers during or after the rental period, this does not result in new rental episode. The equipment furnished to the beneficiary at the time that transfer of title is required by the statute and this final rule is the equipment for which the beneficiary would receive title to.

Beneficiary Safeguards

Comment: One commenter stated that we should add an additional safeguard to protect beneficiaries if their initial supplier decides to discontinue service once title of the oxygen equipment transfers to the beneficiary. The commenter recommended that we add a new paragraph in § 414.226(g) requiring the supplier that furnishes the oxygen equipment throughout the rental period to notify the beneficiary no later than 3 months before the end of the rental period that the supplier will no longer continue to provide services once the transfer of title takes place. The commenter believes this will give the

beneficiary adequate notice and time to find another comparable supplier and will not leave a gap in their service once ownership takes place. The commenter noted that current DME Quality Standards establish certain ''consumer services,'' but they do not address this issue.

Response: We agree with this comment but believe that 2 months is a more reasonable period of time in terms of how much advance notice should be given to beneficiaries in these situations. We have revised § 414.226(g) to require the supplier to notify the beneficiary no later than 2 months before the end of the rental period if the supplier will no longer continue to maintain and service the equipment, and/or deliver oxygen contents, once the transfer of title takes place. Likewise, in order to be consistent with our policies, we are revising § 414.229(g) to require the supplier of a capped rental item to disclose no later than two months before title transfers whether it will continue to maintain and service the item. Because we recognize that there may be isolated cases where a supplier cannot satisfy this requirement (such as if the supplier goes out of business), we (or our carriers) will also allow for exceptions on a case-by-case basis.

Comment: One commenter stated that we should require suppliers to re-train beneficiaries (and/or their caregivers) on the services they will need to perform on oxygen equipment at the time the suppliers transfer ownership and to verify in writing that the beneficiary/caregiver has actually performed the tasks for which they will be responsible to ensure that they are capable of doing so. The commenter recommended that we add an additional safeguard in § 414.226(g) that would require the supplier at the time of transfer to re-train the beneficiary and/or caregiver with respect to information regarding preparation of formulas, features, routine use, troubleshooting, cleaning, maintenance, safety conditions, and infection control. The commenter stated that although these requirements are currently contained in the DME Quality Standards, their supplier is only required to verify that the beneficiary received the instructions and information at the time of setup, not that he or she understood them or could perform them. The commenter believes that re-training and verification in writing by the supplier that the beneficiary and/or caregiver can actually carry out the tasks could prevent serious injuries and life-threatening situations in the future.

Response: We do not believe that it is necessary to revise § 414.226(g) as recommended. The DRA requires CMS to pay separately for any reasonable and necessary maintenance and servicing of capped rental or oxygen equipment after title transfers to the beneficiary. We proposed to continue our longstanding policy of paying for reasonable and necessary repairs and non-routine maintenance and servicing that a beneficiary cannot perform. In response to comments, we have also decided to add an exception in the final rule under which, beginning 6 months after title to oxygen equipment transfers to the beneficiary, the supplier may bill for general maintenance and servicing of certain beneficiary-owned oxygen equipment once every 6 months. As for routine maintenance that may be necessary beyond what Medicare will pay for, we also note, as we did in the proposed rule, that by the time title transfers for oxygen equipment and capped rental items, beneficiaries and/or their caregivers should be very familiar with their equipment and the routine maintenance that is required to maintain it. In addition, we note that we would expect that at the time of title transfer, suppliers would provide beneficiaries with operating manuals describing their equipment and the servicing that must be done to maintain it. Beneficiaries could also access many of these manuals on manufacturer Web sites.

Comment: One commenter was concerned that if the beneficiary safeguards are imposed at the same time as reduced reimbursement, the viability of many oxygen suppliers will be threatened, thus affecting patient access to oxygen equipment and contents.

Response: We appreciate the comment. However, we believe that the provisions discussed in the proposed rule and in this final rule with respect to oxygen equipment, oxygen contents, and capped rental DME items are necessary to ensure that our beneficiaries receive the appropriate equipment and service both during the rental period and after they assume title to the item. In addition, the beneficiary safeguards that we are implementing with this final rule reflect what we believe to be fair business practices, are consistent with our DMEPOS Quality Standards, and should not impose undue burdens on the suppliers. We have clarified our proposals in a number of places after considering all of the comments received in order to reduce the burden on suppliers.

Comment: One commenter recommended that in conjunction with this rule, we should impose safeguards (for instance, limits on the number of times a beneficiary can switch suppliers) that prevent beneficiaries from gaming the system.

Response: We do not agree that having no limits on the number of times that a beneficiary can switch suppliers will encourage gaming because under this rule, changing suppliers does not result in a new period of continuous use. Although we cannot envision every conceivable gaming scenario, we believe that we have fully considered the needs of beneficiaries in adopting this rule and that the protections we are implementing will strongly discourage gaming by unscrupulous suppliers.

Comment: One commenter agreed with our proposed beneficiary safeguards since suppliers should be furnishing items in good working order and are otherwise bound by regulations at § 424.57(c)(15) to accept returns from beneficiaries of substandard items.

Response: We appreciate the support of our proposed beneficiary safeguards. We believe that these changes in concert with the implementation of the DMEPOS quality standards will ensure that beneficiaries receive quality equipment and appropriate services throughout the rental period and after title transfer.

Comment: We received numerous comments regarding our continuity of equipment proposal. Commenters stated that our attempt to ensure that suppliers do not substitute substandard equipment to patients just before the required transfer of title is too restrictive. Several commenters recommended that suppliers be allowed to exchange and/or change a beneficiary's equipment during the period of medical need, provided this exchange/change is documented. However, commenters were concerned that the proposed rule does not define a change in medical condition or provide enough detail to understand how and when patients will be entitled to switch oxygen modalities, or how it will be documented so that suppliers will be paid appropriately and promptly. Commenters also asked for additional clarity regarding our interpretation of ''modality'' and asked for specific circumstances when patients may be changed from one type of equipment to another. Commenters recommended that we allow suppliers to judiciously exchange or change a patient's equipment during the period of medical need provided that this exchange or change is sufficiently documented and that the supplier certifies that the new equipment is not a lesser-quality device. Commenters also recommended that we instruct our DME

Program Safeguard Contractor (PSC) medical directors to incorporate specific medical necessity coverage and documentation requirements in the revised Oxygen and Oxygen Equipment LCD before the proposed January 1, 2007 implementation date of this regulation. Specifically, the revised LCD should address: (a) Under what circumstances or diagnoses it is medically necessary to change from one oxygen modality or equipment type to another; (b) how suppliers will be reimbursed for changing equipment; and (c) specific documentation requirements for both the supplier and the physician to ensure that the contractors can make appropriate coverage determination.

Commenters also raised concerns about the potential impact the continuity of equipment proposals could have on beneficiary access to new oxygen technology. They stated that there are fairly common circumstances where a supplier must exchange equipment in order to best serve the beneficiary. For example, if suppliers cannot exchange equipment, they may have to perform a complex repair in the patient's home. Suppliers should not be placed in a situation where they have to choose between not being able to provide service to the beneficiary at the time of need versus providing a higher level of equipment and taking a financial loss over the remaining rental period if they are unable to switch to the prescribed level of equipment. Commenters recommended that the proposed rule be modified to clarify that it is acceptable for a supplier to exchange equipment if (a) the exchange is for same or similar equipment; or (b) the exchange is to equipment that better matches a physician's order.

Commenters also stated that it is unreasonable to mandate a supplier to continue to service a beneficiary if the beneficiary is non-compliant with the supplier's instruction on the safe and appropriate use of the medical equipment. They recommended that the oxygen supplier be responsible for transferring title for the total number of liquid oxygen vessels or oxygen cylinders that would be present in the patient's home at one time.

Response: We appreciate the concerns presented by the commenters. Medicare pays for two classes of equipment, stationary and portable. For the stationary class, there are three modalities that Medicare pays the same ''modality neutral'' payment rate for: concentrator, liquid cylinders, and gaseous tanks. For the portable class, Medicare makes a modality neutral payment for all types of portable equipment. As we explained above, we are finalizing our proposal to add a new payment class for oxygen-generating portable equipment and separate classes for delivery of stationary and portable oxygen contents. As has always been the case, a physician may order a specific oxygen equipment modality based on the clinical needs of the patient; and the supplier is bound by that order. In addition, there is currently no Medicare national coverage determination (NCD) that establishes medical necessity criteria for different oxygen modalities. The carrier would still maintain the ability to determine that a change in equipment is warranted for reasons other than those described above. Instructions for the DME PSC contractors are not part of rulemaking, and will be handled under local carrier coverage policies.

After considering all of the comments, we are finalizing a policy that would allow for four general exceptions to the rule that a supplier may not exchange equipment during the rental period. We believe that these exceptions are flexible enough to allow beneficiaries and suppliers to exchange equipment where appropriate, but limited enough to protect beneficiaries from a situation where their equipment could be replaced with less valuable equipment just prior to the date when they acquire ownership of it. In all cases, the replacement item must be equipment of equal or greater value to the equipment being replaced.

(1) The supplier replaces an item with the same, or equivalent, make and model of equipment because the item initially furnished was lost, stolen, irreparably damaged, is being repaired, or no longer functions.

(2) The physician orders different equipment for the beneficiary. If the need for different equipment is based on medical necessity, then the order must indicate why the equipment initially furnished is no longer medically necessary, and the supplier must retain this order in the beneficiary's medical record.

(3) The beneficiary chooses to obtain a newer technology item or upgraded item and signs an ABN.

(4) CMS or its carriers determine that a change in equipment is warranted.

Comment: We received numerous comments regarding our proposal to require that a supplier that furnishes rented oxygen equipment or capped rental items to the beneficiary must continue to furnish that item throughout the whole rental period except in certain situations. These comments focused on varying scenarios where patients move or choose to switch suppliers due to dissatisfaction with their service. Commenters were concerned that patients in these situations will experience an access-to-care issue as few suppliers will accept such a patient if he/she has only a few months left on the rental schedule but would be expected to provide oxygen equipment, including the back-up and other un-reimbursed equipment. This will create inequities as a supplier might be required to provide a brand new piece of equipment to a beneficiary for 10 months of the 36 months, as an example, and this de facto diminished reimbursement could deter suppliers from offering services to Medicare beneficiaries and diminish beneficiary access to oxygen supplies. Commenters recommended that we specify that a new 36-month period begins in conjunction with this provision.

Response: In an October 9, 1991 interim final rule with comment period (56 FR 50821), we first adopted our policy that precludes a new period of continuous use from beginning when a beneficiary changes suppliers. In adopting that policy, we looked to the House Committee Report that accompanied the enactment of the Omnibus Budget Reconciliation Act of 1987 (Pub. L. 100–203), which authorized implementation of the fee schedules for DME. The House report stated that a change in suppliers during an otherwise uninterrupted period should be considered continuous. Therefore, we adopted § 414.230(g), which provides that if the beneficiary changes suppliers during or after the equipment rental period, that change would not result in a new rental period. Since we first adopted this policy, we believe that suppliers have been able to adequately accommodate beneficiaries who change suppliers, and we see no reason to change this policy now.

After reviewing the comments on this issue, we have maintained our proposal requiring a supplier who furnishes rented oxygen equipment/capped rental for the first month for which payment is made to continue to furnish that item throughout the 36/13-month period of continuous use for as long as it is medically necessary, except in the following cases:

- The item becomes subject to a competitive acquisition program;
- A beneficiary relocates on either a temporary or permanent basis to an area that is outside the normal service area of the initial supplier;
- The beneficiary chooses to obtain equipment from a different supplier; or
- Other cases in which CMS or the carrier determine that an exception is warranted.

We continue to believe that these policies are necessary to ensure that beneficiaries have adequate access to oxygen equipment and capped rental items because they protect beneficiaries from a situation in which an unscrupulous supplier could try to take back the equipment just before the rental period expires in order to retain title to it. We note, however, that our rules would not require a supplier to accept a beneficiary as a customer simply because a beneficiary chooses to change suppliers. In addition, we note that we are considering certain policies that would address how contract suppliers are reimbursed if they must begin furnishing items to beneficiaries midway through the rental period under a competitive bidding program, and we expect to fully address this issue in the final rule that implements the Medicare DMEPOS Competitive Bidding Program.

Comment: One commenter noted that our literal interpretation of the DRA would require suppliers to track equipment by serial number in order to make sure the beneficiary receives title to the equipment that the supplier furnished originally. The commenter stated that this will be very difficult for suppliers to accomplish and suggested that during the period of continuous use, suppliers be permitted to continue the current practice of simply replacing equipment in need of service or repair with equipment of the same type that is in good working order. This practice will allow suppliers to streamline their operations and serve beneficiaries more efficiently equipment that must be repaired or serviced at the supplier's facility. The commenter further stated that we can address this issue simply by requiring that the beneficiary receive title to equipment that is of comparable quality to the equipment delivered at the beginning of the period of continuous use. Another commenter stated that we should not impede service delivery by restricting replacement of equipment during the capped rental period. The commenter indicated the equipment requirement would limit the ability of the new patient to try new or different equipment/enhanced technology.

Response: Suppliers have access to and frequently use current inventory tracking technology that allows them to easily track specific items they take from their inventory and furnish to a patient in their home. This is a normal part of the supplier's business. As explained above, suppliers of oxygen tanks and cylinders do not need to track specific tanks and cylinders belonging to beneficiaries. In addition, as explained above, this final rule allows the suppler to replace equipment during the rental period in certain situations.

Comment: One commenter remarked that the proposed rule states that the current supplier or beneficiary is responsible for finding a new supplier if a beneficiary needs to relocate from one service area to another service area during the rental period. The commenter indicated that this should be limited to the beneficiary since it is the choice of the beneficiary to relocate and not that of the supplier.

Response: While the proposal states that the supplier or beneficiary would need to arrange for another supplier in the new area to furnish the item, it does not mandate that the supplier, rather than the beneficiary, must make these arrangements. In cases where the supplier elects not to provide this service to the beneficiary, the beneficiary or caregiver for the beneficiary would need to make these arrangements. This proposal is consistent with current practice and is being adopted as part of this final rule.

Assignment

Comment: We received numerous comments on the Medicare assignment proposal. Some commenters requested clarification of our notice requirements about Medicare assignment to ensure it is consistent with the general rule that participating suppliers agree to accept assignment on an annual basis and can modify their status as a participating supplier as well. They also requested clarification that suppliers disclose to beneficiaries their intent to accept assignment on all claims for the duration of the rental period, and stated that the supplier should be able to clarify under what circumstances assignment would no longer be appropriate, such as if the beneficiary is no longer eligible for coverage. Some commenters noted that we do not have the authority to change Medicare assignment terms and should not require suppliers to disclose their intentions regarding assignment for the entire duration of the rental periods. Commenters indicated that current Medicare supplier standards require a supplier to inform patients of whether or not it will accept assignment for one month at a time (per claim) and that it is unreasonable for us to expect a supplier to commit to accepting assignment for the entire rental period when policies, payment levels or other things could change by the end of the first year. Some commenters requested that we not adopt our proposal to post assignment statistics for each supplier on our website, but that if we proceed with publication, we should coordinate this effort with suppliers to ensure correct information is distributed to the public. Some commenters observed that we do not indicate how often we will make web postings and how we will verify the accuracy of postings. This could result in an inaccurate picture of a supplier's assignment history since suppliers could choose not to accept assignment for a variety of reasons, which a basic percentage will not demonstrate. If we intend to post assignment information, commenters believe that we should give suppliers 30 days notice, as well as an opportunity to review information prior to posting and to correct erroneous information or identify the risks posed by erroneous information. Commenters indicated that we cannot require suppliers to enter into private contracts for the duration of the period of continuous use. Finally, commenters stated that we must clarify in the final regulation whether a supplier may accept assignment for a portion of the rental period, since allowing this type of assignment arrangement would still further the stated intent to create a reasonable rule for suppliers and ensure that beneficiaries have the information necessary to make informed choices.

Response: Under Medicare, DME suppliers can accept assignment on a claim-by-claim basis. If a supplier accepts assignment, the supplier agrees to request direct payment from Medicare for the item, to accept 80 percent of the Medicare allowed payment amount for the item from the carrier, and to charge the beneficiary not more than the remaining 20 percent of the Medicare approved payment amount, plus any unmet deductible. If a supplier elects not to accept assignment, Medicare pays the beneficiary 80 percent of the Medicare allowed payment amount, after subtracting any unmet deductible, and there is no limit under Title XVIII of the Act on the amount the supplier can charge the beneficiary for rental of the DME item. The beneficiary, in these situations, is financially responsible for the difference between 80 percent of the Medicare allowed payment amount and the amount the supplier charges for the rental of the DME item.

Suppliers can also sign a participation agreement where they agree voluntarily, before a calendar year, to accept assignment for all Medicare items and services furnished to a beneficiary for the following calendar year. Current supplier participation agreements are renewable annually.

In the proposed rule, we did not propose to change the current voluntary

participation agreement. Nor did we propose to change acceptance of assignment on a claim-by-claim basis for suppliers who do not sign participation agreements. However, we did point out that the calendar year participation agreements do not coincide with a beneficiary's full period of medical need in cases where such need extends for more than a calendar year or where such a period overlaps calendar years. While a supplier may renew its participation agreement annually, a beneficiary would not know, before choosing a supplier, the intentions of the supplier regarding acceptance of assignment of all claims during the 13-month or 36-month rental period.

We proposed to require suppliers to give beneficiaries advance notice of the possible extent of their financial liability during the period of medical need in which monthly rental payments are made for the equipment so that they can use this information to make an informed choice of supplier. We proposed that before furnishing the oxygen equipment or a capped rental item, the supplier must disclose to the beneficiary its intentions regarding whether it will accept assignment of all monthly rental claims for the equipment during the period of medical need, up to and including the 36th month of continuous use for oxygen equipment or the 13th rental month of continuous use for capped rental DME in which rental payments could potentially be made. We indicated that we believe it is reasonable for the supplier to disclose to each beneficiary its intentions regarding acceptance of assignment as this decision has a direct financial effect on the beneficiary.

While we proposed to require an up-front declaration on assignment intentions, a supplier would not be bound by such declaration unless the supplier chooses to do so. For example, a supplier who routinely signs participation agreements and intends to accept assignment for all months during a beneficiary's period of medical need may choose to let such information be known to the beneficiary. Such supplier might want to use such information as a marketing advantage. A supplier's declaration could indicate that the supplier intends to accept assignment for a portion of the period of medical need. A beneficiary could use such information from such supplier and compare it with the declaration from another supplier who intends to accept assignment for the entire period of medical need and make a selection between such two suppliers.

While we proposed that a supplier's intentions could be expressed in the form of a written agreement between the supplier and a beneficiary, we did not propose to require a binding written agreement. A supplier could select the form of the declaration. If a supplier chose to offer a written agreement, the nature of such agreement would be between the supplier and the beneficiary. We believe that the required declaration is consistent with and complements the voluntary participation agreement because they represent different things; the former is a beneficiary-specific declaration of intentions applicable to the beneficiary's period of medical need but is not binding, while the latter is a voluntary agreement that applies to claims for all beneficiaries served for a calendar year and is binding.

Assignment applies with respect to covered-Medicare services. Thus, a supplier's declaration of assignment acceptance would only apply to covered-Medicare services.

In the proposed rule, we indicated that in order to promote informed beneficiary choices, we plan to post information on a CMS and/or CMS contractor Web site(s) indicating supplier specific information on oxygen equipment and capped rental items such as (1) the percentage of beneficiaries for whom each supplier accepted assignment during a prior period of time (for example, a quarter), and/or (2) the percentage of cases in which the supplier accepted assignment during the beneficiary's entire rental period. We do not agree with the commenters who asked that we not post information about assignment statistics for each supplier. We believe that such information is necessary to promote informed beneficiary choices of suppliers. It would not be possible to promote more informed beneficiary choices among suppliers if we did not publish such information. Publication of such information is consistent with the Agency's goal of promoting transparency. We expect that the supplier-specific assignment information that we post would be derived from Medicare paid claims data. We plan to give suppliers the opportunity to review information prior to posting the first time we post information. After a period of time, we believe that the assignment information for a supplier is likely to be relatively stable. Thus, rather than delaying the posting of information on an ongoing basis by providing an opportunity to review information prior to each posting, we would post the information and allow a supplier to contact us or the carrier if a supplier believes that erroneous information was posted. We have not decided how often we would post assignment statistics.

Comment: One commenter asked for clarification on whether or not in-home clinical assessments will be part of patient care after they have received home oxygen therapy for 36 months. The commenter strongly encouraged us to allow patients to continue to receive these assessments according to physician orders. The commenter noted that this activity is sustainable only if we establish a new code and an appropriate reimbursement rate.

Response: In-home clinical assessments are the responsibility of the physician, not the supplier and are therefore outside the scope of the DME benefit. It is the obligation of the physician to ensure that beneficiaries continue to be evaluated, as medically necessary.

IV. Provisions of the Final Regulations

In this final rule, we generally adopt the provisions of the August 3, 2006 proposed rule. We have, however, changed the methodology we will use to impute a wage index for rural areas. We will calculate a rural wage index by averaging the wage indexes from all CBSAs that we believe are contiguous to that rural area if that rural area lacks rural hospital wage data. In addition, we are revising the fixed-dollar loss ratio used in the calculation of the outlier payment to reflect the most recent available data.

We are finalizing a policy regarding change of equipment during a rental period to allow for changes under four general scenarios: (1) The supplier replaces an item with the same, or equivalent, make and model of equipment because the item initially furnished was lost, stolen, irreparably damaged, is being repaired, or no longer functions; (2) the physician orders different equipment for the beneficiary. If the need for different equipment is based on medical necessity, then the order must indicate why the equipment initially furnished is no longer medically necessary and the supplier must retain this order in the beneficiary medical record; (3) the beneficiary chooses to obtain a newer technology item or upgraded item and signs an advanced beneficiary notice (ABN); or (4) CMS or the carrier determines that a change in equipment is warranted. The Medicare contractor can also determine that a change in equipment is warranted for additional reasons.

We reincorporated a policy that we inadvertently deleted from section 414.229(g) of our current regulations in the proposed rule with regard to replacement of equipment to allow for

replacement of rented capped rental items in cases where the item is lost or irreparably damaged. We stated that we would be continuing that policy, applying it to all rented items, and also applying it to cases where an item has been stolen. We also stated that we would move that policy from § 414.229(g) to § 414.210(f) since it would now apply to all rented items.

We have revised the policy that requires suppliers to replace beneficiary-owned equipment that they furnished that fails to function for the full period established as the reasonable useful lifetime for the equipment. The need for the replacement of the equipment will not automatically be mandated merely because the repair costs are greater than 60 percent of the cost to replace the item. Rather, the determination regarding the need for replacement will be made by the Medicare contractor on an individual case-by-case basis.

We added a provision to require suppliers to provide information to beneficiaries at the time of title transfer for oxygen equipment on how to safely dispose of oxygen equipment that is no longer medically necessary and advise that beneficiaries must comply with all Federal, State, and local laws that apply to the disposal, transport, and resale of oxygen equipment.

We have revised the policy for maintenance and servicing of beneficiary-owned oxygen equipment so that beginning 6 months after title to oxygen equipment transfers to the beneficiary, the supplier may bill for general maintenance and servicing of beneficiary-owned oxygen equipment once every 6 months. Payment for each of these general maintenance calls would be limited to 30 minutes of labor, plus the reasonable cost for any replacement parts. Under this policy, suppliers could bill for general maintenance and servicing of all oxygen equipment except liquid or gaseous oxygen equipment (stationary and portable). We are also specifying that these general maintenance and servicing payments would not begin until at least 6 months after the date that title to the equipment transfers. Finally, we will make these payments for general maintenance and servicing in addition to payment for any non-routine repairs needed for beneficiary-owned oxygen equipment. Suppliers would be able to bill for such non-routine maintenance beginning immediately after the beneficiary assumes ownership of the equipment.

We have revised the provisions regarding transfer of title for oxygen tanks to clarify that, although Medicare payments for oxygen equipment are limited to 36 months and the statute requires transfer of ownership after 36 months, the arrangement between the supplier and beneficiary allows the supplier to replace the beneficiary-owned tanks with new or different tanks of equal or greater value when the supplier picks up empty tanks to be refilled with oxygen contents and delivers refilled tanks back to the beneficiary. We have also revised the provisions to allow for a servicing payment when suppliers pick up tanks that are no longer medically necessary. We have also made several clarifying changes to the regulation text.

We have also added a provision that would require a supplier to disclose at least 2 months before the date that the beneficiary will assume ownership of oxygen equipment or a capped rental item whether the supplier can maintain and service the item after the title transfers and, in the case of oxygen equipment, whether the supplier can deliver oxygen contents. We or our carriers would have discretion to make exceptions to this requirement on a case-by-case basis.

V. Collection of Information Requirements

Under the Paperwork Reduction Act of 1995, we are required to provide 30-day notice in the **Federal Register** and solicit public comment when a collection of information requirement is submitted to the Office of Management and Budget (OMB) for review and approval. In order to fairly evaluate whether an information collection should be approved by OMB, section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires that we solicit comment on the following issues:

- The need for the information collection and its usefulness in carrying out the proper functions of our agency.
- The accuracy of our estimate of the information collection burden.
- The quality, utility, and clarity of the information to be collected.
- Recommendations to minimize the information collection burden on the affected public, including automated collection techniques.

We are soliciting public comment on each of these issues for the following sections of this document that contain information collection requirements:

Section 414.2267 Oxygen and Oxygen Equipment

This section requires the supplier to disclose to the beneficiary, prior to the furnishing of oxygen equipment, whether or not it will accept assignment of all monthly rental claims for the duration of the rental period.

The burden associated with this requirement is the time and effort put forth by the supplier to educate the beneficiary and to disclose information regarding its intent to accept assignment. While this information collection is subject to the PRA, we believe this requirement meets the requirements of 5 CFR 1320.3(b)(2), and as such, the burden associated with this requirement is exempt from the PRA.

This section requires a supplier to retain the physician's order submitted for a different type of equipment in the patient's medical record and to disclose to the beneficiary its intentions regarding whether it will accept assignment of all monthly rental claims for the duration of the rental period.

The burden associated with this requirement is the time and effort put forth by the supplier to retain and disclose the required information. While this information collection is subject to the PRA, we believe this requirement meets the requirements of 5 CFR 1320.3(b)(2), and as such, the burden associated with this requirement is exempt from the PRA.

Section 414.229 Other Durable Medical Equipment—Capped Rental Items

This section requires a supplier to retain the physician's order submitted for a different type of equipment in the patient's medical record and to disclose to the beneficiary its intentions regarding whether it will accept assignment of all monthly rental claims for the duration of the rental period.

The burden associated with this requirement is the time and effort put forth by the supplier to retain and disclose the required information. While this information collection is subject to the PRA, we believe this requirement meets the requirements of 5 CFR 1320.3(b)(2), and as such, the burden associated with this requirement is exempt from the PRA.

If you comment on these information collection and recordkeeping requirements, please mail copies directly to the following:

Centers for Medicare & Medicaid Services, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development, Attn: Melissa Musotto, [CMS–1304–F], Room C4–26–05, 7500 Security Boulevard, Baltimore, MD 21244–1850; and

Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC

20503, Attn: Carolyn Lovett, CMS Desk Officer, CMS–1304–F, *carolyn_lovett@omb.eop.gov*. Fax (202) 395–6974.

VI. Regulatory Impact Analysis

A. Overall Impact

We have examined the impacts of this rule as required by Executive Order 12866 (September 1993, Regulatory Planning and Review), the Regulatory Flexibility Act (RFA) (September 19, 1980, Pub. L. 96–354), section 1102(b) of the Social Security Act, the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4), and Executive Order 13132.

Executive Order 12866 (as amended by Executive Order 13258, which merely reassigns responsibility of duties) directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for major rules with economically significant effects ($100 million or more in any 1 year). This final rule will be a major rule, as defined in Title 5, United States Code, section 804(2), because we estimate the impact to the Medicare program, and the annual effects to the overall economy, will be more than $100 million. The update set forth in this final rule will apply to Medicare payments under the HH PPS in CY 2007. Accordingly, the following analysis describes the impact in CY 2007 only. We estimate that there will be an additional $440 million in CY 2007 expenditures attributable to the CY 2007 estimated home health market basket update of 3.3 percent. We estimate that the effect of the wage index update will bring CY 2007 expenditures to $410 million.

The RFA requires agencies to analyze options for regulatory relief of small businesses. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and small government agencies. Most hospitals and most other providers and suppliers are small entities, either by nonprofit status or by having revenues of $6 million to $29 million in any 1 year. For purposes of the RFA, approximately 75 percent of HHAs are considered small businesses according to the Small Business Administration's size standards with total revenues of $11.5 million or less in any 1 year. Individuals and States are not included in the definition of a small entity. As stated above, this final rule will provide an update to all HHAs for CY 2007 as required by statute. This final rule will have a significant positive effect upon small entities that are HHAs.

Based on our analysis of 2003 claims data, we also estimate that approximately 90 percent of registered DME suppliers are considered small businesses according to the Small Business Administration's size standards. The size standard for NAICS code, 532291, Home Health Equipment Rental is $6 million. (*see http://www.sba.gov/size/sizetable2002.html,* read May 9, 2005.) This final rule will reduce payments for oxygen equipment and capped rental items and, therefore, will have a significant negative effect upon small entities that are DME suppliers overall. However, as explained in detail below, we believe that Medicare payments will still be adequate for the items affected by this rule and that suppliers whose primary line of business involves furnishing these items will remain profitable.

In addition, section 1102(b) of the Act requires us to prepare a regulatory impact analysis if a rule may have a significant impact on the operations of a substantial number of small rural hospitals. This 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 100 beds. We have determined that this final rule will not have a significant economic impact on the operations of a substantial number of small rural hospitals.

Section 202 of the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4) also requires that agencies assess anticipated costs and benefits before issuing any rule that may result in expenditures in any 1 year by State, local, or tribal governments, in the aggregate, or by the private sector, of $120 million. We believe this final rule will not mandate expenditures in that amount.

Executive Order 13132 establishes certain requirements that an agency must meet when it promulgates a proposed rule (and subsequent final rule) that imposes substantial direct requirement costs on State and local governments, preempts State law, or otherwise has Federalism implications. We have reviewed this rule under the threshold criteria of Executive Order 13132, Federalism. We have determined that this final rule will not have substantial direct effects on the rights, roles, and responsibilities of States.

B. Anticipated Effects

1. Home Health PPS

This final rule will update the HH PPS rates contained in Pub. 100–20, One Time Notification, Transmittal 211, published February 10, 2006. We updated the rates in the CY 2006 final rule (70 FR 68132, November 9, 2005) through Transmittal 211 to take account of the DRA changes, specifically the 0 percent update and the rural add-on. The impact analysis of this final rule presents the projected effects of the change from the CY 2006 transition wage index (50/50 blend of MSA-based and CBSA-based designations) to the CY 2007 CBSA-based designations in determining the wage index used to calculate the HH PPS rates for CY 2007. We estimate the effects by estimating payments while holding all other payment variables constant. We use the best data available, but we do not attempt to predict behavioral responses to these changes, and we do not make adjustments for future changes in such variables as days or case-mix.

This analysis incorporates the latest estimates of growth in service use and payments under the Medicare home health benefit, based on the latest available Medicare claims from 2004. We note that certain events may combine to limit the scope or accuracy of our impact analysis, because such an analysis is future-oriented and, thus, susceptible to forecasting errors due to other changes in the forecasted impact time period. Some examples of such possible events are newly-legislated general Medicare program funding changes made by the Congress, or changes specifically related to HHAs. In addition, changes to the Medicare program may continue to be made as a result of the BBA, the BBRA, the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, the MMA, the DRA, or new statutory provisions. Although these changes may not be specific to the HH PPS, the nature of the Medicare program is such that the changes may interact, and the complexity of the interaction of these changes could make it difficult to predict accurately the full scope of the impact upon HHAs.

Our discussion for this final rule will focus on the impact of changes in the wage index, most notably the adoption of the full CBSA designations. The impacts of the updated wage data are shown in Table 13 below. The breakdown of the various impacts displayed in the table follows.

The rows display the estimated effect of the changes on different categories. The first row of figures represents the

estimated effects on all facilities. The next 2 rows show the effect on urban and rural facilities. This is followed, in the next 4 rows, by impacts on urban and rural facilities based on whether they are a hospital-based or freestanding facility. The next 20 rows show the effect on urban and rural facilities based on the census region in which they are located.

The first column shows the breakdown of all HHAs by urban or rural status, hospital-based or freestanding status, and census division.

The second column in the table shows the number of facilities in the impact database. A facility is considered urban if it is located in a CBSA and, conversely, rural if it is not located in a CBSA.

The third column of the table shows the effect of the annual update to the wage index. This represents the effect of using the most recent wage data available to determine the estimated home health market basket update. The total impact of this change is −0.2 percent; however, there are distributional effects of the change.

The fourth column of the table shows the effect of all the changes on the CY 2007 payments. The estimated market basket update of 3.3 percentage points is constant for all providers and is included in this column. Although the market basket increase for CY 2007 is 3.3 percent, fluctuations in the wage index impact the projected payments as well. The total impact of the wage index update is −0.2 percent. Therefore, including effects of the wage index, we project that total aggregate payments will increase by 3.1 percent, assuming that facilities do not change their care delivery and billing practices in response.

As can be seen from this table, the combined effects of all of the changes, including the updated wage index and the market basket increase of 3.3 percent, will vary by specific types of providers and by location. For example, HHAs in the rural Pacific show the largest estimated increase in payment at 11.0 percent, while HHAs in the rural Mountain census division show the smallest increase in payments at 0.5 percent. Rural HHAs do somewhat better than urban HHAs, seeing an estimated increase in payments of 3.6 percent and 3.1 percent respectively. Amongst the different type of facility categories, freestanding rural HHAs do best, with an estimated increase in payments of 3.8 percent. Hospital-based urban HHAs are next with an estimated increase in payments of 3.4 percent, followed by hospital-based rural and freestanding urban HHAs following with estimated increases of 3.2 percent and 3.0 percent respectively.

TABLE 13.—PROJECTED IMPACT OF CY 2007 UPDATE TO THE HH PPS

	Number of facilities	Updated wage data (percent)	Total CY 2007 change (percent)
Total	7,370	−0.2	3.1
Urban	5,273	−0.2	3.1
Rural	2,097	0.3	3.6
Hospital based urban	1,988	0.1	3.4
Freestanding urban	3,285	−0.3	3.0
Hospital based rural	1,201	−0.1	3.2
Freestanding rural	896	0.5	3.8
Urban by Region			
New England	254	−1.2	2.1
Middle Atlantic	423	−0.2	3.1
South Atlantic	913	−0.4	2.8
East North Central	886	0.4	3.7
East South Central	222	−0.6	2.7
West North Central	304	0.1	3.4
West South Central	1,300	−0.8	2.5
Mountain	281	1.6	4.9
Pacific	649	0.4	3.7
Outlying	41	−4.2	1.0
Rural by Region			
New England	43	−1.1	2.2
Middle Atlantic	82	0.1	3.4
South Atlantic	239	−0.7	2.6
East North Central	284	1.6	5.0
East South Central	215	0.1	3.4
West North Central	488	0.2	3.5
West South Central	475	−0.4	2.8
Mountain	173	−2.7	0.5
Pacific	88	7.5	11.0
Outlying	10	8.9	12.5

The impact of the wage index for CY 2007 is shown in Addendum C to this document. Addendum C to this document shows a side-by-side comparison, by State and county code, of the CY 2006 transition wage index, which was a 50/50 blend of MSA-based and CBSA-based pre-floor, pre-reclassified hospital wage indexes, and pre-floor, pre-reclassified hospital wage index for the CY 2007 HH PPS update. In the last column of Addendum C to this document, we show the percentage change in the wage index from CY 2006 to the wage index for CY 2007. We estimate that there will be an additional $410 million in CY 2007 expenditures attributable to the CY 2007 estimated

market basket increase of 3.3 percent and the wage index update of −0.2 percent. Thus, the anticipated expenditures outlined in this final rule will exceed the $100 million annual threshold for a major rule as defined in 5 U.S.C. section 804(2).

This final rule will have a positive effect on providers of Medicare home health services by increasing their Medicare payment rates. We anticipate that very few HHAs will not submit the quality data required by section 1895(b)(3)(B)(v)(II) of the Act necessary to receive the full market basket percentage increase. Submission of OASIS data is a Medicare condition of participation for HHAs. Therefore, we expect that very few HHAs would be subject to the 2 percent reduction in payments in CY 2007. As indicated in the rule, most HHAs that do not report OASIS provide pediatric, non-Medicare, or personal care only. However, CMS is aware of instances of non-compliance among a very small portion of HHAs with regard to OASIS submission.

For the purposes of the CY 2007 impact analysis, we anticipate that less than 1 percent of HHAs, involving less than 1 percent of total Medicare HH payments, would fail to submit quality data and hence will be subject to the 2 percent reduction. This is not enough to impact the estimated $410 million in additional expenditures. Finally, we do not believe there is a differential impact due to the aggregate nature of the update. We do not anticipate specific effects on other providers.

2. Oxygen and Oxygen Equipment Provisions

As mandated by the DRA of 2005, this final rule limits to 36 months the total number of continuous months for which Medicare will pay for oxygen equipment, after which the title to the oxygen equipment will be transferred from the supplier to the beneficiary. Since Medicare currently pays for oxygen equipment on a monthly basis for as long as it is medically necessary, this change will result in savings to Medicare. In addition, the DRA mandates that Medicare continue to make monthly payments for furnishing contents for beneficiary-owned oxygen equipment, as well as payments for reasonable and necessary maintenance and servicing of beneficiary-owned oxygen equipment.

Approximately one million beneficiaries now receive oxygen therapy. Although monthly rental payments already have been reduced by 30 percent by section 4552 of the Balanced Budget Act of 1997 and approximately 10 percent by section 302(c)(2) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Medicare allowed charges rose to $2.72 billion by 2005, a 68 percent increase since 1998 that reflects the growing use. Before the amendments to section 1834(a)(5) of the Act made by the DRA, Medicare continued to make rental payments for as long as medical necessity continued, even when the total payments greatly exceeded the cost of purchasing the equipment and the supplier retained title to the equipment. We believe the DRA amendments to the Act will result in a loss of revenue to suppliers that will no longer receive payments for oxygen equipment after the 36th month of continuous use.

Based on data for items furnished in calendar year 2005, oxygen concentrators accounted for approximately 94 percent of Medicare utilization for stationary oxygen systems, in terms of both allowed charges and allowed services. Since oxygen concentrators can typically be purchased for $1,000 or less, we believe that 36 months of payment at approximately $200 per month will ensure the supplier is reimbursed for its cost for furnishing the equipment. The $200 allowed payment amount may be re-adjusted in the future to assure that payments are adequate, but not excessive. This could be accomplished though the competitive acquisition programs mandated by section 1847 of the Act or in accordance with our authority for adjusting fee schedule amounts at section 1842(b)(8) and (9) of the Act. Based on data gathered by the OIG in the course of developing their September 2006 report (OEI–09–04–00420), approximately 22 percent of Medicare beneficiaries rented oxygen equipment for 36 months or longer and approximately 16 percent of Medicare beneficiaries rented oxygen equipment for 48 months or longer. In section IV, ''Provisions of the Final Regulation'' section of this preamble, we are allowing beneficiaries to obtain replacement oxygen equipment in cases where their equipment has been in continuous use for the reasonable useful lifetime of the equipment. Unless CMS or its carriers establish a specific reasonable useful lifetime for oxygen equipment, the default lifetime for DME of 5 years will apply. The main effect of this rule on suppliers is that they will not be able to receive payment for the equipment beyond 36 months for approximately 22 percent of Medicare patients. They will also not be able to receive payment for furnishing the same item to subsequent patients in these cases since they lose title to the equipment. In the case of oxygen concentrator systems and portable oxygen transfilling systems, delivery of oxygen contents is not necessary, and therefore, payment will not be made for the furnishing of contents for these types of beneficiary owned equipment. Under the old payment rules, payment for oxygen concentrators used for stationary equipment purposes would have continued at approximately $200 per month for the entire period of medical need. Section 5101(b) of the DRA mandates that payment for oxygen equipment end and that title to the equipment transfer after 36 months of continuous use.

In the case of liquid and gaseous oxygen systems, suppliers will continue to be paid for furnishing oxygen contents for beneficiary-owned systems. The current statewide monthly payment amounts for oxygen and oxygen equipment that would be paid during the 36-month period of continuous use for beneficiaries who only use stationary equipment range from $194.48 to $200.41, with the weighted average statewide fee being $199.84. The current statewide monthly payment amount for furnishing oxygen contents for beneficiary owned equipment range from $137.54 to $198.12, with the weighted average statewide fee being $154.90. The average decrease in Medicare fee schedule amounts that may result from the DRA changes for liquid and gaseous systems after the 36-month period (that is, shift from monthly payments for equipment and contents to monthly payments for contents only), is expected to be $44.94 ($199.84–$154.90). Therefore, this is the level of monthly reimbursement that would be lost after the 36-month period for suppliers that furnish oxygen and oxygen equipment to beneficiaries in these situations and who continue to furnish contents to these beneficiaries. Based on current fee schedule amounts for all oxygen and oxygen equipment, this equates to an average reduction in payment (from $199.84 to $154.90) of approximately 22 percent.

At the current monthly statewide fee schedule rates, which range from $194.48 to $200.41, suppliers of oxygen equipment are expected to be paid from $7,001.28 to $7,214.76 over 36 months. By comparison, a medical center operated by the Department of Veterans Affairs (VA) in Tampa, Florida, is the largest VA center in terms of number of veterans on oxygen therapy and services approximately 1,000 patients on oxygen by contracting with a locally based manufacturer to purchase the oxygen concentrators for $895 each. The medical center contracts with a local

supplier for $90 to deliver and set up the concentrator to the patient's home. This local supplier also provides service and maintenance of the equipment at any time throughout the year for $48 per service episode. If the equipment needs to be replaced, the local supplier will furnish another concentrator for a $90 fee. The VA total payments over 5 years for an oxygen concentrator used by a veteran in this center plus payment for 10 episodes of maintenance and servicing, assuming servicing every 6 months, will be $1,435, compared to total Medicare allowed charges of $7,164, on average, for a Medicare beneficiary. Based on this comparison, the Medicare payment amounts and methodology appear to be more than adequate.

We do not anticipate that transfer of ownership for oxygen equipment to the beneficiary after 36 months of continuous use will be a significant financial burden to suppliers because the effect is limited to a maximum of 36 percent of a supplier's Medicare business and because suppliers of oxygen equipment primarily furnish lower cost oxygen concentrators. We also do not anticipate a significant change in the rate of assignment of claims for oxygen equipment based on our belief that suppliers will be adequately reimbursed for furnishing the oxygen equipment.

In accordance with the statute and this final rule, suppliers will also receive payments for reasonable and necessary maintenance and servicing of beneficiary-owned oxygen equipment, including a general maintenance and servicing payment for certain oxygen equipment every 6 months, beginning 6 months after the date that the beneficiary assumes ownership of the equipment.

Finally, the new oxygen and oxygen equipment classes and national payment amounts that are established as part of this final rule, will likely result in a shift in utilization between the various oxygen equipment modalities, which could impact supplier revenues and sales volume for certain oxygen equipment manufacturers. However, since the payment amounts will be budget-neutral in accordance with section 1834(a)(9)(D)(ii) of the Act, there will not be a significant impact on overall Medicare payments to suppliers.

3. Capped Rental DME

This final rule, which limits to 13 months the total number of continuous months for which Medicare would pay for capped rental DME, after which the ownership of the capped rental item would be transferred from the supplier to the beneficiary, will result in significant savings for the Medicare program. Savings will be realized through: (1) The gradual elimination of rental payments for the 14th and 15th months of continuous use; and (2) changing the semi-annual payment for maintenance and servicing to payment only when reasonable and necessary maintenance and servicing is needed. We anticipate that suppliers may lose money due to the loss of 1 to 2 months rental in cases where beneficiaries need the item for more than 13 months and would not have otherwise selected the purchase option currently described in § 414.229(d). The average of the 2006 fee schedule amounts for all capped rental items for months 14 and 15 is approximately $152. We do not believe suppliers will suffer financially as a result of this provision based on data which show that in 2004, 97 percent of suppliers accepted assignment for beneficiaries who chose the purchase option (§ 414.229(d)) in the 10th month of a capped rental period. This is an indication that suppliers were willing to accept the Medicare payment as payment in full for the capped rental item, even though they had been informed that the beneficiary will take over ownership of the item after the 13th month of continuous use. Therefore, we do not anticipate that transfer of ownership for capped rental equipment to the beneficiary after 13 months of continuous use will be a significant financial burden to suppliers.

For items for which the first rental payment falls on or after January 1, 2006, Medicare will only pay for maintenance and servicing as necessary. In a June 2002 report (OEI–03–00–00410), the Office of Inspector General (OIG) indicated that only 9 percent of the capped rental equipment with a June 2000 service date actually received any servicing between June and December 2000. Out of the $7.3 million Medicare paid for maintenance services from June 2000, OIG estimated that $6.5 million was paid for equipment that received no actual servicing. The OIG recommended to CMS in 2002 that we eliminate the semi-annual maintenance payment currently allowed for capped rental equipment and pay only for repairs when needed.

The combination of these two factors provides strong evidence that the Medicare rules for paying for maintenance and servicing of capped rental equipment furnished before January 1, 2006, were not cost-effective.

Impact on Beneficiaries

The DRA provisions and this final rule will result in savings for Medicare beneficiaries using oxygen equipment and capped rental items. For capped rental items, Medicare payments will be made for 13 continuous months and for oxygen equipment, payments will be made for 36 continuous months. After the rental period for each category of equipment expires, ownership of the equipment will transfer from the suppliers to the beneficiaries. Beneficiaries will continue to be financially responsible for a 20 percent coinsurance payment during the 13- or 36-month rental periods for capped rental items and oxygen equipment, respectively. However, even though beneficiaries will still be required to make a 20 percent coinsurance payment in connection with each maintenance and servicing call, beneficiaries will no longer have to make a monthly 20 percent coinsurance payment for oxygen equipment after they own it, or a 20 percent coinsurance payment every 6 months for maintenance and servicing of beneficiary-owned capped rental items, even if maintenance and servicing is not needed. This will result in significant savings to beneficiaries.

For example, before the DRA, Medicare and the beneficiary made continuous payments for the rental of oxygen equipment that totaled about $200 per month. Of this amount, the beneficiary paid coinsurance of $40 which will equal $480 for a single year's rental, $1,440 over 36 months, and $2,400 over 5 years. After the DRA, beneficiaries will only pay a coinsurance amount for up to 36 months for the rental of oxygen equipment, after which time they will own the equipment. Thus, the DRA oxygen provisions result in savings of approximately $480 if beneficiaries use the equipment for 4 years, and $960 if they use the equipment for 5 years. As a result of the provision of this final rule that allows for a general maintenance and servicing call every 6 months, beneficiaries could pay approximately $6 in coinsurance payments for assigned claims, and more for unassigned claims for supplier labor associated with these services. However, the beneficiary can elect not to have these services performed if they feel that their equipment is not in need of servicing.

For capped rental items, beneficiaries will save coinsurance by not being responsible for any equipment payment after the 13th rental month or the automatic semi-annual maintenance and servicing payment that was approximately equal to 10 percent of the

purchase price for the equipment. Before the DRA, Medicare and the beneficiary would pay up to 15 months for capped rental items, and Medicare and the beneficiary would also pay for maintenance and servicing every 6 months. Thus, beneficiaries will save coinsurance payments related to both the equipment itself and the maintenance and servicing of that equipment.

This final rule will assure beneficiaries that unless certain prescribed exceptions apply, suppliers that furnish the equipment for the first month will continue to furnish the equipment for the entire 36-month period of continuous use for oxygen equipment or the 13-month period of continuous use for capped rental.

Beneficiaries will also be assured that their oxygen and capped rental equipment would not be impermissibly swapped by the supplier at any time during the rental period. Under the final rule, we require that a supplier may not provide different rented equipment to the beneficiary at any time during the 36 rental months for oxygen equipment or the 13 rental months for capped rental DME unless one of the following three exceptions apply: (1) The supplier replaces an item with the same, or equivalent, make and model of equipment because the item initially furnished was lost, stolen, irreparably damaged, is being repaired, or no longer functions; (2) The physician orders a different equipment for the beneficiary. If the need for different equipment is based on medical necessity, the order must indicate why the equipment initially furnished is no longer appropriate or medically necessary, and the supplier must retain this order in the beneficiary's medical record; (3) The beneficiary chooses to obtain a newer technology item or upgraded item and signs an ABN; or (4) CMS or the carrier determines that a change in equipment is warranted.

We are requiring that suppliers inform beneficiaries whether they intend to accept or not accept assignment on all monthly rental claims during the 13-month rental period for capped rental items or the 36-month rental period for oxygen equipment in an upfront manner.

This final rule will also assure beneficiaries that following the transfer of title, the supplier must replace an item at no cost to the beneficiary in cases where the carrier determines that the item furnished by the supplier will not last for the entire reasonable useful lifetime established for the equipment. In making this determination, the carrier may consider whether the accumulated costs of repair exceed 60 percent of the cost to replace the item.

C. Accounting Statement

As required by OMB Circular A–4 (available at *http://www.whitehouse.gov/omb/circulars/a004/a-4.pdf*), in Table 14 below, we have prepared an accounting statement showing the classification of the expenditures associated with the provisions of this final rule. This table provides our best estimate of the increase in Medicare payments under the HH PPS as a result of the changes presented in this final rule based on the data for 7,370 HHAs in our database. All expenditures are classified as transfers to Medicare providers (that is, HHAs).

TABLE 14.—ACCOUNTING STATEMENT: CLASSIFICATION OF ESTIMATED EXPENDITURES, FROM CY 2006 TO CY 2007

[In millions]

Category	Transfers
Annualized Monetized Transfers.	$410
From Whom to Whom?.	Federal Government to HHAs.

In Table 15 below, we have prepared an accounting statement showing the classification of the expenditures associated with the DME provisions of this final rule. This table provides our best estimate of the decrease in Medicare payments under the DME benefit as a result of the changes presented in this final rule based on the 2004 allowed charge data for oxygen and capped rental DME in our database. All expenditures are classified as transfers to the Medicare program and its beneficiaries.

TABLE 15.—ACCOUNTING STATEMENT: CLASSIFICATION OF ESTIMATED EXPENDITURES

[In millions]

Category	Transfers
Monetized Transfers in FY 2007.	$80
Monetized Transfers in FY 2008.	$130
Monetized Transfers in FY 2009.	$170
Monetized Transfers in FY 2010.	$220
Monetized Transfers in FY 2011.	$280
From Whom to Whom?.	Suppliers to Federal Government and beneficiaries.

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

List of Subjects

42 CFR Part 414

Administrative practice and procedure, Health facilities, Health professions, Kidney diseases, Medicare, Reporting and recordkeeping requirements.

42 CFR Part 484

Health facilities, Health professions, Medicare, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, the Centers for Medicare & Medicaid Services amends 42 CFR chapter IV as set forth below:

PART 414—PAYMENT FOR PART B MEDICAL AND OTHER HEALTH SERVICES

Subpart D—Payment for Durable Medical Equipment and Prosthetic and Orthotic Devices

■ 1. The authority citation for part 414 continues to read as follows:

Authority: Secs. 1102, 1871, and 1881(b)(1) of the Social Security Act (42 U.S.C. 1302, 1395(hh), and 1395rr(b)(1)).

■ 2. Amend § 414.210 as follows:
■ A. Revise paragraph (e).
■ B. Revise the introductory text to paragraph (f).
■ C. Revise paragraph (f)(2).
■ D. Add new paragraphs (f)(3) and (f)(4).

The revisions read as follows:

§ 414.210 General payment rules.

* * * * *

(e) *Maintenance and servicing*—(1) *General rule.* Except as provided in paragraph (e)(2) of this section, the carrier pays the reasonable and necessary charges for maintenance and servicing of beneficiary-owned equipment. Reasonable and necessary charges are those made for parts and labor not otherwise covered under a manufacturer's or supplier's warranty. Payment is made for replacement parts in a lump sum based on the carrier's consideration of the item. The carrier establishes a reasonable fee for labor associated with repairing, maintaining, and servicing the item. Payment is not made for maintenance and servicing of a rented item other than the maintenance and servicing fee for other durable medical equipment as described in § 414.229(e).

(2) *Additional maintenance and servicing payment for certain*

beneficiary-owned oxygen equipment. In addition to the maintenance and servicing payments described in paragraph (e)(1) of this section, the carrier makes a maintenance and servicing payment for oxygen equipment other than liquid and gaseous equipment (stationary and portable) as follows:

(i) For the first 6-month period following the date on which title to the equipment transfers to the beneficiary in accordance with § 414.226(f), no payments are to be made.

(ii) During each succeeding 6-month period, payment may be made for 30 minutes of labor for general maintenance and servicing of the equipment.

(3) *Additional payment for picking up oxygen tanks and cylinders.* The carrier pays the reasonable and necessary charges for a supplier to pick up and store or dispose of beneficiary-owned oxygen tanks and cylinders that are no longer medically necessary.

(4) *Exception to Maintenance and Servicing Payments.* For items purchased on or after June 1, 1989, no payment is made under the provisions of paragraph (e)(1) of this section for the maintenance and servicing of:

(i) Items requiring frequent and substantial servicing, as defined in § 414.222(a);

(ii) Capped rental items, as defined in § 414.229(a), that are not beneficiary-owned in accordance with § 414.229(d), § 414.229(f)(2), or § 414.229(h); and

(iii) Oxygen equipment, as described in § 414.226, that is not beneficiary-owned in accordance with § 414.226(f).

(5) *Supplier replacement of beneficiary-owned equipment based on accumulated repair costs.* A supplier that transfers title to oxygen equipment or a capped rental item to a beneficiary in accordance with § 414.226(f) or § 414.229(f)(2) is responsible for furnishing replacement equipment at no cost to the beneficiary or to the Medicare program if the carrier determines that the item furnished by the supplier will not last for the entire reasonable useful lifetime established for the equipment in accordance with § 414.210(f)(1). In making this determination, the carrier may consider whether the accumulated costs of repair exceed 60 percent of the cost to replace the item.

(f) *Payment for replacement of equipment.* If an item of DME or a prosthetic or orthotic device paid for under this subpart has been in continuous use by the patient for the equipment's reasonable useful lifetime or if the carrier determines that the item is lost, stolen, or irreparably damaged, the patient may elect to obtain a new piece of equipment.

* * * * *

(2) If the beneficiary elects to obtain replacement oxygen equipment, payment is made in accordance with § 414.226(a).

(3) If the beneficiary elects to obtain a replacement capped rental item, payment is made in accordance with § 414.229(a)(2) or (a)(3).

(4) For all other beneficiary-owned items, if the beneficiary elects to obtain replacement equipment, payment is made on a purchase basis.

■ 3. Amend § 414.226 by—

■ A. Revising paragraph (a) and the heading of paragraph (b).

■ B. Revising paragraph (b)(3).

■ C. Adding paragraphs (b)(4) and (b)(5).

■ D. Redesignating paragraph (d) as paragraph (e).

■ E. Redesignating paragraph (c) as paragraph (d).

■ F. Revising newly redesignated paragraph (d).

■ G. Adding a new paragraph (c).

■ H. Revising newly redesignated paragraph (e)(1) introductory text.

■ I. Revising newly redesignated paragraph (e)(1)(i).

■ J. Revising newly redesignated paragraph (e)(2)(i).

■ K. Revising newly redesignated paragraph (e)(2)(ii).

■ L. Adding new paragraphs (f) and (g).

The revisions and additions read as follows:

§ 414.226 Oxygen and oxygen equipment.

(a) *Payment rules*—(1) *Oxygen equipment.* Payment for rental of oxygen equipment is made based on a monthly fee schedule amount during the period of medical need, but for no longer than a period of continuous use of 36 months. A period of continuous use is determined under the provisions in § 414.230.

(2) *Oxygen contents.* Payment for purchase of oxygen contents is made based on a monthly fee schedule amount until medical necessity ends.

(b) *Monthly fee schedule amount for items furnished prior to 2007.*

* * * * *

(3) For 1991 through 2006, the fee schedule amounts for items described in paragraphs (b)(1)(iii) and (iv) of this section are determined using the methodology contained in § 414.220(d), (e), and (f).

(4) For 1991 through 2006, the fee schedule amounts for items described in paragraphs (b)(1)(i) and (ii) of this section are determined using the methodology contained in § 414.220(d), (e), and (f).

(5) For 2005 and 2006, the fee schedule amounts determined under paragraph (b)(4) of this section are reduced using the methodology described in section 1834(a)(21)(A) of the Act.

(c) *Monthly fee schedule amount for items furnished for years after 2006.* (1) For 2007, national limited monthly payment rates are calculated and paid as the monthly fee schedule amounts for the following classes of items:

(i) Stationary oxygen equipment (including stationary concentrators) and oxygen contents (stationary and portable).

(ii) Portable equipment only (gaseous or liquid tanks).

(iii) Oxygen generating portable equipment only.

(iv) Stationary oxygen contents only.

(v) Portable oxygen contents only.

(2) The national limited monthly payment rate for items described in paragraph (c)(1)(i) of this section is equal to the weighted average fee schedule amount established under paragraph (b)(5) of this section reduced by $1.44.

(3) The national limited monthly payment rate for items described in paragraph (c)(1)(ii) of this section is equal to the weighted average of the fee schedule amounts established under paragraph (b)(5) of this section.

(4) The national limited monthly payment rate for items described in paragraph (c)(1)(iii) of this section is equal to the national limited monthly payment rate established under paragraph (c)(5) of this section, multiplied by 24, and divided by 36.

(5) The national limited monthly payment rate for items described in paragraphs (c)(1)(iv) and (c)(1)(v) of this section is equal to 50 percent of the weighted average fee schedule amounts established under paragraph (b)(3) of this section for items described in paragraph (b)(1)(iii) of this section.

(6) Beginning in 2008, CMS makes an annual adjustment to the national limited monthly payment rates for each class of items described in paragraph (c)(1) of this section to ensure that such payment rates do not result in expenditures for any year that are more or less than the expenditures that would have been made if such classes had not been established.

(d) *Application of monthly fee schedule amounts.* (1) The fee schedule amount for items described in paragraph (c)(1)(i) of this section is paid when the beneficiary rents stationary oxygen equipment.

(2) Subject to the limitation set forth in paragraph (e)(2) of this section, the fee schedule amount for items described

in paragraphs (c)(1)(ii) and (c)(1)(iii) of this section is paid when the beneficiary rents portable oxygen equipment.

(3) The fee schedule amount for items described in paragraph (c)(1)(iv) of this section is paid when the beneficiary owns stationary oxygen equipment that requires delivery of gaseous or liquid oxygen contents.

(4) The fee schedule amount for items described in paragraph (c)(1)(v) of this section is paid when the beneficiary owns portable oxygen equipment described in paragraph (c)(1)(ii) of this section, or rents portable oxygen equipment described in paragraph (c)(1)(ii) of this section and does not rent stationary oxygen equipment.

(e) *Volume adjustments.* (1) The fee schedule amount for an item described in paragraph (c)(1)(i) of this section is adjusted as follows:

(i) If the attending physician prescribes an oxygen flow rate exceeding four liters per minute, the fee schedule amount is increased by 50 percent, subject to the limit in paragraph (e)(2) of this section.

* * * * *

(2) * * *

(i) The sum of the monthly fee schedule amount for the items described in paragraphs (c)(1)(i) and (c)(1)(ii) or (c)(1)(iii) of this section; or

(ii) The adjusted fee schedule amount described in paragraph (e)(1)(i) of this section.

* * * * *

(f) *Ownership of equipment.* On the first day that begins after the 36th continuous month in which payment is made for oxygen equipment under paragraph (a)(1) of this section, the supplier must transfer title to the oxygen equipment to the beneficiary. At the time of title transfer, the supplier must provide information to the beneficiary on how to safely dispose of oxygen equipment that is no longer medically necessary and advise that the beneficiary must comply with all Federal, State, and local laws that apply to the disposal, transport, and resale of oxygen equipment.

(g) *Additional supplier requirements for rentals that begin on or after January 1, 2007.* (1) The supplier that furnishes oxygen equipment for the first month during which payment is made under this section must continue to furnish the equipment until medical necessity ends, or the 36-month period of continuous use ends, whichever is earlier, unless—

(i) The item becomes subject to a competitive acquisition program implemented in accordance with section 1847(a) of the Act;

(ii) The beneficiary relocates to an area that is outside the normal service area of the supplier that initially furnished the equipment;

(iii) The beneficiary elects to obtain oxygen equipment from a different supplier prior to the expiration of the 36-month rental period; or

(iv) CMS or the carrier determines that an exception should apply in an individual case based on the circumstances.

(2) Oxygen equipment furnished under this section may not be replaced by the supplier prior to the expiration of the 36-month rental period unless:

(i) The supplier replaces an item with the same, or equivalent, make and model of equipment because the item initially furnished was lost, stolen, irreparably damaged, is being repaired, or no longer functions;

(ii) A physician orders different equipment for the beneficiary. If the order is based on medical necessity, then the order must indicate why the equipment initially furnished is no longer medically necessary and the supplier must retain this order in the beneficiary's medical record;

(iii) The beneficiary chooses to obtain a newer technology item or upgraded item and signs an advanced beneficiary notice (ABN); or

(iv) CMS or the carrier determines that a change in equipment is warranted.

(3) Before furnishing oxygen equipment, the supplier must disclose to the beneficiary its intentions regarding whether it will accept assignment of all monthly rental claims for the duration of the rental period. A supplier's intentions could be expressed in the form of a written agreement between the supplier and the beneficiary.

(4) No later than two months before the date on which the supplier must transfer title to oxygen equipment to the beneficiary, the supplier must disclose to the beneficiary—

(i) Whether it can maintain and service the equipment after the beneficiary acquires title to it; and

(ii) Whether it can continue to deliver oxygen contents to the beneficiary after the beneficiary acquires title to the equipment.

■ 4. Amend § 414.229 by—

■ A. Revising paragraphs (a), (f) and (g).

■ B. Adding paragraph (h).

The revisions and additions read as follows:

§ 414.229 Other durable medical equipment-capped rental items.

(a) *General payment rule.* Payment is made for other durable medical equipment that is not subject to the payment provisions set forth in § 414.220 through § 414.228 as follows:

(1) For items furnished prior to January 1, 2006, payment is made on a rental or purchase option basis in accordance with the rules set forth in paragraphs (b) through (e) of this section.

(2) For items other than power-driven wheelchairs furnished on or after January 1, 2006, payment is made in accordance with the rules set forth in paragraph (f) of this section.

(3) For power-driven wheelchairs furnished on or after January 1, 2006, payment is made in accordance with the rules set forth in paragraphs (f) or (h) of this section.

* * * * *

(f) *Rules for capped rental items furnished beginning on or after January 1, 2006.* (1) For items furnished on or after January 1, 2006, payment is made based on a monthly rental fee schedule amount during the period of medical need, but for no longer than a period of continuous use of 13 months. A period of continuous use is determined under the provisions in § 414.230.

(2) The supplier must transfer title to the item to the beneficiary on the first day that begins after the 13th continuous month in which payments are made under paragraph (f)(1) of this section.

(3) Payment for maintenance and servicing of beneficiary-owned equipment is made in accordance with § 414.210(e).

(g) *Additional supplier requirements for capped rental items that are furnished beginning on or after January 1, 2007.* (1) The supplier that furnishes an item for the first month during which payment is made using the methodology described in paragraph (f)(1) of this section must continue to furnish the equipment until medical necessity ends, or the 13-month period of continuous use ends, whichever is earlier, unless—

(i) The item becomes subject to a competitive acquisition program implemented in accordance with section 1847(a) of the Act;

(ii) The beneficiary relocates to an area that is outside the normal service area of the supplier that initially furnished the equipment;

(iii) The beneficiary elects to obtain the equipment from a different supplier prior to the expiration of the 13-month rental period; or

(iv) CMS or the carrier determines that an exception should apply in an individual case based on the circumstances.

(2) A capped rental item furnished under this section may not be replaced by the supplier prior to the expiration of the 13-month rental period unless:

(i) The supplier replaces an item with the same, or equivalent, make and model of equipment because the item initially furnished was lost, stolen, irreparably damaged, is being repaired, or no longer functions;

(ii) A physician orders different equipment for the beneficiary. If the need for different equipment is based on medical necessity, then the order must indicate why the equipment initially furnished is no longer medically necessary and the supplier must retain this order in the beneficiary's medical record;

(iii) The beneficiary chooses to obtain a newer technology item or upgraded item and signs an advanced beneficiary notice (ABN); or

(iv) CMS or the carrier determines that a change in equipment is warranted.

(3) Before furnishing a capped rental item, the supplier must disclose to the beneficiary its intentions regarding whether it will accept assignment of all monthly rental claims for the duration of the rental period. A supplier's intentions could be expressed in the form of a written agreement between the supplier and the beneficiary.

(4) No later than two months before the date on which the supplier must transfer title to a capped rental item to the beneficiary, the supplier must disclose to the beneficiary whether it can maintain and service the item after the beneficiary acquires title to it. CMS or its carriers may make exceptions to this requirement on a case-by-case basis.

(h) *Purchase of power-driven wheelchairs furnished on or after January 1, 2006.* Suppliers must offer beneficiaries the option to purchase power-driven wheelchairs at the time the equipment is initially furnished. Payment is made on a lump-sum purchase basis if the beneficiary chooses this option.

■ 5. Amend § 414.230 by—

■ A. Revising paragraph (b).

■ B. Revising paragraph (f).

The revisions read as follows:

§ 414.230 Determining a period of continuous use.

* * * * *

(b) *Continuous use.* (1) A period of continuous use begins with the first month of medical need and lasts until a beneficiary's medical need for a particular item of durable medical equipment ends.

(2) In the case of a beneficiary receiving oxygen equipment on December 31, 2005, the period of continuous use for the equipment begins on January 1, 2006.

* * * * *

(f) *New equipment.* (1) If a beneficiary changes equipment or requires additional equipment based on a physician's prescription, and the new or additional equipment is found to be necessary, a new period of continuous use begins for the new or additional equipment. A new period of continuous use does not begin for base equipment that is modified by an addition.

(2) A new period of continuous use does not begin when a beneficiary changes from one stationary oxygen equipment modality to another or from one portable oxygen equipment modality to another.

* * * * *

PART 484—HOME HEALTH SERVICES

■ 6. The authority citation for part 484 continues to read as follows:

Authority: Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395(hh)) unless otherwise indicated.

■ 7. Amend § 484.225 as follows:

■ A. Revise paragraph (f).

■ B. Redesignate paragraph (g) as paragraph (h).

■ C. Add new paragraph (g).

■ D. Revise newly redesignated paragraph (h).

■ E. Add new paragraph (i).

The revisions and additions read as follows:

§ 484.225 Annual update of the unadjusted national prospective 60-day episode payment rate.

* * * * *

(f) For calendar year 2005, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous calendar year, increased by the applicable home health market basket minus 0.8 percentage points.

(g) For calendar year 2006, the unadjusted national prospective 60-day episode payment rate is equal to the rate from calendar year 2005.

(h) For 2007 and subsequent calendar years, in the case of a home health agency that submits home health quality data, as specified by the Secretary, the unadjusted national prospective 60-day episode rate is equal to the rate for the previous calendar year increased by the applicable home health market basket index amount.

(i) For 2007 and subsequent calendar years, in the case of a home health agency that does not submit home health quality data, as specified by the Secretary, the unadjusted national prospective 60-day episode rate is equal to the rate for the previous calendar year increased by the applicable home health market basket index amount minus 2 percentage points. Any reduction of the percentage change will apply only to the calendar year involved and will not be taken into account in computing the prospective payment amount for a subsequent calendar year.

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

Dated: October 20, 2006.

Leslie V. Norwalk,

Acting Administrator, Centers for Medicare & Medicaid Services.

Approved: October 31, 2006.

Michael O. Leavitt,

Secretary.

Note: The following addenda will not be published in the Code of Federal Regulations.

ADDENDUM A.—CY 2007 WAGE INDEX FOR RURAL AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX

CBSA code	Nonurban area	Wage index
01	Alabama	0.7591
02	Alaska	1.0661
03	Arizona	0.8908
04	Arkansas	0.7307
05	California	1.1454
06	Colorado	0.9325
07	Connecticut	1.1709
08	Delaware	0.9705
10	Florida	0.8594
11	Georgia	0.7593
12	Hawaii	1.0448
13	Idaho	0.8120
14	Illinois	0.8320
15	Indiana	0.8538
16	Iowa	0.8681
17	Kansas	0.7998
18	Kentucky	0.7768
19	Louisiana	0.7438
20	Maine	0.8443
21	Maryland	0.8926
22	Massachusetts [1]	1.1661
23	Michigan	0.9062
24	Minnesota	0.9153
25	Mississippi	0.7738
26	Missouri	0.7927
27	Montana	0.8590
28	Nebraska	0.8677
29	Nevada	0.8944
30	New Hampshire	1.0853
31	New Jersey [2]	.....
32	New Mexico	0.8332
33	New York	0.8232
34	North Carolina	0.8588
35	North Dakota	0.7215
36	Ohio	0.8658
37	Oklahoma	0.7629
38	Oregon	0.9753
39	Pennsylvania	0.8320
40	Puerto Rico [3]	0.4047
41	Rhode Island [2]	.....
42	South Carolina	0.8566
43	South Dakota	0.8480
44	Tennessee	0.7827
45	Texas	0.7965
46	Utah	0.8140
47	Vermont	0.9744
48	Virgin Islands	0.8467
49	Virginia	0.7940
50	Washington	1.0263
51	West Virginia	0.7607
52	Wisconsin	0.9553
53	Wyoming	0.9295
65	Guam	0.9611

[1] There are no short-term, acute care hospitals located in rural areas in Massachusetts from which to calculate a wage index for CY07. Therefore, the rural wage index for Massachusetts will be imputed using the methodology discussed in Section III of this rule.

[2] All counties within the State are classified as urban.

[3] There are no short-term, acute care hospitals located in rural areas in Puerto Rico from which to calculate a wage index for CY07. Therefore, we will continue to use the wage index from CY05 which was the last year in which we had ''rural'' hospital data.

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX

CBSA code	Urban area (constituent counties)	Wage index
10180	Abilene, TX.	0.8000
	Callahan County, TX.	
	Jones County, TX.	
	Taylor County, TX.	
10380	Aguadilla-Isabela-San Sebastián, PR	0.3915
	Aguada Municipio, PR.	
	Aguadilla Municipio, PR.	
	Añasco Municipio, PR.	
	Isabela Municipio, PR.	
	Lares Municipio, PR.	
	Moca Municipio, PR.	
	Rincón Municipio, PR.	
	San Sebastián Municipio, PR.	
10420	Akron, OH	0.8654
	Portage County, OH.	
	Summit County, OH.	
10500	Albany, GA	0.8991
	Baker County, GA.	
	Dougherty County, GA.	
	Lee County, GA.	
	Terrell County, GA.	
	Worth County, GA.	
10580	Albany-Schenectady-Troy, NY	0.8720
	Albany County, NY.	
	Rensselaer County, NY.	
	Saratoga County, NY.	
	Schenectady County, NY.	
	Schoharie County, NY.	
10740	Albuquerque, NM	0.9458
	Bernalillo County, NM.	
	Sandoval County, NM.	
	Torrance County, NM.	
	Valencia County, NM.	
10780	Alexandria, LA	0.8006
	Grant Parish, LA.	
	Rapides Parish, LA.	
10900	Allentown-Bethlehem-Easton, PA-NJ	0.9947

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Warren County, NJ.	
	Carbon County, PA.	
	Lehigh County, PA.	
	Northampton County, PA.	
11020	Altoona, PA	0.8812
	Blair County, PA.	
11100	Amarillo, TX	0.9169
	Armstrong County, TX.	
	Carson County, TX.	
	Potter County, TX.	
	Randall County, TX.	
11180	Ames, IA	0.9760
	Story County, IA.	
111260	Anchorage, AK	1.2023
	Anchorage Municipality, AK.	
	Matanuska-Susitna Borough, AK.	
11300	Anderson, IN	0.8681
	Madison County, IN.	
11340	Anderson, SC	0.9017
	Anderson County, SC.	
11460	Ann Arbor, MI	1.0826
	Washtenaw County, MI.	
11500	Anniston-Oxford, AL	0.7770
	Calhoun County, AL.	
11540	Appleton, WI	0.9455
	Calumet County, WI.	
	Outagamie County, WI.	
11700	Asheville, NC	0.9216
	Buncombe County, NC.	
	Haywood County, NC.	
	Henderson County, NC.	
	Madison County, NC.	
2020	Athens-Clarke County, GA	0.9856
	Clarke County, GA.	
	Madison County, GA.	
	Oconee County, GA.	
	Oglethorpe County, GA.	
12060	Atlanta-Sandy Springs-Marietta, GA	0.9762
	Barrow County, GA.	
	Bartow County, GA.	
	Butts County, GA.	
	Carroll County, GA.	
	Cherokee County, GA.	
	Clayton County, GA.	
	Cobb County, GA.	
	Coweta County, GA.	
	Dawson County, GA.	
	DeKalb County, GA.	
	Douglas County, GA.	
	Fayette County, GA.	
	Forsyth County, GA.	
	Fulton County, GA.	
	Gwinnett County, GA.	
	Haralson County, GA.	
	Heard County, GA.	
	Henry County, GA.	
	Jasper County, GA.	
	Lamar County, GA.	
	Meriwether County, GA.	
	Newton County, GA.	
	Paulding County, GA.	
	Pickens County, GA.	
	Pike County, GA.	
	Rockdale County, GA.	
	Spalding County, GA.	
	Walton County, GA.	
12100	Atlantic City, NJ	1.1831
	Atlantic County, NJ.	
2220	Auburn-Opelika, AL	0.8096
	Lee County, AL.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
12260	Augusta-Richmond County, GA-SC	0.9667
	Burke County, GA.	
	Columbia County, GA.	
	McDuffie County, GA.	
	Richmond County, GA.	
	Aiken County, SC.	
	Edgefield County, SC.	
12420	Austin-Round Rock, TX	0.9344
	Bastrop County, TX.	
	Caldwell County, TX.	
	Hays County, TX.	
	Travis County, TX.	
	Williamson County, TX.	
12540	Bakersfield, CA	1.0725
	Kern County, CA.	
12580	Baltimore-Towson, MD	1.0088
	Anne Arundel County, MD.	
	Baltimore County, MD.	
	Carroll County, MD.	
	Harford County, MD.	
	Howard County, MD.	
	Queen Anne's County, MD.	
	Baltimore City, MD.	
12620	Bangor, ME	0.9711
	Penobscot County, ME.	
12700	Barnstable Town, MA	1.2539
	Barnstable County, MA.	
12940	Baton Rouge, LA	0.8084
	Ascension Parish, LA.	
	East Baton Rouge Parish, LA.	
	East Feliciana Parish, LA.	
	Iberville Parish, LA.	
	Livingston Parish, LA.	
	Pointe Coupee Parish, LA.	
	St. Helena Parish, LA.	
	West Baton Rouge Parish, LA.	
	West Feliciana Parish, LA.	
12980	Battle Creek, MI	0.9762
	Calhoun County, MI.	
13020	Bay City, MI	0.9251
	Bay County, MI.	
13140	Beaumont-Port Arthur, TX	0.8595
	Hardin County, TX.	
	Jefferson County, TX.	
	Orange County, TX.	
13380	Bellingham, WA	1.1104
	Whatcom County, WA.	
13460	Bend, OR	1.0743
	Deschutes County, OR.	
13644	Bethesda-Frederick-Gaithersburg, MD	1.0903
	Frederick County, MD.	
	Montgomery County, MD.	
13740	Billings, MT	0.8712
	Carbon County, MT.	
	Yellowstone County, MT.	
13780	Binghamton, NY	0.8786
	Broome County, NY.	
	Tioga County, NY.	
13820	Birmingham-Hoover, AL	0.8894
	Bibb County, AL.	
	Blount County, AL.	
	Chilton County, AL.	
	Jefferson County, AL.	
	St. Clair County, AL.	
	Shelby County, AL.	
	Walker County, AL.	
13900	Bismarck, ND	0.7240
	Burleigh County, ND.	
	Morton County, ND.	
13980	Blacksburg-Christiansburg-Radford, VA	0.8213

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Giles County, VA.	
	Montgomery County, VA.	
	Pulaski County, VA.	
	Radford City, VA.	
14020	Bloomington, IN	0.8533
	Greene County, IN.	
	Monroe County, IN.	
	Owen County, IN.	
14060	Bloomington-Normal, IL	0.8944
	McLean County, IL.	
14260	Boise City-Nampa, ID	0.9401
	Ada County, ID.	
	Boise County, ID.	
	Canyon County, ID.	
	Gem County, ID.	
	Owyhee County, ID.	
14484	Boston-Quincy, MA	1.1679
	Norfolk County, MA.	
	Plymouth County, MA.	
	Suffolk County, MA.	
14500	Boulder, CO	1.0350
	Boulder County, CO.	
14540	Bowling Green, KY	0.8148
	Edmonson County, KY.	
	Warren County, KY.	
14740	Bremerton-Silverdale, WA	1.0913
	Kitsap County, WA.	
14860	Bridgeport-Stamford-Norwalk, CT	1.2659
	Fairfield County, CT.	
15180	Brownsville-Harlingen, TX	0.9430
	Cameron County, TX.	
15260	Brunswick, GA	1.0164
	Brantley County, GA.	
	Glynn County, GA.	
	McIntosh County, GA.	
15380	Buffalo-Niagara Falls, NY	0.9424
	Erie County, NY.	
	Niagara County, NY.	
15500	Burlington, NC	0.8674
	Alamance County, NC.	
15540	Burlington-South Burlington, VT	0.9474
	Chittenden County, VT.	
	Franklin County, VT.	
	Grand Isle County, VT.	
15764	Cambridge-Newton-Framingham, MA	1.0970
	Middlesex County, MA.	
5804	Camden, NJ	1.0392
	Burlington County, NJ.	
	Camden County, NJ.	
	Gloucester County, NJ.	
15940	Canton-Massillon, OH	0.9031
	Carroll County, OH.	
	Stark County, OH.	
15980	Cape Coral-Fort Myers, FL	0.9342
	Lee County, FL.	
16180	Carson City, NV	1.0025
	Carson City, NV.	
16220	Casper, WY	0.9145
	Natrona County, WY.	
16300	Cedar Rapids, IA	0.8888
	Benton County, IA.	
	Jones County, IA.	
	Linn County, IA.	
16580	Champaign-Urbana, IL	0.9644
	Champaign County, IL.	
	Ford County, IL.	
	Piatt County, IL.	
16620	Charleston, WV	0.8542
	Boone County, WV.	
	Clay County, WV.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Kanawha County, WV.	
	Lincoln County, WV.	
	Putnam County, WV.	
16700	Charleston-North Charleston, SC	0.9145
	Berkeley County, SC.	
	Charleston County, SC.	
	Dorchester County, SC.	
16740	Charlotte-Gastonia-Concord, NC-SC	0.9554
	Anson County, NC.	
	Cabarrus County, NC.	
	Gaston County, NC.	
	Mecklenburg County, NC.	
	Union County, NC.	
	York County, SC.	
16820	Charlottesville, VA	1.0125
	Albemarle County, VA.	
	Fluvanna County, VA.	
	Greene County, VA.	
	Nelson County, VA.	
	Charlottesville City, VA.	
16860	Chattanooga, TN-GA	0.8948
	Catoosa County, GA.	
	Dade County, GA.	
	Walker County, GA.	
	Hamilton County, TN.	
	Marion County, TN.	
	Sequatchie County, TN.	
16940	Cheyenne, WY	0.9060
	Laramie County, WY.	
16974	Chicago-Naperville-Joliet, IL	1.0751
	Cook County, IL.	
	DeKalb County, IL.	
	DuPage County, IL.	
	Grundy County, IL.	
	Kane County, IL.	
	Kendall County, IL.	
	McHenry County, IL.	
	Will County, IL.	
17020	Chico, CA	1.1053
	Butte County, CA.	
17140	Cincinnati-Middletown, OH-KY-IN	0.9601
	Dearborn County, IN.	
	Franklin County, IN.	
	Ohio County, IN.	
	Boone County, KY.	
	Bracken County, KY.	
	Campbell County, KY.	
	Gallatin County, KY.	
	Grant County, KY.	
	Kenton County, KY.	
	Pendleton County, KY.	
	Brown County, OH.	
	Butler County, OH.	
	Clermont County, OH.	
	Hamilton County, OH.	
	Warren County, OH.	
17300	Clarksville, TN-KY	0.8436
	Christian County, KY.	
	Trigg County, KY.	
	Montgomery County, TN.	
	Stewart County, TN.	
17420	Cleveland, TN	0.8109
	Bradley County, TN.	
	Polk County, TN.	
17460	Cleveland-Elyria-Mentor, OH	0.9400
	Cuyahoga County, OH.	
	Geauga County, OH.	
	Lake County, OH.	
	Lorain County, OH.	
	Medina County, OH.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
17660	Coeur d'Alene, ID	0.9344
	Kootenai County, ID.	
17780	College Station-Bryan, TX	0.9045
	Brazos County, TX.	
	Burleson County, TX.	
	Robertson County, TX.	
17820	Colorado Springs, CO	0.9701
	El Paso County, CO.	
	Teller County, CO.	
17860	Columbia, MO	0.8542
	Boone County, MO.	
	Howard County, MO.	
17900	Columbia, SC	0.8933
	Calhoun County, SC.	
	Fairfield County, SC.	
	Kershaw County, SC.	
	Lexington County, SC.	
	Richland County, SC.	
	Saluda County, SC.	
17980	Columbus, GA-AL	0.8239
	Russell County, AL.	
	Chattahoochee County, GA.	
	Harris County, GA.	
	Marion County, GA.	
	Muscogee County, GA.	
18020	Columbus, IN	0.9318
	Bartholomew County, IN.	
18140	Columbus, OH	1.0107
	Delaware County, OH.	
	Fairfield County, OH.	
	Franklin County, OH.	
	Licking County, OH.	
	Madison County, OH.	
	Morrow County, OH.	
	Pickaway County, OH.	
	Union County, OH.	
18580	Corpus Christi, TX	0.8564
	Aransas County, TX.	
	Nueces County, TX.	
	San Patricio County, TX.	
18700	Corvallis, OR	1.1546
	Benton County, OR.	
19060	Cumberland, MD-WV	0.8446
	Allegany County, MD.	
	Mineral County, WV.	
19124	Dallas-PlanoIrving, TX	1.0075
	Collin County, TX.	
	Dallas County, TX.	
	Delta County, TX.	
	Denton County, TX.	
	Ellis County, TX.	
	Hunt County, TX.	
	Kaufman County, TX.	
	Rockwall County, TX.	
19140	Dalton, GA	0.9093
	Murray County, GA.	
	Whitfield County, GA.	
19180	Danville, IL	0.9266
	Vermilion County, IL.	
19260	Danville, VA	0.8451
	Pittsylvania County, VA.	
	Danville City, VA.	
19340	Davenport-Moline-Rock Island, IA-IL	0.8846
	Henry County, IL.	
	Mercer County, IL.	
	Rock Island County, IL.	
	Scott County, IA.	
19380	Dayton, OH	0.9037
	Greene County, OH.	
	Miami County, OH.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Montgomery County, OH.	
	Preble County, OH.	
19460	Decatur, AL	0.8159
	Lawrence County, AL.	
	Morgan County, AL.	
19500	Decatur, IL	0.8172
	Macon County, IL.	
19660	Deltona-Daytona Beach-Ormond Beach, FL	0.9263
	Volusia County, FL.	
19740	Denver-Aurora, CO	1.0930
	Adams County, CO.	
	Arapahoe County, CO.	
	Broomfield County, CO.	
	Clear Creek County, CO.	
	Denver County, CO.	
	Douglas County, CO.	
	Elbert County, CO.	
	Gilpin County, CO.	
	Jefferson County, CO.	
	Park County, CO.	
19780	Des Moines, IA	0.9214
	Dallas County, IA.	
	Guthrie County, IA.	
	Madison County, IA.	
	Polk County, IA.	
	Warren County, IA.	
19804	Detroit-Livonia-Dearborn, MI	1.0281
	Wayne County, MI.	
20020	Dothan, AL	0.7381
	Geneva County, AL.	
	Henry County, AL.	
	Houston County, AL.	
20100	Dover, DE	0.9847
	Kent County, DE.	
20220	Dubuque, IA	0.9133
	Dubuque County, IA.	
20260	Duluth, MN-WI	1.0042
	Carlton County, MN.	
	St. Louis County, MN.	
	Douglas County, WI.	
20500	Durham, NC	0.9826
	Chatham County, NC.	
	Durham County, NC.	
	Orange County, NC.	
	Person County, NC.	
20740	Eau Claire, WI	0.9630
	Chippewa County, WI.	
	Eau Claire County, WI.	
20764	Edison, NJ	1.1190
	Middlesex County, NJ.	
	Monmouth County, NJ.	
	Ocean County, NJ.	
	Somerset County, NJ.	
20940	El Centro, CA	0.9076
	Imperial County, CA.	
21060	Elizabethtown, KY	0.8697
	Hardin County, KY.	
	Larue County, KY.	
21140	Elkhart-Goshen, IN	0.9426
	Elkhart County, IN.	
21300	Elmira, NY	0.8240
	Chemung County, NY.	
21340	El Paso, TX	0.9053
	El Paso County, TX.	
21500	Erie, PA	0.8827
	Erie County, PA.	
21604	Essex County, MA	1.0418
	Essex County, MA.	
21660	Eugene-Springfield, OR	1.0876
	Lane County, OR.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
21780	Evansville, IN-KY Gibson County, IN. Posey County, IN. Vanderburgh County, IN. Warrick County, IN. Henderson County, KY. Webster County, KY.	0.9071
21820	Fairbanks, AK Fairbanks North Star Borough, AK.	1.1059
21940	Fajardo, PR Ceiba Municipio, PR. Fajardo Municipio, PR. Luquillo Municipio, PR.	0.4036
22020	Fargo, ND-MN Cass County, ND. Clay County, MN.	0.8250
22140	Farmington, NM San Juan County, NM.	0.8589
22180	Fayetteville, NC Cumberland County, NC. Hoke County, NC.	0.8945
22220	Fayetteville-Springdale-Rogers, AR-MO Benton County, AR. Madison County, AR. Washington County, AR. McDonald County, MO.	0.8865
22380	Flagstaff, AZ Coconino County, AZ.	1.1601
22420	Flint, MI Genesee County, MI.	1.0969
22500	Florence, SC Darlington County, SC. Florence County, SC.	0.8388
22520	Florence-Muscle Shoals, AL Colbert County, AL. Lauderdale County, AL.	0.7843
22540	Fond du Lac, WI Fond du Lac County, WI.	1.0063
22660	Fort Collins-Loveland, CO Larimer County, CO.	0.9544
22744	Fort Lauderdale-Pompano Beach-Deerfield Beach, FL Broward County, FL.	1.0133
22900	Fort Smith, AR-OK Crawford County, AR. Franklin County, AR. Sebastian County, AR. Le Flore County, OK. Sequoyah County, OK.	0.7731
23020	Fort Walton Beach-Crestview-Destin, FL Okaloosa County, FL.	0.8643
23060	Fort Wayne, IN Allen County, IN. Wells County, IN. Whitley County, IN.	0.9517
23104	Fort Worth-Arlington, TX Johnson County, TX. Parker County, TX. Tarrant County, TX. Wise County, TX.	0.9569
23420	Fresno, CA Fresno County, CA.	1.0943
23460	Gadsden, AL Etowah County, AL.	0.8066
23540	Gainesville, FL Alachua County, FL. Gilchrist County, FL.	0.9277
23580	Gainesville, GA Hall County, GA.	0.8958
23844	Gary, IN Jasper County, IN.	0.9334

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Lake County, IN.	
	Newton County, IN.	
	Porter County, IN.	
24020	Glens Falls, NY	0.8324
	Warren County, NY.	
	Washington County, NY.	
24140	Goldsboro, NC	0.9171
	Wayne County, NC.	
24220	Grand Forks, ND-MN	0.7949
	Polk County, MN.	
	Grand Forks County, ND.	
24300	Grand Junction, CO	0.9668
	Mesa County, CO.	
24340	Grand Rapids-Wyoming, MI	0.9455
	Barry County, MI.	
	Ionia County, MI.	
	Kent County, MI.	
	Newaygo County, MI.	
24500	Great Falls, MT	0.8598
	Cascade County, MT.	
24540	Greeley, CO	0.9602
	Weld County, CO.	
24580	Green Bay, WI	0.9787
	Brown County, WI.	
	Kewaunee County, WI.	
	Oconto County, WI.	
24660	Greensboro-High Point, NC	0.8866
	Guilford County, NC.	
	Randolph County, NC.	
	Rockingham County, NC.	
24780	Greenville, NC	0.9432
	Greene County, NC.	
	Pitt County, NC.	
24860	Greenville, SC	0.9804
	Greenville County, SC.	
	Laurens County, SC.	
	Pickens County, SC.	
25020	Guayama, PR	0.3235
	Arroyo Municipio, PR.	
	Guayama Municipio, PR.	
	Patillas Municipio, PR.	
25060	Gulfport-Biloxi, MS	0.8915
	Hancock County, MS.	
	Harrison County, MS.	
	Stone County, MS.	
25180	Hagerstown-Martinsburg, MD-WV	0.9038
	Washington County, MD.	
	Berkeley County, WV.	
	Morgan County, WV.	
25260	Hanford-Corcoran, CA	1.0282
	Kings County, CA.	
25420	Harrisburg-Carlisle, PA	0.9402
	Cumberland County, PA.	
	Dauphin County, PA.	
	Perry County, PA.	
25500	Harrisonburg, VA	0.9073
	Rockingham County, VA.	
	Harrisonburg City, VA.	
25540	Hartford-West Hartford-East Hartford, CT	1.0894
	Hartford County, CT.	
	Litchfield County, CT.	
	Middlesex County, CT.	
	Tolland County, CT.	
25620	Hattiesburg, MS	0.7430
	Forrest County, MS.	
	Lamar County, MS.	
	Perry County, MS.	
25860	Hickory-Lenoir-Morganton, NC	0.9010
	Alexander County, NC.	
	Burke County, NC.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Caldwell County, NC.	
	Catawba County, NC.	
25980[1]	Hinesville-Fort Stewart, GA	0.9178
	Liberty County, GA.	
	Long County, GA.	
26100	Holland-Grand Haven, MI	0.9163
	Ottawa County, MI.	
26180	Honolulu, HI	1.1096
	Honolulu County, HI.	
26300	Hot Springs, AR	0.8782
	Garland County, AR.	
26380	Houma-Bayou Cane-Thibodaux, LA	0.8082
	Lafourche Parish, LA.	
	Terrebonne Parish, LA.	
26420	Houston-Baytown-Sugar Land, TX	1.0008
	Austin County, TX.	
	Brazoria County, TX.	
	Chambers County, TX.	
	Fort Bend County, TX.	
	Galveston County, TX.	
	Harris County, TX.	
	Liberty County, TX.	
	Montgomery County, TX.	
	San Jacinto County, TX.	
	Waller County, TX.	
26580	Huntington-Ashland, WVKYOH	0.8997
	Boyd County, KY.	
	Greenup County, KY.	
	Lawrence County, OH.	
	Cabell County, WV.	
	Wayne County, WV.	
26620	Huntsville, AL	0.9007
	Limestone County, AL.	
	Madison County, AL.	
26820	Idaho Falls, ID	0.9088
	Bonneville County, ID.	
	Jefferson County, ID.	
26900	Indianapolis, IN	0.9895
	Boone County, IN.	
	Brown County, IN.	
	Hamilton County, IN.	
	Hancock County, IN.	
	Hendricks County, IN.	
	Johnson County, IN.	
	Marion County, IN.	
	Morgan County, IN.	
	Putnam County, IN.	
	Shelby County, IN.	
26980	Iowa City, IA	0.9714
	Johnson County, IA.	
	Washington County, IA.	
27060	Ithaca, NY	0.9928
	Tompkins County, NY.	
27100	Jackson, MI	0.9560
	Jackson County, MI.	
27140	Jackson, MS	0.8271
	Copiah County, MS.	
	Hinds County, MS.	
	Madison County, MS.	
	Rankin County, MS.	
	Simpson County, MS.	
27180	Jackson, TN	0.8853
	Chester County, TN.	
	Madison County, TN.	
27260	Jacksonville, FL	0.9165
	Baker County, FL.	
	Clay County, FL.	
	Duval County, FL.	
	Nassau County, FL.	
	St. Johns County, FL.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
27340	Jacksonville, NC	0.8231
	Onslow County, NC.	
27500	Janesville, WI	0.9655
	Rock County, WI.	
27620	Jefferson City, MO	0.8332
	Callaway County, MO.	
	Cole County, MO.	
	Moniteau County, MO.	
	Osage County, MO.	
≤27740	Johnson City, TN	0.8043
	Carter County, TN.	
	Unicoi County, TN.	
	Washington County, TN.	
27780	Johnstown, PA	0.8620
	Cambria County, PA.	
27860	Jonesboro, AR	0.7662
	Craighead County, AR.	
	Poinsett County, AR.	
27900	Joplin, MO	0.8605
	Jasper County, MO.	
	Newton County, MO.	
28020	Kalamazoo-Portage, MI	1.0704
	Kalamazoo County, MI.	
	Van Buren County, MI.	
28100	Kankakee-Bradley, IL	1.0083
	Kankakee County, IL.	
28140	Kansas City, MOKS	0.9495
	Franklin County, KS.	
	Johnson County, KS.	
	Leavenworth County, KS.	
	Linn County, KS.	
	Miami County, KS.	
	Wyandotte County, KS.	
	Bates County, MO.	
	Caldwell County, MO.	
	Cass County, MO.	
	Clay County, MO.	
	Clinton County, MO.	
	Jackson County, MO.	
	Lafayette County, MO.	
	Platte County, MO.	
	Ray County, MO.	
28420	Kennewick-Richland-Pasco, WA	1.0343
	Benton County, WA.	
	Franklin County, WA.	
28660	Killeen-TempleFort Hood, TX	0.8901
	Bell County, TX.	
	Coryell County, TX.	
	Lampasas County, TX.	
28700	Kingsport-Bristol-Bristol, TNVA	0.7985
	Hawkins County, TN.	
	Sullivan County, TN.	
	Bristol City, VA.	
	Scott County, VA.	
	Washington County, VA.	
28740	Kingston, NY	0.9367
	Ulster County, NY.	
28940	Knoxville, TN	0.8249
	Anderson County, TN.	
	Blount County, TN.	
	Knox County, TN.	
	Loudon County, TN.	
	Union County, TN.	
29020	Kokomo, IN	0.9669
	Howard County, IN.	
	Tipton County, IN.	
29100	La Crosse, WIMN	0.9426
	Houston County, MN.	
	La Crosse County, WI.	
29140	Lafayette, IN	0.8931

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Benton County, IN.	
	Carroll County, IN.	
	Tippecanoe County, IN.	
29180	Lafayette, LA	0.8289
	Lafayette Parish, LA.	
	St. Martin Parish, LA.	
29340	Lake Charles, LA	0.7914
	Calcasieu Parish, LA.	
	Cameron Parish, LA.	
29404	Lake County-Kenosha County, IL-WI	1.0570
	Lake County, IL.	
	Kenosha County, WI.	
29460	Lakeland, FL	0.8879
	Polk County, FL.	
29540	Lancaster, PA	0.9589
	Lancaster County, PA.	
29620	Lansing-East Lansing, MI	1.0088
	Clinton County, MI.	
	Eaton County, MI.	
	Ingham County, MI.	
29700	Laredo, TX	0.7811
	Webb County, TX.	
29740	Las Cruces, NM	0.9273
	Dona Ana County, NM.	
29820	Las Vegas-Paradise, NV	1.1430
	Clark County, NV.	
29940	Lawrence, KS	0.8365
	Douglas County, KS.	
30020	Lawton, OK	0.8065
	Comanche County, OK.	
30140	Lebanon, PA	0.8679
	Lebanon County, PA.	
30300	Lewiston, ID-WA	0.9853
	Nez Perce County, ID.	
	Asotin County, WA.	
30340	LewistonAuburn, ME	0.9126
	Androscoggin County, ME.	
30460	Lexington-Fayette, KY	0.9181
	Bourbon County, KY.	
	Clark County, KY.	
	Fayette County, KY.	
	Jessamine County, KY.	
	Scott County, KY.	
	Woodford County, KY.	
30620	Lima, OH	0.9042
	Allen County, OH.	
30700	Lincoln, NE	1.0092
	Lancaster County, NE.	
	Seward County, NE.	
30780	Little Rock-North Little Rock, AR	0.8890
	Faulkner County, AR.	
	Grant County, AR.	
	Lonoke County, AR.	
	Perry County, AR.	
	Pulaski County, AR.	
	Saline County, AR.	
30860	Logan, UT-ID	0.9022
	Franklin County, ID.	
	Cache County, UT.	
30980	Longview, TX	0.8788
	Gregg County, TX.	
	Rusk County, TX.	
	Upshur County, TX.	
31020	Longview, WA	1.0011
	Cowlitz County, WA.	
31084	Los Angeles-Long Beach-Glendale, CA	1.1760
	Los Angeles County, CA.	
31140	Louisville, KY-IN	0.9118
	Clark County, IN.	
	Floyd County, IN.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Harrison County, IN.	
	Washington County, IN.	
	Bullitt County, KY.	
	Henry County, KY.	
	Jefferson County, KY.	
	Meade County, KY.	
	Nelson County, KY.	
	Oldham County, KY.	
	Shelby County, KY.	
	Spencer County, KY.	
	Trimble County, KY.	
31180	Lubbock, TX	0.8613
	Crosby County, TX.	
	Lubbock County, TX.	
31340	Lynchburg, VA	0.8694
	Amherst County, VA.	
	Appomattox County, VA.	
	Bedford County, VA.	
	Campbell County, VA.	
	Bedford City, VA.	
	Lynchburg City, VA.	
31420	Macon, GA	0.9519
	Bibb County, GA.	
	Crawford County, GA.	
	Jones County, GA.	
	Monroe County, GA.	
	Twiggs County, GA.	
31460	Madera, CA	0.8154
	Madera County, CA.	
31540	Madison, WI	1.0840
	Columbia County, WI.	
	Dane County, WI.	
	Iowa County, WI.	
31700	Manchester-Nashua, NH	1.0243
	Hillsborough County, NH.	
	Merrimack County, NH.	
31900	Mansfield, OH	0.9271
	Richland County, OH.	
32420	Mayagüez, PR	0.3848
	Hormigueros Municipio, PR.	
	Mayagüez Municipio, PR.	
32580	McAllen-Edinburg-Pharr, TX	0.8773
	Hidalgo County, TX.	
32780	Medford, OR	1.0818
	Jackson County, OR.	
32820	Memphis, TN-MS-AR	0.9373
	Crittenden County, AR.	
	DeSoto County, MS.	
	Marshall County, MS.	
	Tate County, MS.	
	Tunica County, MS.	
	Fayette County, TN.	
	Shelby County, TN.	
	Tipton County, TN.	
32900	Merced, CA	1.1471
	Merced County, CA.	
33124	Miami-Miami Beach-Kendall, FL	0.9812
	Miami-Dade County, FL.	
33140	Michigan City-La Porte, IN	0.9118
	LaPorte County, IN.	
33260	Midland, TX	0.9786
	Midland County, TX.	
33340	Milwaukee-Waukesha-West Allis, WI	1.0218
	Milwaukee County, WI.	
	Ozaukee County, WI.	
	Washington County, WI.	
	Waukesha County, WI.	
33460	Minneapolis-St. Paul-Bloomington, MN-WI	1.0946
	Anoka County, MN.	
	Carver County, MN.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Chisago County, MN.	
	Dakota County, MN.	
	Hennepin County, MN.	
	Isanti County, MN.	
	Ramsey County, MN.	
	Scott County, MN.	
	Sherburne County, MN.	
	Washington County, MN.	
	Wright County, MN.	
	Pierce County, WI.	
	St. Croix County, WI.	
33540	Missoula, MT	0.8928
	Missoula County, MT.	
33660	Mobile, AL	0.7913
	Mobile County, AL.	
33700	Modesto, CA	1.1729
	Stanislaus County, CA.	
33740	Monroe, LA	0.7997
	Ouachita Parish, LA.	
	Union Parish, LA.	
33780	Monroe, MI	0.9707
	Monroe County, MI.	
33860	Montgomery, AL	0.8009
	Autauga County, AL.	
	Elmore County, AL.	
	Lowndes County, AL.	
	Montgomery County, AL.	
34060	Morgantown, WV	0.8423
	Monongalia County, WV.	
	Preston County, WV.	
34100	Morristown, TN	0.7933
	Grainger County, TN.	
	Hamblen County, TN.	
	Jefferson County, TN.	
34580	Mount Vernon-Anacortes, WA	1.0517
	Skagit County, WA.	
34620	Muncie, IN	0.8562
	Delaware County, IN.	
34740	Muskegon-Norton Shores, MI	0.9941
	Muskegon County, MI.	
34820	Myrtle Beach-Conway-North Myrtle Beach, SC	0.8810
	Horry County, SC.	
34900	Napa, CA	1.3374
	Napa County, CA.	
34940	Naples-Marco Island, FL	0.9941
	Collier County, FL.	
34980	Nashville-Davidson-Murfreesboro, TN	0.9847
	Cannon County, TN.	
	Cheatham County, TN.	
	Davidson County, TN.	
	Dickson County, TN.	
	Hickman County, TN.	
	Macon County, TN.	
	Robertson County, TN.	
	Rutherford County, TN.	
	Smith County, TN.	
	Sumner County, TN.	
	Trousdale County, TN.	
	Williamson County, TN.	
	Wilson County, TN.	
35004	Nassau-Suffolk, NY	1.2662
	Nassau County, NY.	
	Suffolk County, NY.	
35084	Newark-Union, NJ-PA	1.1892
	Essex County, NJ.	
	Hunterdon County, NJ.	
	Morris County, NJ.	
	Sussex County, NJ.	
	Union County, NJ.	
	Pike County, PA.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
35300	New Haven-Milford, CT	1.1953
	New Haven County, CT.	
35380	New Orleans-Metairie-Kenner, LA	0.8831
	Jefferson Parish, LA.	
	Orleans Parish, LA.	
	Plaquemines Parish, LA.	
	St. Bernard Parish, LA.	
	St. Charles Parish, LA.	
	St. John the Baptist Parish, LA.	
	St. Tammany Parish, LA.	
35644	New York-Wayne-White Plains, NY-NJ	1.3177
	Bergen County, NJ.	
	Hudson County, NJ.	
	Passaic County, NJ.	
	Bronx County, NY.	
	Kings County, NY.	
	New York County, NY.	
	Putnam County, NY.	
	Queens County, NY.	
	Richmond County, NY.	
	Rockland County, NY.	
	Westchester County, NY.	
35660	Niles-Benton Harbor, MI	0.8915
	Berrien County, MI.	
35980	Norwich-New London, CT	1.1932
	New London County, CT.	
36084	Oakland-Fremont-Hayward, CA	1.5819
	Alameda County, CA.	
	Contra Costa County, CA.	
36100	Ocala, FL	0.8867
	Marion County, FL.	
36140	Ocean City, NJ	1.0472
	Cape May County, NJ.	
36220	Odessa, TX	1.0073
	Ector County, TX.	
36260	Ogden-Clearfield, UT	0.8995
	Davis County, UT.	
	Morgan County, UT.	
	Weber County, UT.	
36420	Oklahoma City, OK	0.8843
	Canadian County, OK.	
	Cleveland County, OK.	
	Grady County, OK.	
	Lincoln County, OK.	
	Logan County, OK.	
	McClain County, OK.	
	Oklahoma County, OK.	
36500	Olympia, WA	1.1081
	Thurston County, WA.	
36540	Omaha-Council Bluffs, NE-IA	0.9450
	Harrison County, IA.	
	Mills County, IA.	
	Pottawattamie County, IA.	
	Cass County, NE.	
	Douglas County, NE.	
	Sarpy County, NE.	
	Saunders County, NE.	
	Washington County, NE.	
36740	Orlando, FL	0.9452
	Lake County, FL.	
	Orange County, FL.	
	Osceola County, FL.	
	Seminole County, FL.	
36780	Oshkosh-Neenah, WI	0.9315
	Winnebago County, WI.	
36980	Owensboro, KY	0.8748
	Daviess County, KY.	
	Hancock County, KY.	
	McLean County, KY.	
37100	Oxnard-Thousand Oaks-Ventura, CA	1.1546

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Ventura County, CA.	
37340	Palm Bay-Melbourne-Titusville, FL	0.9443
	Brevard County, FL.	
37460	Panama City-Lynn Haven, FL	0.8027
	Bay County, FL.	
37620	Parkersburg-Marietta, WV-OH	0.7977
	Washington County, OH.	
	Pleasants County, WV.	
	Wirt County, WV.	
	Wood County, WV.	
37700	Pascagoula, MS	0.8215
	George County, MS.	
	Jackson County, MS.	
37860	Pensacola-Ferry Pass-Brent, FL	0.8000
	Escambia County, FL.	
	Santa Rosa County, FL.	
37900	Peoria, IL	0.8982
	Marshall County, IL.	
	Peoria County, IL.	
	Stark County, IL.	
	Tazewell County, IL.	
	Woodford County, IL.	
37964	Philadelphia, PA	1.0996
	Bucks County, PA.	
	Chester County, PA.	
	Delaware County, PA.	
	Montgomery County, PA.	
	Philadelphia County, PA.	
38060	Phoenix-Mesa-Scottsdale, AZ	1.0287
	Maricopa County, AZ.	
	Pinal County, AZ.	
38220	Pine Bluff, AR	0.8383
	Cleveland County, AR.	
	Jefferson County, AR.	
	Lincoln County, AR.	
38300	Pittsburgh, PA	0.8674
	Allegheny County, PA.	
	Armstrong County, PA.	
	Beaver County, PA.	
	Butler County, PA.	
	Fayette County, PA.	
	Washington County, PA.	
	Westmoreland County, PA.	
38340	Pittsfield, MA	1.0266
	Berkshire County, MA.	
38540	Pocatello, ID	0.9400
	Bannock County, ID.	
	Power County, ID.	
38660	Ponce, PR	0.4842
	Juana Díaz Municipio, PR.	
	Ponce Municipio, PR.	
	Villalba Municipio, PR.	
38860	Portland-South Portland-Biddeford, ME	0.9908
	Cumberland County, ME.	
	Sagadahoc County, ME.	
	York County, ME.	
38900	Portland-Vancouver-Beaverton, OR-WA	1.1416
	Clackamas County, OR.	
	Columbia County, OR.	
	Multnomah County, OR.	
	Washington County, OR.	
	Yamhill County, OR.	
	Clark County, WA.	
	Skamania County, WA.	
38940	Port St. Lucie-Fort Pierce, FL	0.9833
	Martin County, FL.	
	St. Lucie County, FL.	
39100	Poughkeepsie-Newburgh-Middletown, NY	1.0911
	Dutchess County, NY.	
	Orange County, NY.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
39140	Prescott, AZ	0.9836
	Yavapai County, AZ.	
39300	Providence-New Bedford-Fall River, RI-MA	1.0783
	Bristol County, MA.	
	Bristol County, RI.	
	Kent County, RI.	
	Newport County, RI.	
	Providence County, RI.	
	Washington County, RI.	
39340	Provo-Orem, UT	0.9537
	Juab County, UT.	
	Utah County, UT.	
39380	Pueblo, CO	0.8753
	Pueblo County, CO.	
39460	Punta Gorda, FL	0.9405
	Charlotte County, FL.	
39540	Racine, WI	0.9356
	Racine County, WI.	
39580	Raleig-hCary, NC	0.9864
	Franklin County, NC.	
	Johnston County, NC.	
	Wake County, NC.	
39660	Rapid City, SD	0.8833
	Meade County, SD.	
	Pennington County, SD.	
39740	Reading, PA	0.9622
	Berks County, PA.	
39820	Redding, CA	1.3198
	Shasta County, CA.	
39900	Reno-Sparks, NV	1.1963
	Storey County, NV.	
	Washoe County, NV.	
40060	Richmond, VA	0.9177
	Amelia County, VA.	
	Caroline County, VA.	
	Charles City County, VA.	
	Chesterfield County, VA.	
	Cumberland County, VA.	
	Dinwiddie County, VA.	
	Goochland County, VA.	
	Hanover County, VA.	
	Henrico County, VA.	
	King and Queen County, VA.	
	King William County, VA.	
	Louisa County, VA.	
	New Kent County, VA.	
	Powhatan County, VA.	
	Prince George County, VA.	
	Sussex County, VA.	
	Colonial Heights City, VA.	
	Hopewell City, VA.	
	Petersburg City, VA.	
	Richmond City, VA.	
40140	Riverside-San Bernardino-Ontario, CA	1.0904
	Riverside County, CA.	
	San Bernardino County, CA.	
40220	Roanoke, VA	0.8647
	Botetourt County, VA.	
	Craig County, VA.	
	Franklin County, VA.	
	Roanoke County, VA.	
	Roanoke City, VA.	
	Salem City, VA.	
40340	Rochester, MN	1.1408
	Dodge County, MN.	
	Olmsted County, MN.	
	Wabasha County, MN.	
40380	Rochester, NY	0.8994
	Livingston County, NY.	
	Monroe County, NY.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Ontario County, NY.	
	Orleans County, NY.	
	Wayne County, NY.	
40420	Rockford, IL	0.9989
	Boone County, IL.	
	Winnebago County, IL.	
40484	Rockingham County-Strafford County, NH	1.0159
	Rockingham County, NH.	
	Strafford County, NH.	
40580	Rocky Mount, NC	0.8854
	Edgecombe County, NC.	
	Nash County, NC.	
40660	Rome, GA	0.9193
	Floyd County, GA.	
40900	Sacramento—Arden-Arcade—Roseville, CA	1.3372
	El Dorado County, CA.	
	Placer County, CA.	
	Sacramento County, CA.	
	Yolo County, CA.	
40980	Saginaw-Saginaw Township North, MI	0.8874
	Saginaw County, MI.	
41060	St. Cloud, MN	1.0362
	Benton County, MN.	
	Stearns County, MN.	
41100	St. George, UT	0.9265
	Washington County, UT.	
41140	St. Joseph, MO-KS	1.0118
	Doniphan County, KS.	
	Andrew County, MO.	
	Buchanan County, MO.	
	DeKalb County, MO.	
41180	St. Louis, MO-IL	0.9005
	Bond County, IL.	
	Calhoun County, IL.	
	Clinton County, IL.	
	Jersey County, IL.	
	Macoupin County, IL.	
	Madison County, IL.	
	Monroe County, IL.	
	St. Clair County, IL.	
	Crawford County, MO.	
	Franklin County, MO.	
	Jefferson County, MO.	
	Lincoln County, MO.	
	St. Charles County, MO.	
	St. Louis County, MO.	
	Warren County, MO.	
	Washington County, MO.	
	St. Louis City, MO.	
41420	Salem, OR	1.0438
	Marion County, OR.	
	Polk County, OR.	
41500	Salinas, CA	1.4337
	Monterey County, CA.	
41540	Salisbury, MD	0.8953
	Somerset County, MD.	
	Wicomico County, MD.	
41620	Salt Lake City, UT	0.9402
	Salt Lake County, UT.	
	Summit County, UT.	
	Tooele County, UT.	
41660	San Angelo, TX	0.8362
	Irion County, TX.	
	Tom Green County, TX.	
41700	San Antonio, TX	0.8844
	Atascosa County, TX.	
	Bandera County, TX.	
	Bexar County, TX.	
	Comal County, TX.	
	Guadalupe County, TX.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Kendall County, TX.	
	Medina County, TX.	
	Wilson County, TX.	
41740	San Diego-Carlsbad-San Marcos, CA	1.1354
	San Diego County, CA.	
41780	Sandusky, OH	0.9302
	Erie County, OH.	
41884	San Francisco-San Mateo-Redwood City, CA	1.5165
	Marin County, CA.	
	San Francisco County, CA.	
	San Mateo County, CA.	
41900	San Germán-Cabo Rojo, PR	0.4885
	Cabo Rojo Municipio, PR.	
	Lajas Municipio, PR.	
	Sabana Grande Municipio, PR.	
	San Germán Municipio, PR.	
41940	San Jose-Sunnyvale-Santa Clara, CA	1.5543
	San Benito County, CA.	
	Santa Clara County, CA.	
41980	San Juan-Caguas-Guaynabo, PR	0.4452
	Aguas Buenas Municipio, PR.	
	Aibonito Municipio, PR.	
	Arecibo Municipio, PR.	
	Barceloneta Municipio, PR.	
	Barranquitas Municipio, PR.	
	Bayamón Municipio, PR.	
	Caguas Municipio, PR.	
	Camuy Municipio, PR.	
	Canóvanas Municipio, PR.	
	Carolina Municipio, PR.	
	Cataño Municipio, PR.	
	Cayey Municipio, PR.	
	Ciales Municipio, PR.	
	Cidra Municipio, PR.	
	Comerío Municipio, PR.	
	Corozal Municipio, PR.	
	Dorado Municipio, PR.	
	Florida Municipio, PR.	
	Guaynabo Municipio, PR.	
	Gurabo Municipio, PR.	
	Hatillo Municipio, PR.	
	Humacao Municipio, PR.	
	Juncos Municipio, PR.	
	Las Piedras Municipio, PR.	
	Loíza Municipio, PR.	
	Manatí Municipio, PR.	
	Maunabo Municipio, PR.	
	Morovis Municipio, PR.	
	Naguabo Municipio, PR.	
	Naranjito Municipio, PR.	
	Orocovis Municipio, PR.	
	Quebradillas Municipio, PR.	
	Río Grande Municipio, PR.	
	San Juan Municipio, PR.	
	San Lorenzo Municipio, PR.	
	Toa Alta Municipio, PR.	
	Toa Baja Municipio, PR.	
	Trujillo Alto Municipio, PR.	
	Vega Alta Municipio, PR.	
	Vega Baja Municipio, PR.	
	Yabucoa Municipio, PR.	
42020	San Luis Obispo-Paso Robles, CA	1.1598
	San Luis Obispo County, CA.	
42044	Santa Ana-Anaheim-Irvine, CA	1.1473
	Orange County, CA.	
42060	Santa Barbara-Santa Maria-Goleta, CA	1.1091
	Santa Barbara County, CA.	
42100	Santa Cruz-Watsonville, CA	1.5457
	Santa Cruz County, CA.	
42140	Santa Fe, NM	1.0824

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Santa Fe County, NM.	
42220	Santa Rosa-Petaluma, CA	1.4464
	Sonoma County, CA.	
42260	Sarasota-Bradenton-Venice, FL	0.9868
	Manatee County, FL.	
	Sarasota County, FL.	
42340	Savannah, GA	0.9351
	Bryan County, GA.	
	Chatham County, GA.	
	Effingham County, GA.	
42540	Scranton-Wilkes-Barre, PA	0.8347
	Lackawanna County, PA.	
	Luzerne County, PA.	
	Wyoming County, PA.	
42644	Seattle-Bellevue-Everett, WA	1.1434
	King County, WA.	
	Snohomish County, WA.	
42680	Sebastian-Vero Beach, FL	0.9573
43100	Sheboygan, WI	0.9026
	Sheboygan County, WI.	
43300	Sherman-Denison, TX	0.8502
	Grayson County, TX.	
43340	Shreveport-Bossier City, LA	0.8865
	Bossier Parish, LA.	
	Caddo Parish, LA.	
	De Soto Parish, LA.	
43580	Sioux City, IA-NE-SD	0.9200
	Woodbury County, IA.	
	Dakota County, NE.	
	Dixon County, NE.	
	Union County, SD.	
43620	Sioux Falls, SD	0.9559
	Lincoln County, SD.	
	McCook County, SD.	
	Minnehaha County, SD.	
	Turner County, SD.	
43780	South Bend-Mishawaka, IN-MI	0.9842
	St. Joseph County, IN.	
	Cass County, MI.	
43900	Spartanburg, SC	0.9174
	Spartanburg County, SC.	
44060	Spokane, WA	1.0447
	Spokane County, WA.	
44100	Springfield, IL	0.8890
	Menard County, IL.	
	Sangamon County, IL.	
44140	Springfield, MA	1.0079
	Franklin County, MA.	
	Hampden County, MA.	
	Hampshire County, MA.	
44180	Springfield, MO	0.8469
	Christian County, MO.	
	Dallas County, MO.	
	Greene County, MO.	
	Polk County, MO.	
	Webster County, MO.	
44220	Springfield, OH	0.8593
	Clark County, OH.	
44300	State College, PA	0.8784
	Centre County, PA.	
44700	Stockton, CA	1.1442
	San Joaquin County, CA.	
44940	Sumter, SC	0.8083
	Sumter County, SC.	
45060	Syracuse, NY	0.9691
	Madison County, NY.	
	Onondaga County, NY.	
	Oswego County, NY.	
45104	Tacoma, WA	1.0789
	Pierce County, WA.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
45220	Tallahassee, FL Gadsden County, FL. Jefferson County, FL. Leon County, FL. Wakulla County, FL.	0.8942
45300	Tampa-St. Petersburg-Clearwater, FL Hernando County, FL. Hillsborough County, FL. Pasco County, FL. Pinellas County, FL.	0.9144
45460	Terre Haute, IN Clay County, IN. Sullivan County, IN. Vermillion County, IN. Vigo County, IN.	0.8765
45500	Texarkana, TX-Texarkana, AR Miller County, AR. Bowie County, TX.	0.8104
45780	Toledo, OH Fulton County, OH. Lucas County, OH. Ottawa County, OH. Wood County, OH.	0.9586
45820	Topeka, KS Jackson County, KS. Jefferson County, KS. Osage County, KS. Shawnee County, KS. Wabaunsee County, KS.	0.8730
45940	Trenton-Ewing, NJ Mercer County, NJ.	1.0835
46060	Tucson, AZ Pima County, AZ.	0.9202
46140	Tulsa, OK Creek County, OK. Okmulgee County, OK. Osage County, OK. Pawnee County, OK. Rogers County, OK. Tulsa County, OK. Wagoner County, OK.	0.8103
46220	Tuscaloosa, AL Greene County, AL. Hale County, AL. Tuscaloosa County, AL.	0.8542
46340	Tyler, TX Smith County, TX.	0.8811
46540	Utica-Rome, NY Herkimer County, NY. Oneida County, NY.	0.8396
46660	Valdosta, GA Brooks County, GA. Echols County, GA. Lanier County, GA. Lowndes County, GA.	0.8369
46700	Vallejo-Fairfield, CA Solano County, CA.	1.5137
47020	Victoria, TX Calhoun County, TX. Goliad County, TX. Victoria County, TX.	0.8560
47220	Vineland-Millville-Bridgeton, NJ Cumberland County, NJ.	0.9832
47260	Virginia Beach-Norfolk-Newport News, VA-NC Currituck County, NC. Gloucester County, VA. Isle of Wight County, VA. James City County, VA. Mathews County, VA. Surry County, VA.	0.8790

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	York County, VA.	
	Chesapeake City, VA.	
	Hampton City, VA.	
	Newport News City, VA.	
	Norfolk City, VA.	
	Poquoson City, VA.	
	Portsmouth City, VA.	
	Suffolk City, VA.	
	Virginia Beach City, VA.	
	Williamsburg City, VA.	
47300	Visalia-Porterville, CA	0.9968
	Tulare County, CA.	
47380	Waco, TX	0.8633
	McLennan County, TX.	
47580	Warner Robins, GA	0.8380
	Houston County, GA.	
47644	Warren-Farmington Hills-Troy, MI	1.0054
	Lapeer County, MI.	
	Livingston County, MI.	
	Macomb County, MI.	
	Oakland County, MI.	
	St. Clair County, MI.	
47894	Washington-Arlington-Alexandria, DC-VA-MD-WV	1.1054
	District of Columbia, DC.	
	Calvert County, MD.	
	Charles County, MD.	
	Prince George's County, MD.	
	Arlington County, VA.	
	Clarke County, VA.	
	Fairfax County, VA.	
	Fauquier County, VA.	
	Loudoun County, VA.	
	Prince William County, VA.	
	Spotsylvania County, VA.	
	Stafford County, VA.	
	Warren County, VA.	
	Alexandria City, VA.	
	Fairfax City, VA.	
	Falls Church City, VA.	
	Fredericksburg City, VA.	
	Manassas City, VA.	
	Manassas Park City, VA.	
	Jefferson County, WV.	
47940	Waterloo-Cedar Falls, IA	0.8408
	Black Hawk County, IA.	
	Bremer County, IA.	
	Grundy County, IA.	
48140	Wausau, WI	0.9722
	Marathon County, WI.	
48260	Weirton-Steubenville, WV-OH	0.8063
	Jefferson County, OH.	
	Brooke County, WV.	
	Hancock County, WV.	
48300	Wenatchee, WA	1.0346
	Chelan County, WA.	
	Douglas County, WA.	
48424	West Palm Beach-Boca Raton-Boynton Beach, FL	0.9649
	Palm Beach County, FL.	
48540	Wheeling, WV-OH	0.7010
	Belmont County, OH.	
	Marshall County, WV.	
	Ohio County, WV.	
48620	Wichita, KS	0.9063
	Butler County, KS.	
	Harvey County, KS.	
	Sedgwick County, KS.	
	Sumner County, KS.	
48660	Wichita Falls, TX	0.8311
	Archer County, TX.	
	Clay County, TX.	

ADDENDUM B.—CY 2007 WAGE INDEX FOR URBAN AREAS BY CBSA; APPLICABLE PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX—Continued

CBSA code	Urban area (constituent counties)	Wage index
	Wichita County, TX.	
48700	Williamsport, PA	0.8139
	Lycoming County, PA.	
48864	Wilmington, DE-MD-NJ	1.0684
	New Castle County, DE.	
	Cecil County, MD.	
	Salem County, NJ.	
48900	Wilmington, NC	0.9835
	Brunswick County, NC.	
	New Hanover County, NC.	
	Pender County, NC.	
49020	Winchester, VA-WV	1.0091
	Frederick County, VA.	
	Winchester City, VA.	
	Hampshire County, WV.	
49180	Winston-Salem, NC	0.9276
	Davie County, NC.	
	Forsyth County, NC.	
	Stokes County, NC.	
	Yadkin County, NC.	
49340	Worcester, MA	1.0722
	Worcester County, MA.	
49420	Yakima, WA	0.9847
	Yakima County, WA.	
49500	Yauco, PR	0.3854
	Guánica Municipio, PR.	
	Guayanilla Municipio, PR.	
	Peñuelas Municipio, PR.	
	Yauco Municipio, PR.	
49620	York-Hanover, PA	0.9397
	York County, PA.	
49660	Youngstown-Warren-Boardman, OH-PA	0.8802
	Mahoning County, OH.	
	Trumbull County, OH.	
	Mercer County, PA.	
49700	Yuba City, CA	1.0730
	Sutter County, CA.	
	Yuba County, CA.	
49740	Yuma, AZ	0.9109
	Yuma County, AZ.	

[1] At this time, there are no hospitals in these urban areas on which to base a wage index. Therefore, the urban wage index value is based on the average wage index of all urban areas within the State.

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
01000	Autauga County, Alabama	33860	0.8618	0.8009	−7.07
01010	Baldwin County, Alabama	99901	0.7654	0.7591	−0.82
01020	Barbour County, Alabama	99901	0.7439	0.7591	2.04
01030	Bibb County, Alabama	13820	0.8196	0.8894	8.52
01040	Blount County, Alabama	13820	0.8980	0.8894	−0.96
01050	Bullock County, Alabama	99901	0.7439	0.7591	2.04
01060	Butler County, Alabama	99901	0.7439	0.7591	2.04
01070	Calhoun County, Alabama	11500	0.7682	0.7770	1.15
01080	Chambers County, Alabama	99901	0.7439	0.7591	2.04
01090	Cherokee County, Alabama	99901	0.7439	0.7591	2.04
01100	Chilton County, Alabama	13820	0.8196	0.8894	8.52
01110	Choctaw County, Alabama	99901	0.7439	0.7591	2.04
01120	Clarke County, Alabama	99901	0.7439	0.7591	2.04
01130	Clay County, Alabama	99901	0.7439	0.7591	2.04
01140	Cleburne County, Alabama	99901	0.7439	0.7591	2.04
01150	Coffee County, Alabama	99901	0.7439	0.7591	2.04
01160	Colbert County, Alabama	22520	0.8272	0.7843	−5.19
01170	Conecuh County, Alabama	99901	0.7439	0.7591	2.04

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
01180	Coosa County, Alabama	99901	0.7439	0.7591	2.04
01190	Covington County, Alabama	99901	0.7439	0.7591	2.04
01200	Crenshaw County, Alabama	99901	0.7439	0.7591	2.04
01210	Cullman County, Alabama	99901	0.7439	0.7591	2.04
01220	Dale County, Alabama	99901	0.7574	0.7591	0.22
01230	Dallas County, Alabama	99901	0.7439	0.7591	2.04
01240	De Kalb County, Alabama	99901	0.7439	0.7591	2.04
01250	Elmore County, Alabama	33860	0.8618	0.8009	−7.07
01260	Escambia County, Alabama	99901	0.7439	0.7591	2.04
01270	Etowah County, Alabama	23460	0.7938	0.8066	1.61
01280	Fayette County, Alabama	99901	0.7439	0.7591	2.04
01290	Franklin County, Alabama	99901	0.7439	0.7591	2.04
01300	Geneva County, Alabama	20020	0.7577	0.7381	−2.59
01310	Greene County, Alabama	46220	0.8039	0.8542	6.26
01320	Hale County, Alabama	46220	0.8039	0.8542	6.26
01330	Henry County, Alabama	20020	0.7577	0.7381	−2.59
01340	Houston County, Alabama	20020	0.7711	0.7381	−4.28
01350	Jackson County, Alabama	99901	0.7439	0.7591	2.04
01360	Jefferson County, Alabama	13820	0.8980	0.8894	−0.96
01370	Lamar County, Alabama	99901	0.7439	0.7591	2.04
01380	Lauderdale County, Alabama	22520	0.8272	0.7843	−5.19
01390	Lawrence County, Alabama	19460	0.8469	0.8159	−3.66
01400	Lee County, Alabama	12220	0.8100	0.8096	−0.05
01410	Limestone County, Alabama	26620	0.9146	0.9007	−1.52
01420	Lowndes County, Alabama	33860	0.8025	0.8009	−0.20
01430	Macon County, Alabama	99901	0.7439	0.7591	2.04
01440	Madison County, Alabama	26620	0.9146	0.9007	−1.52
01450	Marengo County, Alabama	99901	0.7439	0.7591	2.04
01460	Marion County, Alabama	99901	0.7439	0.7591	2.04
01470	Marshall County, Alabama	99901	0.7439	0.7591	2.04
01480	Mobile County, Alabama	33660	0.7876	0.7913	0.47
01490	Monroe County, Alabama	99901	0.7439	0.7591	2.04
01500	Montgomery County, Alabama	33860	0.8618	0.8009	−7.07
01510	Morgan County, Alabama	19460	0.8469	0.8159	−3.66
01520	Perry County, Alabama	99901	0.7439	0.7591	2.04
01530	Pickens County, Alabama	99901	0.7439	0.7591	2.04
01540	Pike County, Alabama	99901	0.7439	0.7591	2.04
01550	Randolph County, Alabama	99901	0.7439	0.7591	2.04
01560	Russell County, Alabama	17980	0.8560	0.8239	−3.75
01570	St Clair County, Alabama	13820	0.8980	0.8894	−0.96
01580	Shelby County, Alabama	13820	0.8980	0.8894	−0.96
01590	Sumter County, Alabama	99901	0.7439	0.7591	2.04
01600	Talladega County, Alabama	99901	0.7439	0.7591	2.04
01610	Tallapoosa County, Alabama	99901	0.7439	0.7591	2.04
01620	Tuscaloosa County, Alabama	46220	0.8705	0.8542	−1.87
01630	Walker County, Alabama	13820	0.8196	0.8894	8.52
01640	Washington County, Alabama	99901	0.7439	0.7591	2.04
01650	Wilcox County, Alabama	99901	0.7439	0.7591	2.04
01660	Winston County, Alabama	99901	0.7439	0.7591	2.04
02013	Aleutians County East, Alaska	99902	1.1933	1.0661	−10.66
02016	Aleutians County West, Alaska	99902	1.1933	1.0661	−10.66
02020	Anchorage County, Alaska	11260	1.1840	1.2023	1.55
02030	Angoon County, Alaska	99902	1.1933	1.0661	−10.66
02040	Barrow-North Slope County, Alaska	99902	1.1933	1.0661	−10.66
02050	Bethel County, Alaska	99902	1.1933	1.0661	−10.66
02060	Bristol Bay Borough County, Alaska	99902	1.1933	1.0661	−10.66
02068	Denali County, Alaska	99902	1.1933	1.0661	−10.66
02070	Bristol Bay County, Alaska	99902	1.1933	1.0661	−10.66
02080	Cordova-Mc Carthy County, Alaska	99902	1.1933	1.0661	−10.66
02090	Fairbanks County, Alaska	21820	1.1648	1.1059	−5.06
02100	Haines County, Alaska	99902	1.1933	1.0661	−10.66
02110	Juneau County, Alaska	99902	1.1933	1.0661	−10.66
02120	Kenai-Cook Inlet County, Alaska	99902	1.1933	1.0661	−10.66
02122	Kenai Peninsula Borough, Alaska	99902	1.1933	1.0661	−10.66
02130	Ketchikan County, Alaska	99902	1.1933	1.0661	−10.66
02140	Kobuk County, Alaska	99902	1.1933	1.0661	−10.66
02150	Kodiak County, Alaska	99902	1.1933	1.0661	−10.66
02160	Kuskokwin County, Alaska	99902	1.1933	1.0661	−10.66

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
02164	Lake and Peninsula Borough, Alaska	99902	1.1933	1.0661	−10.66
02170	Matanuska County, Alaska	11260	1.1892	1.2023	1.10
02180	Nome County, Alaska	99902	1.1933	1.0661	−10.66
02185	North Slope Borough, Alaska	99902	1.1933	1.0661	−10.66
02188	Northwest Arctic Borough, Alaska	99902	1.1933	1.0661	−10.66
02190	Outer Ketchikan County, Alaska	99902	1.1933	1.0661	−10.66
02200	Prince Of Wales County, Alaska	99902	1.1933	1.0661	−10.66
02201	Prince of Wales-Outer Ketchikan Census Area,AK	99902	1.1933	1.0661	−10.66
02210	Seward County, Alaska	99902	1.1933	1.0661	−10.66
02220	Sitka County, Alaska	99902	1.1933	1.0661	−10.66
02230	Skagway-Yakutat County, Alaska	99902	1.1933	1.0661	−10.66
02231	Skagway-Yakutat-Angoon Census Area, Alaska	99902	1.1933	1.0661	−10.66
02232	Skagway-Hoonah-Angoon Census Area, Alaska	99902	1.1933	1.0661	−10.66
02240	Southeast Fairbanks County, Alaska	99902	1.1933	1.0661	−10.66
02250	Upper Yukon County, Alaska	99902	1.1933	1.0661	−10.66
02260	Valdz-Chitna-Whitier County, Alaska	99902	1.1933	1.0661	−10.66
02261	Valdex-Cordove Census Area, Alaska	99902	1.1933	1.0661	−10.66
02270	Wade Hampton County, Alaska	99902	1.1933	1.0661	−10.66
02280	Wrangell-Petersburg County, Alaska	99902	1.1933	1.0661	−10.66
02282	Yakutat Borough, Alaska	99902	1.1933	1.0661	−10.66
02290	Yukon-Koyukuk County, Alaska	99902	1.1933	1.0661	−10.66
03000	Apache County, Arizona	99903	0.8907	0.8908	0.01
03010	Cochise County, Arizona	99903	0.8907	0.8908	0.01
03020	Coconino County, Arizona	22380	1.1969	1.1601	−3.07
03030	Gila County, Arizona	99903	0.8907	0.8908	0.01
03040	Graham County, Arizona	99903	0.8907	0.8908	0.01
03050	Greenlee County, Arizona	99903	0.8907	0.8908	0.01
03055	La Paz County, Arizona	99903	0.8907	0.8908	0.01
03060	Maricopa County, Arizona	38060	1.0127	1.0287	1.58
03070	Mohave County, Arizona	99903	0.9962	0.8908	−10.58
03080	Navajo County, Arizona	99903	0.8907	0.8908	0.01
03090	Pima County, Arizona	46060	0.9007	0.9202	2.16
03100	Pinal County, Arizona	38060	1.0127	1.0287	1.58
03110	Santa Cruz County, Arizona	99903	0.8907	0.8908	0.01
03120	Yavapai County, Arizona	39140	0.9457	0.9836	4.01
03130	Yuma County, Arizona	49740	0.9126	0.9109	−0.19
04000	Arkansas County, Arkansas	99904	0.7605	0.7307	−3.92
04010	Ashley County, Arkansas	99904	0.7605	0.7307	−3.92
04020	Baxter County, Arkansas	99904	0.7605	0.7307	−3.92
04030	Benton County, Arkansas	22220	0.8661	0.8865	2.36
04040	Boone County, Arkansas	99904	0.7605	0.7307	−3.92
04050	Bradley County, Arkansas	99904	0.7605	0.7307	−3.92
04060	Calhoun County, Arkansas	99904	0.7605	0.7307	−3.92
04070	Carroll County, Arkansas	99904	0.7605	0.7307	−3.92
04080	Chicot County, Arkansas	99904	0.7605	0.7307	−3.92
04090	Clark County, Arkansas	99904	0.7605	0.7307	−3.92
04100	Clay County, Arkansas	99904	0.7605	0.7307	−3.92
04110	Cleburne County, Arkansas	99904	0.7605	0.7307	−3.92
04120	Cleveland County, Arkansas	38220	0.8212	0.8383	2.08
04130	Columbia County, Arkansas	99904	0.7605	0.7307	−3.92
04140	Conway County, Arkansas	99904	0.7605	0.7307	−3.92
04150	Craighead County, Arkansas	27860	0.7911	0.7662	−3.15
04160	Crawford County, Arkansas	22900	0.8238	0.7731	−6.15
04170	Crittenden County, Arkansas	32820	0.9407	0.9373	−0.36
04180	Cross County, Arkansas	99904	0.7605	0.7307	−3.92
04190	Dallas County, Arkansas	99904	0.7605	0.7307	−3.92
04200	Desha County, Arkansas	99904	0.7605	0.7307	−3.92
04210	Drew County, Arkansas	99904	0.7605	0.7307	−3.92
04220	Faulkner County, Arkansas	30780	0.8747	0.8890	1.63
04230	Franklin County, Arkansas	22900	0.7987	0.7731	−3.21
04240	Fulton County, Arkansas	99904	0.7605	0.7307	−3.92
04250	Garland County, Arkansas	26300	0.8375	0.8782	4.86
04260	Grant County, Arkansas	30780	0.8246	0.8890	7.81
04270	Greene County, Arkansas	99904	0.7605	0.7307	−3.92
04280	Hempstead County, Arkansas	99904	0.7605	0.7307	−3.92
04290	Hot Spring County, Arkansas	99904	0.7605	0.7307	−3.92
04300	Howard County, Arkansas	99904	0.7605	0.7307	−3.92
04310	Independence County, Arkansas	99904	0.7605	0.7307	−3.92

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
04320	Izard County, Arkansas	99904	0.7605	0.7307	−3.92
04330	Jackson County, Arkansas	99904	0.7605	0.7307	−3.92
04340	Jefferson County, Arkansas	38220	0.8680	0.8383	−3.42
04350	Johnson County, Arkansas	99904	0.7605	0.7307	−3.92
04360	Lafayette County, Arkansas	99904	0.7605	0.7307	−3.92
04370	Lawrence County, Arkansas	99904	0.7605	0.7307	−3.92
04380	Lee County, Arkansas	99904	0.7605	0.7307	−3.92
04390	Lincoln County, Arkansas	38220	0.8212	0.8383	2.08
04400	Little River County, Arkansas	99904	0.7605	0.7307	−3.92
04410	Logan County, Arkansas	99904	0.7605	0.7307	−3.92
04420	Lonoke County, Arkansas	30780	0.8747	0.8890	1.63
04430	Madison County, Arkansas	22220	0.8203	0.8865	8.07
04440	Marion County, Arkansas	99904	0.7605	0.7307	−3.92
04450	Miller County, Arkansas	45500	0.8283	0.8104	−2.16
04460	Mississippi County, Arkansas	99904	0.7605	0.7307	−3.92
04470	Monroe County, Arkansas	99904	0.7605	0.7307	−3.92
04480	Montgomery County, Arkansas	99904	0.7605	0.7307	−3.92
04490	Nevada County, Arkansas	99904	0.7605	0.7307	−3.92
04500	Newton County, Arkansas	99904	0.7605	0.7307	−3.92
04510	Ouachita County, Arkansas	99904	0.7605	0.7307	−3.92
04520	Perry County, Arkansas	30780	0.8246	0.8890	7.81
04530	Phillips County, Arkansas	99904	0.7605	0.7307	−3.92
04540	Pike County, Arkansas	99904	0.7605	0.7307	−3.92
04550	Poinsett County, Arkansas	27860	0.7828	0.7662	−2.12
04560	Polk County, Arkansas	99904	0.7605	0.7307	−3.92
04570	Pope County, Arkansas	99904	0.7605	0.7307	−3.92
04580	Prairie County, Arkansas	99904	0.7605	0.7307	−3.92
04590	Pulaski County, Arkansas	30780	0.8747	0.8890	1.63
04600	Randolph County, Arkansas	99904	0.7605	0.7307	−3.92
04610	St Francis County, Arkansas	99904	0.7605	0.7307	−3.92
04620	Saline County, Arkansas	30780	0.8747	0.8890	1.63
04630	Scott County, Arkansas	99904	0.7605	0.7307	−3.92
04640	Searcy County, Arkansas	99904	0.7605	0.7307	−3.92
04650	Sebastian County, Arkansas	22900	0.8238	0.7731	−6.15
04660	Sevier County, Arkansas	99904	0.7605	0.7307	−3.92
04670	Sharp County, Arkansas	99904	0.7605	0.7307	−3.92
04680	Stone County, Arkansas	99904	0.7605	0.7307	−3.92
04690	Union County, Arkansas	99904	0.7605	0.7307	−3.92
04700	Van Buren County, Arkansas	99904	0.7605	0.7307	−3.92
04710	Washington County, Arkansas	22220	0.8661	0.8865	2.36
04720	White County, Arkansas	99904	0.7605	0.7307	−3.92
04730	Woodruff County, Arkansas	99904	0.7605	0.7307	−3.92
04740	Yell County, Arkansas	99904	0.7605	0.7307	−3.92
05000	Alameda County, California	36084	1.5346	1.5819	3.08
05010	Alpine County, California	99905	1.0915	1.1454	4.94
05020	Amador County, California	99905	1.0915	1.1454	4.94
05030	Butte County, California	17020	1.0511	1.1053	5.16
05040	Calaveras County, California	99905	1.0915	1.1454	4.94
05050	Colusa County, California	99905	1.0915	1.1454	4.94
05060	Contra Costa County, California	36084	1.5346	1.5819	3.08
05070	Del Norte County, California	99905	1.0915	1.1454	4.94
05080	Eldorado County, California	40900	1.3056	1.3372	2.42
05090	Fresno County, California	23420	1.0483	1.0943	4.39
05100	Glenn County, California	99905	1.0915	1.1454	4.94
05110	Humboldt County, California	99905	1.0915	1.1454	4.94
05120	Imperial County, California	20940	0.9841	0.9076	−7.77
05130	Inyo County, California	99905	1.0915	1.1454	4.94
05140	Kern County, California	12540	1.0470	1.0725	2.44
05150	Kings County, California	25260	1.0406	1.0282	−1.19
05160	Lake County, California	99905	1.0915	1.1454	4.94
05170	Lassen County, California	99905	1.0915	1.1454	4.94
05200	Los Angeles County, California	31084	1.1783	1.1760	−0.20
05210	Los Angeles County, California	31084	1.1783	1.1760	−0.20
05300	Madera County, California	31460	0.9571	0.8154	−14.81
05310	Marin County, California	41884	1.4994	1.5165	1.14
05320	Mariposa County, California	99905	1.0915	1.1454	4.94
05330	Mendocino County, California	99905	1.0915	1.1454	4.94
05340	Merced County, California	32900	1.1109	1.1471	3.26

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
05350	Modoc County, California	99905	1.0915	1.1454	4.94
05360	Mono County, California	99905	1.0915	1.1454	4.94
05370	Monterey County, California	41500	1.4128	1.4337	1.48
05380	Napa County, California	34900	1.3313	1.3374	0.46
05390	Nevada County, California	99905	1.0915	1.1454	4.94
05400	Orange County, California	42044	1.1559	1.1473	−0.74
05410	Placer County, California	40900	1.3056	1.3372	2.42
05420	Plumas County, California	99905	1.0915	1.1454	4.94
05430	Riverside County, California	40140	1.1027	1.0904	−1.12
05440	Sacramento County, California	40900	1.3056	1.3372	2.42
05450	San Benito County, California	41940	1.2937	1.5543	20.14
05460	San Bernardino County, California	40140	1.1027	1.0904	−1.12
05470	San Diego County, California	41740	1.1413	1.1354	−0.52
05480	San Francisco County, California	41884	1.4994	1.5165	1.14
05490	San Joaquin County, California	44700	1.1307	1.1442	1.19
05500	San Luis Obispo County, California	42020	1.1349	1.1598	2.19
05510	San Mateo County, California	41884	1.4994	1.5165	1.14
05520	Santa Barbara County, California	42060	1.1694	1.1091	−5.16
05530	Santa Clara County, California	41940	1.5109	1.5543	2.87
05540	Santa Cruz County, California	42100	1.5166	1.5457	1.92
05550	Shasta County, California	39820	1.2203	1.3198	8.15
05560	Sierra County, California	99905	1.0915	1.1454	4.94
05570	Siskiyou County, California	99905	1.0915	1.1454	4.94
05580	Solano County, California	46700	1.4460	1.5137	4.68
05590	Sonoma County, California	42220	1.3493	1.4464	7.20
05600	Stanislaus County, California	33700	1.1885	1.1729	−1.31
05610	Sutter County, California	49700	1.0921	1.0730	−1.75
05620	Tehama County, California	99905	1.0915	1.1454	4.94
05630	Trinity County, California	99905	1.0915	1.1454	4.94
05640	Tulare County, California	47300	1.0123	0.9968	−1.53
05650	Tuolumne County, California	99905	1.0915	1.1454	4.94
05660	Ventura County, California	37100	1.1622	1.1546	−0.65
05670	Yolo County, California	40900	1.1460	1.3372	16.68
05680	Yuba County, California	49700	1.0921	1.0730	−1.75
06000	Adams County, Colorado	19740	1.0723	1.0930	1.93
06010	Alamosa County, Colorado	99906	0.9380	0.9325	−0.59
06020	Arapahoe County, Colorado	19740	1.0723	1.0930	1.93
06030	Archuleta County, Colorado	99906	0.9380	0.9325	−0.59
06040	Baca County, Colorado	99906	0.9380	0.9325	−0.59
06050	Bent County, Colorado	99906	0.9380	0.9325	−0.59
06060	Boulder County, Colorado	14500	0.9734	1.0350	6.33
06070	Chaffee County, Colorado	99906	0.9380	0.9325	−0.59
06080	Cheyenne County, Colorado	99906	0.9380	0.9325	−0.59
06090	Clear Creek County, Colorado	19740	1.0052	1.0930	8.73
06100	Conejos County, Colorado	99906	0.9380	0.9325	−0.59
06110	Costilla County, Colorado	99906	0.9380	0.9325	−0.59
06120	Crowley County, Colorado	99906	0.9380	0.9325	−0.59
06130	Custer County, Colorado	99906	0.9380	0.9325	−0.59
06140	Delta County, Colorado	99906	0.9380	0.9325	−0.59
06150	Denver County, Colorado	19740	1.0723	1.0930	1.93
06160	Dolores County, Colorado	99906	0.9380	0.9325	−0.59
06170	Douglas County, Colorado	19740	1.0723	1.0930	1.93
06180	Eagle County, Colorado	99906	0.9380	0.9325	−0.59
06190	Elbert County, Colorado	19740	1.0052	1.0930	8.73
06200	El Paso County, Colorado	17820	0.9468	0.9701	2.46
06210	Fremont County, Colorado	99906	0.9380	0.9325	−0.59
06220	Garfield County, Colorado	99906	0.9380	0.9325	−0.59
06230	Gilpin County, Colorado	19740	1.0052	1.0930	8.73
06240	Grand County, Colorado	99906	0.9380	0.9325	−0.59
06250	Gunnison County, Colorado	99906	0.9380	0.9325	−0.59
06260	Hinsdale County, Colorado	99906	0.9380	0.9325	−0.59
06270	Huerfano County, Colorado	99906	0.9380	0.9325	−0.59
06280	Jackson County, Colorado	99906	0.9380	0.9325	−0.59
06290	Jefferson County, Colorado	19740	1.0723	1.0930	1.93
06300	Kiowa County, Colorado	99906	0.9380	0.9325	−0.59
06310	Kit Carson County, Colorado	99906	0.9380	0.9325	−0.59
06320	Lake County, Colorado	99906	0.9380	0.9325	−0.59
06330	La Plata County, Colorado	99906	0.9380	0.9325	−0.59

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
06340	Larimer County, Colorado	22660	1.0122	0.9544	−5.71
06350	Las Animas County, Colorado	99906	0.9380	0.9325	−0.59
06360	Lincoln County, Colorado	99906	0.9380	0.9325	−0.59
06370	Logan County, Colorado	99906	0.9380	0.9325	−0.59
06380	Mesa County, Colorado	24300	0.9550	0.9668	1.24
06390	Mineral County, Colorado	99906	0.9380	0.9325	−0.59
06400	Moffat County, Colorado	99906	0.9380	0.9325	−0.59
06410	Montezuma County, Colorado	99906	0.9380	0.9325	−0.59
06420	Montrose County, Colorado	99906	0.9380	0.9325	−0.59
06430	Morgan County, Colorado	99906	0.9380	0.9325	−0.59
06440	Otero County, Colorado	99906	0.9380	0.9325	−0.59
06450	Ouray County, Colorado	99906	0.9380	0.9325	−0.59
06460	Park County, Colorado	19740	1.0052	1.0930	8.73
06470	Phillips County, Colorado	99906	0.9380	0.9325	−0.59
06480	Pitkin County, Colorado	99906	0.9380	0.9325	−0.59
06490	Prowers County, Colorado	99906	0.9380	0.9325	−0.59
06500	Pueblo County, Colorado	39380	0.8623	0.8753	1.51
06510	Rio Blanco County, Colorado	99906	0.9380	0.9325	−0.59
06520	Rio Grande County, Colorado	99906	0.9380	0.9325	−0.59
06530	Routt County, Colorado	99906	0.9380	0.9325	−0.59
06540	Saguache County, Colorado	99906	0.9380	0.9325	−0.59
06550	San Juan County, Colorado	99906	0.9380	0.9325	−0.59
06560	San Miguel County, Colorado	99906	0.9380	0.9325	−0.59
06570	Sedgwick County, Colorado	99906	0.9380	0.9325	−0.59
06580	Summit County, Colorado	99906	0.9380	0.9325	−0.59
06590	Teller County, Colorado	17820	0.9424	0.9701	2.94
06600	Washington County, Colorado	99906	0.9380	0.9325	−0.59
06610	Weld County, Colorado	24540	0.9570	0.9602	0.33
06620	Yuma County, Colorado	99906	0.9380	0.9325	−0.59
06630	Broomfield County, Colorado	19740	1.0723	1.0930	1.93
07000	Fairfield County, Connecticut	14860	1.2394	1.2659	2.14
07010	Hartford County, Connecticut	25540	1.1073	1.0894	−1.62
07020	Litchfield County, Connecticut	25540	1.1073	1.0894	−1.62
07030	Middlesex County, Connecticut	25540	1.1073	1.0894	−1.62
07040	New Haven County, Connecticut	35300	1.2042	1.1953	−0.74
07050	New London County, Connecticut	35980	1.1345	1.1932	5.17
07060	Tolland County, Connecticut	25540	1.1073	1.0894	−1.62
07070	Windham County, Connecticut	99907	1.1730	1.1709	−0.18
08000	Kent County, Delaware	20100	0.9776	0.9847	0.73
08010	New Castle County, Delaware	48864	1.0499	1.0684	1.76
08020	Sussex County, Delaware	99908	0.9579	0.9705	1.32
09000	Washington DC County, Dist Of Col	47894	1.0951	1.1054	0.94
10000	Alachua County, Florida	23540	0.9388	0.9277	−1.18
10010	Baker County, Florida	27260	0.8984	0.9165	2.01
10020	Bay County, Florida	37460	0.8005	0.8027	0.27
10030	Bradford County, Florida	99910	0.8623	0.8594	−0.34
10040	Brevard County, Florida	37340	0.9839	0.9443	−4.02
10050	Broward County, Florida	22744	1.0432	1.0133	−2.87
10060	Calhoun County, Florida	99910	0.8623	0.8594	−0.34
10070	Charlotte County, Florida	39460	0.9255	0.9405	1.62
10080	Citrus County, Florida	99910	0.8623	0.8594	−0.34
10090	Clay County, Florida	27260	0.9295	0.9165	−1.40
10100	Collier County, Florida	34940	1.0139	0.9941	−1.95
10110	Columbia County, Florida	99910	0.8623	0.8594	−0.34
10120	Dade County, Florida	33124	0.9750	0.9812	0.64
10130	De Soto County, Florida	99910	0.8623	0.8594	−0.34
10140	Dixie County, Florida	99910	0.8623	0.8594	−0.34
10150	Duval County, Florida	27260	0.9295	0.9165	−1.40
10160	Escambia County, Florida	37860	0.8096	0.8000	−1.19
10170	Flagler County, Florida	99910	0.8947	0.8594	−3.95
10180	Franklin County, Florida	99910	0.8623	0.8594	−0.34
10190	Gadsden County, Florida	45220	0.8688	0.8942	2.92
10200	Gilchrist County, Florida	23540	0.9033	0.9277	2.70
10210	Glades County, Florida	99910	0.8623	0.8594	−0.34
10220	Gulf County, Florida	99910	0.8623	0.8594	−0.34
10230	Hamilton County, Florida	99910	0.8623	0.8594	−0.34
10240	Hardee County, Florida	99910	0.8623	0.8594	−0.34
10250	Hendry County, Florida	99910	0.8623	0.8594	−0.34

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
10260	Hernando County, Florida	45300	0.9233	0.9144	−0.96
10270	Highlands County, Florida	99910	0.8623	0.8594	−0.34
10280	Hillsborough County, Florida	45300	0.9233	0.9144	−0.96
10290	Holmes County, Florida	99910	0.8623	0.8594	−0.34
10300	Indian River County, Florida	42680	0.9056	0.9573	5.71
10310	Jackson County, Florida	99910	0.8623	0.8594	−0.34
10320	Jefferson County, Florida	45220	0.8683	0.8942	2.98
10330	Lafayette County, Florida	99910	0.8623	0.8594	−0.34
10340	Lake County, Florida	36740	0.9464	0.9452	−0.13
10350	Lee County, Florida	15980	0.9356	0.9342	−0.15
10360	Leon County, Florida	45220	0.8688	0.8942	2.92
10370	Levy County, Florida	99910	0.8623	0.8594	−0.34
10380	Liberty County, Florida	99910	0.8623	0.8594	−0.34
10390	Madison County, Florida	99910	0.8623	0.8594	−0.34
10400	Manatee County, Florida	42260	0.9639	0.9868	2.38
10410	Marion County, Florida	36100	0.8925	0.8867	−0.65
10420	Martin County, Florida	38940	1.0123	0.9833	−2.86
10430	Monroe County, Florida	99910	0.8623	0.8594	−0.34
10440	Nassau County, Florida	27260	0.9295	0.9165	−1.40
10450	Okaloosa County, Florida	23020	0.8872	0.8643	−2.58
10460	Okeechobee County, Florida	99910	0.8623	0.8594	−0.34
10470	Orange County, Florida	36740	0.9464	0.9452	−0.13
10480	Osceola County, Florida	36740	0.9464	0.9452	−0.13
10490	Palm Beach County, Florida	48424	1.0067	0.9649	−4.15
10500	Pasco County, Florida	45300	0.9233	0.9144	−0.96
10510	Pinellas County, Florida	45300	0.9233	0.9144	−0.96
10520	Polk County, Florida	29460	0.8912	0.8879	−0.37
10530	Putnam County, Florida	99910	0.8623	0.8594	−0.34
10540	Johns County, Florida	27260	0.9295	0.9165	−1.40
10550	St Lucie County, Florida	38940	1.0123	0.9833	−2.86
10560	Santa Rosa County, Florida	37860	0.8096	0.8000	−1.19
10570	Sarasota County, Florida	42260	0.9639	0.9868	2.38
10580	Seminole County, Florida	36740	0.9464	0.9452	−0.13
10590	Sumter County, Florida	99910	0.8623	0.8594	−0.34
10600	Suwannee County, Florida	99910	0.8623	0.8594	−0.34
10610	Taylor County, Florida	99910	0.8623	0.8594	−0.34
10620	Union County, Florida	99910	0.8623	0.8594	−0.34
10630	Volusia County, Florida	19660	0.9312	0.9263	−0.53
10640	Wakulla County, Florida	45220	0.8683	0.8942	2.98
10650	Walton County, Florida	99910	0.8623	0.8594	−0.34
10660	Washington County, Florida	99910	0.8623	0.8594	−0.34
11000	Appling County, Georgia	99911	0.7914	0.7593	−4.06
11010	Atkinson County, Georgia	99911	0.7914	0.7593	−4.06
11011	Bacon County, Georgia	99911	0.7914	0.7593	−4.06
11020	Baker County, Georgia	10500	0.8397	0.8991	7.07
11030	Baldwin County, Georgia	99911	0.7914	0.7593	−4.06
11040	Banks County, Georgia	99911	0.7914	0.7593	−4.06
11050	Barrow County, Georgia	12060	0.9793	0.9762	−0.32
11060	Bartow County, Georgia	12060	0.9793	0.9762	−0.32
11070	Ben Hill County, Georgia	99911	0.7914	0.7593	−4.06
11080	Berrien County, Georgia	99911	0.7914	0.7593	−4.06
11090	Bibb County, Georgia	31420	0.9360	0.9519	1.70
11100	Bleckley County, Georgia	99911	0.7914	0.7593	−4.06
11110	Brantley County, Georgia	15260	0.8739	1.0164	16.31
11120	Brooks County, Georgia	46660	0.8516	0.8369	−1.73
11130	Bryan County, Georgia	42340	0.9461	0.9351	−1.16
11140	Bulloch County, Georgia	99911	0.7914	0.7593	−4.06
11150	Burke County, Georgia	12260	0.8957	0.9667	7.93
11160	Butts County, Georgia	12060	0.8980	0.9762	8.71
11161	Calhoun County, Georgia	99911	0.7914	0.7593	−4.06
11170	Camden County, Georgia	99911	0.7914	0.7593	−4.06
11180	Candler County, Georgia	99911	0.7914	0.7593	−4.06
11190	Carroll County, Georgia	12060	0.9793	0.9762	−0.32
11200	Catoosa County, Georgia	16860	0.9088	0.8948	−1.54
11210	Charlton County, Georgia	99911	0.7914	0.7593	−4.06
11220	Chatham County, Georgia	42340	0.9461	0.9351	−1.16
11230	Chattahoochee County, Georgia	17980	0.8560	0.8239	−3.75
11240	Chattooga County, Georgia	99911	0.7914	0.7593	−4.06

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
11250	Cherokee County, Georgia	12060	0.9793	0.9762	−0.32
11260	Clarke County, Georgia	12020	0.9855	0.9856	0.01
11270	Clay County, Georgia	99911	0.7914	0.7593	−4.06
11280	Clayton County, Georgia	12060	0.9793	0.9762	−0.32
11281	Clinch County, Georgia	99911	0.7914	0.7593	−4.06
11290	Cobb County, Georgia	12060	0.9793	0.9762	−0.32
11291	Coffee County, Georgia	99911	0.7914	0.7593	−4.06
11300	Colquitt County, Georgia	99911	0.7914	0.7593	−4.06
11310	Columbia County, Georgia	12260	0.9778	0.9667	−1.14
11311	Cook County, Georgia	99911	0.7914	0.7593	−4.06
11320	Coweta County, Georgia	12060	0.9793	0.9762	−0.32
11330	Crawford County, Georgia	31420	0.8805	0.9519	8.11
11340	Crisp County, Georgia	99911	0.7914	0.7593	−4.06
11341	Dade County, Georgia	16860	0.9088	0.8948	−1.54
11350	Dawson County, Georgia	12060	0.8980	0.9762	8.71
11360	Decatur County, Georgia	99911	0.7914	0.7593	−4.06
11370	De Kalb County, Georgia	12060	0.9793	0.9762	−0.32
11380	Dodge County, Georgia	99911	0.7914	0.7593	−4.06
11381	Dooly County, Georgia	99911	0.7914	0.7593	−4.06
11390	Dougherty County, Georgia	10500	0.8628	0.8991	4.21
11400	Douglas County, Georgia	12060	0.9793	0.9762	−0.32
11410	Early County, Georgia	99911	0.7914	0.7593	−4.06
11420	Echols County, Georgia	46660	0.8516	0.8369	−1.73
11421	Effingham County, Georgia	42340	0.9461	0.9351	−1.16
11430	Elbert County, Georgia	99911	0.7914	0.7593	−4.06
11440	Emanuel County, Georgia	99911	0.7914	0.7593	−4.06
11441	Evans County, Georgia	99911	0.7914	0.7593	−4.06
11450	Fannin County, Georgia	99911	0.7914	0.7593	−4.06
11451	Fayette County, Georgia	12060	0.9793	0.9762	−0.32
11460	Floyd County, Georgia	40660	0.8790	0.9193	4.58
11461	Forsyth County, Georgia	12060	0.9793	0.9762	−0.32
11462	Franklin County, Georgia	99911	0.7914	0.7593	−4.06
11470	Fulton County, Georgia	12060	0.9793	0.9762	−0.32
11471	Gilmer County, Georgia	99911	0.7914	0.7593	−4.06
11480	Glascock County, Georgia	99911	0.7914	0.7593	−4.06
11490	Glynn County, Georgia	15260	0.8739	1.0164	16.31
11500	Gordon County, Georgia	99911	0.7914	0.7593	−4.06
11510	Grady County, Georgia	99911	0.7914	0.7593	−4.06
11520	Greene County, Georgia	99911	0.7914	0.7593	−4.06
11530	Gwinnett County, Georgia	12060	0.9793	0.9762	−0.32
11540	Habersham County, Georgia	99911	0.7914	0.7593	−4.06
11550	Hall County, Georgia	23580	0.8520	0.8958	5.14
11560	Hancock County, Georgia	99911	0.7914	0.7593	−4.06
11570	Haralson County, Georgia	12060	0.8980	0.9762	8.71
11580	Harris County, Georgia	17980	0.8560	0.8239	−3.75
11581	Hart County, Georgia	99911	0.7914	0.7593	−4.06
11590	Heard County, Georgia	12060	0.8980	0.9762	8.71
11591	Henry County, Georgia	12060	0.9793	0.9762	−0.32
11600	Houston County, Georgia	47580	0.8961	0.8380	−6.48
11601	Irwin County, Georgia	99911	0.7914	0.7593	−4.06
11610	Jackson County, Georgia	99911	0.7914	0.7593	−4.06
11611	Jasper County, Georgia	12060	0.8980	0.9762	8.71
11612	Jeff Davis County, Georgia	99911	0.7914	0.7593	−4.06
11620	Jefferson County, Georgia	99911	0.7914	0.7593	−4.06
11630	Jenkins County, Georgia	99911	0.7914	0.7593	−4.06
11640	Johnson County, Georgia	99911	0.7914	0.7593	−4.06
11650	Jones County, Georgia	31420	0.9360	0.9519	1.70
11651	Lamar County, Georgia	12060	0.8980	0.9762	8.71
11652	Lanier County, Georgia	46660	0.8516	0.8369	−1.73
11660	Laurens County, Georgia	99911	0.7914	0.7593	−4.06
11670	Lee County, Georgia	10500	0.8628	0.8991	4.21
11680	Liberty County, Georgia	25980	0.8973	0.9178	2.28
11690	Lincoln County, Georgia	99911	0.7914	0.7593	−4.06
11691	Long County, Georgia	25980	0.8973	0.9178	2.28
11700	Lowndes County, Georgia	46660	0.8516	0.8369	−1.73
11701	Lumpkin County, Georgia	99911	0.7914	0.7593	−4.06
11702	Mc Duffie County, Georgia	12260	0.9778	0.9667	−1.14
11703	Mc Intosh County, Georgia	15260	0.8739	1.0164	16.31

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
11710	Macon County, Georgia	99911	0.7914	0.7593	−4.06
11720	Madison County, Georgia	12020	0.9855	0.9856	0.01
11730	Marion County, Georgia	17980	0.8363	0.8239	−1.48
11740	Meriwether County, Georgia	12060	0.8980	0.9762	8.71
11741	Miller County, Georgia	99911	0.7914	0.7593	−4.06
11750	Mitchell County, Georgia	99911	0.7914	0.7593	−4.06
11760	Monroe County, Georgia	31420	0.8805	0.9519	8.11
11770	Montgomery County, Georgia	99911	0.7914	0.7593	−4.06
11771	Morgan County, Georgia	99911	0.7914	0.7593	−4.06
11772	Murray County, Georgia	19140	0.8623	0.9093	5.45
11780	Muscogee County, Georgia	17980	0.8560	0.8239	−3.75
11790	Newton County, Georgia	12060	0.9793	0.9762	−0.32
11800	Oconee County, Georgia	12020	0.9855	0.9856	0.01
11801	Oglethorpe County, Georgia	12020	0.9011	0.9856	9.38
11810	Paulding County, Georgia	12060	0.9793	0.9762	−0.32
11811	Peach County, Georgia	99911	0.8470	0.7593	−10.35
11812	Pickens County, Georgia	12060	0.9793	0.9762	−0.32
11820	Pierce County, Georgia	99911	0.7914	0.7593	−4.06
11821	Pike County, Georgia	12060	0.8980	0.9762	8.71
11830	Polk County, Georgia	99911	0.7914	0.7593	−4.06
11831	Pulaski County, Georgia	99911	0.7914	0.7593	−4.06
11832	Putnam County, Georgia	99911	0.7914	0.7593	−4.06
11833	Quitman County, Georgia	99911	0.7914	0.7593	−4.06
11834	Rabun County, Georgia	99911	0.7914	0.7593	−4.06
11835	Randolph County, Georgia	99911	0.7914	0.7593	−4.06
11840	Richmond County, Georgia	12260	0.9778	0.9667	−1.14
11841	Rockdale County, Georgia	12060	0.9793	0.9762	−0.32
11842	Schley County, Georgia	99911	0.7914	0.7593	−4.06
11850	Screven County, Georgia	99911	0.7914	0.7593	−4.06
11851	Seminole County, Georgia	99911	0.7914	0.7593	−4.06
11860	Spalding County, Georgia	12060	0.9793	0.9762	−0.32
11861	Stephens County, Georgia	99911	0.7914	0.7593	−4.06
11862	Stewart County, Georgia	99911	0.7914	0.7593	−4.06
11870	Sumter County, Georgia	99911	0.7914	0.7593	−4.06
11880	Talbot County, Georgia	99911	0.7914	0.7593	−4.06
11881	Taliaferro County, Georgia	99911	0.7914	0.7593	−4.06
11882	Tattnall County, Georgia	99911	0.7914	0.7593	−4.06
11883	Taylor County, Georgia	99911	0.7914	0.7593	−4.06
11884	Telfair County, Georgia	99911	0.7914	0.7593	−4.06
11885	Terrell County, Georgia	10500	0.8397	0.8991	7.07
11890	Thomas County, Georgia	99911	0.7914	0.7593	−4.06
11900	Tift County, Georgia	99911	0.7914	0.7593	−4.06
11901	Toombs County, Georgia	99911	0.7914	0.7593	−4.06
11902	Towns County, Georgia	99911	0.7914	0.7593	−4.06
11903	Treutlen County, Georgia	99911	0.7914	0.7593	−4.06
11910	Troup County, Georgia	99911	0.7914	0.7593	−4.06
11911	Turner County, Georgia	99911	0.7914	0.7593	−4.06
11912	Twiggs County, Georgia	31420	0.9360	0.9519	1.70
11913	Union County, Georgia	99911	0.7914	0.7593	−4.06
11920	Upson County, Georgia	99911	0.7914	0.7593	−4.06
11921	Walker County, Georgia	16860	0.9088	0.8948	−1.54
11930	Walton County, Georgia	12060	0.9793	0.9762	−0.32
11940	Ware County, Georgia	99911	0.7914	0.7593	−4.06
11941	Warren County, Georgia	99911	0.7914	0.7593	−4.06
11950	Washington County, Georgia	99911	0.7914	0.7593	−4.06
11960	Wayne County, Georgia	99911	0.7914	0.7593	−4.06
11961	Webster County, Georgia	99911	0.7914	0.7593	−4.06
11962	Wheeler County, Georgia	99911	0.7914	0.7593	−4.06
11963	White County, Georgia	99911	0.7914	0.7593	−4.06
11970	Whitfield County, Georgia	19140	0.8623	0.9093	5.45
11971	Wilcox County, Georgia	99911	0.7914	0.7593	−4.06
11972	Wilkes County, Georgia	99911	0.7914	0.7593	−4.06
11973	Wilkinson County, Georgia	99911	0.7914	0.7593	−4.06
11980	Worth County, Georgia	10500	0.8397	0.8991	7.07
12005	Kalawao County, Hawaii	99912	1.0551	1.0448	−0.98
12010	Hawaii County, Hawaii	99912	1.0551	1.0448	−0.98
12020	Honolulu County, Hawaii	26180	1.1214	1.1096	−1.05
12040	Kauai County, Hawaii	99912	1.0551	1.0448	−0.98

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
12050	Maui County, Hawaii	99912	1.0551	1.0448	−0.98
13000	Ada County, Idaho	14260	0.9052	0.9401	3.86
13010	Adams County, Idaho	99913	0.8567	0.8120	−5.22
13020	Bannock County, Idaho	38540	0.9351	0.9400	0.52
13030	Bear Lake County, Idaho	99913	0.8567	0.8120	−5.22
13040	Benewah County, Idaho	99913	0.8567	0.8120	−5.22
13050	Bingham County, Idaho	99913	0.8567	0.8120	−5.22
13060	Blaine County, Idaho	99913	0.8567	0.8120	−5.22
13070	Boise County, Idaho	14260	0.9075	0.9401	3.59
13080	Bonner County, Idaho	99913	0.8567	0.8120	−5.22
13090	Bonneville County, Idaho	26820	0.9259	0.9088	−1.85
13100	Boundary County, Idaho	99913	0.8567	0.8120	−5.22
13110	Butte County, Idaho	99913	0.8567	0.8120	−5.22
13120	Camas County, Idaho	99913	0.8567	0.8120	−5.22
13130	Canyon County, Idaho	14260	0.9052	0.9401	3.86
13140	Caribou County, Idaho	99913	0.8567	0.8120	−5.22
13150	Cassia County, Idaho	99913	0.8567	0.8120	−5.22
13160	Clark County, Idaho	99913	0.8567	0.8120	−5.22
13170	Clearwater County, Idaho	99913	0.8567	0.8120	−5.22
13180	Custer County, Idaho	99913	0.8567	0.8120	−5.22
13190	Elmore County, Idaho	99913	0.8567	0.8120	−5.22
13200	Franklin County, Idaho	30860	0.9131	0.9022	−1.19
13210	Fremont County, Idaho	99913	0.8567	0.8120	−5.22
13220	Gem County, Idaho	14260	0.9075	0.9401	3.59
13230	Gooding County, Idaho	99913	0.8567	0.8120	−5.22
13240	Idaho County, Idaho	99913	0.8567	0.8120	−5.22
13250	Jefferson County, Idaho	26820	0.9259	0.9088	−1.85
13260	Jerome County, Idaho	99913	0.8567	0.8120	−5.22
13270	Kootenai County, Idaho	17660	0.9372	0.9344	−0.30
13280	Latah County, Idaho	99913	0.8567	0.8120	−5.22
13290	Lemhi County, Idaho	99913	0.8567	0.8120	−5.22
13300	Lewis County, Idaho	99913	0.8567	0.8120	−5.22
13310	Lincoln County, Idaho	99913	0.8567	0.8120	−5.22
13320	Madison County, Idaho	99913	0.8567	0.8120	−5.22
13330	Minidoka County, Idaho	99913	0.8567	0.8120	−5.22
13340	Nez Perce County, Idaho	30300	0.9492	0.9853	3.80
13350	Oneida County, Idaho	99913	0.8567	0.8120	−5.22
13360	Owyhee County, Idaho	14260	0.9075	0.9401	3.59
13370	Payette County, Idaho	99913	0.8567	0.8120	−5.22
13380	Power County, Idaho	38540	0.9224	0.9400	1.91
13390	Shoshone County, Idaho	99913	0.8567	0.8120	−5.22
13400	Teton County, Idaho	99913	0.8567	0.8120	−5.22
13410	Twin Falls County, Idaho	99913	0.8567	0.8120	−5.22
13420	Valley County, Idaho	99913	0.8567	0.8120	−5.22
13430	Washington County, Idaho	99913	0.8567	0.8120	−5.22
14000	Adams County, Illinois	99914	0.8286	0.8320	0.41
14010	Alexander County, Illinois	99914	0.8286	0.8320	0.41
14020	Bond County, Illinois	41180	0.8628	0.9005	4.37
14030	Boone County, Illinois	40420	0.9984	0.9989	0.05
14040	Brown County, Illinois	99914	0.8286	0.8320	0.41
14050	Bureau County, Illinois	99914	0.8286	0.8320	0.41
14060	Calhoun County, Illinois	41180	0.8628	0.9005	4.37
14070	Carroll County, Illinois	99914	0.8286	0.8320	0.41
14080	Cass County, Illinois	99914	0.8286	0.8320	0.41
14090	Champaign County, Illinois	16580	0.9594	0.9644	0.52
14100	Christian County, Illinois	99914	0.8286	0.8320	0.41
14110	Clark County, Illinois	99914	0.8286	0.8320	0.41
14120	Clay County, Illinois	99914	0.8286	0.8320	0.41
14130	Clinton County, Illinois	41180	0.8958	0.9005	0.52
14140	Coles County, Illinois	99914	0.8286	0.8320	0.41
14141	Cook County, Illinois	16974	1.0787	1.0751	−0.33
14150	Crawford County, Illinois	99914	0.8286	0.8320	0.41
14160	Cumberland County, Illinois	99914	0.8286	0.8320	0.41
14170	De Kalb County, Illinois	16974	1.0787	1.0751	−0.33
14180	De Witt County, Illinois	99914	0.8286	0.8320	0.41
14190	Douglas County, Illinois	99914	0.8286	0.8320	0.41
14250	Du Page County, Illinois	16974	1.0787	1.0751	−0.33
14310	Edgar County, Illinois	99914	0.8286	0.8320	0.41

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
14320	Edwards County, Illinois	99914	0.8286	0.8320	0.41
14330	Effingham County, Illinois	99914	0.8286	0.8320	0.41
14340	Fayette County, Illinois	99914	0.8286	0.8320	0.41
14350	Ford County, Illinois	16580	0.8948	0.9644	7.78
14360	Franklin County, Illinois	99914	0.8286	0.8320	0.41
14370	Fulton County, Illinois	99914	0.8286	0.8320	0.41
14380	Gallatin County, Illinois	99914	0.8286	0.8320	0.41
14390	Greene County, Illinois	99914	0.8286	0.8320	0.41
14400	Grundy County, Illinois	16974	1.0787	1.0751	−0.33
14410	Hamilton County, Illinois	99914	0.8286	0.8320	0.41
14420	Hancock County, Illinois	99914	0.8286	0.8320	0.41
14421	Hardin County, Illinois	99914	0.8286	0.8320	0.41
14440	Henderson County, Illinois	99914	0.8286	0.8320	0.41
14450	Henry County, Illinois	19340	0.8724	0.8846	1.40
14460	Iroquois County, Illinois	99914	0.8286	0.8320	0.41
14470	Jackson County, Illinois	99914	0.8286	0.8320	0.41
14480	Jasper County, Illinois	99914	0.8286	0.8320	0.41
14490	Jefferson County, Illinois	99914	0.8286	0.8320	0.41
14500	Jersey County, Illinois	41180	0.8958	0.9005	0.52
14510	Jo Daviess County, Illinois	99914	0.8286	0.8320	0.41
14520	Johnson County, Illinois	99914	0.8286	0.8320	0.41
14530	Kane County, Illinois	16974	1.0787	1.0751	−0.33
14540	Kankakee County, Illinois	28100	1.0721	1.0083	−5.95
14550	Kendall County, Illinois	16974	1.0787	1.0751	−0.33
14560	Knox County, Illinois	99914	0.8286	0.8320	0.41
14570	Lake County, Illinois	29404	1.0606	1.0570	−0.34
14580	La Salle County, Illinois	99914	0.8286	0.8320	0.41
14590	Lawrence County, Illinois	99914	0.8286	0.8320	0.41
14600	Lee County, Illinois	99914	0.8286	0.8320	0.41
14610	Livingston County, Illinois	99914	0.8286	0.8320	0.41
14620	Logan County, Illinois	99914	0.8286	0.8320	0.41
14630	Mc Donough County, Illinois	99914	0.8286	0.8320	0.41
14640	Mc Henry County, Illinois	16974	1.0787	1.0751	−0.33
14650	Mclean County, Illinois	14060	0.9075	0.8944	−1.44
14660	Macon County, Illinois	19500	0.8067	0.8172	1.30
14670	Macoupin County, Illinois	41180	0.8628	0.9005	4.37
14680	Madison County, Illinois	41180	0.8958	0.9005	0.52
14690	Marion County, Illinois	99914	0.8286	0.8320	0.41
14700	Marshall County, Illinois	37900	0.8586	0.8982	4.61
14710	Mason County, Illinois	99914	0.8286	0.8320	0.41
14720	Massac County, Illinois	99914	0.8286	0.8320	0.41
14730	Menard County, Illinois	44100	0.8792	0.8890	1.11
14740	Mercer County, Illinois	19340	0.8513	0.8846	3.91
14750	Monroe County, Illinois	41180	0.8958	0.9005	0.52
14760	Montgomery County, Illinois	99914	0.8286	0.8320	0.41
14770	Morgan County, Illinois	99914	0.8286	0.8320	0.41
14780	Moultrie County, Illinois	99914	0.8286	0.8320	0.41
14790	Ogle County, Illinois	99914	0.9128	0.8320	−8.85
14800	Peoria County, Illinois	37900	0.8870	0.8982	1.26
14810	Perry County, Illinois	99914	0.8286	0.8320	0.41
14820	Piatt County, Illinois	16580	0.8948	0.9644	7.78
14830	Pike County, Illinois	99914	0.8286	0.8320	0.41
14831	Pope County, Illinois	99914	0.8286	0.8320	0.41
14850	Pulaski County, Illinois	99914	0.8286	0.8320	0.41
14860	Putnam County, Illinois	99914	0.8286	0.8320	0.41
14870	Randolph County, Illinois	99914	0.8286	0.8320	0.41
14880	Richland County, Illinois	99914	0.8286	0.8320	0.41
14890	Rock Island County, Illinois	19340	0.8724	0.8846	1.40
14900	St Clair County, Illinois	41180	0.8958	0.9005	0.52
14910	Saline County, Illinois	99914	0.8286	0.8320	0.41
14920	Sangamon County, Illinois	44100	0.8792	0.8890	1.11
14921	Schuyler County, Illinois	99914	0.8286	0.8320	0.41
14940	Scott County, Illinois	99914	0.8286	0.8320	0.41
14950	Shelby County, Illinois	99914	0.8286	0.8320	0.41
14960	Stark County, Illinois	37900	0.8586	0.8982	4.61
14970	Stephenson County, Illinois	99914	0.8286	0.8320	0.41
14980	Tazewell County, Illinois	37900	0.8870	0.8982	1.26
14981	Union County, Illinois	99914	0.8286	0.8320	0.41

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
14982	Vermilion County, Illinois	19180	0.8665	0.9266	6.94
14983	Wabash County, Illinois	99914	0.8286	0.8320	0.41
14984	Warren County, Illinois	99914	0.8286	0.8320	0.41
14985	Washington County, Illinois	99914	0.8286	0.8320	0.41
14986	Wayne County, Illinois	99914	0.8286	0.8320	0.41
14987	White County, Illinois	99914	0.8286	0.8320	0.41
14988	Whiteside County, Illinois	99914	0.8286	0.8320	0.41
14989	Will County, Illinois	16974	1.0787	1.0751	−0.33
14990	Williamson County, Illinois	99914	0.8286	0.8320	0.41
14991	Winnebago County, Illinois	40420	0.9984	0.9989	0.05
14992	Woodford County, Illinois	37900	0.8870	0.8982	1.26
15000	Adams County, Indiana	99915	0.9165	0.8538	−6.84
15010	Allen County, Indiana	23060	0.9750	0.9517	−2.39
15020	Bartholomew County, Indiana	18020	0.9164	0.9318	1.68
15030	Benton County, Indiana	29140	0.8738	0.8931	2.21
15040	Blackford County, Indiana	99915	0.8682	0.8538	−1.66
15050	Boone County, Indiana	26900	0.9893	0.9895	0.02
15060	Brown County, Indiana	26900	0.9330	0.9895	6.06
15070	Carroll County, Indiana	29140	0.8738	0.8931	2.21
15080	Cass County, Indiana	99915	0.8682	0.8538	−1.66
15090	Clark County, Indiana	31140	0.9272	0.9118	−1.66
15100	Clay County, Indiana	45460	0.8321	0.8765	5.34
15110	Clinton County, Indiana	99915	0.8680	0.8538	−1.64
15120	Crawford County, Indiana	99915	0.8682	0.8538	−1.66
15130	Daviess County, Indiana	99915	0.8682	0.8538	−1.66
15140	Dearborn County, Indiana	17140	0.9675	0.9601	−0.76
15150	Decatur County, Indiana	99915	0.8682	0.8538	−1.66
15160	De Kalb County, Indiana	99915	0.9165	0.8538	−6.84
15170	Delaware County, Indiana	34620	0.8930	0.8562	−4.12
15180	Dubois County, Indiana	99915	0.8682	0.8538	−1.66
15190	Elkhart County, Indiana	21140	0.9627	0.9426	−2.09
15200	Fayette County, Indiana	99915	0.8682	0.8538	−1.66
15210	Floyd County, Indiana	31140	0.9272	0.9118	−1.66
15220	Fountain County, Indiana	99915	0.8682	0.8538	−1.66
15230	Franklin County, Indiana	17140	0.9177	0.9601	4.62
15240	Fulton County, Indiana	99915	0.8682	0.8538	−1.66
15250	Gibson County, Indiana	21780	0.8726	0.9071	3.95
15260	Grant County, Indiana	99915	0.8682	0.8538	−1.66
15270	Greene County, Indiana	14020	0.8593	0.8533	−0.70
15280	Hamilton County, Indiana	26900	0.9893	0.9895	0.02
15290	Hancock County, Indiana	26900	0.9893	0.9895	0.02
15300	Harrison County, Indiana	31140	0.9272	0.9118	−1.66
15310	Hendricks County, Indiana	26900	0.9893	0.9895	0.02
15320	Henry County, Indiana	99915	0.8682	0.8538	−1.66
15330	Howard County, Indiana	29020	0.9508	0.9669	1.69
15340	Huntington County, Indiana	99915	0.9165	0.8538	−6.84
15350	Jackson County, Indiana	99915	0.8682	0.8538	−1.66
15360	Jasper County, Indiana	23844	0.9067	0.9334	2.94
15370	Jay County, Indiana	99915	0.8682	0.8538	−1.66
15380	Jefferson County, Indiana	99915	0.8682	0.8538	−1.66
15390	Jennings County, Indiana	99915	0.8682	0.8538	−1.66
15400	Johnson County, Indiana	26900	0.9893	0.9895	0.02
15410	Knox County, Indiana	99915	0.8682	0.8538	−1.66
15420	Kosciusko County, Indiana	99915	0.8682	0.8538	−1.66
15430	Lagrange County, Indiana	99915	0.8682	0.8538	−1.66
15440	Lake County, Indiana	23844	0.9395	0.9334	−0.65
15450	La Porte County, Indiana	33140	0.9069	0.9118	0.54
15460	Lawrence County, Indiana	99915	0.8682	0.8538	−1.66
15470	Madison County, Indiana	11300	0.9226	0.8681	−5.91
15480	Marion County, Indiana	26900	0.9893	0.9895	0.02
15490	Marshall County, Indiana	99915	0.8682	0.8538	−1.66
15500	Martin County, Indiana	99915	0.8682	0.8538	−1.66
15510	Miami County, Indiana	99915	0.8682	0.8538	−1.66
15520	Monroe County, Indiana	14020	0.8447	0.8533	1.02
15530	Montgomery County, Indiana	99915	0.8682	0.8538	−1.66
15540	Morgan County, Indiana	26900	0.9893	0.9895	0.02
15550	Newton County, Indiana	23844	0.9067	0.9334	2.94
15560	Noble County, Indiana	99915	0.8682	0.8538	−1.66

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
15570	Ohio County, Indiana	17140	0.9675	0.9601	−0.76
15580	Orange County, Indiana	99915	0.8682	0.8538	−1.66
15590	Owen County, Indiana	14020	0.8593	0.8533	−0.70
15600	Parke County, Indiana	99915	0.8682	0.8538	−1.66
15610	Perry County, Indiana	99915	0.8682	0.8538	−1.66
15620	Pike County, Indiana	99915	0.8682	0.8538	−1.66
15630	Porter County, Indiana	23844	0.9395	0.9334	−0.65
15640	Posey County, Indiana	21780	0.8713	0.9071	4.11
15650	Pulaski County, Indiana	99915	0.8682	0.8538	−1.66
15660	Putnam County, Indiana	26900	0.9330	0.9895	6.06
15670	Randolph County, Indiana	99915	0.8682	0.8538	−1.66
15680	Ripley County, Indiana	99915	0.8682	0.8538	−1.66
15690	Rush County, Indiana	99915	0.8682	0.8538	−1.66
15700	St Joseph County, Indiana	43780	0.9788	0.9842	0.55
15710	Scott County, Indiana	99915	0.8959	0.8538	−4.70
15720	Shelby County, Indiana	26900	0.9893	0.9895	0.02
15730	Spencer County, Indiana	99915	0.8682	0.8538	−1.66
15740	Starke County, Indiana	99915	0.8682	0.8538	−1.66
15750	Steuben County, Indiana	99915	0.8682	0.8538	−1.66
15760	Sullivan County, Indiana	45460	0.8522	0.8765	2.85
15770	Switzerland County, Indiana	99915	0.8682	0.8538	−1.66
15780	Tippecanoe County, Indiana	29140	0.8736	0.8931	2.23
15790	Tipton County, Indiana	29020	0.9508	0.9669	1.69
15800	Union County, Indiana	99915	0.8682	0.8538	−1.66
15810	Vanderburgh County, Indiana	21780	0.8713	0.9071	4.11
15820	Vermillion County, Indiana	45460	0.8321	0.8765	5.34
15830	Vigo County, Indiana	45460	0.8321	0.8765	5.34
15840	Wabash County, Indiana	99915	0.8682	0.8538	−1.66
15850	Warren County, Indiana	99915	0.8682	0.8538	−1.66
15860	Warrick County, Indiana	21780	0.8713	0.9071	4.11
15870	Washington County, Indiana	31140	0.8995	0.9118	1.37
15880	Wayne County, Indiana	99915	0.8682	0.8538	−1.66
15890	Wells County, Indiana	23060	0.9750	0.9517	−2.39
15900	White County, Indiana	99915	0.8682	0.8538	−1.66
15910	Whitley County, Indiana	23060	0.9750	0.9517	−2.39
16000	Adair County, Iowa	99916	0.8552	0.8681	1.51
16010	Adams County, Iowa	99916	0.8552	0.8681	1.51
16020	Allamakee County, Iowa	99916	0.8552	0.8681	1.51
16030	Appanoose County, Iowa	99916	0.8552	0.8681	1.51
16040	Audubon County, Iowa	99916	0.8552	0.8681	1.51
16050	Benton County, Iowa	16300	0.8710	0.8888	2.04
16060	Black Hawk County, Iowa	47940	0.8557	0.8408	−1.74
16070	Boone County, Iowa	99916	0.8552	0.8681	1.51
16080	Bremer County, Iowa	47940	0.8576	0.8408	−1.96
16090	Buchanan County, Iowa	99916	0.8552	0.8681	1.51
16100	Buena Vista County, Iowa	99916	0.8552	0.8681	1.51
16110	Butler County, Iowa	99916	0.8552	0.8681	1.51
16120	Calhoun County, Iowa	99916	0.8552	0.8681	1.51
16130	Carroll County, Iowa	99916	0.8552	0.8681	1.51
16140	Cass County, Iowa	99916	0.8552	0.8681	1.51
16150	Cedar County, Iowa	99916	0.8552	0.8681	1.51
16160	Cerro Gordo County, Iowa	99916	0.8552	0.8681	1.51
16170	Cherokee County, Iowa	99916	0.8552	0.8681	1.51
16180	Chickasaw County, Iowa	99916	0.8552	0.8681	1.51
16190	Clarke County, Iowa	99916	0.8552	0.8681	1.51
16200	Clay County, Iowa	99916	0.8552	0.8681	1.51
16210	Clayton County, Iowa	99916	0.8552	0.8681	1.51
16220	Clinton County, Iowa	99916	0.8552	0.8681	1.51
16230	Crawford County, Iowa	99916	0.8552	0.8681	1.51
16240	Dallas County, Iowa	19780	0.9669	0.9214	−4.71
16250	Davis County, Iowa	99916	0.8552	0.8681	1.51
16260	Decatur County, Iowa	99916	0.8552	0.8681	1.51
16270	Delaware County, Iowa	99916	0.8552	0.8681	1.51
16280	Des Moines County, Iowa	99916	0.8552	0.8681	1.51
16290	Dickinson County, Iowa	99916	0.8552	0.8681	1.51
16300	Dubuque County, Iowa	20220	0.9024	0.9133	1.21
16310	Emmet County, Iowa	99916	0.8552	0.8681	1.51
16320	Fayette County, Iowa	99916	0.8552	0.8681	1.51

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
16330	Floyd County, Iowa	99916	0.8552	0.8681	1.51
16340	Franklin County, Iowa	99916	0.8552	0.8681	1.51
16350	Fremont County, Iowa	99916	0.8552	0.8681	1.51
16360	Greene County, Iowa	99916	0.8552	0.8681	1.51
16370	Grundy County, Iowa	47940	0.8576	0.8408	−1.96
16380	Guthrie County, Iowa	19780	0.9132	0.9214	0.90
16390	Hamilton County, Iowa	99916	0.8552	0.8681	1.51
16400	Hancock County, Iowa	99916	0.8552	0.8681	1.51
16410	Hardin County, Iowa	99916	0.8552	0.8681	1.51
16420	Harrison County, Iowa	36540	0.9077	0.9450	4.11
16430	Henry County, Iowa	99916	0.8552	0.8681	1.51
16440	Howard County, Iowa	99916	0.8552	0.8681	1.51
16450	Humboldt County, Iowa	99916	0.8552	0.8681	1.51
16460	Ida County, Iowa	99916	0.8552	0.8681	1.51
16470	Iowa County, Iowa	99916	0.8552	0.8681	1.51
16480	Jackson County, Iowa	99916	0.8552	0.8681	1.51
16490	Jasper County, Iowa	99916	0.8552	0.8681	1.51
16500	Jefferson County, Iowa	99916	0.8552	0.8681	1.51
16510	Johnson County, Iowa	26980	0.9747	0.9714	−0.34
16520	Jones County, Iowa	16300	0.8710	0.8888	2.04
16530	Keokuk County, Iowa	99916	0.8552	0.8681	1.51
16540	Kossuth County, Iowa	99916	0.8552	0.8681	1.51
16550	Lee County, Iowa	99916	0.8552	0.8681	1.51
16560	Linn County, Iowa	16300	0.8825	0.8888	0.71
16570	Louisa County, Iowa	99916	0.8552	0.8681	1.51
16580	Lucas County, Iowa	99916	0.8552	0.8681	1.51
16590	Lyon County, Iowa	99916	0.8552	0.8681	1.51
16600	Madison County, Iowa	19780	0.9132	0.9214	0.90
16610	Mahaska County, Iowa	99916	0.8552	0.8681	1.51
16620	Marion County, Iowa	99916	0.8552	0.8681	1.51
16630	Marshall County, Iowa	99916	0.8552	0.8681	1.51
16640	Mills County, Iowa	36540	0.9077	0.9450	4.11
16650	Mitchell County, Iowa	99916	0.8552	0.8681	1.51
16660	Monona County, Iowa	99916	0.8552	0.8681	1.51
16670	Monroe County, Iowa	99916	0.8552	0.8681	1.51
16680	Montgomery County, Iowa	99916	0.8552	0.8681	1.51
16690	Muscatine County, Iowa	99916	0.8552	0.8681	1.51
16700	O Brien County, Iowa	99916	0.8552	0.8681	1.51
16710	Osceola County, Iowa	99916	0.8552	0.8681	1.51
16720	Page County, Iowa	99916	0.8552	0.8681	1.51
16730	Palo Alto County, Iowa	99916	0.8552	0.8681	1.51
16740	Plymouth County, Iowa	99916	0.8552	0.8681	1.51
16750	Pocahontas County, Iowa	99916	0.8552	0.8681	1.51
16760	Polk County, Iowa	19780	0.9669	0.9214	−4.71
16770	Pottawattamie County, Iowa	36540	0.9560	0.9450	−1.15
16780	Poweshiek County, Iowa	99916	0.8552	0.8681	1.51
16790	Ringgold County, Iowa	99916	0.8552	0.8681	1.51
16800	Sac County, Iowa	99916	0.8552	0.8681	1.51
16810	Scott County, Iowa	19340	0.8724	0.8846	1.40
16820	Shelby County, Iowa	99916	0.8552	0.8681	1.51
16830	Sioux County, Iowa	99916	0.8552	0.8681	1.51
16840	Story County, Iowa	11180	0.9065	0.9760	7.67
16850	Tama County, Iowa	99916	0.8552	0.8681	1.51
16860	Taylor County, Iowa	99916	0.8552	0.8681	1.51
16870	Union County, Iowa	99916	0.8552	0.8681	1.51
16880	Van Buren County, Iowa	99916	0.8552	0.8681	1.51
16890	Wapello County, Iowa	99916	0.8552	0.8681	1.51
16900	Warren County, Iowa	19780	0.9669	0.9214	−4.71
16910	Washington County, Iowa	26980	0.9171	0.9714	5.92
16920	Wayne County, Iowa	99916	0.8552	0.8681	1.51
16930	Webster County, Iowa	99916	0.8552	0.8681	1.51
16940	Winnebago County, Iowa	99916	0.8552	0.8681	1.51
16950	Winneshiek County, Iowa	99916	0.8552	0.8681	1.51
16960	Woodbury County, Iowa	43580	0.9399	0.9200	−2.12
16970	Worth County, Iowa	99916	0.8552	0.8681	1.51
16980	Wright County, Iowa	99916	0.8552	0.8681	1.51
17000	Allen County, Kansas	99917	0.8038	0.7998	−0.50
17010	Anderson County, Kansas	99917	0.8038	0.7998	−0.50

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
17020	Atchison County, Kansas	99917	0.8038	0.7998	−0.50
17030	Barber County, Kansas	99917	0.8038	0.7998	−0.50
17040	Barton County, Kansas	99917	0.8038	0.7998	−0.50
17050	Bourbon County, Kansas	99917	0.8038	0.7998	−0.50
17060	Brown County, Kansas	99917	0.8038	0.7998	−0.50
17070	Butler County, Kansas	48620	0.9164	0.9063	−1.10
17080	Chase County, Kansas	99917	0.8038	0.7998	−0.50
17090	Chautauqua County, Kansas	99917	0.8038	0.7998	−0.50
17100	Cherokee County, Kansas	99917	0.8038	0.7998	−0.50
17110	Cheyenne County, Kansas	99917	0.8038	0.7998	−0.50
17120	Clark County, Kansas	99917	0.8038	0.7998	−0.50
17130	Clay County, Kansas	99917	0.8038	0.7998	−0.50
17140	Cloud County, Kansas	99917	0.8038	0.7998	−0.50
17150	Coffey County, Kansas	99917	0.8038	0.7998	−0.50
17160	Comanche County, Kansas	99917	0.8038	0.7998	−0.50
17170	Cowley County, Kansas	99917	0.8038	0.7998	−0.50
17180	Crawford County, Kansas	99917	0.8038	0.7998	−0.50
17190	Decatur County, Kansas	99917	0.8038	0.7998	−0.50
17200	Dickinson County, Kansas	99917	0.8038	0.7998	−0.50
17210	Doniphan County, Kansas	41140	0.8780	1.0118	15.24
17220	Douglas County, Kansas	29940	0.8537	0.8365	−2.01
17230	Edwards County, Kansas	99917	0.8038	0.7998	−0.50
17240	Elk County, Kansas	99917	0.8038	0.7998	−0.50
17250	Ellis County, Kansas	99917	0.8038	0.7998	−0.50
17260	Ellsworth County, Kansas	99917	0.8038	0.7998	−0.50
17270	Finney County, Kansas	99917	0.8038	0.7998	−0.50
17280	Ford County, Kansas	99917	0.8038	0.7998	−0.50
17290	Franklin County, Kansas	28140	0.8758	0.9495	8.42
17300	Geary County, Kansas	99917	0.8038	0.7998	−0.50
17310	Gove County, Kansas	99917	0.8038	0.7998	−0.50
17320	Graham County, Kansas	99917	0.8038	0.7998	−0.50
17330	Grant County, Kansas	99917	0.8038	0.7998	−0.50
17340	Gray County, Kansas	99917	0.8038	0.7998	−0.50
17350	Greeley County, Kansas	99917	0.8038	0.7998	−0.50
17360	Greenwood County, Kansas	99917	0.8038	0.7998	−0.50
17370	Hamilton County, Kansas	99917	0.8038	0.7998	−0.50
17380	Harper County, Kansas	99917	0.8038	0.7998	−0.50
17390	Harvey County, Kansas	48620	0.9164	0.9063	−1.10
17391	Haskell County, Kansas	99917	0.8038	0.7998	−0.50
17410	Hodgeman County, Kansas	99917	0.8038	0.7998	−0.50
17420	Jackson County, Kansas	45820	0.8480	0.8730	2.95
17430	Jefferson County, Kansas	45820	0.8480	0.8730	2.95
17440	Jewell County, Kansas	99917	0.8038	0.7998	−0.50
17450	Johnson County, Kansas	28140	0.9483	0.9495	0.13
17451	Kearny County, Kansas	99917	0.8038	0.7998	−0.50
17470	Kingman County, Kansas	99917	0.8038	0.7998	−0.50
17480	Kiowa County, Kansas	99917	0.8038	0.7998	−0.50
17490	Labette County, Kansas	99917	0.8038	0.7998	−0.50
17500	Lane County, Kansas	99917	0.8038	0.7998	−0.50
17510	Leavenworth County, Kansas	28140	0.9483	0.9495	0.13
17520	Lincoln County, Kansas	99917	0.8038	0.7998	−0.50
17530	Linn County, Kansas	28140	0.8758	0.9495	8.42
17540	Logan County, Kansas	99917	0.8038	0.7998	−0.50
17550	Lyon County, Kansas	99917	0.8038	0.7998	−0.50
17560	Mc Pherson County, Kansas	99917	0.8038	0.7998	−0.50
17570	Marion County, Kansas	99917	0.8038	0.7998	−0.50
17580	Marshall County, Kansas	99917	0.8038	0.7998	−0.50
17590	Meade County, Kansas	99917	0.8038	0.7998	−0.50
17600	Miami County, Kansas	28140	0.9483	0.9495	0.13
17610	Mitchell County, Kansas	99917	0.8038	0.7998	−0.50
17620	Montgomery County, Kansas	99917	0.8038	0.7998	−0.50
17630	Morris County, Kansas	99917	0.8038	0.7998	−0.50
17640	Morton County, Kansas	99917	0.8038	0.7998	−0.50
17650	Nemaha County, Kansas	99917	0.8038	0.7998	−0.50
17660	Neosho County, Kansas	99917	0.8038	0.7998	−0.50
17670	Ness County, Kansas	99917	0.8038	0.7998	−0.50
17680	Norton County, Kansas	99917	0.8038	0.7998	−0.50
17690	Osage County, Kansas	45820	0.8480	0.8730	2.95

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
17700	Osborne County, Kansas	99917	0.8038	0.7998	−0.50
17710	Ottawa County, Kansas	99917	0.8038	0.7998	−0.50
17720	Pawnee County, Kansas	99917	0.8038	0.7998	−0.50
17730	Phillips County, Kansas	99917	0.8038	0.7998	−0.50
17740	Pottawatomie County, Kansas	99917	0.8038	0.7998	−0.50
17750	Pratt County, Kansas	99917	0.8038	0.7998	−0.50
17760	Rawlins County, Kansas	99917	0.8038	0.7998	−0.50
17770	Reno County, Kansas	99917	0.8038	0.7998	−0.50
17780	Republic County, Kansas	99917	0.8038	0.7998	−0.50
17790	Rice County, Kansas	99917	0.8038	0.7998	−0.50
17800	Riley County, Kansas	99917	0.8038	0.7998	−0.50
17810	Rooks County, Kansas	99917	0.8038	0.7998	−0.50
17820	Rush County, Kansas	99917	0.8038	0.7998	−0.50
17830	Russell County, Kansas	99917	0.8038	0.7998	−0.50
17840	Saline County, Kansas	99917	0.8038	0.7998	−0.50
17841	Scott County, Kansas	99917	0.8038	0.7998	−0.50
17860	Sedgwick County, Kansas	48620	0.9164	0.9063	−1.10
17870	Seward County, Kansas	99917	0.8038	0.7998	−0.50
17880	Shawnee County, Kansas	45820	0.8920	0.8730	−2.13
17890	Sheridan County, Kansas	99917	0.8038	0.7998	−0.50
17900	Sherman County, Kansas	99917	0.8038	0.7998	−0.50
17910	Smith County, Kansas	99917	0.8038	0.7998	−0.50
17920	Stafford County, Kansas	99917	0.8038	0.7998	−0.50
17921	Stanton County, Kansas	99917	0.8038	0.7998	−0.50
17940	Stevens County, Kansas	99917	0.8038	0.7998	−0.50
17950	Sumner County, Kansas	48620	0.8597	0.9063	5.42
17960	Thomas County, Kansas	99917	0.8038	0.7998	−0.50
17970	Trego County, Kansas	99917	0.8038	0.7998	−0.50
17980	Wabaunsee County, Kansas	45820	0.8480	0.8730	2.95
17981	Wallace County, Kansas	99917	0.8038	0.7998	−0.50
17982	Washington County, Kansas	99917	0.8038	0.7998	−0.50
17983	Wichita County, Kansas	99917	0.8038	0.7998	−0.50
17984	Wilson County, Kansas	99917	0.8038	0.7998	−0.50
17985	Woodson County, Kansas	99917	0.8038	0.7998	−0.50
17986	Wyandotte County, Kansas	28140	0.9483	0.9495	0.13
18000	Adair County, Kentucky	99918	0.7812	0.7768	−0.56
18010	Allen County, Kentucky	99918	0.7812	0.7768	−0.56
18020	Anderson County, Kentucky	99918	0.7812	0.7768	−0.56
18030	Ballard County, Kentucky	99918	0.7812	0.7768	−0.56
18040	Barren County, Kentucky	99918	0.7812	0.7768	−0.56
18050	Bath County, Kentucky	99918	0.7812	0.7768	−0.56
18060	Bell County, Kentucky	99918	0.7812	0.7768	−0.56
18070	Boone County, Kentucky	17140	0.9675	0.9601	−0.76
18080	Bourbon County, Kentucky	30460	0.9032	0.9181	1.65
18090	Boyd County, Kentucky	26580	0.9477	0.8997	−5.06
18100	Boyle County, Kentucky	99918	0.7812	0.7768	−0.56
18110	Bracken County, Kentucky	17140	0.8737	0.9601	9.89
18120	Breathitt County, Kentucky	99918	0.7812	0.7768	−0.56
18130	Breckinridge County, Kentucky	99918	0.7812	0.7768	−0.56
18140	Bullitt County, Kentucky	31140	0.9272	0.9118	−1.66
18150	Butler County, Kentucky	99918	0.7812	0.7768	−0.56
18160	Caldwell County, Kentucky	99918	0.7812	0.7768	−0.56
18170	Calloway County, Kentucky	99918	0.7812	0.7768	−0.56
18180	Campbell County, Kentucky	17140	0.9675	0.9601	−0.76
18190	Carlisle County, Kentucky	99918	0.7812	0.7768	−0.56
18191	Carroll County, Kentucky	99918	0.7812	0.7768	−0.56
18210	Carter County, Kentucky	99918	0.8622	0.7768	−9.90
18220	Casey County, Kentucky	99918	0.7812	0.7768	−0.56
18230	Christian County, Kentucky	17300	0.8284	0.8436	1.83
18240	Clark County, Kentucky	30460	0.9032	0.9181	1.65
18250	Clay County, Kentucky	99918	0.7812	0.7768	−0.56
18260	Clinton County, Kentucky	99918	0.7812	0.7768	−0.56
18270	Crittenden County, Kentucky	99918	0.7812	0.7768	−0.56
18271	Cumberland County, Kentucky	99918	0.7812	0.7768	−0.56
18290	Daviess County, Kentucky	36980	0.8780	0.8748	−0.36
18291	Edmonson County, Kentucky	14540	0.8035	0.8148	1.41
18310	Elliott County, Kentucky	99918	0.7812	0.7768	−0.56
18320	Estill County, Kentucky	99918	0.7812	0.7768	−0.56

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
18330	Fayette County, Kentucky	30460	0.9032	0.9181	1.65
18340	Fleming County, Kentucky	99918	0.7812	0.7768	−0.56
18350	Floyd County, Kentucky	99918	0.7812	0.7768	−0.56
18360	Franklin County, Kentucky	99918	0.7812	0.7768	−0.56
18361	Fulton County, Kentucky	99918	0.7812	0.7768	−0.56
18362	Gallatin County, Kentucky	17140	0.9675	0.9601	−0.76
18390	Garrard County, Kentucky	99918	0.7812	0.7768	−0.56
18400	Grant County, Kentucky	17140	0.9675	0.9601	−0.76
18410	Graves County, Kentucky	99918	0.7812	0.7768	−0.56
18420	Grayson County, Kentucky	99918	0.7812	0.7768	−0.56
18421	Green County, Kentucky	99918	0.7812	0.7768	−0.56
18440	Greenup County, Kentucky	26580	0.9477	0.8997	−5.06
18450	Hancock County, Kentucky	36980	0.8319	0.8748	5.16
18460	Hardin County, Kentucky	21060	0.8330	0.8697	4.41
18470	Harlan County, Kentucky	99918	0.7812	0.7768	−0.56
18480	Harrison County, Kentucky	99918	0.7812	0.7768	−0.56
18490	Hart County, Kentucky	99918	0.7812	0.7768	−0.56
18500	Henderson County, Kentucky	21780	0.8713	0.9071	4.11
18510	Henry County, Kentucky	31140	0.8555	0.9118	6.58
18511	Hickman County, Kentucky	99918	0.7812	0.7768	−0.56
18530	Hopkins County, Kentucky	99918	0.7812	0.7768	−0.56
18540	Jackson County, Kentucky	99918	0.7812	0.7768	−0.56
18550	Jefferson County, Kentucky	31140	0.9272	0.9118	−1.66
18560	Jessamine County, Kentucky	30460	0.9032	0.9181	1.65
18570	Johnson County, Kentucky	99918	0.7812	0.7768	−0.56
18580	Kenton County, Kentucky	17140	0.9675	0.9601	−0.76
18590	Knott County, Kentucky	99918	0.7812	0.7768	−0.56
18600	Knox County, Kentucky	99918	0.7812	0.7768	−0.56
18610	Larue County, Kentucky	21060	0.8330	0.8697	4.41
18620	Laurel County, Kentucky	99918	0.7812	0.7768	−0.56
18630	Lawrence County, Kentucky	99918	0.7812	0.7768	−0.56
18640	Lee County, Kentucky	99918	0.7812	0.7768	−0.56
18650	Leslie County, Kentucky	99918	0.7812	0.7768	−0.56
18660	Letcher County, Kentucky	99918	0.7812	0.7768	−0.56
18670	Lewis County, Kentucky	99918	0.7812	0.7768	−0.56
18680	Lincoln County, Kentucky	99918	0.7812	0.7768	−0.56
18690	Livingston County, Kentucky	99918	0.7812	0.7768	−0.56
18700	Logan County, Kentucky	99918	0.7812	0.7768	−0.56
18710	Lyon County, Kentucky	99918	0.7812	0.7768	−0.56
18720	Mc Cracken County, Kentucky	99918	0.7812	0.7768	−0.56
18730	Mc Creary County, Kentucky	99918	0.7812	0.7768	−0.56
18740	Mc Lean County, Kentucky	36980	0.8319	0.8748	5.16
18750	Madison County, Kentucky	99918	0.8377	0.7768	−7.27
18760	Magoffin County, Kentucky	99918	0.7812	0.7768	−0.56
18770	Marion County, Kentucky	99918	0.7812	0.7768	−0.56
18780	Marshall County, Kentucky	99918	0.7812	0.7768	−0.56
18790	Martin County, Kentucky	99918	0.7812	0.7768	−0.56
18800	Mason County, Kentucky	99918	0.7812	0.7768	−0.56
18801	Meade County, Kentucky	31140	0.8555	0.9118	6.58
18802	Menifee County, Kentucky	99918	0.7812	0.7768	−0.56
18830	Mercer County, Kentucky	99918	0.7812	0.7768	−0.56
18831	Metcalfe County, Kentucky	99918	0.7812	0.7768	−0.56
18850	Monroe County, Kentucky	99918	0.7812	0.7768	−0.56
18860	Montgomery County, Kentucky	99918	0.7812	0.7768	−0.56
18861	Morgan County, Kentucky	99918	0.7812	0.7768	−0.56
18880	Muhlenberg County, Kentucky	99918	0.7812	0.7768	−0.56
18890	Nelson County, Kentucky	31140	0.8555	0.9118	6.58
18900	Nicholas County, Kentucky	99918	0.7812	0.7768	−0.56
18910	Ohio County, Kentucky	99918	0.7812	0.7768	−0.56
18920	Oldham County, Kentucky	31140	0.9272	0.9118	−1.66
18930	Owen County, Kentucky	99918	0.7812	0.7768	−0.56
18931	Owsley County, Kentucky	99918	0.7812	0.7768	−0.56
18932	Pendleton County, Kentucky	17140	0.9675	0.9601	−0.76
18960	Perry County, Kentucky	99918	0.7812	0.7768	−0.56
18970	Pike County, Kentucky	99918	0.7812	0.7768	−0.56
18971	Powell County, Kentucky	99918	0.7812	0.7768	−0.56
18972	Pulaski County, Kentucky	99918	0.7812	0.7768	−0.56
18973	Robertson County, Kentucky	99918	0.7812	0.7768	−0.56

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
18974	Rockcastle County, Kentucky	99918	0.7812	0.7768	−0.56
18975	Rowan County, Kentucky	99918	0.7812	0.7768	−0.56
18976	Russell County, Kentucky	99918	0.7812	0.7768	−0.56
18977	Scott County, Kentucky	30460	0.9032	0.9181	1.65
18978	Shelby County, Kentucky	31140	0.8555	0.9118	6.58
18979	Simpson County, Kentucky	99918	0.7812	0.7768	−0.56
18980	Spencer County, Kentucky	31140	0.8555	0.9118	6.58
18981	Taylor County, Kentucky	99918	0.7812	0.7768	−0.56
18982	Todd County, Kentucky	99918	0.7812	0.7768	−0.56
18983	Trigg County, Kentucky	17300	0.8071	0.8436	4.52
18984	Trimble County, Kentucky	31140	0.8555	0.9118	6.58
18985	Union County, Kentucky	99918	0.7812	0.7768	−0.56
18986	Warren County, Kentucky	14540	0.8035	0.8148	1.41
18987	Washington County, Kentucky	99918	0.7812	0.7768	−0.56
18988	Wayne County, Kentucky	99918	0.7812	0.7768	−0.56
18989	Webster County, Kentucky	21780	0.8286	0.9071	9.47
18990	Whitley County, Kentucky	99918	0.7812	0.7768	−0.56
18991	Wolfe County, Kentucky	99918	0.7812	0.7768	−0.56
18992	Woodford County, Kentucky	30460	0.9032	0.9181	1.65
19000	Acadia County, Louisiana	99919	0.7831	0.7438	−5.02
19010	Allen County, Louisiana	99919	0.7376	0.7438	0.84
19020	Ascension County, Louisiana	12940	0.8618	0.8084	−6.20
19030	Assumption County, Louisiana	99919	0.7376	0.7438	0.84
19040	Avoyelles County, Louisiana	99919	0.7376	0.7438	0.84
19050	Beauregard County, Louisiana	99919	0.7376	0.7438	0.84
19060	Bienville County, Louisiana	99919	0.7376	0.7438	0.84
19070	Bossier County, Louisiana	43340	0.8749	0.8865	1.33
19080	Caddo County, Louisiana	43340	0.8749	0.8865	1.33
19090	Calcasieu County, Louisiana	29340	0.7846	0.7914	0.87
19100	Caldwell County, Louisiana	99919	0.7376	0.7438	0.84
19110	Cameron County, Louisiana	29340	0.7587	0.7914	4.31
19120	Catahoula County, Louisiana	99919	0.7376	0.7438	0.84
19130	Claiborne County, Louisiana	99919	0.7376	0.7438	0.84
19140	Concordia County, Louisiana	99919	0.7376	0.7438	0.84
19150	De Soto County, Louisiana	43340	0.8050	0.8865	10.12
19160	East Baton Rouge County, Louisiana	12940	0.8618	0.8084	−6.20
19170	East Carroll County, Louisiana	99919	0.7376	0.7438	0.84
19180	East Feliciana County, Louisiana	12940	0.7967	0.8084	1.47
19190	Evangeline County, Louisiana	99919	0.7376	0.7438	0.84
19200	Franklin County, Louisiana	99919	0.7376	0.7438	0.84
19210	Grant County, Louisiana	10780	0.7687	0.8006	4.15
19220	Iberia County, Louisiana	99919	0.7376	0.7438	0.84
19230	Iberville County, Louisiana	12940	0.7967	0.8084	1.47
19240	Jackson County, Louisiana	99919	0.7376	0.7438	0.84
19250	Jefferson County, Louisiana	35380	0.8995	0.8831	−1.82
19260	Jefferson Davis County, Louisiana	99919	0.7376	0.7438	0.84
19270	Lafayette County, Louisiana	29180	0.8340	0.8289	−0.61
19280	Lafourche County, Louisiana	26380	0.7894	0.8082	2.38
19290	La Salle County, Louisiana	99919	0.7376	0.7438	0.84
19300	Lincoln County, Louisiana	99919	0.7376	0.7438	0.84
19310	Livingston County, Louisiana	12940	0.8618	0.8084	−6.20
19320	Madison County, Louisiana	99919	0.7376	0.7438	0.84
19330	Morehouse County, Louisiana	99919	0.7376	0.7438	0.84
19340	Natchitoches County, Louisiana	99919	0.7376	0.7438	0.84
19350	Orleans County, Louisiana	35380	0.8995	0.8831	−1.82
19360	Ouachita County, Louisiana	33740	0.8038	0.7997	−0.51
19370	Plaquemines County, Louisiana	35380	0.8995	0.8831	−1.82
19380	Pointe Coupee County, Louisiana	12940	0.7967	0.8084	1.47
19390	Rapides County, Louisiana	10780	0.8033	0.8006	−0.34
19400	Red River County, Louisiana	99919	0.7376	0.7438	0.84
19410	Richland County, Louisiana	99919	0.7376	0.7438	0.84
19420	Sabine County, Louisiana	99919	0.7376	0.7438	0.84
19430	St Bernard County, Louisiana	35380	0.8995	0.8831	−1.82
19440	St Charles County, Louisiana	35380	0.8995	0.8831	−1.82
19450	St Helena County, Louisiana	12940	0.7967	0.8084	1.47
19460	St James County, Louisiana	99919	0.8203	0.7438	−9.33
19470	St John Baptist County, Louisiana	35380	0.8995	0.8831	−1.82
19480	St Landry County, Louisiana	99919	0.7831	0.7438	−5.02

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
19490	St Martin County, Louisiana	29180	0.8340	0.8289	−0.61
19500	St Mary County, Louisiana	99919	0.7376	0.7438	0.84
19510	St Tammany County, Louisiana	35380	0.8995	0.8831	−1.82
19520	Tangipahoa County, Louisiana	99919	0.7376	0.7438	0.84
19530	Tensas County, Louisiana	99919	0.7376	0.7438	0.84
19540	Terrebonne County, Louisiana	26380	0.7894	0.8082	2.38
19550	Union County, Louisiana	33740	0.7686	0.7997	4.05
19560	Vermilion County, Louisiana	99919	0.7376	0.7438	0.84
19570	Vernon County, Louisiana	99919	0.7376	0.7438	0.84
19580	Washington County, Louisiana	99919	0.7376	0.7438	0.84
19590	Webster County, Louisiana	99919	0.8074	0.7438	−7.88
19600	West Baton Rouge County, Louisiana	12940	0.8618	0.8084	−6.20
19610	West Carroll County, Louisiana	99919	0.7376	0.7438	0.84
19620	West Feliciana County, Louisiana	12940	0.7967	0.8084	1.47
19630	Winn County, Louisiana	99919	0.7376	0.7438	0.84
20000	Androscoggin County, Maine	30340	0.9331	0.9126	−2.20
20010	Aroostook County, Maine	99920	0.8843	0.8443	−4.52
20020	Cumberland County, Maine	38860	1.0382	0.9908	−4.57
20030	Franklin County, Maine	99920	0.8843	0.8443	−4.52
20040	Hancock County, Maine	99920	0.8843	0.8443	−4.52
20050	Kennebec County, Maine	99920	0.8843	0.8443	−4.52
20060	Knox County, Maine	99920	0.8843	0.8443	−4.52
20070	Lincoln County, Maine	99920	0.8843	0.8443	−4.52
20080	Oxford County, Maine	99920	0.8843	0.8443	−4.52
20090	Penobscot County, Maine	12620	0.9993	0.9711	−2.82
20100	Piscataquis County, Maine	99920	0.8843	0.8443	−4.52
20110	Sagadahoc County, Maine	38860	1.0382	0.9908	−4.57
20120	Somerset County, Maine	99920	0.8843	0.8443	−4.52
20130	Waldo County, Maine	99920	0.8843	0.8443	−4.52
20140	Washington County, Maine	99920	0.8843	0.8443	−4.52
20150	York County, Maine	38860	1.0382	0.9908	−4.57
21000	Allegany County, Maryland	19060	0.9317	0.8446	−9.35
21010	Anne Arundel County, Maryland	12580	0.9897	1.0088	1.93
21020	Baltimore County, Maryland	12580	0.9897	1.0088	1.93
21030	Baltimore City County, Maryland	12580	0.9897	1.0088	1.93
21040	Calvert County, Maryland	47894	1.0951	1.1054	0.94
21050	Caroline County, Maryland	99921	0.9292	0.8926	−3.94
21060	Carroll County, Maryland	12580	0.9897	1.0088	1.93
21070	Cecil County, Maryland	48864	1.0499	1.0684	1.76
21080	Charles County, Maryland	47894	1.0951	1.1054	0.94
21090	Dorchester County, Maryland	99921	0.9292	0.8926	−3.94
21100	Frederick County, Maryland	13644	1.1230	1.0903	−2.91
21110	Garrett County, Maryland	99921	0.9292	0.8926	−3.94
21120	Harford County, Maryland	12580	0.9897	1.0088	1.93
21130	Howard County, Maryland	12580	0.9897	1.0088	1.93
21140	Kent County, Maryland	99921	0.9292	0.8926	−3.94
21150	Montgomery County, Maryland	13644	1.1230	1.0903	−2.91
21160	Prince Georges County, Maryland	47894	1.0951	1.1054	0.94
21170	Queen Annes County, Maryland	12580	0.9897	1.0088	1.93
21180	St Marys County, Maryland	99921	0.9292	0.8926	−3.94
21190	Somerset County, Maryland	41540	0.9147	0.8953	−2.12
21200	Talbot County, Maryland	99921	0.9292	0.8926	−3.94
21210	Washington County, Maryland	25180	0.9679	0.9038	−6.62
21220	Wicomico County, Maryland	41540	0.9147	0.8953	−2.12
21230	Worcester County, Maryland	99921	0.9292	0.8926	−3.94
22000	Barnstable County, Massachusetts	12700	1.2600	1.2539	−0.48
22010	Berkshire County, Massachusetts	38340	1.0181	1.0266	0.83
22020	Bristol County, Massachusetts	39300	1.1072	1.0783	−2.61
22030	Dukes County, Massachusetts	99922	1.0216	1.1661	14.14
22040	Essex County, Massachusetts	21604	1.0858	1.0418	−4.05
22060	Franklin County, Massachusetts	44140	1.0232	1.0079	−0.64
22070	Hampden County, Massachusetts	44140	1.0256	1.0079	−1.73
22080	Hampshire County, Massachusetts	44140	1.0256	1.0079	−1.73
22090	Middlesex County, Massachusetts	15764	1.1175	1.0970	−1.83
22120	Nantucket County, Massachusetts	99922	1.0216	1.1661	14.14
22130	Norfolk County, Massachusetts	14484	1.1368	1.1679	2.74
22150	Plymouth County, Massachusetts	14484	1.1368	1.1679	2.74
22160	Suffolk County, Massachusetts	14484	1.1368	1.1679	2.74

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
22170	Worcester County, Massachusetts	49340	1.1103	1.0722	−3.43
23000	Alcona County, Michigan	99923	0.8860	0.9062	2.28
23010	Alger County, Michigan	99923	0.8860	0.9062	2.28
23020	Allegan County, Michigan	99923	0.9170	0.9062	−1.18
23030	Alpena County, Michigan	99923	0.8860	0.9062	2.28
23040	Antrim County, Michigan	99923	0.8860	0.9062	2.28
23050	Arenac County, Michigan	99923	0.8860	0.9062	2.28
23060	Baraga County, Michigan	99923	0.8860	0.9062	2.28
23070	Barry County, Michigan	24340	0.9107	0.9455	3.82
23080	Bay County, Michigan	13020	0.9292	0.9251	−0.44
23090	Benzie County, Michigan	99923	0.8860	0.9062	2.28
23100	Berrien County, Michigan	35660	0.8879	0.8915	0.41
23110	Branch County, Michigan	99923	0.8860	0.9062	2.28
23120	Calhoun County, Michigan	12980	0.9826	0.9762	−0.65
23130	Cass County, Michigan	43780	0.9306	0.9842	5.76
23140	Charlevoix County, Michigan	99923	0.8860	0.9062	2.28
23150	Cheboygan County, Michigan	99923	0.8860	0.9062	2.28
23160	Chippewa County, Michigan	99923	0.8860	0.9062	2.28
23170	Clare County, Michigan	99923	0.8860	0.9062	2.28
23180	Clinton County, Michigan	29620	0.9794	1.0088	3.00
23190	Crawford County, Michigan	99923	0.8860	0.9062	2.28
23200	Delta County, Michigan	99923	0.8860	0.9062	2.28
23210	Dickinson County, Michigan	99923	0.8860	0.9062	2.28
23220	Eaton County, Michigan	29620	0.9794	1.0088	3.00
23230	Emmet County, Michigan	99923	0.8860	0.9062	2.28
23240	Genesee County, Michigan	22420	1.0655	1.0969	2.95
23250	Gladwin County, Michigan	99923	0.8860	0.9062	2.28
23260	Gogebic County, Michigan	99923	0.8860	0.9062	2.28
23270	Grand Traverse County, Michigan	99923	0.8860	0.9062	2.28
23280	Gratiot County, Michigan	99923	0.8860	0.9062	2.28
23290	Hillsdale County, Michigan	99923	0.8860	0.9062	2.28
23300	Houghton County, Michigan	99923	0.8860	0.9062	2.28
23310	Huron County, Michigan	99923	0.8860	0.9062	2.28
23320	Ingham County, Michigan	29620	0.9794	1.0088	3.00
23330	Ionia County, Michigan	24340	0.9107	0.9455	3.82
23340	Iosco County, Michigan	99923	0.8860	0.9062	2.28
23350	Iron County, Michigan	99923	0.8860	0.9062	2.28
23360	Isabella County, Michigan	99923	0.8860	0.9062	2.28
23370	Jackson County, Michigan	27100	0.9304	0.9560	2.75
23380	Kalamazoo County, Michigan	28020	1.0262	1.0704	4.31
23390	Kalkaska County, Michigan	99923	0.8860	0.9062	2.28
23400	Kent County, Michigan	24340	0.9418	0.9455	0.39
23410	Keweenaw County, Michigan	99923	0.8860	0.9062	2.28
23420	Lake County, Michigan	99923	0.8860	0.9062	2.28
23430	Lapeer County, Michigan	47644	1.0009	1.0054	0.45
23440	Leelanau County, Michigan	99923	0.8860	0.9062	2.28
23450	Lenawee County, Michigan	99923	0.9801	0.9062	−7.54
23460	Livingston County, Michigan	47644	1.0289	1.0054	−2.28
23470	Luce County, Michigan	99923	0.8860	0.9062	2.28
23480	Mackinac County, Michigan	99923	0.8860	0.9062	2.28
23490	Macomb County, Michigan	47644	1.0009	1.0054	0.45
23500	Manistee County, Michigan	99923	0.8860	0.9062	2.28
23510	Marquette County, Michigan	99923	0.8860	0.9062	2.28
23520	Mason County, Michigan	99923	0.8860	0.9062	2.28
23530	Mecosta County, Michigan	99923	0.8860	0.9062	2.28
23540	Menominee County, Michigan	99923	0.8860	0.9062	2.28
23550	Midland County, Michigan	99923	0.9068	0.9062	−0.07
23560	Missaukee County, Michigan	99923	0.8860	0.9062	2.28
23570	Monroe County, Michigan	33780	0.9808	0.9707	−1.03
23580	Montcalm County, Michigan	99923	0.8860	0.9062	2.28
23590	Montmorency County, Michigan	99923	0.8860	0.9062	2.28
23600	Muskegon County, Michigan	34740	0.9555	0.9941	4.04
23610	Newaygo County, Michigan	24340	0.9107	0.9455	3.82
23620	Oakland County, Michigan	47644	1.0009	1.0054	0.45
23630	Oceana County, Michigan	99923	0.8860	0.9062	2.28
23640	Ogemaw County, Michigan	99923	0.8860	0.9062	2.28
23650	Ontonagon County, Michigan	99923	0.8860	0.9062	2.28
23660	Osceola County, Michigan	99923	0.8860	0.9062	2.28

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
23670	Oscoda County, Michigan	99923	0.8860	0.9062	2.28
23680	Otsego County, Michigan	99923	0.8860	0.9062	2.28
23690	Ottawa County, Michigan	26100	0.9250	0.9163	−0.94
23700	Presque Isle County, Michigan	99923	0.8860	0.9062	2.28
23710	Roscommon County, Michigan	99923	0.8860	0.9062	2.28
23720	Saginaw County, Michigan	40980	0.9165	0.8874	−3.18
23730	St Clair County, Michigan	47644	1.0009	1.0054	0.45
23740	St Joseph County, Michigan	99923	0.8860	0.9062	2.28
23750	Sanilac County, Michigan	99923	0.8860	0.9062	2.28
23760	Schoolcraft County, Michigan	99923	0.8860	0.9062	2.28
23770	Shiawassee County, Michigan	99923	0.8860	0.9062	2.28
23780	Tuscola County, Michigan	99923	0.8860	0.9062	2.28
23790	Van Buren County, Michigan	28020	1.0262	1.0704	4.31
23800	Washtenaw County, Michigan	11460	1.0783	1.0826	0.40
23810	Wayne County, Michigan	19804	1.0286	1.0281	−0.05
23830	Wexford County, Michigan	99923	0.8860	0.9062	2.28
24000	Aitkin County, Minnesota	99924	0.9132	0.9153	0.23
24010	Anoka County, Minnesota	33460	1.1075	1.0946	−1.16
24020	Becker County, Minnesota	99924	0.9132	0.9153	0.23
24030	Beltrami County, Minnesota	99924	0.9132	0.9153	0.23
24040	Benton County, Minnesota	41060	0.9965	1.0362	3.98
24050	Big Stone County, Minnesota	99924	0.9132	0.9153	0.23
24060	Blue Earth County, Minnesota	99924	0.9132	0.9153	0.23
24070	Brown County, Minnesota	99924	0.9132	0.9153	0.23
24080	Carlton County, Minnesota	20260	0.9673	1.0042	3.81
24090	Carver County, Minnesota	33460	1.1075	1.0946	−1.16
24100	Cass County, Minnesota	99924	0.9132	0.9153	0.23
24110	Chippewa County, Minnesota	99924	0.9132	0.9153	0.23
24120	Chisago County, Minnesota	33460	1.1075	1.0946	−1.16
24130	Clay County, Minnesota	22020	0.8486	0.8250	−2.78
24140	Clearwater County, Minnesota	99924	0.9132	0.9153	0.23
24150	Cook County, Minnesota	99924	0.9132	0.9153	0.23
24160	Cottonwood County, Minnesota	99924	0.9132	0.9153	0.23
24170	Crow Wing County, Minnesota	99924	0.9132	0.9153	0.23
24180	Dakota County, Minnesota	33460	1.1075	1.0946	−1.16
24190	Dodge County, Minnesota	40340	1.0132	1.1408	12.59
24200	Douglas County, Minnesota	99924	0.9132	0.9153	0.23
24210	Faribault County, Minnesota	99924	0.9132	0.9153	0.23
24220	Fillmore County, Minnesota	99924	0.9132	0.9153	0.23
24230	Freeborn County, Minnesota	99924	0.9132	0.9153	0.23
24240	Goodhue County, Minnesota	99924	0.9132	0.9153	0.23
24250	Grant County, Minnesota	99924	0.9132	0.9153	0.23
24260	Hennepin County, Minnesota	33460	1.1075	1.0946	−1.16
24270	Houston County, Minnesota	29100	0.9564	0.9426	−1.44
24280	Hubbard County, Minnesota	99924	0.9132	0.9153	0.23
24290	Isanti County, Minnesota	33460	1.1075	1.0946	−1.16
24300	Itasca County, Minnesota	99924	0.9132	0.9153	0.23
24310	Jackson County, Minnesota	99924	0.9132	0.9153	0.23
24320	Kanabec County, Minnesota	99924	0.9132	0.9153	0.23
24330	Kandiyohi County, Minnesota	99924	0.9132	0.9153	0.23
24340	Kittson County, Minnesota	99924	0.9132	0.9153	0.23
24350	Koochiching County, Minnesota	99924	0.9132	0.9153	0.23
24360	Lac Qui Parle County, Minnesota	99924	0.9132	0.9153	0.23
24370	Lake County, Minnesota	99924	0.9132	0.9153	0.23
24380	Lake Of Woods County, Minnesota	99924	0.9132	0.9153	0.23
24390	Le Sueur County, Minnesota	99924	0.9132	0.9153	0.23
24400	Lincoln County, Minnesota	99924	0.9132	0.9153	0.23
24410	Lyon County, Minnesota	99924	0.9132	0.9153	0.23
24420	Mc Leod County, Minnesota	99924	0.9132	0.9153	0.23
24430	Mahnomen County, Minnesota	99924	0.9132	0.9153	0.23
24440	Marshall County, Minnesota	99924	0.9132	0.9153	0.23
24450	Martin County, Minnesota	99924	0.9132	0.9153	0.23
24460	Meeker County, Minnesota	99924	0.9132	0.9153	0.23
24470	Mille Lacs County, Minnesota	99924	0.9132	0.9153	0.23
24480	Morrison County, Minnesota	99924	0.9132	0.9153	0.23
24490	Mower County, Minnesota	99924	0.9132	0.9153	0.23
24500	Murray County, Minnesota	99924	0.9132	0.9153	0.23
24510	Nicollet County, Minnesota	99924	0.9132	0.9153	0.23

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
24520	Nobles County, Minnesota	99924	0.9132	0.9153	0.23
24530	Norman County, Minnesota	99924	0.9132	0.9153	0.23
24540	Olmsted County, Minnesota	40340	1.1131	1.1408	2.49
24550	Otter Tail County, Minnesota	99924	0.9132	0.9153	0.23
24560	Pennington County, Minnesota	99924	0.9132	0.9153	0.23
24570	Pine County, Minnesota	99924	0.9132	0.9153	0.23
24580	Pipestone County, Minnesota	99924	0.9132	0.9153	0.23
24590	Polk County, Minnesota	24220	0.7901	0.7949	0.61
24600	Pope County, Minnesota	99924	0.9132	0.9153	0.23
24610	Ramsey County, Minnesota	33460	1.1075	1.0946	−1.16
24620	Red Lake County, Minnesota	99924	0.9132	0.9153	0.23
24630	Redwood County, Minnesota	99924	0.9132	0.9153	0.23
24640	Renville County, Minnesota	99924	0.9132	0.9153	0.23
24650	Rice County, Minnesota	99924	0.9132	0.9153	0.23
24660	Rock County, Minnesota	99924	0.9132	0.9153	0.23
24670	Roseau County, Minnesota	99924	0.9132	0.9153	0.23
24680	St Louis County, Minnesota	20260	1.0213	1.0042	−1.67
24690	Scott County, Minnesota	33460	1.1075	1.0946	−1.16
24700	Sherburne County, Minnesota	33460	1.1075	1.0946	−1.16
24710	Sibley County, Minnesota	99924	0.9132	0.9153	0.23
24720	Stearns County, Minnesota	41060	0.9965	1.0362	3.98
24730	Steele County, Minnesota	99924	0.9132	0.9153	0.23
24740	Stevens County, Minnesota	99924	0.9132	0.9153	0.23
24750	Swift County, Minnesota	99924	0.9132	0.9153	0.23
24760	Todd County, Minnesota	99924	0.9132	0.9153	0.23
24770	Traverse County, Minnesota	99924	0.9132	0.9153	0.23
24780	Wabasha County, Minnesota	40340	1.0132	1.1408	12.59
24790	Wadena County, Minnesota	99924	0.9132	0.9153	0.23
24800	Waseca County, Minnesota	99924	0.9132	0.9153	0.23
24810	Washington County, Minnesota	33460	1.1075	1.0946	−1.16
24820	Watonwan County, Minnesota	99924	0.9132	0.9153	0.23
24830	Wilkin County, Minnesota	99924	0.9132	0.9153	0.23
24840	Winona County, Minnesota	99924	0.9132	0.9153	0.23
24850	Wright County, Minnesota	33460	1.1075	1.0946	−1.16
24860	Yellow Medicine County, Minnesota	99924	0.9132	0.9153	0.23
25000	Adams County, Mississippi	99925	0.7654	0.7738	1.10
25010	Alcorn County, Mississippi	99925	0.7654	0.7738	1.10
25020	Amite County, Mississippi	99925	0.7654	0.7738	1.10
25030	Attala County, Mississippi	99925	0.7654	0.7738	1.10
25040	Benton County, Mississippi	99925	0.7654	0.7738	1.10
25050	Bolivar County, Mississippi	99925	0.7654	0.7738	1.10
25060	Calhoun County, Mississippi	99925	0.7654	0.7738	1.10
25070	Carroll County, Mississippi	99925	0.7654	0.7738	1.10
25080	Chickasaw County, Mississippi	99925	0.7654	0.7738	1.10
25090	Choctaw County, Mississippi	99925	0.7654	0.7738	1.10
25100	Claiborne County, Mississippi	99925	0.7654	0.7738	1.10
25110	Clarke County, Mississippi	99925	0.7654	0.7738	1.10
25120	Clay County, Mississippi	99925	0.7654	0.7738	1.10
25130	Coahoma County, Mississippi	99925	0.7654	0.7738	1.10
25140	Copiah County, Mississippi	27140	0.7973	0.8271	3.74
25150	Covington County, Mississippi	99925	0.7654	0.7738	1.10
25160	Desoto County, Mississippi	32820	0.9407	0.9373	−0.36
25170	Forrest County, Mississippi	25620	0.7601	0.7430	−2.25
25180	Franklin County, Mississippi	99925	0.7654	0.7738	1.10
25190	George County, Mississippi	37700	0.7895	0.8215	4.05
25200	Greene County, Mississippi	99925	0.7654	0.7738	1.10
25210	Grenada County, Mississippi	99925	0.7654	0.7738	1.10
25220	Hancock County, Mississippi	25060	0.8818	0.8915	1.10
25230	Harrison County, Mississippi	25060	0.8818	0.8915	1.10
25240	Hinds County, Mississippi	27140	0.8347	0.8271	−0.91
25250	Holmes County, Mississippi	99925	0.7654	0.7738	1.10
25260	Humphreys County, Mississippi	99925	0.7654	0.7738	1.10
25270	Issaquena County, Mississippi	99925	0.7654	0.7738	1.10
25280	Itawamba County, Mississippi	99925	0.7654	0.7738	1.10
25290	Jackson County, Mississippi	37700	0.8431	0.8215	−2.56
25300	Jasper County, Mississippi	99925	0.7654	0.7738	1.10
25310	Jefferson County, Mississippi	99925	0.7654	0.7738	1.10
25320	Jefferson Davis County, Mississippi	99925	0.7654	0.7738	1.10

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
25330	Jones County, Mississippi	99925	0.7654	0.7738	1.10
25340	Kemper County, Mississippi	99925	0.7654	0.7738	1.10
25350	Lafayette County, Mississippi	99925	0.7654	0.7738	1.10
25360	Lamar County, Mississippi	25620	0.7601	0.7430	−2.25
25370	Lauderdale County, Mississippi	99925	0.7654	0.7738	1.10
25380	Lawrence County, Mississippi	99925	0.7654	0.7738	1.10
25390	Leake County, Mississippi	99925	0.7654	0.7738	1.10
25400	Lee County, Mississippi	99925	0.7654	0.7738	1.10
25410	Leflore County, Mississippi	99925	0.7654	0.7738	1.10
25420	Lincoln County, Mississippi	99925	0.7654	0.7738	1.10
25430	Lowndes County, Mississippi	99925	0.7654	0.7738	1.10
25440	Madison County, Mississippi	27140	0.8347	0.8271	−0.91
25450	Marion County, Mississippi	99925	0.7654	0.7738	1.10
25460	Marshall County, Mississippi	32820	0.8516	0.9373	10.06
25470	Monroe County, Mississippi	99925	0.7654	0.7738	1.10
25480	Montgomery County, Mississippi	99925	0.7654	0.7738	1.10
25490	Neshoba County, Mississippi	99925	0.7654	0.7738	1.10
25500	Newton County, Mississippi	99925	0.7654	0.7738	1.10
25510	Noxubee County, Mississippi	99925	0.7654	0.7738	1.10
25520	Oktibbeha County, Mississippi	99925	0.7654	0.7738	1.10
25530	Panola County, Mississippi	99925	0.7654	0.7738	1.10
25540	Pearl River County, Mississippi	99925	0.7654	0.7738	1.10
25550	Perry County, Mississippi	25620	0.7618	0.7430	−2.47
25560	Pike County, Mississippi	99925	0.7654	0.7738	1.10
25570	Pontotoc County, Mississippi	99925	0.7654	0.7738	1.10
25580	Prentiss County, Mississippi	99925	0.7654	0.7738	1.10
25590	Quitman County, Mississippi	99925	0.7654	0.7738	1.10
25600	Rankin County, Mississippi	27140	0.8347	0.8271	−0.91
25610	Scott County, Mississippi	99925	0.7654	0.7738	1.10
25620	Sharkey County, Mississippi	99925	0.7654	0.7738	1.10
25630	Simpson County, Mississippi	27140	0.7973	0.8271	3.74
25640	Smith County, Mississippi	99925	0.7654	0.7738	1.10
25650	Stone County, Mississippi	25060	0.8282	0.8915	7.64
25660	Sunflower County, Mississippi	99925	0.7654	0.7738	1.10
25670	Tallahatchie County, Mississippi	99925	0.7654	0.7738	1.10
25680	Tate County, Mississippi	32820	0.8516	0.9373	10.06
25690	Tippah County, Mississippi	99925	0.7654	0.7738	1.10
25700	Tishomingo County, Mississippi	99925	0.7654	0.7738	1.10
25710	Tunica County, Mississippi	32820	0.8516	0.9373	10.06
25720	Union County, Mississippi	99925	0.7654	0.7738	1.10
25730	Walthall County, Mississippi	99925	0.7654	0.7738	1.10
25740	Warren County, Mississippi	99925	0.7654	0.7738	1.10
25750	Washington County, Mississippi	99925	0.7654	0.7738	1.10
25760	Wayne County, Mississippi	99925	0.7654	0.7738	1.10
25770	Webster County, Mississippi	99925	0.7654	0.7738	1.10
25780	Wilkinson County, Mississippi	99925	0.7654	0.7738	1.10
25790	Winston County, Mississippi	99925	0.7654	0.7738	1.10
25800	Yalobusha County, Mississippi	99925	0.7654	0.7738	1.10
25810	Yazoo County, Mississippi	99925	0.7654	0.7738	1.10
26000	Adair County, Missouri	99926	0.7930	0.7927	−0.04
26010	Andrew County, Missouri	41140	0.9519	1.0118	6.29
26020	Atchison County, Missouri	99926	0.7930	0.7927	−0.04
26030	Audrain County, Missouri	99926	0.7930	0.7927	−0.04
26040	Barry County, Missouri	99926	0.7930	0.7927	−0.04
26050	Barton County, Missouri	99926	0.7930	0.7927	−0.04
26060	Bates County, Missouri	28140	0.8718	0.9495	8.91
26070	Benton County, Missouri	99926	0.7930	0.7927	−0.04
26080	Bollinger County, Missouri	99926	0.7930	0.7927	−0.04
26090	Boone County, Missouri	17860	0.8345	0.8542	2.36
26100	Buchanan County, Missouri	41140	0.9519	1.0118	6.29
26110	Butler County, Missouri	99926	0.7930	0.7927	−0.04
26120	Caldwell County, Missouri	28140	0.8718	0.9495	8.91
26130	Callaway County, Missouri	27620	0.8173	0.8332	1.95
26140	Camden County, Missouri	99926	0.7930	0.7927	−0.04
26150	Cape Girardeau County, Missouri	99926	0.7930	0.7927	−0.04
26160	Carroll County, Missouri	99926	0.7930	0.7927	−0.04
26170	Carter County, Missouri	99926	0.7930	0.7927	−0.04
26180	Cass County, Missouri	28140	0.9483	0.9495	0.13

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
26190	Cedar County, Missouri	99926	0.7930	0.7927	−0.04
26200	Chariton County, Missouri	99926	0.7930	0.7927	−0.04
26210	Christian County, Missouri	44180	0.8244	0.8469	2.73
26220	Clark County, Missouri	99926	0.7930	0.7927	−0.04
26230	Clay County, Missouri	28140	0.9483	0.9495	0.13
26240	Clinton County, Missouri	28140	0.9483	0.9495	0.13
26250	Cole County, Missouri	27620	0.8173	0.8332	1.95
26260	Cooper County, Missouri	99926	0.7930	0.7927	−0.04
26270	Crawford County, Missouri	41180	0.8457	0.9005	6.48
26280	Dade County, Missouri	99926	0.7930	0.7927	−0.04
26290	Dallas County, Missouri	44180	0.8098	0.8469	4.58
26300	Daviess County, Missouri	99926	0.7930	0.7927	−0.04
26310	De Kalb County, Missouri	41140	0.8739	1.0118	15.78
26320	Dent County, Missouri	99926	0.7930	0.7927	−0.04
26330	Douglas County, Missouri	99926	0.7930	0.7927	−0.04
26340	Dunklin County, Missouri	99926	0.7930	0.7927	−0.04
26350	Franklin County, Missouri	41180	0.8958	0.9005	0.52
26360	Gasconade County, Missouri	99926	0.7930	0.7927	−0.04
26370	Gentry County, Missouri	99926	0.7930	0.7927	−0.04
26380	Greene County, Missouri	44180	0.8244	0.8469	2.73
26390	Grundy County, Missouri	99926	0.7930	0.7927	−0.04
26400	Harrison County, Missouri	99926	0.7930	0.7927	−0.04
26410	Henry County, Missouri	99926	0.7930	0.7927	−0.04
26411	Hickory County, Missouri	99926	0.7930	0.7927	−0.04
26412	Holt County, Missouri	99926	0.7930	0.7927	−0.04
26440	Howard County, Missouri	17860	0.8152	0.8542	4.78
26450	Howell County, Missouri	99926	0.7930	0.7927	−0.04
26460	Iron County, Missouri	99926	0.7930	0.7927	−0.04
26470	Jackson County, Missouri	28140	0.9483	0.9495	0.13
26480	Jasper County, Missouri	27900	0.8582	0.8605	0.27
26490	Jefferson County, Missouri	41180	0.8958	0.9005	0.52
26500	Johnson County, Missouri	99926	0.7930	0.7927	−0.04
26510	Knox County, Missouri	99926	0.7930	0.7927	−0.04
26520	Laclede County, Missouri	99926	0.7930	0.7927	−0.04
26530	Lafayette County, Missouri	28140	0.9483	0.9495	0.13
26540	Lawrence County, Missouri	99926	0.7930	0.7927	−0.04
26541	Lewis County, Missouri	99926	0.7930	0.7927	−0.04
26560	Lincoln County, Missouri	41180	0.8958	0.9005	0.52
26570	Linn County, Missouri	99926	0.7930	0.7927	−0.04
26580	Livingston County, Missouri	99926	0.7930	0.7927	−0.04
26590	Mc Donald County, Missouri	22220	0.8310	0.8865	6.68
26600	Macon County, Missouri	99926	0.7930	0.7927	−0.04
26601	Madison County, Missouri	99926	0.7930	0.7927	−0.04
26620	Maries County, Missouri	99926	0.7930	0.7927	−0.04
26630	Marion County, Missouri	99926	0.7930	0.7927	−0.04
26631	Mercer County, Missouri	99926	0.7930	0.7927	−0.04
26650	Miller County, Missouri	99926	0.7930	0.7927	−0.04
26660	Mississippi County, Missouri	99926	0.7930	0.7927	−0.04
26670	Moniteau County, Missouri	27620	0.8173	0.8332	1.95
26680	Monroe County, Missouri	99926	0.7930	0.7927	−0.04
26690	Montgomery County, Missouri	99926	0.7930	0.7927	−0.04
26700	Morgan County, Missouri	99926	0.7930	0.7927	−0.04
26710	New Madrid County, Missouri	99926	0.7930	0.7927	−0.04
26720	Newton County, Missouri	27900	0.8582	0.8605	0.27
26730	Nodaway County, Missouri	99926	0.7930	0.7927	−0.04
26740	Oregon County, Missouri	99926	0.7930	0.7927	−0.04
26750	Osage County, Missouri	27620	0.8173	0.8332	1.95
26751	Ozark County, Missouri	99926	0.7930	0.7927	−0.04
26770	Pemiscot County, Missouri	99926	0.7930	0.7927	−0.04
26780	Perry County, Missouri	99926	0.7930	0.7927	−0.04
26790	Pettis County, Missouri	99926	0.7930	0.7927	−0.04
26800	Phelps County, Missouri	99926	0.7930	0.7927	−0.04
26810	Pike County, Missouri	99926	0.7930	0.7927	−0.04
26820	Platte County, Missouri	28140	0.9483	0.9495	0.13
26821	Polk County, Missouri	44180	0.8098	0.8469	4.58
26840	Pulaski County, Missouri	99926	0.7930	0.7927	−0.04
26850	Putnam County, Missouri	99926	0.7930	0.7927	−0.04
26860	Ralls County, Missouri	99926	0.7930	0.7927	−0.04

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
26870	Randolph County, Missouri	99926	0.7930	0.7927	−0.04
26880	Ray County, Missouri	28140	0.9483	0.9495	0.13
26881	Reynolds County, Missouri	99926	0.7930	0.7927	−0.04
26900	Ripley County, Missouri	99926	0.7930	0.7927	−0.04
26910	St Charles County, Missouri	41180	0.8958	0.9005	0.52
26911	St Clair County, Missouri	99926	0.7930	0.7927	−0.04
26930	St Francois County, Missouri	99926	0.7930	0.7927	−0.04
26940	St Louis County, Missouri	41180	0.8958	0.9005	0.52
26950	St Louis City County, Missouri	41180	0.8958	0.9005	0.52
26960	Ste Genevieve County, Missouri	99926	0.7930	0.7927	−0.04
26970	Saline County, Missouri	99926	0.7930	0.7927	−0.04
26980	Schuyler County, Missouri	99926	0.7930	0.7927	−0.04
26981	Scotland County, Missouri	99926	0.7930	0.7927	−0.04
26982	Scott County, Missouri	99926	0.7930	0.7927	−0.04
26983	Shannon County, Missouri	99926	0.7930	0.7927	−0.04
26984	Shelby County, Missouri	99926	0.7930	0.7927	−0.04
26985	Stoddard County, Missouri	99926	0.7930	0.7927	−0.04
26986	Stone County, Missouri	99926	0.7930	0.7927	−0.04
26987	Sullivan County, Missouri	99926	0.7930	0.7927	−0.04
26988	Taney County, Missouri	99926	0.7930	0.7927	−0.04
26989	Texas County, Missouri	99926	0.7930	0.7927	−0.04
26990	Vernon County, Missouri	99926	0.7930	0.7927	−0.04
26991	Warren County, Missouri	41180	0.8958	0.9005	0.52
26992	Washington County, Missouri	41180	0.8457	0.9005	6.48
26993	Wayne County, Missouri	99926	0.7930	0.7927	−0.04
26994	Webster County, Missouri	44180	0.8244	0.8469	2.73
26995	Worth County, Missouri	99926	0.7930	0.7927	−0.04
26996	Wright County, Missouri	99926	0.7930	0.7927	−0.04
27000	Beaverhead County, Montana	99927	0.8762	0.8590	−1.96
27010	Big Horn County, Montana	99927	0.8762	0.8590	−1.96
27020	Blaine County, Montana	99927	0.8762	0.8590	−1.96
27030	Broadwater County, Montana	99927	0.8762	0.8590	−1.96
27040	Carbon County, Montana	13740	0.8798	0.8712	−0.98
27050	Carter County, Montana	99927	0.8762	0.8590	−1.96
27060	Cascade County, Montana	24500	0.9052	0.8598	−5.02
27070	Chouteau County, Montana	99927	0.8762	0.8590	−1.96
27080	Custer County, Montana	99927	0.8762	0.8590	−1.96
27090	Daniels County, Montana	99927	0.8762	0.8590	−1.96
27100	Dawson County, Montana	99927	0.8762	0.8590	−1.96
27110	Deer Lodge County, Montana	99927	0.8762	0.8590	−1.96
27113	Yellowstone National Park, Montana	99927	0.8762	0.8590	−1.96
27120	Fallon County, Montana	99927	0.8762	0.8590	−1.96
27130	Fergus County, Montana	99927	0.8762	0.8590	−1.96
27140	Flathead County, Montana	99927	0.8762	0.8590	−1.96
27150	Gallatin County, Montana	99927	0.8762	0.8590	−1.96
27160	Garfield County, Montana	99927	0.8762	0.8590	−1.96
27170	Glacier County, Montana	99927	0.8762	0.8590	−1.96
27180	Golden Valley County, Montana	99927	0.8762	0.8590	−1.96
27190	Granite County, Montana	99927	0.8762	0.8590	−1.96
27200	Hill County, Montana	99927	0.8762	0.8590	−1.96
27210	Jefferson County, Montana	99927	0.8762	0.8590	−1.96
27220	Judith Basin County, Montana	99927	0.8762	0.8590	−1.96
27230	Lake County, Montana	99927	0.8762	0.8590	−1.96
27240	Lewis And Clark County, Montana	99927	0.8762	0.8590	−1.96
27250	Liberty County, Montana	99927	0.8762	0.8590	−1.96
27260	Lincoln County, Montana	99927	0.8762	0.8590	−1.96
27270	Mc Cone County, Montana	99927	0.8762	0.8590	−1.96
27280	Madison County, Montana	99927	0.8762	0.8590	−1.96
27290	Meagher County, Montana	99927	0.8762	0.8590	−1.96
27300	Mineral County, Montana	99927	0.8762	0.8590	−1.96
27310	Missoula County, Montana	33540	0.9473	0.8928	−5.75
27320	Musselshell County, Montana	99927	0.8762	0.8590	−1.96
27330	Park County, Montana	99927	0.8762	0.8590	−1.96
27340	Petroleum County, Montana	99927	0.8762	0.8590	−1.96
27350	Phillips County, Montana	99927	0.8762	0.8590	−1.96
27360	Pondera County, Montana	99927	0.8762	0.8590	−1.96
27370	Powder River County, Montana	99927	0.8762	0.8590	−1.96
27380	Powell County, Montana	99927	0.8762	0.8590	−1.96

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
27390	Prairie County, Montana	99927	0.8762	0.8590	−1.96
27400	Ravalli County, Montana	99927	0.8762	0.8590	−1.96
27410	Richland County, Montana	99927	0.8762	0.8590	−1.96
27420	Roosevelt County, Montana	99927	0.8762	0.8590	−1.96
27430	Rosebud County, Montana	99927	0.8762	0.8590	−1.96
27440	Sanders County, Montana	99927	0.8762	0.8590	−1.96
27450	Sheridan County, Montana	99927	0.8762	0.8590	−1.96
27460	Silver Bow County, Montana	99927	0.8762	0.8590	−1.96
27470	Stillwater County, Montana	99927	0.8762	0.8590	−1.96
27480	Sweet Grass County, Montana	99927	0.8762	0.8590	−1.96
27490	Teton County, Montana	99927	0.8762	0.8590	−1.96
27500	Toole County, Montana	99927	0.8762	0.8590	−1.96
27510	Treasure County, Montana	99927	0.8762	0.8590	−1.96
27520	Valley County, Montana	99927	0.8762	0.8590	−1.96
27530	Wheatland County, Montana	99927	0.8762	0.8590	−1.96
27540	Wibaux County, Montana	99927	0.8762	0.8590	−1.96
27550	Yellowstone County, Montana	13740	0.8834	0.8712	−1.38
28000	Adams County, Nebraska	99928	0.8657	0.8677	0.23
28010	Antelope County, Nebraska	99928	0.8657	0.8677	0.23
28020	Arthur County, Nebraska	99928	0.8657	0.8677	0.23
28030	Banner County, Nebraska	99928	0.8657	0.8677	0.23
28040	Blaine County, Nebraska	99928	0.8657	0.8677	0.23
28050	Boone County, Nebraska	99928	0.8657	0.8677	0.23
28060	Box Butte County, Nebraska	99928	0.8657	0.8677	0.23
28070	Boyd County, Nebraska	99928	0.8657	0.8677	0.23
28080	Brown County, Nebraska	99928	0.8657	0.8677	0.23
28090	Buffalo County, Nebraska	99928	0.8657	0.8677	0.23
28100	Burt County, Nebraska	99928	0.8657	0.8677	0.23
28110	Butler County, Nebraska	99928	0.8657	0.8677	0.23
28120	Cass County, Nebraska	36540	0.9560	0.9450	−1.15
28130	Cedar County, Nebraska	99928	0.8657	0.8677	0.23
28140	Chase County, Nebraska	99928	0.8657	0.8677	0.23
28150	Cherry County, Nebraska	99928	0.8657	0.8677	0.23
28160	Cheyenne County, Nebraska	99928	0.8657	0.8677	0.23
28170	Clay County, Nebraska	99928	0.8657	0.8677	0.23
28180	Colfax County, Nebraska	99928	0.8657	0.8677	0.23
28190	Cuming County, Nebraska	99928	0.8657	0.8677	0.23
28200	Custer County, Nebraska	99928	0.8657	0.8677	0.23
28210	Dakota County, Nebraska	43580	0.9399	0.9200	−2.12
28220	Dawes County, Nebraska	99928	0.8657	0.8677	0.23
28230	Dawson County, Nebraska	99928	0.8657	0.8677	0.23
28240	Deuel County, Nebraska	99928	0.8657	0.8677	0.23
28250	Dixon County, Nebraska	43580	0.9019	0.9200	2.01
28260	Dodge County, Nebraska	99928	0.8657	0.8677	0.23
28270	Douglas County, Nebraska	36540	0.9560	0.9450	−1.15
28280	Dundy County, Nebraska	99928	0.8657	0.8677	0.23
28290	Fillmore County, Nebraska	99928	0.8657	0.8677	0.23
28300	Franklin County, Nebraska	99928	0.8657	0.8677	0.23
28310	Frontier County, Nebraska	99928	0.8657	0.8677	0.23
28320	Furnas County, Nebraska	99928	0.8657	0.8677	0.23
28330	Gage County, Nebraska	99928	0.8657	0.8677	0.23
28340	Garden County, Nebraska	99928	0.8657	0.8677	0.23
28350	Garfield County, Nebraska	99928	0.8657	0.8677	0.23
28360	Gosper County, Nebraska	99928	0.8657	0.8677	0.23
28370	Grant County, Nebraska	99928	0.8657	0.8677	0.23
28380	Greeley County, Nebraska	99928	0.8657	0.8677	0.23
28390	Hall County, Nebraska	99928	0.8657	0.8677	0.23
28400	Hamilton County, Nebraska	99928	0.8657	0.8677	0.23
28410	Harlan County, Nebraska	99928	0.8657	0.8677	0.23
28420	Hayes County, Nebraska	99928	0.8657	0.8677	0.23
28430	Hitchcock County, Nebraska	99928	0.8657	0.8677	0.23
28440	Holt County, Nebraska	99928	0.8657	0.8677	0.23
28450	Hooker County, Nebraska	99928	0.8657	0.8677	0.23
28460	Howard County, Nebraska	99928	0.8657	0.8677	0.23
28470	Jefferson County, Nebraska	99928	0.8657	0.8677	0.23
28480	Johnson County, Nebraska	99928	0.8657	0.8677	0.23
28490	Kearney County, Nebraska	99928	0.8657	0.8677	0.23
28500	Keith County, Nebraska	99928	0.8657	0.8677	0.23

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
28510	Keya Paha County, Nebraska	99928	0.8657	0.8677	0.23
28520	Kimball County, Nebraska	99928	0.8657	0.8677	0.23
28530	Knox County, Nebraska	99928	0.8657	0.8677	0.23
28540	Lancaster County, Nebraska	30700	1.0214	1.0092	−1.19
28550	Lincoln County, Nebraska	99928	0.8657	0.8677	0.23
28560	Logan County, Nebraska	99928	0.8657	0.8677	0.23
28570	Loup County, Nebraska	99928	0.8657	0.8677	0.23
28580	Mc Pherson County, Nebraska	99928	0.8657	0.8677	0.23
28590	Madison County, Nebraska	99928	0.8657	0.8677	0.23
28600	Merrick County, Nebraska	99928	0.8657	0.8677	0.23
28610	Morrill County, Nebraska	99928	0.8657	0.8677	0.23
28620	Nance County, Nebraska	99928	0.8657	0.8677	0.23
28630	Nemaha County, Nebraska	99928	0.8657	0.8677	0.23
28640	Nuckolls County, Nebraska	99928	0.8657	0.8677	0.23
28650	Otoe County, Nebraska	99928	0.8657	0.8677	0.23
28660	Pawnee County, Nebraska	99928	0.8657	0.8677	0.23
28670	Perkins County, Nebraska	99928	0.8657	0.8677	0.23
28680	Phelps County, Nebraska	99928	0.8657	0.8677	0.23
28690	Pierce County, Nebraska	99928	0.8657	0.8677	0.23
28700	Platte County, Nebraska	99928	0.8657	0.8677	0.23
28710	Polk County, Nebraska	99928	0.8657	0.8677	0.23
28720	Redwillow County, Nebraska	99928	0.8657	0.8677	0.23
28730	Richardson County, Nebraska	99928	0.8657	0.8677	0.23
28740	Rock County, Nebraska	99928	0.8657	0.8677	0.23
28750	Saline County, Nebraska	99928	0.8657	0.8677	0.23
28760	Sarpy County, Nebraska	36540	0.9560	0.9450	−1.15
28770	Saunders County, Nebraska	36540	0.9109	0.9450	3.74
28780	Scotts Bluff County, Nebraska	99928	0.8657	0.8677	0.23
28790	Seward County, Nebraska	30700	0.9436	1.0092	6.95
28800	Sheridan County, Nebraska	99928	0.8657	0.8677	0.23
28810	Sherman County, Nebraska	99928	0.8657	0.8677	0.23
28820	Sioux County, Nebraska	99928	0.8657	0.8677	0.23
28830	Stanton County, Nebraska	99928	0.8657	0.8677	0.23
28840	Thayer County, Nebraska	99928	0.8657	0.8677	0.23
28850	Thomas County, Nebraska	99928	0.8657	0.8677	0.23
28860	Thurston County, Nebraska	99928	0.8657	0.8677	0.23
28870	Valley County, Nebraska	99928	0.8657	0.8677	0.23
28880	Washington County, Nebraska	36540	0.9560	0.9450	−1.15
28890	Wayne County, Nebraska	99928	0.8657	0.8677	0.23
28900	Webster County, Nebraska	99928	0.8657	0.8677	0.23
28910	Wheeler County, Nebraska	99928	0.8657	0.8677	0.23
28920	York County, Nebraska	99928	0.8657	0.8677	0.23
29000	Churchill County, Nevada	99929	0.9376	0.8944	−4.61
29010	Clark County, Nevada	29820	1.1296	1.1430	1.19
29020	Douglas County, Nevada	99929	0.9376	0.8944	−4.61
29030	Elko County, Nevada	99929	0.9376	0.8944	−4.61
29040	Esmeralda County, Nevada	99929	0.9376	0.8944	−4.61
29050	Eureka County, Nevada	99929	0.9376	0.8944	−4.61
29060	Humboldt County, Nevada	99929	0.9376	0.8944	−4.61
29070	Lander County, Nevada	99929	0.9376	0.8944	−4.61
29080	Lincoln County, Nevada	99929	0.9376	0.8944	−4.61
29090	Lyon County, Nevada	99929	0.9376	0.8944	−4.61
29100	Mineral County, Nevada	99929	0.9376	0.8944	−4.61
29110	Nye County, Nevada	99929	1.0110	0.8944	−11.53
29120	Carson City County, Nevada	16180	0.9961	1.0025	0.64
29130	Pershing County, Nevada	99929	0.9376	0.8944	−4.61
29140	Storey County, Nevada	39900	1.0335	1.1963	15.75
29150	Washoe County, Nevada	39900	1.0982	1.1963	8.93
29160	White Pine County, Nevada	99929	0.9376	0.8944	−4.61
30000	Belknap County, New Hampshire	99930	1.0817	1.0853	0.33
30010	Carroll County, New Hampshire	99930	1.0817	1.0853	0.33
30020	Cheshire County, New Hampshire	99930	1.0817	1.0853	0.33
30030	Coos County, New Hampshire	99930	1.0817	1.0853	0.33
30040	Grafton County, New Hampshire	99930	1.0817	1.0853	0.33
30050	Hillsboro County, New Hampshire	31700	1.0766	1.0243	−4.86
30060	Merrimack County, New Hampshire	31700	1.0766	1.0243	−4.86
30070	Rockingham County, New Hampshire	40484	1.0776	1.0159	−5.73
30080	Strafford County, New Hampshire	40484	1.0776	1.0159	−5.73

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
30090	Sullivan County, New Hampshire	99930	1.0817	1.0853	0.33
31000	Atlantic County, New Jersey	12100	1.1556	1.1831	2.38
31100	Bergen County, New Jersey	35644	1.2420	1.3177	6.10
31150	Burlington County, New Jersey	15804	1.0720	1.0392	−3.06
31160	Camden County, New Jersey	15804	1.0720	1.0392	−3.06
31180	Cape May County, New Jersey	36140	1.1254	1.0472	−6.95
31190	Cumberland County, New Jersey	47220	0.9827	0.9832	0.05
31200	Essex County, New Jersey	35084	1.1859	1.1892	0.28
31220	Gloucester County, New Jersey	15804	1.0720	1.0392	−3.06
31230	Hudson County, New Jersey	35644	1.2263	1.3177	7.45
31250	Hunterdon County, New Jersey	35084	1.1525	1.1892	3.18
31260	Mercer County, New Jersey	45940	1.0834	1.0835	0.01
31270	Middlesex County, New Jersey	20764	1.1208	1.1190	−0.16
31290	Monmouth County, New Jersey	20764	1.1255	1.1190	−0.58
31300	Morris County, New Jersey	35084	1.1859	1.1892	0.28
31310	Ocean County, New Jersey	20764	1.1255	1.1190	−0.58
31320	Passaic County, New Jersey	35644	1.2420	1.3177	6.10
31340	Salem County, New Jersey	48864	1.0697	1.0684	−0.12
31350	Somerset County, New Jersey	20764	1.1208	1.1190	−0.16
31360	Sussex County, New Jersey	35084	1.1859	1.1892	0.28
31370	Union County, New Jersey	35084	1.1859	1.1892	0.28
31390	Warren County, New Jersey	10900	1.0826	0.9947	−8.12
32000	Bernalillo County, New Mexico	10740	0.9684	0.9458	−2.33
32010	Catron County, New Mexico	99932	0.8599	0.8332	−3.11
32020	Chaves County, New Mexico	99932	0.8599	0.8332	−3.11
32025	Cibola County, New Mexico	99932	0.8599	0.8332	−3.11
32030	Colfax County, New Mexico	99932	0.8599	0.8332	−3.11
32040	Curry County, New Mexico	99932	0.8599	0.8332	−3.11
32050	De Baca County, New Mexico	99932	0.8599	0.8332	−3.11
32060	Dona Ana County, New Mexico	29740	0.8467	0.9273	9.52
32070	Eddy County, New Mexico	99932	0.8599	0.8332	−3.11
32080	Grant County, New Mexico	99932	0.8599	0.8332	−3.11
32090	Guadalupe County, New Mexico	99932	0.8599	0.8332	−3.11
32100	Harding County, New Mexico	99932	0.8599	0.8332	−3.11
32110	Hidalgo County, New Mexico	99932	0.8599	0.8332	−3.11
32120	Lea County, New Mexico	99932	0.8599	0.8332	−3.11
32130	Lincoln County, New Mexico	99932	0.8599	0.8332	−3.11
32131	Los Alamos County, New Mexico	99932	0.9692	0.8332	−14.03
32140	Luna County, New Mexico	99932	0.8599	0.8332	−3.11
32150	Mc Kinley County, New Mexico	99932	0.8599	0.8332	−3.11
32160	Mora County, New Mexico	99932	0.8599	0.8332	−3.11
32170	Otero County, New Mexico	99932	0.8599	0.8332	−3.11
32180	Quay County, New Mexico	99932	0.8599	0.8332	−3.11
32190	Rio Arriba County, New Mexico	99932	0.8599	0.8332	−3.11
32200	Roosevelt County, New Mexico	99932	0.8599	0.8332	−3.11
32210	Sandoval County, New Mexico	10740	0.9684	0.9458	−2.33
32220	San Juan County, New Mexico	22140	0.8536	0.8589	0.62
32230	San Miguel County, New Mexico	99932	0.8599	0.8332	−3.11
32240	Santa Fe County, New Mexico	42140	1.0834	1.0824	−0.09
32250	Sierra County, New Mexico	99932	0.8599	0.8332	−3.11
32260	Socorro County, New Mexico	99932	0.8599	0.8332	−3.11
32270	Taos County, New Mexico	99932	0.8599	0.8332	−3.11
32280	Torrance County, New Mexico	10740	0.9124	0.9458	3.66
32290	Union County, New Mexico	99932	0.8599	0.8332	−3.11
32300	Valencia County, New Mexico	10740	0.9684	0.9458	−2.33
33000	Albany County, New York	10580	0.8574	0.8720	1.70
33010	Allegany County, New York	99933	0.8275	0.8232	−0.52
33020	Bronx County, New York	35644	1.3326	1.3177	−1.12
33030	Broome County, New York	13780	0.8562	0.8786	2.62
33040	Cattaraugus County, New York	99933	0.8275	0.8232	−0.52
33050	Cayuga County, New York	99933	0.8823	0.8232	−6.70
33060	Chautauqua County, New York	99933	0.7849	0.8232	4.88
33070	Chemung County, New York	21300	0.8250	0.8240	−0.12
33080	Chenango County, New York	99933	0.8275	0.8232	−0.52
33090	Clinton County, New York	99933	0.8275	0.8232	−0.52
33200	Columbia County, New York	99933	0.8275	0.8232	−0.52
33210	Cortland County, New York	99933	0.8275	0.8232	−0.52
33220	Delaware County, New York	99933	0.8275	0.8232	−0.52

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
33230	Dutchess County, New York	39100	1.0683	1.0911	2.13
33240	Erie County, New York	15380	0.9511	0.9424	−0.91
33260	Essex County, New York	99933	0.8275	0.8232	−0.52
33270	Franklin County, New York	99933	0.8275	0.8232	−0.52
33280	Fulton County, New York	99933	0.8275	0.8232	−0.52
33290	Genesee County, New York	99933	0.8602	0.8232	−4.30
33300	Greene County, New York	99933	0.8275	0.8232	−0.52
33310	Hamilton County, New York	99933	0.8275	0.8232	−0.52
33320	Herkimer County, New York	46540	0.8358	0.8396	0.45
33330	Jefferson County, New York	99933	0.8275	0.8232	−0.52
33331	Kings County, New York	35644	1.3326	1.3177	−1.12
33340	Lewis County, New York	99933	0.8275	0.8232	−0.52
33350	Livingston County, New York	40380	0.9085	0.8994	−1.00
33360	Madison County, New York	45060	0.9533	0.9691	1.66
33370	Monroe County, New York	40380	0.9085	0.8994	−1.00
33380	Montgomery County, New York	99933	0.8357	0.8232	−1.50
33400	Nassau County, New York	35004	1.2719	1.2662	−0.45
33420	New York County, New York	35644	1.3326	1.3177	−1.12
33500	Niagara County, New York	15380	0.9511	0.9424	−0.91
33510	Oneida County, New York	46540	0.8358	0.8396	0.45
33520	Onondaga County, New York	45060	0.9533	0.9691	1.66
33530	Ontario County, New York	40380	0.9085	0.8994	−1.00
33540	Orange County, New York	39100	1.1049	1.0911	−1.25
33550	Orleans County, New York	40380	0.9085	0.8994	−1.00
33560	Oswego County, New York	45060	0.9533	0.9691	1.66
33570	Otsego County, New York	99933	0.8275	0.8232	−0.52
33580	Putnam County, New York	35644	1.3326	1.3177	−1.12
33590	Queens County, New York	35644	1.3326	1.3177	−1.12
33600	Rensselaer County, New York	10580	0.8574	0.8720	1.70
33610	Richmond County, New York	35644	1.3326	1.3177	−1.12
33620	Rockland County, New York	35644	1.3326	1.3177	−1.12
33630	St Lawrence County, New York	99933	0.8275	0.8232	−0.52
33640	Saratoga County, New York	10580	0.8574	0.8720	1.70
33650	Schenectady County, New York	10580	0.8574	0.8720	1.70
33660	Schoharie County, New York	10580	0.8574	0.8720	1.70
33670	Schuyler County, New York	99933	0.8275	0.8232	−0.52
33680	Seneca County, New York	99933	0.8275	0.8232	−0.52
33690	Steuben County, New York	99933	0.8275	0.8232	−0.52
33700	Suffolk County, New York	35004	1.2719	1.2662	−0.45
33710	Sullivan County, New York	99933	0.8275	0.8232	−0.52
33720	Tioga County, New York	13780	0.8562	0.8786	2.62
33730	Tompkins County, New York	27060	0.9094	0.9928	9.17
33740	Ulster County, New York	28740	0.8825	0.9367	6.14
33750	Warren County, New York	24020	0.8559	0.8324	−2.75
33760	Washington County, New York	24020	0.8559	0.8324	−2.75
33770	Wayne County, New York	40380	0.9085	0.8994	−1.00
33800	Westchester County, New York	35644	1.3326	1.3177	−1.12
33900	Wyoming County, New York	99933	0.8275	0.8232	−0.52
33910	Yates County, New York	99933	0.8275	0.8232	−0.52
34000	Alamance County, N Carolina	15500	0.8962	0.8674	−3.21
34010	Alexander County, N Carolina	25860	0.8921	0.9010	1.00
34020	Alleghany County, N Carolina	99934	0.8501	0.8588	1.02
34030	Anson County, N Carolina	16740	0.9106	0.9554	4.92
34040	Ashe County, N Carolina	99934	0.8501	0.8588	1.02
34050	Avery County, N Carolina	99934	0.8501	0.8588	1.02
34060	Beaufort County, N Carolina	99934	0.8501	0.8588	1.02
34070	Bertie County, N Carolina	99934	0.8501	0.8588	1.02
34080	Bladen County, N Carolina	99934	0.8501	0.8588	1.02
34090	Brunswick County, N Carolina	48900	0.9582	0.9835	2.64
34100	Buncombe County, N Carolina	11700	0.9511	0.9216	−3.10
34110	Burke County, N Carolina	25860	0.8921	0.9010	1.00
34120	Cabarrus County, N Carolina	16740	0.9733	0.9554	−1.84
34130	Caldwell County, N Carolina	25860	0.8921	0.9010	1.00
34140	Camden County, N Carolina	99934	0.8501	0.8588	1.02
34150	Carteret County, N Carolina	99934	0.8501	0.8588	1.02
34160	Caswell County, N Carolina	99934	0.8501	0.8588	1.02
34170	Catawba County, N Carolina	25860	0.8921	0.9010	1.00
34180	Chatham County, N Carolina	20500	1.0139	0.9826	−3.09

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
34190	Cherokee County, N Carolina	99934	0.8501	0.8588	1.02
34200	Chowan County, N Carolina	99934	0.8501	0.8588	1.02
34210	Clay County, N Carolina	99934	0.8501	0.8588	1.02
34220	Cleveland County, N Carolina	99934	0.8501	0.8588	1.02
34230	Columbus County, N Carolina	99934	0.8501	0.8588	1.02
34240	Craven County, N Carolina	99934	0.8501	0.8588	1.02
34250	Cumberland County, N Carolina	22180	0.9416	0.8945	−5.00
34251	Currituck County, N Carolina	47260	0.8799	0.8790	−0.10
34270	Dare County, N Carolina	99934	0.8501	0.8588	1.02
34280	Davidson County, N Carolina	99934	0.8779	0.8588	−2.18
34290	Davie County, N Carolina	49180	0.8981	0.9276	3.28
34300	Duplin County, N Carolina	99934	0.8501	0.8588	1.02
34310	Durham County, N Carolina	20500	1.0139	0.9826	−3.09
34320	Edgecombe County, N Carolina	40580	0.8915	0.8854	−0.68
34330	Forsyth County, N Carolina	49180	0.8981	0.9276	3.28
34340	Franklin County, N Carolina	39580	0.9863	0.9864	0.01
34350	Gaston County, N Carolina	16740	0.9733	0.9554	−1.84
34360	Gates County, N Carolina	99934	0.8501	0.8588	1.02
34370	Graham County, N Carolina	99934	0.8501	0.8588	1.02
34380	Granville County, N Carolina	99934	0.8501	0.8588	1.02
34390	Greene County, N Carolina	24780	0.8944	0.9432	5.46
34400	Guilford County, N Carolina	24660	0.9061	0.8866	−2.15
34410	Halifax County, N Carolina	99934	0.8501	0.8588	1.02
34420	Harnett County, N Carolina	99934	0.8501	0.8588	1.02
34430	Haywood County, N Carolina	11700	0.8874	0.9216	3.85
34440	Henderson County, N Carolina	11700	0.8874	0.9216	3.85
34450	Hertford County, N Carolina	99934	0.8501	0.8588	1.02
34460	Hoke County, N Carolina	22180	0.8939	0.8945	0.07
34470	Hyde County, N Carolina	99934	0.8501	0.8588	1.02
34480	Iredell County, N Carolina	99934	0.8501	0.8588	1.02
34490	Jackson County, N Carolina	99934	0.8501	0.8588	1.02
34500	Johnston County, N Carolina	39580	0.9863	0.9864	0.01
34510	Jones County, N Carolina	99934	0.8501	0.8588	1.02
34520	Lee County, N Carolina	99934	0.8501	0.8588	1.02
34530	Lenoir County, N Carolina	99934	0.8501	0.8588	1.02
34540	Lincoln County, N Carolina	99934	0.9128	0.8588	−5.92
34550	Mc Dowell County, N Carolina	99934	0.8501	0.8588	1.02
34560	Macon County, N Carolina	99934	0.8501	0.8588	1.02
34570	Madison County, N Carolina	11700	0.9511	0.9216	−3.10
34580	Martin County, N Carolina	99934	0.8501	0.8588	1.02
34590	Mecklenburg County, N Carolina	16740	0.9733	0.9554	−1.84
34600	Mitchell County, N Carolina	99934	0.8501	0.8588	1.02
34610	Montgomery County, N Carolina	99934	0.8501	0.8588	1.02
34620	Moore County, N Carolina	99934	0.8501	0.8588	1.02
34630	Nash County, N Carolina	40580	0.8915	0.8854	−0.68
34640	New Hanover County, N Carolina	48900	0.9582	0.9835	2.64
34650	Northampton County, N Carolina	99934	0.8501	0.8588	1.02
34660	Onslow County, N Carolina	27340	0.8236	0.8231	−0.06
34670	Orange County, N Carolina	20500	1.0139	0.9826	−3.09
34680	Pamlico County, N Carolina	99934	0.8501	0.8588	1.02
34690	Pasquotank County, N Carolina	99934	0.8501	0.8588	1.02
34700	Pender County, N Carolina	48900	0.9022	0.9835	9.01
34710	Perquimans County, N Carolina	99934	0.8501	0.8588	1.02
34720	Person County, N Carolina	20500	0.9353	0.9826	5.06
34730	Pitt County, N Carolina	24780	0.9425	0.9432	0.07
34740	Polk County, N Carolina	99934	0.8501	0.8588	1.02
34750	Randolph County, N Carolina	24660	0.9061	0.8866	−2.15
34760	Richmond County, N Carolina	99934	0.8501	0.8588	1.02
34770	Robeson County, N Carolina	99934	0.8501	0.8588	1.02
34780	Rockingham County, N Carolina	24660	0.8783	0.8866	0.95
34790	Rowan County, N Carolina	99934	0.9128	0.8588	−5.92
34800	Rutherford County, N Carolina	99934	0.8501	0.8588	1.02
34810	Sampson County, N Carolina	99934	0.8501	0.8588	1.02
34820	Scotland County, N Carolina	99934	0.8501	0.8588	1.02
34830	Stanly County, N Carolina	99934	0.8501	0.8588	1.02
34840	Stokes County, N Carolina	49180	0.8981	0.9276	3.28
34850	Surry County, N Carolina	99934	0.8501	0.8588	1.02
34860	Swain County, N Carolina	99934	0.8501	0.8588	1.02

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
34870	Transylvania County, N Carolina	99934	0.8501	0.8588	1.02
34880	Tyrrell County, N Carolina	99934	0.8501	0.8588	1.02
34890	Union County, N Carolina	16740	0.9733	0.9554	−1.84
34900	Vance County, N Carolina	99934	0.8501	0.8588	1.02
34910	Wake County, N Carolina	39580	0.9863	0.9864	0.01
34920	Warren County, N Carolina	99934	0.8501	0.8588	1.02
34930	Washington County, N Carolina	99934	0.8501	0.8588	1.02
34940	Watauga County, N Carolina	99934	0.8501	0.8588	1.02
34950	Wayne County, N Carolina	24140	0.8775	0.9171	4.51
34960	Wilkes County, N Carolina	99934	0.8501	0.8588	1.02
34970	Wilson County, N Carolina	99934	0.8501	0.8588	1.02
34980	Yadkin County, N Carolina	49180	0.8981	0.9276	3.28
34981	Yancey County, N Carolina	99934	0.8501	0.8588	1.02
35000	Adams County, N Dakota	99935	0.7261	0.7215	−0.63
35010	Barnes County, N Dakota	99935	0.7261	0.7215	−0.63
35020	Benson County, N Dakota	99935	0.7261	0.7215	−0.63
35030	Billings County, N Dakota	99935	0.7261	0.7215	−0.63
35040	Bottineau County, N Dakota	99935	0.7261	0.7215	−0.63
35050	Bowman County, N Dakota	99935	0.7261	0.7215	−0.63
35060	Burke County, N Dakota	99935	0.7261	0.7215	−0.63
35070	Burleigh County, N Dakota	13900	0.7574	0.7240	−4.41
35080	Cass County, N Dakota	22020	0.8486	0.8250	−2.78
35090	Cavalier County, N Dakota	99935	0.7261	0.7215	−0.63
35100	Dickey County, N Dakota	99935	0.7261	0.7215	−0.63
35110	Divide County, N Dakota	99935	0.7261	0.7215	−0.63
35120	Dunn County, N Dakota	99935	0.7261	0.7215	−0.63
35130	Eddy County, N Dakota	99935	0.7261	0.7215	−0.63
35140	Emmons County, N Dakota	99935	0.7261	0.7215	−0.63
35150	Foster County, N Dakota	99935	0.7261	0.7215	−0.63
35160	Golden Valley County, N Dakota	99935	0.7261	0.7215	−0.63
35170	Grand Forks County, N Dakota	24220	0.7901	0.7949	0.61
35180	Grant County, N Dakota	99935	0.7261	0.7215	−0.63
35190	Griggs County, N Dakota	99935	0.7261	0.7215	−0.63
35200	Hettinger County, N Dakota	99935	0.7261	0.7215	−0.63
35210	Kidder County, N Dakota	99935	0.7261	0.7215	−0.63
35220	La Moure County, N Dakota	99935	0.7261	0.7215	−0.63
35230	Logan County, N Dakota	99935	0.7261	0.7215	−0.63
35240	Mc Henry County, N Dakota	99935	0.7261	0.7215	−0.63
35250	Mc Intosh County, N Dakota	99935	0.7261	0.7215	−0.63
35260	Mc Kenzie County, N Dakota	99935	0.7261	0.7215	−0.63
35270	Mc Lean County, N Dakota	99935	0.7261	0.7215	−0.63
35280	Mercer County, N Dakota	99935	0.7261	0.7215	−0.63
35290	Morton County, N Dakota	13900	0.7574	0.7240	−4.41
35300	Mountrail County, N Dakota	99935	0.7261	0.7215	−0.63
35310	Nelson County, N Dakota	99935	0.7261	0.7215	−0.63
35320	Oliver County, N Dakota	99935	0.7261	0.7215	−0.63
35330	Pembina County, N Dakota	99935	0.7261	0.7215	−0.63
35340	Pierce County, N Dakota	99935	0.7261	0.7215	−0.63
35350	Ramsey County, N Dakota	99935	0.7261	0.7215	−0.63
35360	Ransom County, N Dakota	99935	0.7261	0.7215	−0.63
35370	Renville County, N Dakota	99935	0.7261	0.7215	−0.63
35380	Richland County, N Dakota	99935	0.7261	0.7215	−0.63
35390	Rolette County, N Dakota	99935	0.7261	0.7215	−0.63
35400	Sargent County, N Dakota	99935	0.7261	0.7215	−0.63
35410	Sheridan County, N Dakota	99935	0.7261	0.7215	−0.63
35420	Sioux County, N Dakota	99935	0.7261	0.7215	−0.63
35430	Slope County, N Dakota	99935	0.7261	0.7215	−0.63
35440	Stark County, N Dakota	99935	0.7261	0.7215	−0.63
35450	Steele County, N Dakota	99935	0.7261	0.7215	−0.63
35460	Stutsman County, N Dakota	99935	0.7261	0.7215	−0.63
35470	Towner County, N Dakota	99935	0.7261	0.7215	−0.63
35480	Traill County, N Dakota	99935	0.7261	0.7215	−0.63
35490	Walsh County, N Dakota	99935	0.7261	0.7215	−0.63
35500	Ward County, N Dakota	99935	0.7261	0.7215	−0.63
35510	Wells County, N Dakota	99935	0.7261	0.7215	−0.63
35520	Williams County, N Dakota	99935	0.7261	0.7215	−0.63
36000	Adams County, Ohio	99936	0.8874	0.8658	−2.43
36010	Allen County, Ohio	30620	0.9172	0.9042	−1.42

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
36020	Ashland County, Ohio	99936	0.8874	0.8658	−2.43
36030	Ashtabula County, Ohio	99936	0.9005	0.8658	−3.85
36040	Athens County, Ohio	99936	0.8874	0.8658	−2.43
36050	Auglaize County, Ohio	99936	0.8973	0.8658	−3.51
36060	Belmont County, Ohio	48540	0.7161	0.7010	−2.11
36070	Brown County, Ohio	17140	0.9675	0.9601	−0.76
36080	Butler County, Ohio	17140	0.9283	0.9601	3.43
36090	Carroll County, Ohio	15940	0.8935	0.9031	1.07
36100	Champaign County, Ohio	99936	0.8874	0.8658	−2.43
36110	Clark County, Ohio	44220	0.8688	0.8593	−1.09
36120	Clermont County, Ohio	17140	0.9675	0.9601	−0.76
36130	Clinton County, Ohio	99936	0.8874	0.8658	−2.43
36140	Columbiana County, Ohio	99936	0.8837	0.8658	−2.03
36150	Coshocton County, Ohio	99936	0.8874	0.8658	−2.43
36160	Crawford County, Ohio	99936	0.9359	0.8658	−7.49
36170	Cuyahoga County, Ohio	17460	0.9198	0.9400	2.20
36190	Darke County, Ohio	99936	0.8874	0.8658	−2.43
36200	Defiance County, Ohio	99936	0.8874	0.8658	−2.43
36210	Delaware County, Ohio	18140	0.9867	1.0107	2.43
36220	Erie County, Ohio	41780	0.8970	0.9302	3.70
36230	Fairfield County, Ohio	18140	0.9867	1.0107	2.43
36240	Fayette County, Ohio	99936	0.8874	0.8658	−2.43
36250	Franklin County, Ohio	18140	0.9867	1.0107	2.43
36260	Fulton County, Ohio	45780	0.9574	0.9586	0.13
36270	Gallia County, Ohio	99936	0.8874	0.8658	−2.43
36280	Geauga County, Ohio	17460	0.9198	0.9400	2.20
36290	Greene County, Ohio	19380	0.9022	0.9037	0.17
36300	Guernsey County, Ohio	99936	0.8874	0.8658	−2.43
36310	Hamilton County, Ohio	17140	0.9675	0.9601	−0.76
36330	Hancock County, Ohio	99936	0.8874	0.8658	−2.43
36340	Hardin County, Ohio	99936	0.8874	0.8658	−2.43
36350	Harrison County, Ohio	99936	0.8874	0.8658	−2.43
36360	Henry County, Ohio	99936	0.8874	0.8658	−2.43
36370	Highland County, Ohio	99936	0.8874	0.8658	−2.43
36380	Hocking County, Ohio	99936	0.8874	0.8658	−2.43
36390	Holmes County, Ohio	99936	0.8874	0.8658	−2.43
36400	Huron County, Ohio	99936	0.8874	0.8658	−2.43
36410	Jackson County, Ohio	99936	0.8874	0.8658	−2.43
36420	Jefferson County, Ohio	48260	0.7819	0.8063	3.12
36430	Knox County, Ohio	99936	0.8874	0.8658	−2.43
36440	Lake County, Ohio	17460	0.9198	0.9400	2.20
36450	Lawrence County, Ohio	26580	0.9477	0.8997	−5.06
36460	Licking County, Ohio	18140	0.9867	1.0107	2.43
36470	Logan County, Ohio	99936	0.8874	0.8658	−2.43
36480	Lorain County, Ohio	17460	0.9198	0.9400	2.20
36490	Lucas County, Ohio	45780	0.9574	0.9586	0.13
36500	Madison County, Ohio	18140	0.9867	1.0107	2.43
36510	Mahoning County, Ohio	49660	0.8726	0.8802	0.87
36520	Marion County, Ohio	99936	0.8874	0.8658	−2.43
36530	Medina County, Ohio	17460	0.9198	0.9400	2.20
36540	Meigs County, Ohio	99936	0.8874	0.8658	−2.43
36550	Mercer County, Ohio	99936	0.8874	0.8658	−2.43
36560	Miami County, Ohio	19380	0.9022	0.9037	0.17
36570	Monroe County, Ohio	99936	0.8874	0.8658	−2.43
36580	Montgomery County, Ohio	19380	0.9022	0.9037	0.17
36590	Morgan County, Ohio	99936	0.8874	0.8658	−2.43
36600	Morrow County, Ohio	18140	0.9391	1.0107	7.62
36610	Muskingum County, Ohio	99936	0.8874	0.8658	−2.43
36620	Noble County, Ohio	99936	0.8874	0.8658	−2.43
36630	Ottawa County, Ohio	45780	0.9248	0.9586	3.65
36640	Paulding County, Ohio	99936	0.8874	0.8658	−2.43
36650	Perry County, Ohio	99936	0.8874	0.8658	−2.43
36660	Pickaway County, Ohio	18140	0.9867	1.0107	2.43
36670	Pike County, Ohio	99936	0.8874	0.8658	−2.43
36680	Portage County, Ohio	10420	0.8982	0.8654	−3.65
36690	Preble County, Ohio	19380	0.8993	0.9037	0.49
36700	Putnam County, Ohio	99936	0.8874	0.8658	−2.43
36710	Richland County, Ohio	31900	0.9891	0.9271	−6.27

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
36720	Ross County, Ohio	99936	0.8874	0.8658	−2.43
36730	Sandusky County, Ohio	99936	0.8874	0.8658	−2.43
36740	Scioto County, Ohio	99936	0.8874	0.8658	−2.43
36750	Seneca County, Ohio	99936	0.8874	0.8658	−2.43
36760	Shelby County, Ohio	99936	0.8874	0.8658	−2.43
36770	Stark County, Ohio	15940	0.8935	0.9031	1.07
36780	Summit County, Ohio	10420	0.8982	0.8654	−3.65
36790	Trumbull County, Ohio	49660	0.8726	0.8802	0.87
36800	Tuscarawas County, Ohio	99936	0.8874	0.8658	−2.43
36810	Union County, Ohio	18140	0.9391	1.0107	7.62
36820	Van Wert County, Ohio	99936	0.8874	0.8658	−2.43
36830	Vinton County, Ohio	99936	0.8874	0.8658	−2.43
36840	Warren County, Ohio	17140	0.9675	0.9601	−0.76
36850	Washington County, Ohio	37620	0.8270	0.7977	−3.54
36860	Wayne County, Ohio	99936	0.8874	0.8658	−2.43
36870	Williams County, Ohio	99936	0.8874	0.8658	−2.43
36880	Wood County, Ohio	45780	0.9574	0.9586	0.13
36890	Wyandot County, Ohio	99936	0.8874	0.8658	−2.43
37000	Adair County, Oklahoma	99937	0.7512	0.7629	1.56
37010	Alfalfa County, Oklahoma	99937	0.7512	0.7629	1.56
37020	Atoka County, Oklahoma	99937	0.7512	0.7629	1.56
37030	Beaver County, Oklahoma	99937	0.7512	0.7629	1.56
37040	Beckham County, Oklahoma	99937	0.7512	0.7629	1.56
37050	Blaine County, Oklahoma	99937	0.7512	0.7629	1.56
37060	Bryan County, Oklahoma	99937	0.7512	0.7629	1.56
37070	Caddo County, Oklahoma	99937	0.7512	0.7629	1.56
37080	Canadian County, Oklahoma	36420	0.9028	0.8843	−2.05
37090	Carter County, Oklahoma	99937	0.7512	0.7629	1.56
37100	Cherokee County, Oklahoma	99937	0.7512	0.7629	1.56
37110	Choctaw County, Oklahoma	99937	0.7512	0.7629	1.56
37120	Cimarron County, Oklahoma	99937	0.7512	0.7629	1.56
37130	Cleveland County, Oklahoma	36420	0.9028	0.8843	−2.05
37140	Coal County, Oklahoma	99937	0.7512	0.7629	1.56
37150	Comanche County, Oklahoma	30020	0.7872	0.8065	2.45
37160	Cotton County, Oklahoma	99937	0.7512	0.7629	1.56
37170	Craig County, Oklahoma	99937	0.7512	0.7629	1.56
37180	Creek County, Oklahoma	46140	0.8565	0.8103	−5.39
37190	Custer County, Oklahoma	99937	0.7512	0.7629	1.56
37200	Delaware County, Oklahoma	99937	0.7512	0.7629	1.56
37210	Dewey County, Oklahoma	99937	0.7512	0.7629	1.56
37220	Ellis County, Oklahoma	99937	0.7512	0.7629	1.56
37230	Garfield County, Oklahoma	99937	0.8124	0.7629	−6.09
37240	Garvin County, Oklahoma	99937	0.7512	0.7629	1.56
37250	Grady County, Oklahoma	36420	0.8237	0.8843	7.36
37260	Grant County, Oklahoma	99937	0.7512	0.7629	1.56
37270	Greer County, Oklahoma	99937	0.7512	0.7629	1.56
37280	Harmon County, Oklahoma	99937	0.7512	0.7629	1.56
37290	Harper County, Oklahoma	99937	0.7512	0.7629	1.56
37300	Haskell County, Oklahoma	99937	0.7512	0.7629	1.56
37310	Hughes County, Oklahoma	99937	0.7512	0.7629	1.56
37320	Jackson County, Oklahoma	99937	0.7512	0.7629	1.56
37330	Jefferson County, Oklahoma	99937	0.7512	0.7629	1.56
37340	Johnston County, Oklahoma	99937	0.7512	0.7629	1.56
37350	Kay County, Oklahoma	99937	0.7512	0.7629	1.56
37360	Kingfisher County, Oklahoma	99937	0.7512	0.7629	1.56
37370	Kiowa County, Oklahoma	99937	0.7512	0.7629	1.56
37380	Latimer County, Oklahoma	99937	0.7512	0.7629	1.56
37390	Le Flore County, Oklahoma	22900	0.7836	0.7731	−1.34
37400	Lincoln County, Oklahoma	36420	0.8237	0.8843	7.36
37410	Logan County, Oklahoma	36420	0.9028	0.8843	−2.05
37420	Love County, Oklahoma	99937	0.7512	0.7629	1.56
37430	Mc Clain County, Oklahoma	36420	0.9028	0.8843	−2.05
37440	Mc Curtain County, Oklahoma	99937	0.7512	0.7629	1.56
37450	Mc Intosh County, Oklahoma	99937	0.7512	0.7629	1.56
37460	Major County, Oklahoma	99937	0.7512	0.7629	1.56
37470	Marshall County, Oklahoma	99937	0.7512	0.7629	1.56
37480	Mayes County, Oklahoma	99937	0.7512	0.7629	1.56
37490	Murray County, Oklahoma	99937	0.7512	0.7629	1.56

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
37500	Muskogee County, Oklahoma	99937	0.7512	0.7629	1.56
37510	Noble County, Oklahoma	99937	0.7512	0.7629	1.56
37520	Nowata County, Oklahoma	99937	0.7512	0.7629	1.56
37530	Okfuskee County, Oklahoma	99937	0.7512	0.7629	1.56
37540	Oklahoma County, Oklahoma	36420	0.9028	0.8843	−2.05
37550	Okmulgee County, Oklahoma	46140	0.7993	0.8103	1.38
37560	Osage County, Oklahoma	46140	0.8565	0.8103	−5.39
37570	Ottawa County, Oklahoma	99937	0.7512	0.7629	1.56
37580	Pawnee County, Oklahoma	46140	0.7993	0.8103	1.38
37590	Payne County, Oklahoma	99937	0.7512	0.7629	1.56
37600	Pittsburg County, Oklahoma	99937	0.7512	0.7629	1.56
37610	Pontotoc County, Oklahoma	99937	0.7512	0.7629	1.56
37620	Pottawatomie County, Oklahoma	99937	0.8303	0.7629	−8.12
37630	Pushmataha County, Oklahoma	99937	0.7512	0.7629	1.56
37640	Roger Mills County, Oklahoma	99937	0.7512	0.7629	1.56
37650	Rogers County, Oklahoma	46140	0.8565	0.8103	−5.39
37660	Seminole County, Oklahoma	99937	0.7512	0.7629	1.56
37670	Sequoyah County, Oklahoma	22900	0.8238	0.7731	−6.15
37680	Stephens County, Oklahoma	99937	0.7512	0.7629	1.56
37690	Texas County, Oklahoma	99937	0.7512	0.7629	1.56
37700	Tillman County, Oklahoma	99937	0.7512	0.7629	1.56
37710	Tulsa County, Oklahoma	46140	0.8565	0.8103	−5.39
37720	Wagoner County, Oklahoma	46140	0.8565	0.8103	−5.39
37730	Washington County, Oklahoma	99937	0.7512	0.7629	1.56
37740	Washita County, Oklahoma	99937	0.7512	0.7629	1.56
37750	Woods County, Oklahoma	99937	0.7512	0.7629	1.56
37760	Woodward County, Oklahoma	99937	0.7512	0.7629	1.56
38000	Baker County, Oregon	99938	0.9939	0.9753	−1.87
38010	Benton County, Oregon	18700	1.0729	1.1546	7.61
38020	Clackamas County, Oregon	38900	1.1266	1.1416	1.33
38030	Clatsop County, Oregon	99938	0.9939	0.9753	−1.87
38040	Columbia County, Oregon	38900	1.1266	1.1416	1.33
38050	Coos County, Oregon	99938	0.9939	0.9753	−1.87
38060	Crook County, Oregon	99938	0.9939	0.9753	−1.87
38070	Curry County, Oregon	99938	0.9939	0.9753	−1.87
38080	Deschutes County, Oregon	13460	1.0419	1.0743	3.11
38090	Douglas County, Oregon	99938	0.9939	0.9753	−1.87
38100	Gilliam County, Oregon	99938	0.9939	0.9753	−1.87
38110	Grant County, Oregon	99938	0.9939	0.9753	−1.87
38120	Harney County, Oregon	99938	0.9939	0.9753	−1.87
38130	Hood River County, Oregon	99938	0.9939	0.9753	−1.87
38140	Jackson County, Oregon	32780	1.0225	1.0818	5.80
38150	Jefferson County, Oregon	99938	0.9939	0.9753	−1.87
38160	Josephine County, Oregon	99938	0.9939	0.9753	−1.87
38170	Klamath County, Oregon	99938	0.9939	0.9753	−1.87
38180	Lake County, Oregon	99938	0.9939	0.9753	−1.87
38190	Lane County, Oregon	21660	1.0818	1.0876	0.54
38200	Lincoln County, Oregon	99938	0.9939	0.9753	−1.87
38210	Linn County, Oregon	99938	0.9939	0.9753	−1.87
38220	Malheur County, Oregon	99938	0.9939	0.9753	−1.87
38230	Marion County, Oregon	41420	1.0442	1.0438	−0.04
38240	Morrow County, Oregon	99938	0.9939	0.9753	−1.87
38250	Multnomah County, Oregon	38900	1.1266	1.1416	1.33
38260	Polk County, Oregon	41420	1.0442	1.0438	−0.04
38270	Sherman County, Oregon	99938	0.9939	0.9753	−1.87
38280	Tillamook County, Oregon	99938	0.9939	0.9753	−1.87
38290	Umatilla County, Oregon	99938	0.9939	0.9753	−1.87
38300	Union County, Oregon	99938	0.9939	0.9753	−1.87
38310	Wallowa County, Oregon	99938	0.9939	0.9753	−1.87
38320	Wasco County, Oregon	99938	0.9939	0.9753	−1.87
38330	Washington County, Oregon	38900	1.1266	1.1416	1.33
38340	Wheeler County, Oregon	99938	0.9939	0.9753	−1.87
38350	Yamhill County, Oregon	38900	1.1266	1.1416	1.33
39000	Adams County, Pennsylvania	99939	0.8305	0.8320	0.18
39010	Allegheny County, Pennsylvania	38300	0.8853	0.8674	−2.02
39070	Armstrong County, Pennsylvania	38300	0.8582	0.8674	1.07
39080	Beaver County, Pennsylvania	38300	0.8853	0.8674	−2.02
39100	Bedford County, Pennsylvania	99939	0.8305	0.8320	0.18

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
39110	Berks County, Pennsylvania	39740	0.9686	0.9622	−0.66
39120	Blair County, Pennsylvania	11020	0.8944	0.8812	−1.48
39130	Bradford County, Pennsylvania	99939	0.8305	0.8320	0.18
39140	Bucks County, Pennsylvania	37964	1.0980	1.0996	0.15
39150	Butler County, Pennsylvania	38300	0.8853	0.8674	−2.02
39160	Cambria County, Pennsylvania	27780	0.8220	0.8620	4.87
39180	Cameron County, Pennsylvania	99939	0.8305	0.8320	0.18
39190	Carbon County, Pennsylvania	10900	0.9832	0.9947	1.17
39200	Centre County, Pennsylvania	44300	0.8356	0.8784	5.12
39210	Chester County, Pennsylvania	37964	1.0980	1.0996	0.15
39220	Clarion County, Pennsylvania	99939	0.8305	0.8320	0.18
39230	Clearfield County, Pennsylvania	99939	0.8305	0.8320	0.18
39240	Clinton County, Pennsylvania	99939	0.8305	0.8320	0.18
39250	Columbia County, Pennsylvania	99939	0.8408	0.8320	−1.05
39260	Crawford County, Pennsylvania	99939	0.8305	0.8320	0.18
39270	Cumberland County, Pennsylvania	25420	0.9273	0.9402	1.39
39280	Dauphin County, Pennsylvania	25420	0.9273	0.9402	1.39
39290	Delaware County, Pennsylvania	37964	1.0980	1.0996	0.15
39310	Elk County, Pennsylvania	99939	0.8305	0.8320	0.18
39320	Erie County, Pennsylvania	21500	0.8737	0.8827	1.03
39330	Fayette County, Pennsylvania	38300	0.8853	0.8674	−2.02
39340	Forest County, Pennsylvania	99939	0.8305	0.8320	0.18
39350	Franklin County, Pennsylvania	99939	0.8305	0.8320	0.18
39360	Fulton County, Pennsylvania	99939	0.8305	0.8320	0.18
39370	Greene County, Pennsylvania	99939	0.8305	0.8320	0.18
39380	Huntingdon County, Pennsylvania	99939	0.8305	0.8320	0.18
39390	Indiana County, Pennsylvania	99939	0.8305	0.8320	0.18
39400	Jefferson County, Pennsylvania	99939	0.8305	0.8320	0.18
39410	Juniata County, Pennsylvania	99939	0.8305	0.8320	0.18
39420	Lackawanna County, Pennsylvania	42540	0.8532	0.8347	−2.17
39440	Lancaster County, Pennsylvania	29540	0.9694	0.9589	−1.08
39450	Lawrence County, Pennsylvania	99939	0.8305	0.8320	0.18
39460	Lebanon County, Pennsylvania	30140	0.8846	0.8679	−1.89
39470	Lehigh County, Pennsylvania	10900	0.9832	0.9947	1.17
39480	Luzerne County, Pennsylvania	42540	0.8532	0.8347	−2.17
39510	Lycoming County, Pennsylvania	48700	0.8364	0.8139	−2.69
39520	Mc Kean County, Pennsylvania	99939	0.8305	0.8320	0.18
39530	Mercer County, Pennsylvania	49660	0.8198	0.8802	7.37
39540	Mifflin County, Pennsylvania	99939	0.8305	0.8320	0.18
39550	Monroe County, Pennsylvania	99939	0.8305	0.8320	0.18
39560	Montgomery County, Pennsylvania	37964	1.0980	1.0996	0.15
39580	Montour County, Pennsylvania	99939	0.8305	0.8320	0.18
90 Nor	thampton County, Pennsylvania	10900	0.9832	0.9947	1.17
39600	Northumberland County, Pennsylvania	99939	0.8305	0.8320	0.18
39610	Perry County, Pennsylvania	25420	0.9273	0.9402	1.39
39620	Philadelphia County, Pennsylvania	37964	1.0980	1.0996	0.15
39630	Pike County, Pennsylvania	35084	1.1545	1.1892	3.01
39640	Potter County, Pennsylvania	99939	0.8305	0.8320	0.18
39650	Schuylkill County, Pennsylvania	99939	0.8305	0.8320	0.18
39670	Snyder County, Pennsylvania	99939	0.8305	0.8320	0.18
39680	Somerset County, Pennsylvania	99939	0.8189	0.8320	1.60
39690	Sullivan County, Pennsylvania	99939	0.8305	0.8320	0.18
39700	Susquehanna County, Pennsylvania	99939	0.8305	0.8320	0.18
39710	Tioga County, Pennsylvania	99939	0.8305	0.8320	0.18
39720	Union County, Pennsylvania	99939	0.8305	0.8320	0.18
39730	Venango County, Pennsylvania	99939	0.8305	0.8320	0.18
39740	Warren County, Pennsylvania	99939	0.8305	0.8320	0.18
39750	Washington County, Pennsylvania	38300	0.8853	0.8674	−2.02
39760	Wayne County, Pennsylvania	99939	0.8305	0.8320	0.18
39770	Westmoreland County, Pennsylvania	38300	0.8853	0.8674	−2.02
39790	Wyoming County, Pennsylvania	42540	0.8532	0.8347	−2.17
39800	York County, Pennsylvania	49620	0.9347	0.9397	0.53
40010	Adjuntas County, Puerto Rico	99940	0.3826	0.4047	5.78
40020	Aguada County, Puerto Rico	10380	0.4807	0.3915	−18.56
40030	Aguadilla County, Puerto Rico	10380	0.4807	0.3915	−18.56
40040	Aguas Buenas County, Puerto Rico	41980	0.4687	0.4452	−5.01
40050	Aibonito County, Puerto Rico	41980	0.4113	0.4452	8.24
40060	Anasco County, Puerto Rico	10380	0.4491	0.3915	−12.83

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
40070	Arecibo County, Puerto Rico	41980	0.4367	0.4452	1.95
40080	Arroyo County, Puerto Rico	25020	0.3393	0.3235	−4.66
40090	Barceloneta County, Puerto Rico	41980	0.4687	0.4452	−5.01
40100	Barranquitas County, Puerto Rico	41980	0.4113	0.4452	8.24
40110	Bayamon County, Puerto Rico	41980	0.4687	0.4452	−5.01
40120	Cabo Rojo County, Puerto Rico	41900	0.4447	0.4885	9.85
40130	Caguas County, Puerto Rico	41980	0.4371	0.4452	1.85
40140	Camuy County, Puerto Rico	41980	0.4367	0.4452	1.95
40145	Canovanas County, Puerto Rico	41980	0.4687	0.4452	−5.01
40150	Carolina County, Puerto Rico	41980	0.4687	0.4452	−5.01
40160	Catano County, Puerto Rico	41980	0.4687	0.4452	−5.01
40170	Cayey County, Puerto Rico	41980	0.4371	0.4452	1.85
40180	Ceiba County, Puerto Rico	21940	0.4453	0.4036	−9.36
40190	Ciales County, Puerto Rico	41980	0.4113	0.4452	8.24
40200	Cidra County, Puerto Rico	41980	0.4371	0.4452	1.85
40210	Coamo County, Puerto Rico	99940	0.3826	0.4047	5.78
40220	Comerio County, Puerto Rico	41980	0.4687	0.4452	−5.01
40230	Corozal County, Puerto Rico	41980	0.4687	0.4452	−5.01
40240	Culebra County, Puerto Rico	99940	0.3826	0.4047	5.78
40250	Dorado County, Puerto Rico	41980	0.4687	0.4452	−5.01
40260	Fajardo County, Puerto Rico	21940	0.4453	0.4036	−9.36
40265	Florida County, Puerto Rico	41980	0.4687	0.4452	−5.01
40270	Guanica County, Puerto Rico	49500	0.4006	0.3854	−3.79
40280	Guayama County, Puerto Rico	25020	0.3393	0.3235	−4.66
40290	Guayanilla County, Puerto Rico	49500	0.4645	0.3854	−17.03
40300	Guaynabo County, Puerto Rico	41980	0.4687	0.4452	−5.01
40310	Gurabo County, Puerto Rico	41980	0.4371	0.4452	1.85
40320	Hatillo County, Puerto Rico	41980	0.4367	0.4452	1.95
40330	Hormigueros County, Puerto Rico	32420	0.4132	0.3848	−6.87
40340	Humacao County, Puerto Rico	41980	0.4687	0.4452	−5.01
40350	Isabela County, Puerto Rico	10380	0.4171	0.3915	−6.14
40360	Jayuya County, Puerto Rico	99940	0.3826	0.4047	5.78
40370	Juana Diaz County, Puerto Rico	38660	0.4910	0.4842	−1.38
40380	Juncos County, Puerto Rico	41980	0.4687	0.4452	−5.01
40390	Lajas County, Puerto Rico	41900	0.4127	0.4885	18.37
40400	Lares County, Puerto Rico	10380	0.4171	0.3915	−6.14
40410	Las Marias County, Puerto Rico	99940	0.3826	0.4047	5.78
40420	Las Piedras County, Puerto Rico	41980	0.4687	0.4452	−5.01
40430	Loiza County, Puerto Rico	41980	0.4687	0.4452	−5.01
40440	Luquillo County, Puerto Rico	21940	0.4453	0.4036	−9.36
40450	Manati County, Puerto Rico	41980	0.4687	0.4452	−5.01
40460	Maricao County, Puerto Rico	99940	0.3826	0.4047	5.78
40470	Maunabo County, Puerto Rico	41980	0.4113	0.4452	8.24
40480	Mayaguez County, Puerto Rico	32420	0.4132	0.3848	−6.87
40490	Moca County, Puerto Rico	10380	0.4807	0.3915	−18.56
40500	Morovis County, Puerto Rico	41980	0.4687	0.4452	−5.01
40510	Naguabo County, Puerto Rico	41980	0.4687	0.4452	−5.01
40520	Naranjito County, Puerto Rico	41980	0.4687	0.4452	−5.01
40530	Orocovis County, Puerto Rico	41980	0.4113	0.4452	8.24
40540	Patillas County, Puerto Rico	25020	0.3393	0.3235	−4.66
40550	Penuelas County, Puerto Rico	49500	0.4645	0.3854	−17.03
40560	Ponce County, Puerto Rico	38660	0.4910	0.4842	−1.38
40570	Quebradillas County, Puerto Rico	41980	0.4113	0.4452	8.24
40580	Rincon County, Puerto Rico	10380	0.4171	0.3915	−6.14
40590	Rio Grande County, Puerto Rico	41980	0.4687	0.4452	−5.01
40610	Sabana Grande County, Puerto Rico	41900	0.4447	0.4885	9.85
40620	Salinas County, Puerto Rico	99940	0.3826	0.4047	5.78
40630	San German County, Puerto Rico	41900	0.4447	0.4885	9.85
40640	San Juan County, Puerto Rico	41980	0.4687	0.4452	−5.01
40650	San Lorenzo County, Puerto Rico	41980	0.4371	0.4452	1.85
40660	San Sebastian County, Puerto Rico	10380	0.4171	0.3915	−6.14
40670	Santa Isabel County, Puerto Rico	99940	0.3826	0.4047	5.78
40680	Toa Alta County, Puerto Rico	41980	0.4687	0.4452	−5.01
40690	Toa Baja County, Puerto Rico	41980	0.4687	0.4452	−5.01
40700	Trujillo Alto County, Puerto Rico	41980	0.4687	0.4452	−5.01
40710	Utuado County, Puerto Rico	99940	0.3826	0.4047	5.78
40720	Vega Alta County, Puerto Rico	41980	0.4687	0.4452	−5.01
40730	Vega Baja County, Puerto Rico	41980	0.4687	0.4452	−5.01

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
40740	Vieques County, Puerto Rico	99940	0.3826	0.4047	5.78
40750	Villalba County, Puerto Rico	38660	0.4910	0.4842	−1.38
40760	Yabucoa County, Puerto Rico	41980	0.4687	0.4452	−5.01
40770	Yauco County, Puerto Rico	49500	0.4645	0.3854	−17.03
41000	Bristol County, Rhode Island	39300	1.1012	1.0783	−2.08
41010	Kent County, Rhode Island	39300	1.1012	1.0783	−2.08
41020	Newport County, Rhode Island	39300	1.1012	1.0783	−2.08
41030	Providence County, Rhode Island	39300	1.1012	1.0783	−2.08
41050	Washington County, Rhode Island	39300	1.1012	1.0783	−2.08
42000	Abbeville County, S Carolina	99942	0.8635	0.8566	−0.80
42010	Aiken County, S Carolina	12260	0.9778	0.9667	−1.14
42020	Allendale County, S Carolina	99942	0.8635	0.8566	−0.80
42030	Anderson County, S Carolina	11340	0.9306	0.9017	−3.11
42040	Bamberg County, S Carolina	99942	0.8635	0.8566	−0.80
42050	Barnwell County, S Carolina	99942	0.8635	0.8566	−0.80
42060	Beaufort County, S Carolina	99942	0.8635	0.8566	−0.80
42070	Berkeley County, S Carolina	16700	0.9245	0.9145	−1.08
42080	Calhoun County, S Carolina	17900	0.8844	0.8933	1.01
42090	Charleston County, S Carolina	16700	0.9245	0.9145	−1.08
42100	Cherokee County, S Carolina	99942	0.9127	0.8566	−6.15
42110	Chester County, S Carolina	99942	0.8635	0.8566	−0.80
42120	Chesterfield County, S Carolina	99942	0.8635	0.8566	−0.80
42130	Clarendon County, S Carolina	99942	0.8635	0.8566	−0.80
42140	Colleton County, S Carolina	99942	0.8635	0.8566	−0.80
42150	Darlington County, S Carolina	22500	0.8789	0.8388	−4.56
42160	Dillon County, S Carolina	99942	0.8635	0.8566	−0.80
42170	Dorchester County, S Carolina	16700	0.9245	0.9145	−1.08
42180	Edgefield County, S Carolina	12260	0.9778	0.9667	−1.14
42190	Fairfield County, S Carolina	17900	0.8844	0.8933	1.01
42200	Florence County, S Carolina	22500	0.8995	0.8388	−6.75
42210	Georgetown County, S Carolina	99942	0.8635	0.8566	−0.80
42220	Greenville County, S Carolina	24860	0.9821	0.9804	−0.17
42230	Greenwood County, S Carolina	99942	0.8635	0.8566	−0.80
42240	Hampton County, S Carolina	99942	0.8635	0.8566	−0.80
42250	Horry County, S Carolina	34820	0.8934	0.8810	−1.39
42260	Jasper County, S Carolina	99942	0.8635	0.8566	−0.80
42270	Kershaw County, S Carolina	17900	0.8844	0.8933	1.01
42280	Lancaster County, S Carolina	99942	0.8635	0.8566	−0.80
42290	Laurens County, S Carolina	24860	0.9329	0.9804	5.09
42300	Lee County, S Carolina	99942	0.8635	0.8566	−0.80
42310	Lexington County, S Carolina	17900	0.9070	0.8933	−1.51
42320	Mc Cormick County, S Carolina	99942	0.8635	0.8566	−0.80
42330	Marion County, S Carolina	99942	0.8635	0.8566	−0.80
42340	Marlboro County, S Carolina	99942	0.8635	0.8566	−0.80
42350	Newberry County, S Carolina	99942	0.8635	0.8566	−0.80
42360	Oconee County, S Carolina	99942	0.8635	0.8566	−0.80
42370	Orangeburg County, S Carolina	99942	0.8635	0.8566	−0.80
42380	Pickens County, S Carolina	24860	0.9821	0.9804	−0.17
42390	Richland County, S Carolina	17900	0.9070	0.8933	−1.51
42400	Saluda County, S Carolina	17900	0.8844	0.8933	1.01
42410	Spartanburg County, S Carolina	43900	0.9394	0.9174	−2.34
42420	Sumter County, S Carolina	44940	0.8377	0.8083	−3.51
42430	Union County, S Carolina	99942	0.8635	0.8566	−0.80
42440	Williamsburg County, S Carolina	99942	0.8635	0.8566	−0.80
42450	York County, S Carolina	16740	0.9733	0.9554	−1.84
43010	Aurora County, S Dakota	99943	0.8556	0.8480	−0.89
43020	Beadle County, S Dakota	99943	0.8556	0.8480	−0.89
43030	Bennett County, S Dakota	99943	0.8556	0.8480	−0.89
43040	Bon Homme County, S Dakota	99943	0.8556	0.8480	−0.89
43050	Brookings County, S Dakota	99943	0.8556	0.8480	−0.89
43060	Brown County, S Dakota	99943	0.8556	0.8480	−0.89
43070	Brule County, S Dakota	99943	0.8556	0.8480	−0.89
43080	Buffalo County, S Dakota	99943	0.8556	0.8480	−0.89
43090	Butte County, S Dakota	99943	0.8556	0.8480	−0.89
43100	Campbell County, S Dakota	99943	0.8556	0.8480	−0.89
43110	Charles Mix County, S Dakota	99943	0.8556	0.8480	−0.89
43120	Clark County, S Dakota	99943	0.8556	0.8480	−0.89
43130	Clay County, S Dakota	99943	0.8556	0.8480	−0.89

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
43140	Codington County, S Dakota	99943	0.8556	0.8480	−0.89
43150	Corson County, S Dakota	99943	0.8556	0.8480	−0.89
43160	Custer County, S Dakota	99943	0.8556	0.8480	−0.89
43170	Davison County, S Dakota	99943	0.8556	0.8480	−0.89
43180	Day County, S Dakota	99943	0.8556	0.8480	−0.89
43190	Deuel County, S Dakota	99943	0.8556	0.8480	−0.89
43200	Dewey County, S Dakota	99943	0.8556	0.8480	−0.89
43210	Douglas County, S Dakota	99943	0.8556	0.8480	−0.89
43220	Edmunds County, S Dakota	99943	0.8556	0.8480	−0.89
43230	Fall River County, S Dakota	99943	0.8556	0.8480	−0.89
43240	Faulk County, S Dakota	99943	0.8556	0.8480	−0.89
43250	Grant County, S Dakota	99943	0.8556	0.8480	−0.89
43260	Gregory County, S Dakota	99943	0.8556	0.8480	−0.89
43270	Haakon County, S Dakota	99943	0.8556	0.8480	−0.89
43280	Hamlin County, S Dakota	99943	0.8556	0.8480	−0.89
43290	Hand County, S Dakota	99943	0.8556	0.8480	−0.89
43300	Hanson County, S Dakota	99943	0.8556	0.8480	−0.89
43310	Harding County, S Dakota	99943	0.8556	0.8480	−0.89
43320	Hughes County, S Dakota	99943	0.8556	0.8480	−0.89
43330	Hutchinson County, S Dakota	99943	0.8556	0.8480	−0.89
43340	Hyde County, S Dakota	99943	0.8556	0.8480	−0.89
43350	Jackson County, S Dakota	99943	0.8556	0.8480	−0.89
43360	Jerauld County, S Dakota	99943	0.8556	0.8480	−0.89
43370	Jones County, S Dakota	99943	0.8556	0.8480	−0.89
43380	Kingsbury County, S Dakota	99943	0.8556	0.8480	−0.89
43390	Lake County, S Dakota	99943	0.8556	0.8480	−0.89
43400	Lawrence County, S Dakota	99943	0.8556	0.8480	−0.89
43410	Lincoln County, S Dakota	43620	0.9635	0.9559	−0.79
43420	Lyman County, S Dakota	99943	0.8556	0.8480	−0.89
43430	Mc Cook County, S Dakota	43620	0.9093	0.9559	5.12
43440	Mc Pherson County, S Dakota	99943	0.8556	0.8480	−0.89
43450	Marshall County, S Dakota	99943	0.8556	0.8480	−0.89
43460	Meade County, S Dakota	39660	0.8769	0.8833	0.73
43470	Mellette County, S Dakota	99943	0.8556	0.8480	−0.89
43480	Miner County, S Dakota	99943	0.8556	0.8480	−0.89
43490	Minnehaha County, S Dakota	43620	0.9635	0.9559	−0.79
43500	Moody County, S Dakota	99943	0.8556	0.8480	−0.89
43510	Pennington County, S Dakota	39660	0.8987	0.8833	−1.71
43520	Perkins County, S Dakota	99943	0.8556	0.8480	−0.89
43530	Potter County, S Dakota	99943	0.8556	0.8480	−0.89
43540	Roberts County, S Dakota	99943	0.8556	0.8480	−0.89
43550	Sanborn County, S Dakota	99943	0.8556	0.8480	−0.89
43560	Shannon County, S Dakota	99943	0.8556	0.8480	−0.89
43570	Spink County, S Dakota	99943	0.8556	0.8480	−0.89
43580	Stanley County, S Dakota	99943	0.8556	0.8480	−0.89
43590	Sully County, S Dakota	99943	0.8556	0.8480	−0.89
43600	Todd County, S Dakota	99943	0.8556	0.8480	−0.89
43610	Tripp County, S Dakota	99943	0.8556	0.8480	−0.89
43620	Turner County, S Dakota	43620	0.9093	0.9559	5.12
43630	Union County, S Dakota	43580	0.8966	0.9200	2.61
43640	Walworth County, S Dakota	99943	0.8556	0.8480	−0.89
43650	Washabaugh County, S Dakota	99943	0.8556	0.8480	−0.89
43670	Yankton County, S Dakota	99943	0.8556	0.8480	−0.89
43680	Ziebach County, S Dakota	99943	0.8556	0.8480	−0.89
44000	Anderson County, Tennessee	28940	0.8419	0.8249	−2.02
44010	Bedford County, Tennessee	99944	0.7915	0.7827	−1.11
44020	Benton County, Tennessee	99944	0.7915	0.7827	−1.11
44030	Bledsoe County, Tennessee	99944	0.7915	0.7827	−1.11
44040	Blount County, Tennessee	28940	0.8419	0.8249	−2.02
44050	Bradley County, Tennessee	17420	0.8037	0.8109	0.90
44060	Campbell County, Tennessee	99944	0.7915	0.7827	−1.11
44070	Cannon County, Tennessee	34980	0.8838	0.9847	11.42
44080	Carroll County, Tennessee	99944	0.7915	0.7827	−1.11
44090	Carter County, Tennessee	27740	0.7972	0.8043	0.89
44100	Cheatham County, Tennessee	34980	0.9751	0.9847	0.98
44110	Chester County, Tennessee	27180	0.8964	0.8853	−1.24
44120	Claiborne County, Tennessee	99944	0.7915	0.7827	−1.11
44130	Clay County, Tennessee	99944	0.7915	0.7827	−1.11

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
44140	Cocke County, Tennessee	99944	0.7915	0.7827	−1.11
44150	Coffee County, Tennessee	99944	0.7915	0.7827	−1.11
44160	Crockett County, Tennessee	99944	0.7915	0.7827	−1.11
44170	Cumberland County, Tennessee	99944	0.7915	0.7827	−1.11
44180	Davidson County, Tennessee	34980	0.9751	0.9847	0.98
44190	Decatur County, Tennessee	99944	0.7915	0.7827	−1.11
44200	De Kalb County, Tennessee	99944	0.7915	0.7827	−1.11
44210	Dickson County, Tennessee	34980	0.9751	0.9847	0.98
44220	Dyer County, Tennessee	99944	0.7915	0.7827	−1.11
44230	Fayette County, Tennessee	32820	0.9407	0.9373	−0.36
44240	Fentress County, Tennessee	99944	0.7915	0.7827	−1.11
44250	Franklin County, Tennessee	99944	0.7915	0.7827	−1.11
44260	Gibson County, Tennessee	99944	0.7915	0.7827	−1.11
44270	Giles County, Tennessee	99944	0.7915	0.7827	−1.11
44280	Grainger County, Tennessee	34100	0.7948	0.7933	−0.19
44290	Greene County, Tennessee	99944	0.7915	0.7827	−1.11
44300	Grundy County, Tennessee	99944	0.7915	0.7827	−1.11
44310	Hamblen County, Tennessee	34100	0.7948	0.7933	−0.19
44320	Hamilton County, Tennessee	16860	0.9088	0.8948	−1.54
44330	Hancock County, Tennessee	99944	0.7915	0.7827	−1.11
44340	Hardeman County, Tennessee	99944	0.7915	0.7827	−1.11
44350	Hardin County, Tennessee	99944	0.7915	0.7827	−1.11
44360	Hawkins County, Tennessee	28700	0.8031	0.7985	−0.57
44370	Haywood County, Tennessee	99944	0.7915	0.7827	−1.11
44380	Henderson County, Tennessee	99944	0.7915	0.7827	−1.11
44390	Henry County, Tennessee	99944	0.7915	0.7827	−1.11
44400	Hickman County, Tennessee	34980	0.8838	0.9847	11.42
44410	Houston County, Tennessee	99944	0.7915	0.7827	−1.11
44420	Humphreys County, Tennessee	99944	0.7915	0.7827	−1.11
44430	Jackson County, Tennessee	99944	0.7915	0.7827	−1.11
44440	Jefferson County, Tennessee	34100	0.7948	0.7933	−0.19
44450	Johnson County, Tennessee	99944	0.7915	0.7827	−1.11
44460	Knox County, Tennessee	28940	0.8419	0.8249	−2.02
44470	Lake County, Tennessee	99944	0.7915	0.7827	−1.11
44480	Lauderdale County, Tennessee	99944	0.7915	0.7827	−1.11
44490	Lawrence County, Tennessee	99944	0.7915	0.7827	−1.11
44500	Lewis County, Tennessee	99944	0.7915	0.7827	−1.11
44510	Lincoln County, Tennessee	99944	0.7915	0.7827	−1.11
44520	Loudon County, Tennessee	28940	0.8419	0.8249	−2.02
44530	Mc Minn County, Tennessee	99944	0.7915	0.7827	−1.11
44540	Mc Nairy County, Tennessee	99944	0.7915	0.7827	−1.11
44550	Macon County, Tennessee	34980	0.8838	0.9847	11.42
44560	Madison County, Tennessee	27180	0.8964	0.8853	−1.24
44570	Marion County, Tennessee	16860	0.9088	0.8948	−1.54
44580	Marshall County, Tennessee	99944	0.7915	0.7827	−1.11
44590	Maury County, Tennessee	99944	0.7915	0.7827	−1.11
44600	Meigs County, Tennessee	99944	0.7915	0.7827	−1.11
44610	Monroe County, Tennessee	99944	0.7915	0.7827	−1.11
44620	Montgomery County, Tennessee	17300	0.8284	0.8436	1.83
44630	Moore County, Tennessee	99944	0.7915	0.7827	−1.11
44640	Morgan County, Tennessee	99944	0.7915	0.7827	−1.11
44650	Obion County, Tennessee	99944	0.7915	0.7827	−1.11
44660	Overton County, Tennessee	99944	0.7915	0.7827	−1.11
44670	Perry County, Tennessee	99944	0.7915	0.7827	−1.11
44680	Pickett County, Tennessee	99944	0.7915	0.7827	−1.11
44690	Polk County, Tennessee	17420	0.8037	0.8109	0.90
44700	Putnam County, Tennessee	99944	0.7915	0.7827	−1.11
44710	Rhea County, Tennessee	99944	0.7915	0.7827	−1.11
44720	Roane County, Tennessee	99944	0.7915	0.7827	−1.11
44730	Robertson County, Tennessee	34980	0.9751	0.9847	0.98
44740	Rutherford County, Tennessee	34980	0.9751	0.9847	0.98
44750	Scott County, Tennessee	99944	0.7915	0.7827	−1.11
44760	Sequatchie County, Tennessee	16860	0.8512	0.8948	5.12
44770	Sevier County, Tennessee	99944	0.8146	0.7827	−3.92
44780	Shelby County, Tennessee	32820	0.9407	0.9373	−0.36
44790	Smith County, Tennessee	34980	0.8838	0.9847	11.42
44800	Stewart County, Tennessee	17300	0.8110	0.8436	4.02
44810	Sullivan County, Tennessee	28700	0.8031	0.7985	−0.57

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
44820	Sumner County, Tennessee	34980	0.9751	0.9847	0.98
44830	Tipton County, Tennessee	32820	0.9407	0.9373	−0.36
44840	Trousdale County, Tennessee	34980	0.8838	0.9847	11.42
44850	Unicoi County, Tennessee	27740	0.7972	0.8043	0.89
44860	Union County, Tennessee	28940	0.8419	0.8249	−2.02
44870	Van Buren County, Tennessee	99944	0.7915	0.7827	−1.11
44880	Warren County, Tennessee	99944	0.7915	0.7827	−1.11
44890	Washington County, Tennessee	27740	0.7972	0.8043	0.89
44900	Wayne County, Tennessee	99944	0.7915	0.7827	−1.11
44910	Weakley County, Tennessee	99944	0.7915	0.7827	−1.11
44920	White County, Tennessee	99944	0.7915	0.7827	−1.11
44930	Williamson County, Tennessee	34980	0.9751	0.9847	0.98
44940	Wilson County, Tennessee	34980	0.9751	0.9847	0.98
45000	Anderson County, Texas	99945	0.7967	0.7965	−0.03
45010	Andrews County, Texas	99945	0.7967	0.7965	−0.03
45020	Angelina County, Texas	99945	0.7967	0.7965	−0.03
45030	Aransas County, Texas	18580	0.8241	0.8564	3.92
45040	Archer County, Texas	48660	0.8325	0.8311	−0.17
45050	Armstrong County, Texas	11100	0.8544	0.9169	7.32
45060	Atascosa County, Texas	41700	0.8456	0.8844	4.59
45070	Austin County, Texas	26420	0.8962	1.0008	11.67
45080	Bailey County, Texas	99945	0.7967	0.7965	−0.03
45090	Bandera County, Texas	41700	0.8456	0.8844	4.59
45100	Bastrop County, Texas	12420	0.9437	0.9344	−0.99
45110	Baylor County, Texas	99945	0.7967	0.7965	−0.03
45113	Bee County, Texas	99945	0.7967	0.7965	−0.03
45120	Bell County, Texas	28660	0.8526	0.8901	4.40
45130	Bexar County, Texas	41700	0.8982	0.8844	−1.54
45140	Blanco County, Texas	99945	0.7967	0.7965	−0.03
45150	Borden County, Texas	99945	0.7967	0.7965	−0.03
45160	Bosque County, Texas	99945	0.7967	0.7965	−0.03
45170	Bowie County, Texas	45500	0.8283	0.8104	−2.16
45180	Brazoria County, Texas	26420	0.9278	1.0008	7.87
45190	Brazos County, Texas	17780	0.8900	0.9045	1.63
45200	Brewster County, Texas	99945	0.7967	0.7965	−0.03
45201	Briscoe County, Texas	99945	0.7967	0.7965	−0.03
45210	Brooks County, Texas	99945	0.7967	0.7965	−0.03
45220	Brown County, Texas	99945	0.7967	0.7965	−0.03
45221	Burleson County, Texas	17780	0.8416	0.9045	7.47
45222	Burnet County, Texas	99945	0.7967	0.7965	−0.03
45223	Caldwell County, Texas	12420	0.9437	0.9344	−0.99
45224	Calhoun County, Texas	47020	0.8046	0.8560	6.39
45230	Callahan County, Texas	10180	0.7914	0.8000	1.09
45240	Cameron County, Texas	15180	0.9804	0.9430	−3.81
45250	Camp County, Texas	99945	0.7967	0.7965	−0.03
45251	Carson County, Texas	11100	0.8544	0.9169	7.32
45260	Cass County, Texas	99945	0.7967	0.7965	−0.03
45270	Castro County, Texas	99945	0.7967	0.7965	−0.03
45280	Chambers County, Texas	26420	1.0040	1.0008	−0.32
45281	Cherokee County, Texas	99945	0.7967	0.7965	−0.03
45290	Childress County, Texas	99945	0.7967	0.7965	−0.03
45291	Clay County, Texas	48660	0.8108	0.8311	2.50
45292	Cochran County, Texas	99945	0.7967	0.7965	−0.03
45300	Coke County, Texas	99945	0.7967	0.7965	−0.03
45301	Coleman County, Texas	99945	0.7967	0.7965	−0.03
45310	Collin County, Texas	19124	1.0217	1.0075	−1.39
45311	Collingsworth County, Texas	99945	0.7967	0.7965	−0.03
45312	Colorado County, Texas	99945	0.7967	0.7965	−0.03
45320	Comal County, Texas	41700	0.8982	0.8844	−1.54
45321	Comanche County, Texas	99945	0.7967	0.7965	−0.03
45330	Concho County, Texas	99945	0.7967	0.7965	−0.03
45340	Cooke County, Texas	99945	0.7967	0.7965	−0.03
45341	Coryell County, Texas	28660	0.8526	0.8901	4.40
45350	Cottle County, Texas	99945	0.7967	0.7965	−0.03
45360	Crane County, Texas	99945	0.7967	0.7965	−0.03
45361	Crockett County, Texas	99945	0.7967	0.7965	−0.03
45362	Crosby County, Texas	31180	0.8357	0.8613	3.06
45370	Culberson County, Texas	99945	0.7967	0.7965	−0.03

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
45380	Dallam County, Texas	99945	0.7967	0.7965	−0.03
45390	Dallas County, Texas	19124	1.0217	1.0075	−1.39
45391	Dawson County, Texas	99945	0.7967	0.7965	−0.03
45392	Deaf Smith County, Texas	99945	0.7967	0.7965	−0.03
45400	Delta County, Texas	19124	0.9080	1.0075	10.96
45410	Denton County, Texas	19124	1.0217	1.0075	−1.39
45420	De Witt County, Texas	99945	0.7967	0.7965	−0.03
45421	Dickens County, Texas	99945	0.7967	0.7965	−0.03
45430	Dimmit County, Texas	99945	0.7967	0.7965	−0.03
45431	Donley County, Texas	99945	0.7967	0.7965	−0.03
45440	Duval County, Texas	99945	0.7967	0.7965	−0.03
45450	Eastland County, Texas	99945	0.7967	0.7965	−0.03
45451	Ector County, Texas	36220	0.9813	1.0073	2.65
45460	Edwards County, Texas	99945	0.7967	0.7965	−0.03
45470	Ellis County, Texas	19124	1.0217	1.0075	−1.39
45480	El Paso County, Texas	21340	0.8977	0.9053	0.85
45490	Erath County, Texas	99945	0.7967	0.7965	−0.03
45500	Falls County, Texas	99945	0.7967	0.7965	−0.03
45510	Fannin County, Texas	99945	0.7967	0.7965	−0.03
45511	Fayette County, Texas	99945	0.7967	0.7965	−0.03
45520	Fisher County, Texas	99945	0.7967	0.7965	−0.03
45521	Floyd County, Texas	99945	0.7967	0.7965	−0.03
45522	Foard County, Texas	99945	0.7967	0.7965	−0.03
45530	Fort Bend County, Texas	26420	1.0040	1.0008	−0.32
45531	Franklin County, Texas	99945	0.7967	0.7965	−0.03
45540	Freestone County, Texas	99945	0.7967	0.7965	−0.03
45541	Frio County, Texas	99945	0.7967	0.7965	−0.03
45542	Gaines County, Texas	99945	0.7967	0.7965	−0.03
45550	Galveston County, Texas	26420	0.9814	1.0008	1.98
45551	Garza County, Texas	99945	0.7967	0.7965	−0.03
45552	Gillespie County, Texas	99945	0.7967	0.7965	−0.03
45560	Glasscock County, Texas	99945	0.7967	0.7965	−0.03
45561	Goliad County, Texas	47020	0.8046	0.8560	6.39
45562	Gonzales County, Texas	99945	0.7967	0.7965	−0.03
45563	Gray County, Texas	99945	0.7967	0.7965	−0.03
45564	Grayson County, Texas	43300	0.9507	0.8502	−10.57
45570	Gregg County, Texas	30980	0.8809	0.8788	−0.24
45580	Grimes County, Texas	99945	0.7967	0.7965	−0.03
45581	Guadaloupe County, Texas	41700	0.8982	0.8844	−1.54
45582	Hale County, Texas	99945	0.7967	0.7965	−0.03
45583	Hall County, Texas	99945	0.7967	0.7965	−0.03
45590	Hamilton County, Texas	99945	0.7967	0.7965	−0.03
45591	Hansford County, Texas	99945	0.7967	0.7965	−0.03
45592	Hardeman County, Texas	99945	0.7967	0.7965	−0.03
45600	Hardin County, Texas	13140	0.8412	0.8595	2.18
45610	Harris County, Texas	26420	1.0040	1.0008	−0.32
45620	Harrison County, Texas	99945	0.8446	0.7965	−5.70
45621	Hartley County, Texas	99945	0.7967	0.7965	−0.03
45630	Haskell County, Texas	99945	0.7967	0.7965	−0.03
45631	Hays County, Texas	12420	0.9437	0.9344	−0.99
45632	Hemphill County, Texas	99945	0.7967	0.7965	−0.03
45640	Henderson County, Texas	99945	0.9104	0.7965	−12.51
45650	Hidalgo County, Texas	32580	0.8934	0.8773	−1.80
45651	Hill County, Texas	99945	0.7967	0.7965	−0.03
45652	Hockley County, Texas	99945	0.7967	0.7965	−0.03
45653	Hood County, Texas	99945	0.8763	0.7965	−9.11
45654	Hopkins County, Texas	99945	0.7967	0.7965	−0.03
45660	Houston County, Texas	99945	0.7967	0.7965	−0.03
45661	Howard County, Texas	99945	0.7967	0.7965	−0.03
45662	Hudspeth County, Texas	99945	0.7967	0.7965	−0.03
45670	Hunt County, Texas	19124	1.0217	1.0075	−1.39
45671	Hutchinson County, Texas	99945	0.7967	0.7965	−0.03
45672	Irion County, Texas	41660	0.8101	0.8362	3.22
45680	Jack County, Texas	99945	0.7967	0.7965	−0.03
45681	Jackson County, Texas	99945	0.7967	0.7965	−0.03
45690	Jasper County, Texas	99945	0.7967	0.7965	−0.03
45691	Jeff Davis County, Texas	99945	0.7967	0.7965	−0.03
45700	Jefferson County, Texas	13140	0.8412	0.8595	2.18

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
45710	Jim Hogg County, Texas	99945	0.7967	0.7965	−0.03
45711	Jim Wells County, Texas	99945	0.7967	0.7965	−0.03
45720	Johnson County, Texas	23104	0.9504	0.9569	0.68
45721	Jones County, Texas	10180	0.7914	0.8000	1.09
45722	Karnes County, Texas	99945	0.7967	0.7965	−0.03
45730	Kaufman County, Texas	19124	1.0217	1.0075	−1.39
45731	Kendall County, Texas	41700	0.8456	0.8844	4.59
45732	Kenedy County, Texas	99945	0.7967	0.7965	−0.03
45733	Kent County, Texas	99945	0.7967	0.7965	−0.03
45734	Kerr County, Texas	99945	0.7967	0.7965	−0.03
45740	Kimble County, Texas	99945	0.7967	0.7965	−0.03
45741	King County, Texas	99945	0.7967	0.7965	−0.03
45742	Kinney County, Texas	99945	0.7967	0.7965	−0.03
45743	Kleberg County, Texas	99945	0.7967	0.7965	−0.03
45744	Knox County, Texas	99945	0.7967	0.7965	−0.03
45750	Lamar County, Texas	99945	0.7967	0.7965	−0.03
45751	Lamb County, Texas	99945	0.7967	0.7965	−0.03
45752	Lampasas County, Texas	28660	0.8229	0.8901	8.17
45753	La Salle County, Texas	99945	0.7967	0.7965	−0.03
45754	Lavaca County, Texas	99945	0.7967	0.7965	−0.03
45755	Lee County, Texas	99945	0.7967	0.7965	−0.03
45756	Leon County, Texas	99945	0.7967	0.7965	−0.03
45757	Liberty County, Texas	26420	1.0040	1.0008	−0.32
45758	Limestone County, Texas	99945	0.7967	0.7965	−0.03
45759	Lipscomb County, Texas	99945	0.7967	0.7965	−0.03
45760	Live Oak County, Texas	99945	0.7967	0.7965	−0.03
45761	Llano County, Texas	99945	0.7967	0.7965	−0.03
45762	Loving County, Texas	99945	0.7967	0.7965	−0.03
45770	Lubbock County, Texas	31180	0.8783	0.8613	−1.94
45771	Lynn County, Texas	99945	0.7967	0.7965	−0.03
45772	Mc Culloch County, Texas	99945	0.7967	0.7965	−0.03
45780	Mc Lennan County, Texas	47380	0.8518	0.8633	1.35
45781	Mc Mullen County, Texas	99945	0.7967	0.7965	−0.03
45782	Madison County, Texas	99945	0.7967	0.7965	−0.03
45783	Marion County, Texas	99945	0.7967	0.7965	−0.03
45784	Martin County, Texas	99945	0.7967	0.7965	−0.03
45785	Mason County, Texas	99945	0.7967	0.7965	−0.03
45790	Matagorda County, Texas	99945	0.7967	0.7965	−0.03
45791	Maverick County, Texas	99945	0.7967	0.7965	−0.03
45792	Medina County, Texas	41700	0.8456	0.8844	4.59
45793	Menard County, Texas	99945	0.7967	0.7965	−0.03
45794	Midland County, Texas	33260	0.9628	0.9786	1.64
45795	Milam County, Texas	99945	0.7967	0.7965	−0.03
45796	Mills County, Texas	99945	0.7967	0.7965	−0.03
45797	Mitchell County, Texas	99945	0.7967	0.7965	−0.03
45800	Montague County, Texas	99945	0.7967	0.7965	−0.03
45801	Montgomery County, Texas	26420	1.0040	1.0008	−0.32
45802	Moore County, Texas	99945	0.7967	0.7965	−0.03
45803	Morris County, Texas	99945	0.7967	0.7965	−0.03
45804	Motley County, Texas	99945	0.7967	0.7965	−0.03
45810	Nacogdoches County, Texas	99945	0.7967	0.7965	−0.03
45820	Navarro County, Texas	99945	0.7967	0.7965	−0.03
45821	Newton County, Texas	99945	0.7967	0.7965	−0.03
45822	Nolan County, Texas	99945	0.7967	0.7965	−0.03
45830	Nueces County, Texas	18580	0.8550	0.8564	0.16
45831	Ochiltree County, Texas	99945	0.7967	0.7965	−0.03
45832	Oldham County, Texas	99945	0.7967	0.7965	−0.03
45840	Orange County, Texas	13140	0.8412	0.8595	2.18
45841	Palo Pinto County, Texas	99945	0.7967	0.7965	−0.03
45842	Panola County, Texas	99945	0.7967	0.7965	−0.03
45843	Parker County, Texas	23104	0.9504	0.9569	0.68
45844	Parmer County, Texas	99945	0.7967	0.7965	−0.03
45845	Pecos County, Texas	99945	0.7967	0.7965	−0.03
45850	Polk County, Texas	99945	0.7967	0.7965	−0.03
45860	Potter County, Texas	11100	0.9156	0.9169	0.14
45861	Presidio County, Texas	99945	0.7967	0.7965	−0.03
45870	Rains County, Texas	99945	0.7967	0.7965	−0.03
45871	Randall County, Texas	11100	0.9156	0.9169	0.14

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
45872	Reagan County, Texas	99945	0.7967	0.7965	−0.03
45873	Real County, Texas	99945	0.7967	0.7965	−0.03
45874	Red River County, Texas	99945	0.7967	0.7965	−0.03
45875	Reeves County, Texas	99945	0.7967	0.7965	−0.03
45876	Refugio County, Texas	99945	0.7967	0.7965	−0.03
45877	Roberts County, Texas	99945	0.7967	0.7965	−0.03
45878	Robertson County, Texas	17780	0.8416	0.9045	7.47
45879	Rockwall County, Texas	19124	1.0217	1.0075	−1.39
45880	Runnels County, Texas	99945	0.7967	0.7965	−0.03
45881	Rusk County, Texas	30980	0.8331	0.8788	5.49
45882	Sabine County, Texas	99945	0.7967	0.7965	−0.03
45883	San Augustine County, Texas	99945	0.7967	0.7965	−0.03
45884	San Jacinto County, Texas	26420	0.8962	1.0008	11.67
45885	San Patricio County, Texas	18580	0.8550	0.8564	0.16
45886	San Saba County, Texas	99945	0.7967	0.7965	−0.03
45887	Schleicher County, Texas	99945	0.7967	0.7965	−0.03
45888	Scurry County, Texas	99945	0.7967	0.7965	−0.03
45889	Shackelford County, Texas	99945	0.7967	0.7965	−0.03
45890	Shelby County, Texas	99945	0.7967	0.7965	−0.03
45891	Sherman County, Texas	99945	0.7967	0.7965	−0.03
45892	Smith County, Texas	46340	0.9168	0.8811	−3.89
45893	Somervell County, Texas	99945	0.7967	0.7965	−0.03
45900	Starr County, Texas	99945	0.7967	0.7965	−0.03
45901	Stephens County, Texas	99945	0.7967	0.7965	−0.03
45902	Sterling County, Texas	99945	0.7967	0.7965	−0.03
45903	Stonewall County, Texas	99945	0.7967	0.7965	−0.03
45904	Sutton County, Texas	99945	0.7967	0.7965	−0.03
45905	Swisher County, Texas	99945	0.7967	0.7965	−0.03
45910	Tarrant County, Texas	23104	0.9504	0.9569	0.68
45911	Taylor County, Texas	10180	0.7975	0.8000	0.31
45912	Terrell County, Texas	99945	0.7967	0.7965	−0.03
45913	Terry County, Texas	99945	0.7967	0.7965	−0.03
45920	Throckmorton County, Texas	99945	0.7967	0.7965	−0.03
45921	Titus County, Texas	99945	0.7967	0.7965	−0.03
45930	Tom Green County, Texas	41660	0.8271	0.8362	1.10
45940	Travis County, Texas	12420	0.9437	0.9344	−0.99
45941	Trinity County, Texas	99945	0.7967	0.7965	−0.03
45942	Tyler County, Texas	99945	0.7967	0.7965	−0.03
45943	Upshur County, Texas	30980	0.8809	0.8788	−0.24
45944	Upton County, Texas	99945	0.7967	0.7965	−0.03
45945	Uvalde County, Texas	99945	0.7967	0.7965	−0.03
45946	Val Verde County, Texas	99945	0.7967	0.7965	−0.03
45947	Van Zandt County, Texas	99945	0.7967	0.7965	−0.03
45948	Victoria County, Texas	47020	0.8160	0.8560	4.90
45949	Walker County, Texas	99945	0.7967	0.7965	−0.03
45950	Waller County, Texas	26420	1.0040	1.0008	−0.32
45951	Ward County, Texas	99945	0.7967	0.7965	−0.03
45952	Washington County, Texas	99945	0.7967	0.7965	−0.03
45953	Webb County, Texas	29700	0.8068	0.7811	−3.19
45954	Wharton County, Texas	99945	0.7967	0.7965	−0.03
45955	Wheeler County, Texas	99945	0.7967	0.7965	−0.03
45960	Wichita County, Texas	48660	0.8325	0.8311	−0.17
45961	Wilbarger County, Texas	99945	0.7967	0.7965	−0.03
45962	Willacy County, Texas	99945	0.7967	0.7965	−0.03
45970	Williamson County, Texas	12420	0.9437	0.9344	−0.99
45971	Wilson County, Texas	41700	0.8982	0.8844	−1.54
45972	Winkler County, Texas	99945	0.7967	0.7965	−0.03
45973	Wise County, Texas	23104	0.8709	0.9569	9.87
45974	Wood County, Texas	99945	0.7967	0.7965	−0.03
45980	Yoakum County, Texas	99945	0.7967	0.7965	−0.03
45981	Young County, Texas	99945	0.7967	0.7965	−0.03
45982	Zapata County, Texas	99945	0.7967	0.7965	−0.03
45983	Zavala County, Texas	99945	0.7967	0.7965	−0.03
46000	Beaver County, Utah	99946	0.8440	0.8140	−3.55
46010	Box Elder County, Utah	99946	0.8440	0.8140	−3.55
46020	Cache County, Utah	30860	0.8963	0.9022	0.66
46030	Carbon County, Utah	99946	0.8440	0.8140	−3.55
46040	Daggett County, Utah	99946	0.8440	0.8140	−3.55

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
46050	Davis County, Utah	36260	0.9185	0.8995	−2.07
46060	Duchesne County, Utah	99946	0.8440	0.8140	−3.55
46070	Emery County, Utah	99946	0.8440	0.8140	−3.55
46080	Garfield County, Utah	99946	0.8440	0.8140	−3.55
46090	Grand County, Utah	99946	0.8440	0.8140	−3.55
46100	Iron County, Utah	99946	0.8440	0.8140	−3.55
46110	Juab County, Utah	39340	0.9131	0.9537	4.45
46120	Kane County, Utah	99946	0.9982	0.8140	−18.45
46130	Millard County, Utah	99946	0.8440	0.8140	−3.55
46140	Morgan County, Utah	36260	0.8896	0.8995	1.11
46150	Piute County, Utah	99946	0.8440	0.8140	−3.55
46160	Rich County, Utah	99946	0.8440	0.8140	−3.55
46170	Salt Lake County, Utah	41620	0.9381	0.9402	0.22
46180	San Juan County, Utah	99946	0.8440	0.8140	−3.55
46190	Sanpete County, Utah	99946	0.8440	0.8140	−3.55
46200	Sevier County, Utah	99946	0.8440	0.8140	−3.55
46210	Summit County, Utah	41620	0.9092	0.9402	3.41
46220	Tooele County, Utah	41620	0.9092	0.9402	3.41
46230	Uintah County, Utah	99946	0.8440	0.8140	−3.55
46240	Utah County, Utah	39340	0.9500	0.9537	0.39
46250	Wasatch County, Utah	99946	0.8440	0.8140	−3.55
46260	Washington County, Utah	41100	0.9077	0.9265	2.07
46270	Wayne County, Utah	99946	0.8440	0.8140	−3.55
46280	Weber County, Utah	36260	0.9185	0.8995	−2.07
47000	Addison County, Vermont	99947	0.9830	0.9744	−0.87
47010	Bennington County, Vermont	99947	0.9830	0.9744	−0.87
47020	Caledonia County, Vermont	99947	0.9830	0.9744	−0.87
47030	Chittenden County, Vermont	15540	0.9410	0.9474	0.68
47040	Essex County, Vermont	99947	0.9830	0.9744	−0.87
47050	Franklin County, Vermont	15540	0.9410	0.9474	0.68
47060	Grand Isle County, Vermont	15540	0.9410	0.9474	0.68
47070	Lamoille County, Vermont	99947	0.9830	0.9744	−0.87
47080	Orange County, Vermont	99947	0.9830	0.9744	−0.87
47090	Orleans County, Vermont	99947	0.9830	0.9744	−0.87
47100	Rutland County, Vermont	99947	0.9830	0.9744	−0.87
47110	Washington County, Vermont	99947	0.9830	0.9744	−0.87
47120	Windham County, Vermont	99947	0.9830	0.9744	−0.87
47130	Windsor County, Vermont	99947	0.9830	0.9744	−0.87
48010	St Croix County, Virgin Islands	99948	0.7615	0.8467	11.19
48020	St Thomas-John County, Virgin Islands	99948	0.7615	0.8467	11.19
49000	Accomack County, Virginia	99949	0.8215	0.7940	−3.35
49010	Albemarle County, Virginia	16820	1.0187	1.0125	−0.61
49011	Alexandria City County, Virginia	47894	1.0951	1.1054	0.94
49020	Alleghany County, Virginia	99949	0.8215	0.7940	−3.35
49030	Amelia County, Virginia	40060	0.8873	0.9177	3.43
49040	Amherst County, Virginia	31340	0.8691	0.8694	0.03
49050	Appomattox County, Virginia	31340	0.8554	0.8694	1.64
49060	Arlington County, Virginia	47894	1.0951	1.1054	0.94
49070	Augusta County, Virginia	99949	0.8215	0.7940	−3.35
49080	Bath County, Virginia	99949	0.8215	0.7940	−3.35
49088	Bedford City County, Virginia	31340	0.8691	0.8694	0.03
49090	Bedford County, Virginia	31340	0.8691	0.8694	0.03
49100	Bland County, Virginia	99949	0.8215	0.7940	−3.35
49110	Botetourt County, Virginia	40220	0.8381	0.8647	3.17
49111	Bristol City County, Virginia	28700	0.8031	0.7985	−0.57
49120	Brunswick County, Virginia	99949	0.8215	0.7940	−3.35
49130	Buchanan County, Virginia	99949	0.8215	0.7940	−3.35
49140	Buckingham County, Virginia	99949	0.8215	0.7940	−3.35
49141	Buena Vista City County, Virginia	99949	0.8215	0.7940	−3.35
49150	Campbell County, Virginia	31340	0.8691	0.8694	0.03
49160	Caroline County, Virginia	40060	0.8873	0.9177	3.43
49170	Carroll County, Virginia	99949	0.8215	0.7940	−3.35
49180	Charles City County, Virginia	40060	0.9328	0.9177	−1.62
49190	Charlotte County, Virginia	99949	0.8215	0.7940	−3.35
49191	Charlottesville City County, Virginia	16820	1.0187	1.0125	−0.61
49194	Chesapeake County, Virginia	47260	0.8799	0.8790	−0.10
49200	Chesterfield County, Virginia	40060	0.9328	0.9177	−1.62
49210	Clarke County, Virginia	47894	1.0951	1.1054	0.94

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
49211	Clifton Forge City County, Virginia	99949	0.8215	0.7940	−3.35
49212	Colonial Heights County, Virginia	40060	0.9328	0.9177	−1.62
49213	Covington City County, Virginia	99949	0.8215	0.7940	−3.35
49220	Craig County, Virginia	40220	0.8396	0.8647	2.99
49230	Culpeper County, Virginia	99949	0.9495	0.7940	−16.38
49240	Cumberland County, Virginia	40060	0.8873	0.9177	3.43
49241	Danville City County, Virginia	19260	0.8489	0.8451	−0.45
49250	Dickenson County, Virginia	99949	0.8215	0.7940	−3.35
49260	Dinniddie County, Virginia	40060	0.9328	0.9177	−1.62
49270	Emporia County, Virginia	99949	0.8215	0.7940	−3.35
49280	Essex County, Virginia	99949	0.8215	0.7940	−3.35
49288	Fairfax City County, Virginia	47894	1.0951	1.1054	0.94
49290	Fairfax County, Virginia	47894	1.0951	1.1054	0.94
49291	Falls Church City County, Virginia	47894	1.0951	1.1054	0.94
49300	Fauquier County, Virginia	47894	1.0951	1.1054	0.94
49310	Floyd County, Virginia	99949	0.8215	0.7940	−3.35
49320	Fluvanna County, Virginia	16820	1.0187	1.0125	−0.61
49328	Franklin City County, Virginia	99949	0.8215	0.7940	−3.35
49330	Franklin County, Virginia	40220	0.8396	0.8647	2.99
49340	Frederick County, Virginia	49020	0.9316	1.0091	8.32
49342	Fredericksburg City County, Virginia	47894	1.0951	1.1054	0.94
49343	Galax City County, Virginia	99949	0.8215	0.7940	−3.35
49350	Giles County, Virginia	13980	0.8186	0.8213	0.33
49360	Gloucester County, Virginia	47260	0.8799	0.8790	−0.10
49370	Goochland County, Virginia	40060	0.9328	0.9177	−1.62
49380	Grayson County, Virginia	99949	0.8215	0.7940	−3.35
49390	Greene County, Virginia	16820	1.0187	1.0125	−0.61
49400	Greensville County, Virginia	99949	0.8215	0.7940	−3.35
49410	Halifax County, Virginia	99949	0.8215	0.7940	−3.35
49411	Hampton City County, Virginia	47260	0.8799	0.8790	−0.10
49420	Hanover County, Virginia	40060	0.9328	0.9177	−1.62
49421	Harrisonburg City County, Virginia	25500	0.8753	0.9073	3.66
49430	Henrico County, Virginia	40060	0.9328	0.9177	−1.62
49440	Henry County, Virginia	99949	0.8215	0.7940	−3.35
49450	Highland County, Virginia	99949	0.8215	0.7940	−3.35
49451	Hopewell City County, Virginia	40060	0.9328	0.9177	−1.62
49460	Isle Of Wight County, Virginia	47260	0.8799	0.8790	−0.10
49470	James City Co County, Virginia	47260	0.8799	0.8790	−0.10
49480	King And Queen County, Virginia	40060	0.8873	0.9177	3.43
49490	King George County, Virginia	99949	0.9495	0.7940	−16.38
49500	King William County, Virginia	40060	0.8873	0.9177	3.43
49510	Lancaster County, Virginia	99949	0.8215	0.7940	−3.35
49520	Lee County, Virginia	99949	0.8215	0.7940	−3.35
49522	Lexington County, Virginia	99949	0.8215	0.7940	−3.35
49530	Loudoun County, Virginia	47894	1.0951	1.1054	0.94
49540	Louisa County, Virginia	40060	0.8873	0.9177	3.43
49550	Lunenburg County, Virginia	99949	0.8215	0.7940	−3.35
49551	Lynchburg City County, Virginia	31340	0.8691	0.8694	0.03
49560	Madison County, Virginia	99949	0.8215	0.7940	−3.35
49561	Martinsville City County, Virginia	99949	0.8215	0.7940	−3.35
49563	Manassas City County, Virginia	47894	1.0951	1.1054	0.94
49565	Manassas Park City County, Virginia	47894	1.0951	1.1054	0.94
49570	Mathews County, Virginia	47260	0.8799	0.8790	−0.10
49580	Mecklenburg County, Virginia	99949	0.8215	0.7940	−3.35
49590	Middlesex County, Virginia	99949	0.8215	0.7940	−3.35
49600	Montgomery County, Virginia	13980	0.8186	0.8213	0.33
49610	Nansemond, Virginia	99949	0.8215	0.7940	−3.35
49620	Nelson County, Virginia	16820	0.9302	1.0125	8.85
49621	New Kent County, Virginia	40060	0.9328	0.9177	−1.62
49622	Newport News City County, Virginia	47260	0.8799	0.8790	−0.10
49641	Norfolk City County, Virginia	47260	0.8799	0.8790	−0.10
49650	Northampton County, Virginia	99949	0.8215	0.7940	−3.35
49660	Northumberland County, Virginia	99949	0.8215	0.7940	−3.35
49661	Norton City County, Virginia	99949	0.8215	0.7940	−3.35
49670	Nottoway County, Virginia	99949	0.8215	0.7940	−3.35
49680	Orange County, Virginia	99949	0.8215	0.7940	−3.35
49690	Page County, Virginia	99949	0.8215	0.7940	−3.35
49700	Patrick County, Virginia	99949	0.8215	0.7940	−3.35

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
49701	Petersburg City County, Virginia	40060	0.9328	0.9177	−1.62
49710	Pittsylvania County, Virginia	19260	0.8489	0.8451	−0.45
49711	Portsmouth City County, Virginia	47260	0.8799	0.8790	−0.10
49712	Poquoson City County, Virginia	47260	0.8799	0.8790	−0.10
49720	Powhatan County, Virginia	40060	0.9328	0.9177	−1.62
49730	Prince Edward County, Virginia	99949	0.8215	0.7940	−3.35
49740	Prince George County, Virginia	40060	0.9328	0.9177	−1.62
49750	Prince William County, Virginia	47894	1.0951	1.1054	0.94
49770	Pulaski County, Virginia	13980	0.8186	0.8213	0.33
49771	Radford City County, Virginia	13980	0.8186	0.8213	0.33
49780	Rappahannock County, Virginia	99949	0.8215	0.7940	−3.35
49790	Richmond County, Virginia	99949	0.8215	0.7940	−3.35
49791	Richmond City County, Virginia	40060	0.9328	0.9177	−1.62
49800	Roanoke County, Virginia	40220	0.8381	0.8647	3.17
49801	Roanoke City County, Virginia	40220	0.8381	0.8647	3.17
49810	Rockbridge County, Virginia	99949	0.8215	0.7940	−3.35
49820	Rockingham County, Virginia	25500	0.8753	0.9073	3.66
49830	Russell County, Virginia	99949	0.8215	0.7940	−3.35
49838	Salem County, Virginia	40220	0.8381	0.8647	3.17
49840	Scott County, Virginia	28700	0.8031	0.7985	−0.57
49850	Shenandoah County, Virginia	99949	0.8215	0.7940	−3.35
49860	Smyth County, Virginia	99949	0.8215	0.7940	−3.35
49867	South Boston City County, Virginia	99949	0.8215	0.7940	−3.35
49870	Southampton County, Virginia	99949	0.8215	0.7940	−3.35
49880	Spotsylvania County, Virginia	47894	1.0951	1.1054	0.94
49890	Stafford County, Virginia	47894	1.0951	1.1054	0.94
49891	Staunton City County, Virginia	99949	0.8215	0.7940	−3.35
49892	Suffolk City County, Virginia	47260	0.8799	0.8790	−0.10
49900	Surry County, Virginia	47260	0.8608	0.8790	2.11
49910	Sussex County, Virginia	40060	0.8873	0.9177	3.43
49920	Tazewell County, Virginia	99949	0.8215	0.7940	−3.35
49921	Virginia Beach City County, Virginia	47260	0.8799	0.8790	−0.10
49930	Warren County, Virginia	47894	1.0951	1.1054	0.94
49950	Washington County, Virginia	28700	0.8031	0.7985	−0.57
49951	Waynesboro City County, Virginia	99949	0.8215	0.7940	−3.35
49960	Westmoreland County, Virginia	99949	0.8215	0.7940	−3.35
49961	Williamsburg City County, Virginia	47260	0.8799	0.8790	−0.10
49962	Winchester City County, Virginia	49020	0.9316	1.0091	8.32
49970	Wise County, Virginia	99949	0.8215	0.7940	−3.35
49980	Wythe County, Virginia	99949	0.8215	0.7940	−3.35
49981	York County, Virginia	47260	0.8799	0.8790	−0.10
50000	Adams County, Washington	99950	1.0364	1.0263	−0.97
50010	Asotin County, Washington	30300	1.0052	0.9853	−1.98
50020	Benton County, Washington	28420	1.0619	1.0343	−2.60
50030	Chelan County, Washington	48300	1.0144	1.0346	1.99
50040	Clallam County, Washington	99950	1.0364	1.0263	−0.97
50050	Clark County, Washington	38900	1.1266	1.1416	1.33
50060	Columbia County, Washington	99950	1.0364	1.0263	−0.97
50070	Cowlitz County, Washington	31020	0.9898	1.0011	1.14
50080	Douglas County, Washington	48300	1.0144	1.0346	1.99
50090	Ferry County, Washington	99950	1.0364	1.0263	−0.97
50100	Franklin County, Washington	28420	1.0619	1.0343	−2.60
50110	Garfield County, Washington	99950	1.0364	1.0263	−0.97
50120	Grant County, Washington	99950	1.0364	1.0263	−0.97
50130	Grays Harbor County, Washington	99950	1.0364	1.0263	−0.97
50140	Island County, Washington	99950	1.1039	1.0263	−7.03
50150	Jefferson County, Washington	99950	1.0364	1.0263	−0.97
50160	King County, Washington	42644	1.1572	1.1434	−1.19
50170	Kitsap County, Washington	14740	1.0675	1.0913	2.23
50180	Kittitas County, Washington	99950	1.0364	1.0263	−0.97
50190	Klickitat County, Washington	99950	1.0364	1.0263	−0.97
50200	Lewis County, Washington	99950	1.0364	1.0263	−0.97
50210	Lincoln County, Washington	99950	1.0364	1.0263	−0.97
50220	Mason County, Washington	99950	1.0364	1.0263	−0.97
50230	Okanogan County, Washington	99950	1.0364	1.0263	−0.97
50240	Pacific County, Washington	99950	1.0364	1.0263	−0.97
50250	Pend Oreille County, Washington	99950	1.0364	1.0263	−0.97
50260	Pierce County, Washington	45104	1.0742	1.0789	0.44

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
50270	San Juan County, Washington	99950	1.0364	1.0263	−0.97
50280	Skagit County, Washington	34580	1.0336	1.0517	1.75
50290	Skamania County, Washington	38900	1.0742	1.1416	6.27
50300	Snohomish County, Washington	42644	1.1572	1.1434	−1.19
50310	Spokane County, Washington	44060	1.0905	1.0447	−4.20
50320	Stevens County, Washington	99950	1.0364	1.0263	−0.97
50330	Thurston County, Washington	36500	1.0927	1.1081	1.41
50340	Wahkiakum County, Washington	99950	1.0364	1.0263	−0.97
50350	Walla Walla County, Washington	99950	1.0364	1.0263	−0.97
50360	Whatcom County, Washington	13380	1.1731	1.1104	−5.34
50370	Whitman County, Washington	99950	1.0364	1.0263	−0.97
50380	Yakima County, Washington	49420	1.0155	0.9847	−3.03
51000	Barbour County, W Virginia	99951	0.7809	0.7607	−2.59
51010	Berkeley County, W Virginia	25180	1.0233	0.9038	−11.68
51020	Boone County, W Virginia	16620	0.8173	0.8542	4.51
51030	Braxton County, W Virginia	99951	0.7809	0.7607	−2.59
51040	Brooke County, W Virginia	48260	0.7819	0.8063	3.12
51050	Cabell County, W Virginia	26580	0.9477	0.8997	−5.06
51060	Calhoun County, W Virginia	99951	0.7809	0.7607	−2.59
51070	Clay County, W Virginia	16620	0.8173	0.8542	4.51
51080	Doddridge County, W Virginia	99951	0.7809	0.7607	−2.59
51090	Fayette County, W Virginia	99951	0.7809	0.7607	−2.59
51100	Gilmer County, W Virginia	99951	0.7809	0.7607	−2.59
51110	Grant County, W Virginia	99951	0.7809	0.7607	−2.59
51120	Greenbrier County, W Virginia	99951	0.7809	0.7607	−2.59
51130	Hampshire County, W Virginia	49020	0.9057	1.0091	11.42
51140	Hancock County, W Virginia	48260	0.7819	0.8063	3.12
51150	Hardy County, W Virginia	99951	0.7809	0.7607	−2.59
51160	Harrison County, W Virginia	99951	0.7809	0.7607	−2.59
51170	Jackson County, W Virginia	99951	0.7809	0.7607	−2.59
51180	Jefferson County, W Virginia	47894	1.0951	1.1054	0.94
51190	Kanawha County, W Virginia	16620	0.8445	0.8542	1.15
51200	Lewis County, W Virginia	99951	0.7809	0.7607	−2.59
51210	Lincoln County, W Virginia	16620	0.8173	0.8542	4.51
51220	Logan County, W Virginia	99951	0.7809	0.7607	−2.59
51230	Mc Dowell County, W Virginia	99951	0.7809	0.7607	−2.59
51240	Marion County, W Virginia	99951	0.7809	0.7607	−2.59
51250	Marshall County, W Virginia	48540	0.7161	0.7010	−2.11
51260	Mason County, W Virginia	99951	0.7809	0.7607	−2.59
51270	Mercer County, W Virginia	99951	0.7809	0.7607	−2.59
51280	Mineral County, W Virginia	19060	0.9317	0.8446	−9.35
51290	Mingo County, W Virginia	99951	0.7809	0.7607	−2.59
51300	Monongalia County, W Virginia	34060	0.8160	0.8423	3.22
51310	Monroe County, W Virginia	99951	0.7809	0.7607	−2.59
51320	Morgan County, W Virginia	25180	0.8695	0.9038	3.94
51330	Nicholas County, W Virginia	99951	0.7809	0.7607	−2.59
51340	Ohio County, W Virginia	48540	0.7161	0.7010	−2.11
51350	Pendleton County, W Virginia	99951	0.7809	0.7607	−2.59
51360	Pleasants County, W Virginia	37620	0.8085	0.7977	−1.34
51370	Pocahontas County, W Virginia	99951	0.7809	0.7607	−2.59
51380	Preston County, W Virginia	34060	0.8160	0.8423	3.22
51390	Putnam County, W Virginia	16620	0.8445	0.8542	1.15
51400	Raleigh County, W Virginia	99951	0.7809	0.7607	−2.59
51410	Randolph County, W Virginia	99951	0.7809	0.7607	−2.59
51420	Ritchie County, W Virginia	99951	0.7809	0.7607	−2.59
51430	Roane County, W Virginia	99951	0.7809	0.7607	−2.59
51440	Summers County, W Virginia	99951	0.7809	0.7607	−2.59
51450	Taylor County, W Virginia	99951	0.7809	0.7607	−2.59
51460	Tucker County, W Virginia	99951	0.7809	0.7607	−2.59
51470	Tyler County, W Virginia	99951	0.7809	0.7607	−2.59
51480	Upshur County, W Virginia	99951	0.7809	0.7607	−2.59
51490	Wayne County, W Virginia	26580	0.9477	0.8997	−5.06
51500	Webster County, W Virginia	99951	0.7809	0.7607	−2.59
51510	Wetzel County, W Virginia	99951	0.7809	0.7607	−2.59
51520	Wirt County, W Virginia	37620	0.8085	0.7977	−1.34
51530	Wood County, W Virginia	37620	0.8270	0.7977	−3.54
51540	Wyoming County, W Virginia	99951	0.7809	0.7607	−2.59
52000	Adams County, Wisconsin	99952	0.9494	0.9553	0.62

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
52010	Ashland County, Wisconsin	99952	0.9494	0.9553	0.62
52020	Barron County, Wisconsin	99952	0.9494	0.9553	0.62
52030	Bayfield County, Wisconsin	99952	0.9494	0.9553	0.62
52040	Brown County, Wisconsin	24580	0.9483	0.9787	3.21
52050	Buffalo County, Wisconsin	99952	0.9494	0.9553	0.62
52060	Burnett County, Wisconsin	99952	0.9494	0.9553	0.62
52070	Calumet County, Wisconsin	11540	0.9264	0.9455	2.06
52080	Chippewa County, Wisconsin	20740	0.9201	0.9630	4.66
52090	Clark County, Wisconsin	99952	0.9494	0.9553	0.62
52100	Columbia County, Wisconsin	31540	1.0069	1.0840	7.66
52110	Crawford County, Wisconsin	99952	0.9494	0.9553	0.62
52120	Dane County, Wisconsin	31540	1.0707	1.0840	1.24
52130	Dodge County, Wisconsin	99952	0.9494	0.9553	0.62
52140	Door County, Wisconsin	99952	0.9494	0.9553	0.62
52150	Douglas County, Wisconsin	20260	1.0213	1.0042	−1.67
52160	Dunn County, Wisconsin	99952	0.9494	0.9553	0.62
52170	Eau Claire County, Wisconsin	20740	0.9201	0.9630	4.66
52180	Florence County, Wisconsin	99952	0.9494	0.9553	0.62
52190	Fond Du Lac County, Wisconsin	22540	0.9559	1.0063	5.27
52200	Forest County, Wisconsin	99952	0.9494	0.9553	0.62
52210	Grant County, Wisconsin	99952	0.9494	0.9553	0.62
52220	Green County, Wisconsin	99952	0.9494	0.9553	0.62
52230	Green Lake County, Wisconsin	99952	0.9494	0.9553	0.62
52240	Iowa County, Wisconsin	31540	1.0069	1.0840	7.66
52250	Iron County, Wisconsin	99952	0.9494	0.9553	0.62
52260	Jackson County, Wisconsin	99952	0.9494	0.9553	0.62
52270	Jefferson County, Wisconsin	99952	0.9494	0.9553	0.62
52280	Juneau County, Wisconsin	99952	0.9494	0.9553	0.62
52290	Kenosha County, Wisconsin	29404	1.0095	1.0570	4.71
52300	Kewaunee County, Wisconsin	24580	0.9481	0.9787	3.23
52310	La Crosse County, Wisconsin	29100	0.9564	0.9426	−1.44
52320	Lafayette County, Wisconsin	99952	0.9494	0.9553	0.62
52330	Langlade County, Wisconsin	99952	0.9494	0.9553	0.62
52340	Lincoln County, Wisconsin	99952	0.9494	0.9553	0.62
52350	Manitowoc County, Wisconsin	99952	0.9494	0.9553	0.62
52360	Marathon County, Wisconsin	48140	0.9590	0.9722	1.38
52370	Marinette County, Wisconsin	99952	0.9494	0.9553	0.62
52380	Marquette County, Wisconsin	99952	0.9494	0.9553	0.62
52381	Menominee County, Wisconsin	99952	0.9494	0.9553	0.62
52390	Milwaukee County, Wisconsin	33340	1.0146	1.0218	0.71
52400	Monroe County, Wisconsin	99952	0.9494	0.9553	0.62
52410	Oconto County, Wisconsin	24580	0.9481	0.9787	3.23
52420	Oneida County, Wisconsin	99952	0.9494	0.9553	0.62
52430	Outagamie County, Wisconsin	11540	0.9264	0.9455	2.06
52440	Ozaukee County, Wisconsin	33340	1.0146	1.0218	0.71
52450	Pepin County, Wisconsin	99952	0.9494	0.9553	0.62
52460	Pierce County, Wisconsin	33460	1.1075	1.0946	−1.16
52470	Polk County, Wisconsin	99952	0.9494	0.9553	0.62
52480	Portage County, Wisconsin	99952	0.9494	0.9553	0.62
52490	Price County, Wisconsin	99952	0.9494	0.9553	0.62
52500	Racine County, Wisconsin	39540	0.8997	0.9356	3.99
52510	Richland County, Wisconsin	99952	0.9494	0.9553	0.62
52520	Rock County, Wisconsin	27500	0.9538	0.9655	1.23
52530	Rusk County, Wisconsin	99952	0.9494	0.9553	0.62
52540	St Croix County, Wisconsin	33460	1.1075	1.0946	−1.16
52550	Sauk County, Wisconsin	99952	0.9494	0.9553	0.62
52560	Sawyer County, Wisconsin	99952	0.9494	0.9553	0.62
52570	Shawano County, Wisconsin	99952	0.9494	0.9553	0.62
52580	Sheboygan County, Wisconsin	43100	0.8911	0.9026	1.29
52590	Taylor County, Wisconsin	99952	0.9494	0.9553	0.62
52600	Trempealeau County, Wisconsin	99952	0.9494	0.9553	0.62
52610	Vernon County, Wisconsin	99952	0.9494	0.9553	0.62
52620	Vilas County, Wisconsin	99952	0.9494	0.9553	0.62
52630	Walworth County, Wisconsin	99952	0.9494	0.9553	0.62
52640	Washburn County, Wisconsin	99952	0.9494	0.9553	0.62
52650	Washington County, Wisconsin	33340	1.0146	1.0218	0.71
52660	Waukesha County, Wisconsin	33340	1.0146	1.0218	0.71
52670	Waupaca County, Wisconsin	99952	0.9494	0.9553	0.62

ADDENDUM C.—COMPARISON OF HH PPS TRANSITION WAGE INDEX FOR CY 2006 AND PRE-FLOOR AND PRE-RECLASSIFIED HOSPITAL WAGE INDEX FOR CY 2007—Continued

SSA state/county code	County name	CBSA No.	CY 2006 HH PPS transition wage index	CY2007 CBSA-based wage index	Percent change CY2006–CY2007
52680	Waushara County, Wisconsin	99952	0.9494	0.9553	0.62
52690	Winnebago County, Wisconsin	36780	0.9211	0.9315	1.13
52700	Wood County, Wisconsin	99952	0.9494	0.9553	0.62
53000	Albany County, Wyoming	99953	0.9257	0.9295	0.41
53010	Big Horn County, Wyoming	99953	0.9257	0.9295	0.41
53020	Campbell County, Wyoming	99953	0.9257	0.9295	0.41
53030	Carbon County, Wyoming	99953	0.9257	0.9295	0.41
53040	Converse County, Wyoming	99953	0.9257	0.9295	0.41
53050	Crook County, Wyoming	99953	0.9257	0.9295	0.41
53060	Fremont County, Wyoming	99953	0.9257	0.9295	0.41
53070	Goshen County, Wyoming	99953	0.9257	0.9295	0.41
53080	Hot Springs County, Wyoming	99953	0.9257	0.9295	0.41
53090	Johnson County, Wyoming	99953	0.9257	0.9295	0.41
53100	Laramie County, Wyoming	16940	0.8775	0.9060	3.25
53110	Lincoln County, Wyoming	99953	0.9257	0.9295	0.41
53120	Natrona County, Wyoming	16220	0.9026	0.9145	1.32
53130	Niobrara County, Wyoming	99953	0.9257	0.9295	0.41
53140	Park County, Wyoming	99953	0.9257	0.9295	0.41
53150	Platte County, Wyoming	99953	0.9257	0.9295	0.41
53160	Sheridan County, Wyoming	99953	0.9257	0.9295	0.41
53170	Sublette County, Wyoming	99953	0.9257	0.9295	0.41
53180	Sweetwater County, Wyoming	99953	0.9257	0.9295	0.41
53190	Teton County, Wyoming	99953	0.9257	0.9295	0.41
53200	Uinta County, Wyoming	99953	0.9257	0.9295	0.41
53210	Washakie County, Wyoming	99953	0.9257	0.9295	0.41
53220	Weston County, Wyoming	99953	0.9257	0.9295	0.41
65010	Agana County, Guam	99965	0.9611	0.9611	0.00
65020	Agana Heights County, Guam	99965	0.9611	0.9611	0.00
65030	Agat County, Guam	99965	0.9611	0.9611	0.00
65040	Asan County, Guam	99965	0.9611	0.9611	0.00
65050	Barrigada County, Guam	99965	0.9611	0.9611	0.00
65060	Chalan Pago County, Guam	99965	0.9611	0.9611	0.00
65070	Dededo County, Guam	99965	0.9611	0.9611	0.00
65080	Inarajan County, Guam	99965	0.9611	0.9611	0.00
65090	Maite County, Guam	99965	0.9611	0.9611	0.00
65100	Mangilao County, Guam	99965	0.9611	0.9611	0.00
65110	Merizo County, Guam	99965	0.9611	0.9611	0.00
65120	Mongmong County, Guam	99965	0.9611	0.9611	0.00
65130	Ordot County, Guam	99965	0.9611	0.9611	0.00
65140	Piti County, Guam	99965	0.9611	0.9611	0.00
65150	Santa Rita County, Guam	99965	0.9611	0.9611	0.00
65160	Sinajana County, Guam	99965	0.9611	0.9611	0.00
65170	Talofofo County, Guam	99965	0.9611	0.9611	0.00
65180	Tamuning County, Guam	99965	0.9611	0.9611	0.00
65190	Toto County, Guam	99965	0.9611	0.9611	0.00
65200	Umatac County, Guam	99965	0.9611	0.9611	0.00
65210	Yigo County, Guam	99965	0.9611	0.9611	0.00
65220	Yona County, Guam	99965	0.9611	0.9611	0.00

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