DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

[HCFA-1039-N]

RIN 0938-AI87

Medicare Program; Hospice Wage Index

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

ACTION: Notice.

SUMMARY: This notice announces the annual update to the hospice wage index as required by 42 CFR 418.306(c). This update is effective October 1, 1998. The wage index is used to reflect local differences in wage levels. The hospice wage index methodology and values are based on recommendations of a negotiated rulemaking advisory committee and were originally published in the Federal Register on August 8, 1997. This update is the second year of a 3-year transition period. The second transition year begins October 1, 1998 and ends September 30, 1999.

EFFECTIVE DATE: This notice is effective on October 1, 1998.

FOR FURTHER INFORMATION CONTACT: Carol Blackford, (410) 786–5909. SUPPLEMENTARY INFORMATION:

I. Background

A. Statute and Regulations

Hospice Care is an approach to treatment that recognizes that the impending death of an individual warrants a change in the focus from curative care to palliative care (relief of pain and other uncomfortable symptoms). The goal of hospice care is to help terminally ill individuals continue life with minimal disruption to normal activities while remaining primarily in the home environment. A hospice uses an interdisciplinary approach to deliver medical, social, psychological, emotional, and spiritual services through use of a broad spectrum of professional and other caregivers, with the goal of making the individual as physically and emotionally comfortable as possible. Counseling and respite services are available to the family of the hospice patient. Hospice programs consider both the patient and the family as a unit of

Section 1861(dd) of the Social Security Act (the Act) provides for coverage of hospice care for terminally ill Medicare beneficiaries who elect to receive care from a participating hospice. The statutory authority for payment to hospices participating in the Medicare program is contained in section 1814(i) of the Act.

Our existing regulations under 42 CFR Part 418 (issued on December 16, 1983, effective for hospice services furnished on or after November 1, 1983) establish eligibility requirements and payment standards and procedures, define covered services, and delineate the conditions a hospice must meet to be approved for participation in the Medicare program. Subpart G of Part 418 provides for payment to hospices based on one of four prospectively determined rates for each day in which a qualified Medicare beneficiary is under the care of a hospice. The four rate categories are routine home care, continuous home care, inpatient respite care, and general inpatient care. Payment rates are established for each category.

The regulations at § 418.306(c), which require the rates to be adjusted by a wage index, were revised on August 8, 1997, through publication of a final rule in the Federal Register (62 FR 42860). This rule implemented a new methodology for calculating the hospice wage index that was based on the recommendations of a negotiated rulemaking committee. The committee reached consensus on a methodology and the resulting committee statement, describing that consensus, was included as an attachment to the August 8, 1997 final hospice wage index rule. The provisions of the final hospice wage index rule are as follows:

- The revised hospice wage index will be phased in over a 3-year transition period. For the first year of the transition period, a blended index was calculated by adding two-thirds of the 1983 index value for an area to onethird of the revised wage index value for that area. During the second year of the transition period, the calculation is similar, except that the blend is onethird of the 1983 index value and twothirds of the revised wage index value for that area. During the third transition year the revised wage index will be fully implemented. The first transition year occurred October 1, 1997 through September 30, 1998.
- All hospice wage index values of 0.8 or greater are subject to a budget neutrality adjustment to ensure that Medicare does not pay any more in the aggregate than it would with the previous wage index. The budget neutrality adjustment is calculated by multiplying the hospice wage index for a given area by the budget neutrality adjustment factor. The budget neutrality adjustment is to be applied annually,

both during and after the transition period.

• All hospice wage index values below 0.8 receive the greater of the following adjustments: the wage index floor, a 15 percent increase, subject to a maximum wage index value of 0.8; or, the budget neutrality adjustment.

• The wage index is to be updated annually, in the **Federal Register**, based on the most current available hospital wage data.

• Because the Virgin Islands is not an area designated under the Prospective Payment System for hospitals, and does not have a hospital wage index, the hospice wage index for the Virgin Islands will be calculated by gathering information from the hospital cost report and comparing hourly wages of the hospital located in the Virgin Islands to the national average, as described in step 9 of item III(A) (computation of the hospice wage index) in the proposed hospice wage index rule published in the **Federal Register** on September 4, 1996 (61 FR 46583).

Section 4442 of the Balanced Budget Act of 1997 requires payment for routine and continuous home care to be made based on the geographic location at which the service is furnished. The site of service provision, as it is commonly referred to, was effective October 1, 1997 and was implemented through a Program Memorandum issued in September of 1997. This notice does not address implementation of the site of service provision but merely takes this change into account when analyzing the impact of the annual hospice wage index update.

B. Update to the Hospice Wage Index

The second year of the 3-year transition period begins October 1, 1998 and ends September 30, 1999. In accordance with the agreement signed by HCFA and all other members of the Hospice Wage Index Negotiated Rulemaking Committee, we are using the most current HCFA hospital data available, including any changes to the definitions of MSAs, that allow us to publish this notice at least 4 months in advance of the October 1, 1998 effective date. We will be using the 1997 hospital area wage index. Updated wage index values have been calculated by adding one-third of the 1983 index value for each area to two-thirds of the new wage index value. All wage index values are adjusted by a budget neutrality factor of 1.04662 and are subject to the wage index floor adjustment, if applicable. All of the calculations described above have been completed by HCFA and are built into the wage index values

URBAN AREAS—Continued

URBAN AREAS—Continued

TABLE A.—HOSPICE WAGE INDEX FOR TABLE A.—HOSPICE WAGE INDEX FOR

reflected in both Tables A and B below. At this time, there are no Medicare certified hospices located in the Virgin Islands. Therefore, a wage index value for the Virgin Islands has not been

Islands.	Therefore, a wage index irgin Islands has not bed ded.	value	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹
C. Table	S		04806	Madison, NC	0.0647		Jefferson, TX	
TABLE A	A.—HOSPICE WAGE IND	EX FOR		Asheville, NC Buncombe, NC	0.9647	0860	Orange, TX Bellingham, WA	1.1508
URBAN AREAS		0500	Athens, GA Clarke, GA Madison, GA	0.9416	0870	Whatcom, WA Benton Harbor, MI Berrien, NJ	0.9273	
MSA code number	Urban area (constituent counties or county equivalents)	Wage index 1	0520	Oconee, GA Atlanta, GA Barrow, GA	1.0139	0875	Bergen-Passaic, NJ Bergen, NJ Passaic, NJ	1.2072
0040	Abilene, TX	0.9066		Cherokee, GA Clayton, GA		0880	Billings, MT Yellowstone, MT	1.0192
0060	Taylor, TX Aguadilla, PR Aguada, PR Aguadilla, PR	0.5905		Cobb, GA Coweta, GA DeKalb, GA Douglas, GA		0920	Biloxi-Gulfport- Pascagoula, MS. Hancock, MS Harrison, MS	0.8910
0080	Moca, PR Akron, OH Portage, OH Summit, OH	1.0563		Fayette, GA Forsyth, GA Fulton, GA		09206	Biloxi-Gulfport- Pascagoula, MS. Jackson, MS	0.9409
0120	Albany, GA Dougherty, GA	0.8629		Gwinnett, GA Henry, GA Newton, GA		0960	Binghamton, NYBroome, NY Tioga, NY	0.9543
0160	Lee, GA Albany-Schenectady- Troy, NY. Albany, NY	0.9030		Paulding, GA Rockdale, GA Spalding, GA		1000	Birmingham, AL Blount, AL Jefferson, AL	0.9788
	Montgomery, NY Rensselaer, NY Saratoga, NY		05206	Walton, GA Atlanta, GA Bartow, GA Carroll, GA	0.9820	1010	St. Clair, AL Shelby, AL Bismarck, ND Burleigh, ND	0.8893
01606	Schenectady, NY Schoharie, NY Albany-Schenectady- Troy, NY.	0.8958	0560	Pickens, GA Atlantic-Cape May, NJ Atlantic City, NJ	1.1498	1020	Morton, ND Bloomington, IN	0.9559
2022	Schoharie, NY	0.0707	0600	Cape May, NJ Augusta-Aiken, GA–SC	0.9866	1040	Bloomington-Normal, IL McLean, IL	0.9630
0200	Albuquerque, NM Sandoval, NM	0.9737	0000	Columbia, GA McDuffie, GA	0.9000	1080	Boise City, ID	0.9320
02006	Valencia, NM Albuquerque, NM Bernalillo, NM	1.0186		Richmond, GA Aiken, SC		10806	Boise City, ID	0.9931
0220	Alexandria, LA Rapides, LA	0.9091	06006	Augusta-Aiken, GA–SC Edgefield, SC	0.9333	1123	Boston-Worcester-Law- rence-Lowell-Brock-	1.1805
0240	Allentown-Bethlehem- Easton, PA. Carbon, PA	1.0707	0640	Austin-San Marcos, TX Bastrop, TX Caldwell, TX	0.9206		ton, MA-NH. Essex, MA Middlesex, MA	
0280	Lehigh, PA Northampton, PA	0.9951	06406	Austin-San Marcos, TX Hays, TX Travis, TX	1.0067		Norfolk, MA Plymouth, MA Suffolk, MA	
0320	Altoona, PA Blair, PA Amarillo, TX	0.9951	0680	Williamson, TX Bakersfield, CA	1.1268	11236	Boston-Worcester-Law- rence-Lowell-Brock-	1.1246
0020	Potter, TX Randall, TX	0.0000	0720	Kern, CA Baltimore, MD	1.0549		ton, MA–NH. Hillsborough, NH	
0380	Anchorage, AK Anchorage, AK	1.4074		Anne Arundel, MD Baltimore, MD		11237	Merrimack, NH Boston-Worcester-Law-	1.1356
0440	Ann Arbor, MI Lenawee, MI	1.1528		Baltimore City, MD Carroll, MD			rence-Lowell-Brock- ton, MA-NH.	
04406	Ann Arbor, MI	1.2441		Harford, MD Howard, MD		11238	Bristol, MA Boston-Worcester-Law-	1.0935
04407	Ann Arbor, MI Livingston, MI	1.2406	0733	Queen Anne's, MD Bangor, ME	0.9847		rence-Lowell-Brock- ton, MA-NH.	
0450	Anniston, AL	0.8776	0743	Penobscot, ME Barnstable-Yarmouth,	1.3359		Rockingham, NH Strafford, NH	
0460	Appleton-Oshkosh- Neenah, WI. Calumet, WI	0.9662	0760	MA. Barnstable, MA Baton Rouge, LA	0.9398	11239	Boston-Worcester-Law- rence-Lowell-Brock- ton, MA–NH.	1.1394
0470	Outagamie, WI Winnebago, WI Arecibo, PR	0.5905		Ascension, LA East Baton Rouge, LA Livingston, LA		1125	Worcester, MA Boulder-Longmont, CO Boulder, CO	1.0470
0 77 O	Arecibo, PR Camuy, PR	0.0000	0840	West Baton Rouge, LA Beaumont-Port Arthur,	0.9440	1145	Brazoria, TX Brazoria, TX	0.9451
0480	Hatillo, PR	0.9296		TX. Hardin, TX		1150	Bremerton, WA Kitsap, WA	1.0810

	A.—HOSPICE WAGE IND RBAN AREAS—Continu		TABLE A.—HOSPICE WAGE INDEX FOR TABLE A.—HOSPICE WAGE INDE URBAN AREAS—Continued URBAN AREAS—Continued					
MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹
1240	Brownsville-Harlingen- San Benito, TX.	0.9314		Cook, IL Du Page, IL			Dallas, TX Denton, TX	
1260	Cameron, TX Bryan-College Station, TX.	0.9147	16008	McHenry, IL Chicago, IL Grundy, IL	1.1378		Ellis, TX Kaufman, TX Rockwall, TX	
1280	Brazos, TX Buffalo-Niagara Falls, NY.	0.9884	16009	Will, IL Chicago, IL Lake, IL	1.1445	19206	Dallas, TX Henderson, TX Hunt, TX	0.9604
12806	Erie, NY Buffalo-Niagara Falls, NY.	0.9519	1620 1640	Chico-Paradise, CA Butte, CA Cincinnati, OH–KY–IN	1.0960 0.9617	1950	Danville, VA Danville City, VA Pittsylvania, VA	0.8719
1303	Niagara, NY Burlington, VT Franklin, VT	1.1037	16406	Ohio, IN Cincinnati, OH–KY–IN Gallatin, KY	0.9455	1960	Davenport-Moline-Rock Island, IA-IL. Scott, IA	0.9291
13036	Burlington, VT Chittenden, VT Grand Isle, VT	1.0444	16407	Grant, KY Pendleton, KY Cincinnati, OH–KY–IN	0.9801	2000	Henry, IL Rock Island, IL Dayton-Springfield, OH	1.0565
1310	Caguas, PR Caguas, PR Cayey, PR	0.6085	16408	Brown, OH Cincinnati, OH–KY–IN Dearborn, IN	1.0294	2000	Clark, OH Greene, OH Miami, OH	
	Cidra, PR Gurabo, PR San Lorenzo, PR			Boone, KY Campbell, KY Kenton, KY		2020	Montgomery, OH Daytona Beach, FL Flagler, FL	0.9209
1320	Canton-Massillon, OH Carroll, OH	0.9670		Clermont, OH Hamilton, OH		20206	Daytona Beach, FL Volusia, FL	0.9548
1350	Stark, OH Casper, WY Natrona, WY	0.9866	1660	Warren, OH Clarksville-Hopkinsville, TN–KY.	0.8389	2030	Decatur, AL Lawrence, AL Morgan, AL	0.8572
1360	Cedar Rapids, IA Linn, IA	0.9223		Christian, KY Montgomery, TN		2040	Decatur, IL	0.8952
1400	Champaign-Urbana, IL Champaign, IL	0.9731	1680	Cleveland-Lorain-Elyria, OH.	1.0031	2080	Denver, CO	1.1482
1440	Charleston-North Charleston, SC. Berkeley, SC	0.9725	16806	Ashtabula, OH Cleveland-Lorain-Elyria, OH. Cuyahoga, OH	1.1037		Arapahoe, CO Denver, CO Douglas, CO Jefferson, CO	
1480	Charleston, SC Dorchester, SC Charleston, WV Kanawha, WV	1.0228		Geauga, OH Lake, OH Medina, OH		2120	Des Moines, IA Dallas, IA Polk, IA	0.9902
1520	Putnam, WV Charlotte-Gastonia-Rock Hill, NC–SC.	1.0186	16807	Cleveland-Lorain-Elyria, OH. Lorain, OH	1.0521	2160	Warren, IA Detroit, MI	1.1737
	Cabarrus, NC Gaston, NC Lincoln, NC		1720 1740	Colorado Springs, CO El Paso, CO Columbia, MO	1.0362		Macomb, MI Monroe, MI Oakland, MI	
	Mecklenburg, NC Rowan, NC		1760	Boone, MO Columbia, SC	1.0242 0.9764		St. Clair, MI Wayne, MI	
	Stanly, NC Union, NC York, SC		1800	Lexington, SC Richland, SC Harris, GA	0.8749	2180	Dothan, AL Dale, AL Houston, AL	0.8717
1540	Charlottesville, VA Albemarle, VA	1.0824	18006	Columbus, GA–AL Russell, AL	0.8992	2190	Dover, DEKent, DE	0.9636
	Charlottesville City, VA Fluvanna, VA		4040	Chattahoochee, GA Muscogee, GA	4.0400	2200	Dubuque, IADubuque, IA	0.9230
1560	Greene, VA Chattanooga, TN–GA Catoosa, GA	0.9415	1840	Columbus, OH Delaware, OH Fairfield, OH	1.0469	2240	Duluth-Superior, MN–WI St. Louis, MN Douglas, WI	1.0017
	Dade, GA Walker, GA Hamilton, TN			Franklin, OH Licking, OH Madison, OH		2281 2290	Dutchess County, NY Dutchess, NY Eau Claire, WI	1.1228 0.9500
1580	Marion, TN Cheyenne, WY	0.9091	1880	Pickaway, OH Corpus Christi, TX	0.9607		Chippewa, WI Eau Claire, WI	
1600	Laramie, WY Chicago, IL	1.0607	4000	Nueces, TX San Patricio, TX	0.0450	2320	El Paso, TX	1.0200
16006	DeKalb, IL Chicago, IL Kane, IL	1.1051	1900	Cumberland, MD–WV Allegany, MD Mineral, WV	0.9456	2330 2335	Elkhart-Goshen, IN Elkhart, IN Elmira, NY	0.9443 0.9440
16007	Kendall, IL	1.1832	1920	Dallas, TXCollin, TX	1.0529	2340	Chemung, NY	0.8701

TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued				A.—HOSPICE WAGE INI RBAN AREAS—Continu		Table A.—Hospice Wage Index for Urban Areas—Continued			
MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	
2360	Garfield, OK Erie, PA	0.9647	28406	Madera, CA Fresno, CA Fresno, CA	1.1570	3240	Butler, OH Harrisburg-Lebanon- Carlisle, PA.	1.0721	
2400	Eugene-Springfield, OR Lane, OR	1.1426	2880	Gadsden, AL Etowah, AL	0.9372		Cumberland, PA Dauphin, PA		
2440	Evansville-Henderson, IN–KY.	0.9550	2900	Gainesville, FL	1.0097		Lebanon, PA Perry, PA		
	Posey, IN Vanderburgh, IN Warrick, IN Henderson, KY		2920 2960	Galveston-Texas City, TX. Galveston, TX Gary, IN	1.1495 1.0636	3283	Hartford, CT Hartford, CT Litchfield, CT Middlesex, CT	1.2533	
2520	Fargo-Moorhead, ND-	0.9672	2000	Lake, IN	1.0000	2205	Tolland, CT	0.8007	
	MN. Clay, MN Cass, ND		2975	Porter, IN Glens Falls, NY Warren, NY	0.8936	3285	Hattiesburg, MS Forrest, MS Lamar, MS	0.8007	
2560 2580	Fayetteville, NC Cumberland, NC Fayetteville-Springdale-	0.9347 0.8000	2980	Washington, NY Goldsboro, NC Wayne, NC	0.8857	3290	Hickory-Morganton- Lenoir, NC. Caldwell, NC	0.9027	
2000	Rogers, AR. Benton, AR	0.0000	2985	Grand Forks, ND-MN Polk, MN	0.9098	32906	Hickory-Morganton- Lenoir, NC.	0.9376	
2580	Fayetteville-Springdale- Rogers, AR.	0.8102	29856	Grand Forks, ND-MN Grand Forks, ND	0.9507		Alexander, NC Burke, NC		
2620	Washington, AR Flagstaff, AZ–UT	0.9482	2995	Grand Junction, CO Mesa, CO	0.9246	3320	Catawba, NC Honolulu, HI	1.2246	
26206	Coconino, AZ Flagstaff, AZ–UT	0.9242	3000	Grand Rapids-Muske- gon-Holland, MI.	1.0385	3350	Honolulu, HI Houma, LA	0.8894	
2640	Kane, UT Flint, MI	1.1814	30006	Allegan, MI Grand Rapids-Muske-	1.0568		Lafourche, LA Terrebonne, LA		
2650	Genesee, MI Florence, AL Colbert, AL	0.8029		gon-Holland, MI. Kent, MI Ottawa, MI		3360	Houston, TX Fort Bend, TX Harris, TX	1.0755	
2655	Lauderdale, AL Florence, SC Florence, SC	0.8894	30007	Grand Rapids-Muske- gon-Holland, MI. Muskegon, MI	1.0333		Liberty, TX Montgomery, TX Waller, TX		
2670	Fort Collins-Loveland,	1.0387	3040	Great Falls, MT Cascade, MT	0.9738	33606	Houston, TX Chambers, TX	0.9710	
2680	Larimer, CO Ft. Lauderdale, FL Broward, FL	1.1164	3060 3080	Greeley, CO Weld, CO Green Bay, WI	1.0823 0.9827	3400	Huntington-Ashland, WV–KY–OH. Boyd, KY	0.9813	
2700	Fort Myers-Cape Coral,	0.9391	3120	Brown, WI Greensboro-Winston-	0.9827		Carter, KY Greenup, KY		
2710	Lee, FL Fort Pierce-Port St. Lucie, FL.	1.0625	3120	Salem-High Point, NC. Davidson, NC Davie, NC	0.9000		Lawrence, OH Cabell, WV Wayne, WV		
	Martin, FL St. Lucie, FL			Forsyth, NC Guilford, NC		3440	Huntsville, AL Limestone, AL	0.8711	
2720	Fort Smith, AR–OK Crawford, AR Sebastian, AR	0.8806		Randolph, NC Stokes, NC Yadkin, NC		34406 3480	Huntsville, AL Madison, AL Indianapolis, IN	0.9057 1.0554	
2750	Sequoyah, OK Fort Walton Beach, FL Okaloosa, FL	0.8958	31206	Greensboro-Winston- Salem-High Point, NC. Alamance, NC	0.9483	0400	Boone, IN Hamilton, IN Hancock, IN	1.0004	
2760	Fort Wayne, IN	0.9217	3150	Greenville, NC	0.9291		Hendricks, IN Johnson, IN		
2760	Huntington, IN Wells, IN Fort Wayne, IN	0.9506	3160	Greenville-Spartanburg- Anderson, SC. Cherokee, SC	0.9142		Marion, IN Morgan, IN Shelby, IN		
2700	Allen, IN De Kalb, IN	0.9300	31606	Greenville-Spartanburg- Anderson, SC.	0.9372	34806	Indianapolis, IN Madison, IN	1.0252	
2800	Whitley, IN Forth Worth-Arlington, TX.	0.9797	31607	Anderson, SC Greenville-Spartanburg- Anderson, SC.	0.9626	3500 3520	lowa City, IA Johnson, IA Jackson, MI	1.0545 0.9903	
28006	Hood, TX Forth Worth-Arlington,	1.0201		Greenville, SC Pickens, SC		3560	Jackson, MI Jackson, MS	0.8593	
20000	TX. Johnson, TX	1.0201	3180	Spartanburg, SC Hagerstown, MD	1.0275	5500	Hinds, MS Madison, MS	0.0030	
	Parker, TX Tarrant, TX		3200	Washington, MD Hamilton-Middletown,	0.9757	3580	Rankin, MS Jackson, TN	0.8737	
2840	Fresno, CA	1.0927	J200	OH.	0.9757	5500	Madison, TN	0.0131	

TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued			TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued			Table A.—Hospice Wage Index for Urban Areas—Continued			
MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	
3600	Chester, TN Jacksonville, FL Clay, FL	0.9717	3850	Loudon, TN Kokomo, IN Howard, IN	0.9225	44206	Longview-Marshall, TX Gregg, TX Harrison, TX	0.8996	
	Duval, FL Nassau, FL St. Johns, FL		3870	Tipton, IN La Crosse, WI-MN Houston, MN	0.9101	4480	Los Angeles-Long Beach, CA. Los Angeles, CA	1.3083	
3605	Jacksonville, NC Onslow, NC	0.8625	38706	La Crosse, WI La Crosse, WI-MN	0.9385	4520	Louisville, KY–IN	1.0420	
3610	Jamestown, NY	0.8902	3880	La Crosse, WI Lafayette, LA	0.8641		Floyd, IN Harrison, IN		
3620 3640	Janesville-Beloit, WI Rock, WI Jersey City, NJ	0.9264 1.1770	38806	Acadia, LA St. Landry, LA Lafayette, LA	0.9271		Bullitt, KY Jefferson, KY		
3660	Hudson, NJ Johnson City-Kingsport-	0.9583		Lafayette, LA St. Martin, LA	0.02.	45206	Oldham, KY Louisville, KY–IN Scott, IN	0.9640	
	Bristol, TN–VA. Carter, TN		3920	Lafayette, IN	0.9407	4600	Lubbock, TXLubbock, TX	0.9380	
	Hawkins, TN Sullivan, TN Unicoi, TN		39206 3960	Lafayette, IN Tippecanoe, IN Lake Charles, LA	0.9580 0.8894	4640	Lynchburg, VA Bedford, VA	0.8713	
	Washington, TN Bristol City, VA Scott, VA		3980	Calcasieu, LA Lakeland-Winter Haven, FL.	0.9403	46406	Bedford City, VA Lynchburg, VA Amherst, VA	0.8964	
3680	Washington, VA Johnstown, PA	0.9463	4000	Polk, FL Lancaster, PA	1.0234	4680	Campbell, VA Lynchburg City, VA Macon, GA	0.9874	
3700	Cambria, PA Somerset, PA Jonesboro, AR	0.8000	4040	Lancaster, PA Lansing-East Lansing, MI.	1.0707		Bibb, GA Houston, GA		
3710	Craighead, AR Joplin, MO	0.8526		Clinton, MI Eaton, MI		46806	Jones, GA Peach, GA Macon, GA	0.9404	
3720	Jasper, MO Newton, MO Kalamazoo-Battlecreek,	1.0749	4080	Ingham, MI Laredo, TX Webb, TX	0.8187	4720	Twiggs, GA Madison, WI	1.0595	
	MI. Van Buren, MI		4100	Las Cruces, NM Dona Ana, NM	0.8982	4800	Dane, WI Mansfield, OH	0.9218	
37206	Kalamazoo-Battlecreek, Ml. Calhoun, Ml	1.1141	4120 41206	Las Vegas, NV-AZ Mohave, AZ Las Vegas, NV-AZ	1.0512 1.0941	48006	Crawford, OH Mansfield, OH Richland, OH	0.9229	
37207	Kalamazoo-Battlecreek,	1.1724	41207	Nye, NV Las Vegas, NV–AZ	1.1643	4840	Mayaguez, PR Anasco, PR	0.6098	
3740	Kalamazoo, MI Kankakee, IL	0.9227	4150		0.9424		Cabo Rojo, PR Hormigueros, PR Mayaguez, PR		
3760	Kankakee, IL Kansas City, KS–MO Clinton, MO	0.9568	4200	Lawton, OK	0.9547		Sabana Grande, PR San German, PR		
37606	Kansas City, KS-MO Johnson, KS	1.0086	4243	Lewiston-Auburn, ME Androscoggin, ME	0.9855	4880	McAllen-Edinburg-Mission, TX.	0.8764	
	Leavenworth, KS Miami, KS Wyandotte, KS		4280	Lexington, KY Bourbon, KY Clark, KY	0.9194	4890	Hidalgo, TX Medford-Ashland, OR Jackson, OR	1.0662	
37607	Kansas City, KS-MO Cass, MO	1.0130		Fayette, KY Jessamine, KY		4900	Melbourne-Titusville- Palm Bay, FL.	0.9423	
	Clay, MO Jackson, MO Lafayette, MO		42806	Scott, KY Woodford, KY Lexington, KY	0.8699	4920	Brevard, FI Memphis, TN-AR-MS Crittenden, AR	0.9748	
	Platte, MO Ray, MO		4320	Madison, KY Lima, OH	0.8893		DeSoto, MS Shelby, TN		
3800	Kenosha, WI Kenosha, WI	1.0224		Allen, OH Auglaize, OH		49206	Tipton, TN Memphis, TN-AR-MS	0.8784	
3810	Killeen-Temple, TX Bell, TX Corvell, TX	1.0433	4360	Lincoln, NELancaster, NE	0.9465	4940	Fayette, TN Merced, CA	1.1164	
3840	Coryell, TX Knoxville, TN Anderson, TN	0.9366	4400	Little Rock-North Little Rock, AR. Faulkner, AR	0.9476	5000	Merced, CA Miami, FL Dade, FL	1.0888	
	Blount, TN Knox, TN			Lonoke, AR Pulaski, AR		5015	Middlesex-Somerset- Hunterdon, NJ.	1.1426	
38406	Sevier, TN Union, TN Knoxville, TN	0.8953	4420	Saline, AR Longview-Marshall, TX Upshur, TX	0.8843		Hunterdon, NJ Middlesex, NJ Somerset, NJ		

	TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued			TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued			TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued		
MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	
5080	Milwaukee-Waukesha,	1.0522		Jefferson, LA		5910	Olympia, WA Thurston, WA	1.1295	
E420	WI. Milwaukee, WI Ozaukee, WI Washington, WI Waukesha, WI	4.0205	FFCOC	Orleans, LA St. Bernard, LA St. Charles, LA St. John The Baptist, LA St. Tammany, LA New Orleans, LA	0.0500	5920	Omaha, NE-IA Pottawattamie, IA Douglas, NE Sarpy, NE	0.9694	
5120	Minneapolis-St. Paul, MN–WI. Pierce, WI	1.0385	55606	Plaquemines, LA St. James, LA	0.9590	59206	Washington, NE Omaha, NE-IA Cass, NE	0.9364	
51206	Minneapolis-St. Paul, MN–WI.	1.1072	5600	New York, NY Bronx, NY	1.4545	5945	Orange County, CA Orange, CA	1.2439	
	Anoka, MN Carver, MN Chisago, MN Dakota, MN			Kings, NY New York, NY Putnam, NY Queens, NY		5960	Orlando, FL Orange, FL Osceola, FL Seminole, FL	1.0096	
	Hennepin, MN Isanti, MN			Richmond, NY Rockland, NY		59606	Orlando, FLLake, FL	0.9599	
	Ramsey, MN Scott, MN		5640	Westchester, NY Newark, NJ	1.2297	5990	Owensboro, KY Daviess, KY	0.8510	
	Washington, MN Wright, MN			Essex, NJ Morris, NJ		6015 6020	Panama City, FLBay, FL Parkersburg-Marietta,	0.9333 0.9357	
51207	St. Croix, WI Minneapolis-St. Paul, MN–WI.	1.0561	5640	Sussex, NJ Union, NJ Newark, NJ	1.2028	6020	WV-OH. Washington, OH	0.9357	
5160	Sherburne, MN Mobile, AL Baldwin, AL	0.9154	5660	Warren, NJ Newburgh, NY-PA Pike, PA	1.1476	6080	Wood, WV Pensacola, FL Escambia, FL	0.9345	
5170	Mobile, AL Modesto, CA	1.1297	56606	Newburgh, NY-PA Orange, NY	1.1382	6120	Santa Rosa, FL Peoria-Pekin, IL	0.9883	
5190	Stanislaus, CA Monmouth-Ocean, NJ	1.1070	5720	Norfolk-Virginia Beach- Newport News, VA-	0.9215		Peoria, IL Tazewell, IL		
5200	Monmouth, NJ Ocean, NJ Monroe, LA	0.9202		NC. Chesapeake City, VA Gloucester, VA		6160	Woodford, IL Philadelphia, PA-NJ Burlington, NJ	1.2042	
5240	Ouachita, LA Montgomery, AL Autauga, AL Elmore, AL Montgomery, AL	0.8745		Hampton City, VA James City, VA Newport News City, VA Norfolk City, VA Poquoson City, VA			Camden, NJ Gloucester, NJ Bucks, PA Chester, PA Delaware, PA		
5280	Muncie, IN Delaware, IN	0.9813		Portsmouth City, VA Suffolk City, VA			Montgomery, PA Philadelphia, PA		
5330	Myrtle Beach, SC Horry, SC	0.8453		Virginia Beach City, VA Williamsburg City, VA		61606	Philadelphia, PA-NJ Salem, NJ	1.1740	
5345	Naples, FL Collier, FL	1.0096	57206	York, VA Norfolk-Virginia Beach-	0.8774	6200	Phoenix-Mesa, AZ Pinal, AZ	0.9824	
5360	Nashville, TN Cheatham, TN	1.0693		Newport News, VA-		62006	Phoenix-Mesa, AZ Maricopa, AZ	1.0583	
	Davidson, TN Dickson, TN Robertson, TN		57207	Isle of Wight, VA Mathews, VA Norfolk-Virginia Beach-	0.8769	6240 6280	Pine Bluff, AR Jefferson, AR Pittsburgh, PA	0.8521 1.0758	
	Rutherford, TN Sumner, TN Williamson, TN		37207	Newport News, VA– NC. Currituck, NC	0.0709	0200	Allegheny, PA Fayette, PA Washington, PA	1.0730	
5380	Wilson, TN Nassau-Suffolk, NY	1.3852	5775	Oakland, CA Alameda, CA	1.4914	62806	Westmoreland, PA Pittsburgh, PA	1.0575	
F400	Nassau, NY Suffolk, NY	4 0044	5790	Contra Costa, CA Ocala, FL	0.9825	62807	Beaver, PA Pittsburgh, PA	1.0389	
5483	New Haven-Bridgeport- Stamford-Waterbury- Danbury, CT.	1.2841	5800	Marion, FL Odessa-Midland, TX Midland, TX	0.9804	6323	Butler, PA Pittsfield, MA Berkshire, MA	1.1071	
54836	Fairfield, CT New Haven-Bridgeport-	1.2525	58006	Odessa-Midland, TX Ector, TX	0.9453	6340	Pocatello, IDBannock, ID	0.9829	
	Stamford-Waterbury- Danbury, CT. New Haven, CT		5880	Oklahoma City, OK Canadian, OK Cleveland, OK	0.9606	6360	Ponce, PR Guayanilla, PR Juana Diaz, PR	0.6185	
5523	New London-Norwich, CT.	1.2525		Logan, OK McClain, OK			Penuelas, PR Ponce, PR		
5560	New London, CT New Orleans, LA	1.0220		Oklahoma, OK Pottawatomie, OK			Villalba, PR Yauco, PR		

	TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued			TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued			Table A.—Hospice Wage Index for Urban Areas—Continued			
MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹		
6403	Portland, ME Cumberland, ME Sagadahoc, ME	1.0085	6780	Riverside-San Bernardino, CA. Riverside, CA	1.1990	7240	Tom Green, TX San Antonio, TX Wilson, TX	0.8764		
6440	York, ME Portland-Vancouver, OR-WA. Columbia, OR	1.1251	6800	San Bernardino, CA Roanoke, VA Botetourt, VA Roanoke, VA	0.9358	72406	San Antonio, TXBexar, TX Comal, TX Guadalupe, TX	0.9599		
64406	Portland-Vancouver, OR–WA.	1.1820		Roanoke City, VA Salem City, VA		7320	San Diego, CA	1.2658		
	Clackamas, OR Multnomah, OR		6820	Rochester, MN	1.0905	7360	San Francisco, CA Marin, CA	1.4769		
	Washington, OR Yamhill, OR		6840	Rochester, NY	1.0266		San Francisco, CA San Mateo, CA			
64407	Portland-Vancouver, OR–WA.	1.1693		Monroe, NY Ontario, NY		7400	San Jose, CA Santa Clara, CA	1.4519		
6483	Clark, WA Providence-Warwick-	1.1119		Orleans, NY Wayne, NY		7440	San Juan-Bayamon, PR Aguas Buenas, PR	0.6207		
	Pawtucket, RI. Bristol, RI		68406	Rochester, NY Genesee, NY	0.9686		Barceloneta, PR Bayamon, PR			
	Kent, RI Newport, RI		6880	Rockford, IL	0.9365		Canovanas, PR Carolina, PR			
	Providence, RI Washington, RI		68806	Rockford, IL Boone, IL	0.9976		Catano, PR Ceiba, PR			
6520	Provo-Orem, UTUtah, UT	1.0332	6895	Winnebago, IL Rocky Mount, NC	0.9266		Comerio, PR Corozal, PR			
6560	Pueblo, CO	0.9943	0000	Edgecombe, NC Nash, NC	4 0 4 0 0		Dorado, PR Fajardo, PR			
6580 6600	Punta Gorda, FL Charlotte, FL	0.9209	6920	Sacramento, CA El Dorado, CA Placer, CA	1.2499		Florida, PR Guaynabo, PR Humacao, PR			
6640	Racine, WI Racine, WI Raleigh-Durham-Chapel	0.9727	6960	Sacramento, CA Saginaw-Bay City-Mid-	1.0493		Juncos, PR Los Piedras, PR			
0040	Hill, NC. Chatham, NC	0.9017	0900	land, MI. Bay, MI	1.0493		Loiza, PR Luguillo, PR			
66406	Johnston, NC Raleigh-Durham-Chapel	1.0388		Midland, MI Saginaw, MI			Manati, PR Morovis, PR			
	Hill, NC. Durham, NC		6980	St. Cloud, MN Benton, MN	0.9731		Naguabo, PR Naranjito, PR			
	Franklin, NC Orange, NC		7000	Stearns, MN St. Joseph, MO	0.8732		Rio Grande, PR San Juan, PR			
6660	Wake, NC Rapid City, SD	0.8614	70006	Andrew, MO St. Joseph, MO	0.9283		Toa Alta, PR Toa Baja, PR			
6680	Pennington, SD Reading, PA	1.0228	7040	Buchanan, MO St. Louis, MO-IL	0.9265		Trujillo Alto, PR Vega Alta, PR			
6690	Berks, PA Redding, CA	1.1905	70.400	Lincoln, MO Warren, MO	0.0745	7.400	Vega Baja, PR Yabucoa, PR	4.4400		
6720	Shasta, CA Reno, NV	1.2044	70406	St. Louis, MO-IL	0.9715	7460	San Luis Obispo- Atascadero-Paso	1.1462		
6740	Washoe, NV Richland-Kennewick-	1.0462	70407	Madison, IL St. Louis, MO-IL Clinton, IL	0.9760	7400	Robles, CA. San Luis Obispo, CA	1 1226		
	Pasco, WA. Benton, WA Franklin, WA		70408	St. Clair, IL St. Louis, MO–IL	1.0109	7480	Santa Barbara-Santa Maria-Lompoc, CA. Santa Barbara, CA	1.1336		
6760	Richmond-Petersburg, VA.	0.9479	70400	Franklin, MO Jefferson, MO	1.0109	7485	Santa Cruz-Watsonville, CA.	1.3871		
	Charles City County, VA Chesterfield, VA			Monore, IL St. Charles, MO		7490	Santa Cruz, CA Santa Fe, NM	1.0451		
	Colonial Heights City, VA		7080	St. Louis City, MO Salem, OR	1.0651		Los Alamos, NM Santa Fe, NM			
	Dinwiddie, VA Goochland, VA			Marion, OR Polk, OR		7500	Santa Rosa, CA Sonoma, CA	1.3069		
	Hanover, VA Henrico, VA		7120	Salinas, CA Monterey, CA	1.4579	7510	Sarasota-Bradenton, FL Sarasota, FL	1.0255		
	Hopewell City, VA New Kent, VA		7160	Salt Lake City-Ogden, UT.	1.0251	75106	Sarasota-Bradenton, FL Manatee, FL	1.0017		
	Petersburg City, VA Powhatan, VA			Davis, UT Salt Lake, UT		7520	Savannah, GA Bryan, GA	0.8993		
	Prince George, VA Richmond City, VA		7200	Weber, UT San Angelo, TX	0.8669	75206	Savannah, GA Chatham, GA	0.9349		

TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued			TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued			TABLE A.—HOSPICE WAGE INDEX FOR URBAN AREAS—Continued		
MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹	MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹
7560	Effingham, GA Scranton—Wilkes- Barre—Hazleton, PA. Columbia, PA Lackawanna, PA Luzerne, PA	0.9364	8280	Gadsden, FL Leon, FL Tampa-St. Petersburg- Clearwater, FL. Hernando, FL Hillsborough, FL	0.9834	88406	Loudoun, VA Manassas City, VA Manassas Park City, VA Prince William, VA Stafford, VA Washington, DC-MD-	1.0725
7600	Wyoming, PA Seattle-Bellevue-Everett, WA.	1.1225	8320	Pasco, FL Pinellas, FL Terre Haute, IN	0.9016	00400	VA-WV. Berkeley, WV	1.0725
76006	Island, WA Seattle-Bellevue-Everett, WA.	1.1708	83206	Vermillion, IN Terre Haute, IN Clay, IN	0.9106	88407	Jefferson, WV Washington, DC–MD– VA–WV.	1.0494
7610 7620	King, WA Snohomish, WA Sharon, PA Mercer, PA Sheboygan, WI	0.9498 0.9000	8360	Vigo, IN Texarkana, AR-Tex- arkana, TX. Miller, AR Bowie, TX	0.9919		Clarke, VA Culpeper, VA Fauquier, VA Fredericksburg City, VA King George, VA	
7640	Sheboygan, WI Sherman-Denison, TX	0.9075	8400	Toledo, OH	1.1202		Spotsylvania, VA Warren, VA	
7680	Grayson, TX Shreveport-Bossier City,	0.9461		Lucas, OH Wood, OH		8920	Waterloo-Cedar Falls, IA Black Hawk, IA	0.9203
70000	LA. Webster, LA	4 0000	8440	Topeka, KSShawnee, KS	1.0468	8940	Wausau, WI	1.0607
76806	Shreveport-Bossier City, LA.	1.0263	8480	Trenton, NJ	1.0866	8960	West Palm Beach-Boca Raton, FL.	1.0658
7720	Bossier, LA Caddo, LA Sioux City, IA–NE Woodbury, IA Dakota, NE	0.9205	8520 8560	Tucson, AZ Pima, AZ Tulsa, OK Creek, OK Osage, OK	0.9950	9000	Palm Beach, FL Wheeling, WV-OH Belmont, OH Marshall, WV	0.9314
7760	Sioux Falls, SD Lincoln, SD	0.8870		Rogers, OK Tulsa, OK		9040	Ohio, WV Wichita, KS	0.9399
77606	Sioux Falls, SD Minnehaha, SD	0.9375	8600	Wagoner, OK Tuscaloosa, AL	0.9266		Harvey, KS	
7800	South Bend, INSt. Joseph, IN	1.0021	8640	Tuscaloosa, AL Tyler, TX	1.0174	90406	Wichita, KS	1.0473
7840	Spokane, WA Spokane, WA	1.1221	8680	Smith, TX Utica-Rome, NY	0.9124	9080	Sedgwick, KS Wichita Falls, TX	0.8169
7880	Springfield, IL Menard, IL	1.0062		Herkimer, NY Oneida, NY		90806	Archer, TX Wichita Falls, TX Wichita, TX	0.8376
7920	Sangamon, IL Springfield, MO	0.8469	8720	Vallejo-Fairfield-Napa, CA.	1.4234	9140	Williamsport, PA Lycoming, PA	0.9544
79206	Webster, MO Springfield, MO Christian, MO	0.8901	8735	Napa, CA Solano, CA Ventura, CA	1.1819	9160	Wilmington-Newark, DE-MD.	1.1851
8003	Greene, MO Springfield, MA	1.0923	8750	Ventura, CA Victoria, TX	0.8925	0000	New Castle, DE Cecil, MD	0.0474
8050	Hampden, MA Hampshire, MA State College, PA	1.0411	8760	Victoria, TX Vineland-Millville-Bridge- ton, NJ.	1.0368	9200	Wilmington, NCBrunswick, NC Wilmington, NC	0.9471
8080	Centre, PA Steubenville-Weirton,	0.9438	8780	Cumberland, NJ Visalia-Tulare-Porter-	1.0922	92006 9260	New Hanover, NC	
0000	OH–WV. Jefferson, OH	0.0100	0,00	ville, CA. Tulare, CA	1.0022		Yakima, WAYakima, WA	1.0634
	Brooke, WV Hancock, WV		8800	Waco, TX McLennan, TX	0.8276	9270	Yolo, CA	1.1961
8120	Stockton-Lodi, CA San Joaquin, CA	1.2084	8840	Washington, DC-MD- VA-WV.	1.1581	9280	York, PA	1.0165
8140	Sumter, SC	0.8348		District of Columbia, DC Calvert, MD		9320	Youngstown-Warren, OH.	1.0124
8160	Syracuse, NY Cayuga, NY	0.9644		Charles, MD Frederick, MD		93206	Columbiana, OH Youngstown-Warren,	1.0785
81606	Syracuse, NY Madison, NY Onondaga, NY	1.1682		Montgomery, MD Prince Georges, MD Alexandria City, VA			OH. Mahoning, OH Trumbull, OH	
8200	Oswego, NY Tacoma, WA	1.1330		Arlington, VA Fairfax, VA		9340	Yuba City, CA Sutter, CA	1.0981
8240	Pierce, WA Tallahassee, FL	0.9401		Fairfax City, VA Falls Church City, VA		9360	Yuba, CA Yuma, AZ	0.9912

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

MSA code number	Urban area (constituent counties or county equivalents)	Wage index ¹
	Yuma, AZ	

¹Wage index values are based on FY 1997 hospital cost report data prior to reclassification. This wage index is further adjusted. Wage index values greater than 0.8 are subject to a budget neutrality adjustment of 1.04662. Wage index values below 0.8 are adjusted to be the greater of a 15 percent increase, subject to a maximum wage index value of 0.8, or an adjustment by multiplying the hospital wage index value for a given area by the budget neutrality adjustment. All of these adjustments have been completed by HCFA and are built into the wage index values reflected in this table.

TABLE B.—WAGE INDEX FOR RURAL AREAS

MSA code number	Nonurban area	Wage index ²
9901	Alabama	0.8000
99016 9902 9903	Walker, AL Alaska Arizona	0.8682 1.3387 0.8696
9904 9905	Arkansas	0.8000 1.0488
9906 9907	Colorado Connecticut	0.8575
	Windham, CT Delaware	1.2283
9908 9910	Sussex, DE Florida Florida	0.9372 0.9209
99106 9911	Bradford, FL Georgia	0.9554 0.8381
99116	Georgia Butts, GA	0.8700
99117 9912	Georgia Jackson, GA Hawaii	0.8491 1.1244
9913 9914	IdahoIllinois	0.8877 0.8363
9915 9916	Indianalowalowalowa	0.8700 0.8058
99166 9917 9918	Bremer, IA Kansas	0.8367 0.8045 0.8267
9918 99186	Kentucky Kentucky Shelby, KY	0.8267
9919 9920 9921 9922	Louisiana	0.8119 0.8934 0.9262 1.0866
9923 9924 9925	Michigan Minnesota Mississippi	0.9531 0.8703 0.7972
9926 9927 9928 9929 9930	Missouri	0.8099 0.8828 0.8000 0.9770 1.0380
9931 9932 9933	New Yerk New York	0.8873 0.8902

TABLE B.—WAGE INDEX FOR RURAL AREAS—Continued

MSA code number	Nonurban area	Wage index 2
	New York	
99336	Greene, NY	0.8975
9934	North Carolina	0.8504
9935	North Dakota	0.8109
9936	Ohio	0.9075
	Ohio	
99366	Union, OH	0.9521
9937	Oklahoma	0.8197
9938	Oregon	1.0296
9939	Pennsylvania	0.9479
	Pennsylvania	
99396	Monroe, PA	0.9281
	Pennsylvania	
99397	Adams, PA	0.9471
9940	Puerto Rico	0.5905
9941	Rhode Island 1	
9942	South Carolina	0.8348
9943	South Dakota	0.8000
9944	Tennessee	0.8000
99446	Tennessee.	
	Sequatchie, TN	0.8557
99447	Tennessee	0.8395
	Grainger, TN	
	_ Jefferson, TN	
9945	Texas	0.8041
9946	Utah	0.9110
9947	Vermont	0.9560
9949	Virginia	0.8402
9950	Washington	1.0445
9951	West Virginia	0.8742
9952	Wisconsin	0.8807
9953	Wyoming	0.9091
¹ All coi	unties within the State are	classified

¹ All counties within the State are classified as urban.

²Wage index values are based on FY 1997 hospital cost report data prior to reclassification. This wage index is further adjusted. Wage index values greater than 0.8 are subject to a budget neutrality adjustment of 1.04662. Wage index values below 0.8 are adjusted to be the greater of a 15 percent increase, subject to a maximum wage index value of 0.8, or an adjustment by multiplying the hospital wage index value for a given area by the budget neutrality adjustment. All of these adjustments have been completed by HCFA and are built into the wage index values reflected in this table.

II. Regulatory Impact Statement

A. Background

We have examined the impacts of this notice as required by Executive Order 12866, the Unfunded Mandate Reform Act, and the Regulatory Flexibility Act (RFA) (Public Law 96-354). In this notice, we identified an impact on hospices as a result of changes in the way we compute the hospice wage index. The change in the methodology for computing the wage index was determined through a negotiated rulemaking committee and implemented in the August 8, 1997 final rule (62 FR 42860). This notice only described the effects of those changes in conjunction with the annual update to

the hospice wage index. Also, we believe these changes to be insignificant.

1. Executive Order 12866 and RFA

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects; distributive impacts; and equity). We have determined that this notice is not an economically significant rule under this Executive Order. The RFA requires agencies to analyze options for regulatory relief for small businesses. For purposes of the RFA. States and individuals are not considered small entities. However. most providers, physicians, and health care suppliers are small entities, either by nonprofit status or by having revenues of \$5 million or less annually. Approximately 74 percent of Medicare certified hospices are identified as being voluntary, government, or other agency, and therefore are considered small entities. Because the National Hospice Organization estimates that approximately 65 percent of hospice patients are Medicare beneficiaries, we have not considered other sources of revenue in this analysis.

As discussed below, payments to urban hospices in Puerto Rico will experience the most significant decrease (11.6 percent) in payments under this wage index. Looking at the effects of this rule on Puerto Rico, we see that 21 of the 29 hospices in urban Puerto Rico can be considered small entities that will experience an 11.6 percent decrease in Medicare payments. Therefore, we anticipate this rule will have a significant impact on a substantial number of small entities. However, the methodology for the hospice wage index was previously determined by consensus through a negotiated rulemaking committee that included representatives of national hospice associations; rural, urban, large and small hospices; multi-site hospices; and consumer groups. Based on all of the options considered, the committee determined that the methodology described in the committee statement, and adopted into regulation on August 8, 1997 (62 FR 42860), were favorable for the hospice community as a whole, as well as for the beneficiaries that they serve. Therefore, we believe that mitigating the effects of small entities has been taken into consideration.

2. Congressional Review

Section 804(2) of Title 5, United States Code (as added by section 251 of Public Law 104–121), specifies that a "major rule" is any rule that the Office of Management and Budget finds is likely to result in—

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

We estimate that the impact of this notice will not be \$100 million or more; therefore, this rule is not a major rule as defined in Title 5, United States Code, section 804(2) and is not being forwarded to Congress for a 60-day review period.

3. Unfunded Mandate

The Unfunded Mandate Reform Act of 1995 also requires (in section 202) that agencies prepare an assessment of anticipated costs and benefits for any rule that may result in an annual expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more. The notice has no consequential effect on State, local, or tribal governments. We believe the private sector costs of this rule fall below the threshold, as well.

4. Rural Hospital Impact

Section 1102(b) of the Act requires us to prepare a regulatory impact analysis for any notice that may have a significant impact on the operations of a substantial number of small rural hospitals. Such an analysis must conform to the provisions of section 604 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside a Metropolitan Statistical Area and has fewer than 50 beds.

Because this notice has no direct impact on small hospitals, in

accordance with 5 U.S.C. 604, the Secretary certifies that this notice will not have a significant impact on the operations of a substantial number of small rural hospitals.

B. Anticipated Effects

In accordance with the Balanced Budget Act of 1997 (BBA of 1997), hospices are now paid for home care services based on where the service is rendered. This change was effective with FY 1998 and was implemented on October 1, 1997. This impact analysis compares hospice payments under the FY 1998 wage index (Column 4 of the table) to the second transition year blend (Column 5). The wage index blend for the second transition year of the 3-year transition is one-third of the 1983 wage index added to two-thirds of the new wage index. The data used in developing the quantitative analysis for this notice were obtained from the December 1997 update of the national claims history file of all bills submitted during fiscal year 1997. We deleted bills from hospices that have since closed.

Table C demonstrates the results of our analysis. In Column 2 of the table we indicate the number of routine home care days that were included in our analysis, although the analysis was performed on all types of hospice care. Column 3 of Table C (below) indicates payments that were made using the FY 1998 wage index. Column 5 of Table C is based on FY 1998 claims and estimates payments to be made to hospices using the FY 1999 wage index. For the purposes of this analysis, the payments reflected in Column 3 were adjusted to account for the site of service provision. This adjustment is shown in Column 4 of Table C.

The final column, which compares Columns 4 and 5, shows the percent change in estimated hospice payments made based on the category of the hospice. The overall percentage change in hospice payments is 0.2 percent. However, the wage index itself is budget neutral to what would have been paid using the 1983 wage index. The 0.2 percent is attributable to the site of service provision, i.e., the effect on payments resulting from the distribution of beneficiaries residing in MSAs with different wage index values than the hospice.

Table C categorizes hospices by various geographic and provider characteristics. The top row of the table demonstrates the neutral overall payment impact on 2,133 hospices included in the analysis. The next two rows of the table categorize hospices according to their geographic location (urban and rural). There are 1,385 hospices located in urban areas included in our analysis and 748 hospices located in rural areas. The next two groupings in the table indicate the number of hospices by census region, also broken down by urban and rural hospices. The next grouping shows the impact on hospices based on the size of the hospice's program. We determined that the majority of hospice payments are made at the routine home care rate. Therefore, we based the size of each individual hospice's program on the number of routine home care days provided in 1997. The next grouping shows the impact on hospices by type of ownership. The final grouping shows the impact on hospices defined by whether they are provider-based or freestanding.

The results of our analysis show that the greatest increases are for urban and rural hospices in the New England region, 4.5 percent and 2.8 percent respectively, and for rural hospices in the Pacific regions, with 3.8 percent. The greatest decreases, besides Puerto Rico, are the rural West North Central and rural West South Central regions with 3.1 percent and 4.0 percent respectively. The most dramatic shift occurs in Puerto Rico, where urban payments decrease by 11.6 percent and rural payments decrease by 12.3 percent. Since the wage index values for the Puerto Rico region are more than 15 percent below the 1983 wage index value of 0.8, this region is most affected by the revision to the wage index floor.

Small hospice programs show small decreases while larger programs show slight increases. Proprietary hospices show slight decreases in payment due to the wage index change while voluntary programs gain slightly. Finally, freestanding hospices show no percent change in their wage index values while provider-based hospice programs show small increases.

TABLE C.—IMPACT OF HOSPICE WAGE INDEX CHANGE

	Number of hospices	Number of routine home care days in thousands	Payments using FY '98 wage index in thousands	Estimated payments using FY '98 wage index w/ SOS* in thousands	Estimated payments using FY '99 wage index w/ SOS* in thousands	Percent change in hospice payments**
	(1)	(2)	(3)	(4)	(5)	(6)
All	2,133	19,944	2,211,336	2,195,009	2,200,107	0.2
	1,385	16,148	11,868,369	1,849,873	1,855,939	0.3
	748	3,795	342,967	345,136	344,168	-0.3
New England	102	568	72,785	72,694	75,979	4.5
	176	1,849	226,264	225,095	228,443	1.5
South Atlantic East North Central	182	3,825	445,473	443,033	445,646	0.6
	224	2,599	300,801	297,570	296,812	-0.3
East South Central	89	770	83,503	81,985	81,082	-1.1
	99	937	96.630	94,617	94,224	-0.4
West South Central	197	2,373	249,586	243,893	240,371	-1.4
	88	887	114,857	113,848	113.010	-0.7
Pacific	199	2,145	263,250	261,968	266,963	1.9
Puerto Rico	29	194	15,221	15,169	13,410	_ 11.6
New England Middle Atlantic	21 34	63 261	6,341 25,759	6,358 25,838	6,536 25,384	2.8 -1.8
South Atlantic East North Central	115	549	49,985	50,658	50,932	0.5
	121	442	40,906	41,264	41,511	0.6
East South Central West North Central	76	1,452	124,526	124,784	125,167	0.3
	164	399	36,089	36,241	35,127	-3.1
West South Central	82	255	22,474	22,926	21,999	-4.0
	80	175	16.739	16,806	16.831	0.1
Pacific	52	185	19,122	19,229	19,773	2.8
Puerto Rico	3	13	1,028	1,034	907	-12.3
0–1,752 Days	533	417	48,237	48,051	47,757	-0.6
1,753–4,225 Days	533	1,524	152,653	151,925	151,578	-0.2
4,226–9,422 Days	533	3,420	352,974	351,698	352,436	0.2
9,422+ Days	534	14,583	1,657,472	1,643,334	1,648,336	0.3
Type of Ownership: Voluntary	1,373	13,516	1,492,335	1,483,835	1,492,700	0.6
Proprietary	560	5,876	664,169	656,650	653,129	-0.5
Government	172	474	47,067	46,818	46,550	-0.6
Other	28	78	7,766	7,705	7,727	0.3
Hospice Base: Freestanding	793	11,495	1,272,781	1,263,013	1,263,114	0.0
Home Health Agency	788	5,235	581,863	577,857	581,728	0.7
	533	3,123	344,200	341,727	342,789	0.3
Skilled Nursing Facility	19	91	12,492	12,411	12,476	0.5

^{*}The FY 1997 data used to construct the FY 1998 wage index was adjusted to account for the site of service provision that was included in the Balanced Budget Act of 1997.

**Percent change in hospice payments made from 1997, taking into account the site of service change.

Authority: Section 1814(I) of the Social Security Act (42 U.S.C. 1395f(I)(1))

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

Dated: July 7, 1998.

Nancy-Ann Min DeParle,

Administrator, Health Care Financing Administration.

Dated: August 4, 1998.

Donna E. Shalala,

Secretary.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Submission for OMB Review; Comment Request: National Institutes of Health Construction Grants

SUMMARY: Under the provisions of Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, the National Institutes of Health (NIH), Office of the Director (OD), Office of Extramural Research (OER), Office of Policy for Extramural Research Administration (OPERA) has submitted to the Office of Management and Budget (OMB) a

request to review and approve a revision of the information collection listed below. This information was previously published in the Federal Register on June 2, 1998 (63 FR 30005) and allowed 60 days for public comments. No public comments were received. The purpose of this notice is to allow an additional 30 days for public comments. The National Institutes of Health may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.