§ 413.123 Payment for screening mammography performed by hospitals on an outpatient basis.

(a) Basis and scope. This section implements section 1834(c)(1)(C) of the Act and establishes the method for determining Medicare payment for screening mammographies performed by hospitals.

(b) Payment to hospitals for outpatient services. Payment to hospitals for screening mammography services performed on an outpatient basis is determined in accordance with the technical component billing requirements in §405.534(d) of this chapter.

§ 413.124 Reduction to hospital outpatient operating costs.

(a) Except for sole community hospitals, as defined in §412.92 of this chapter, and critical access hospitals, the reasonable costs of outpatient hospital services (other than capital-related costs of these services) are reduced by 5.8 percent for services furnished during portions of cost reporting periods occurring on or after October 1, 1990 and until the first date that the prospective payment system under part 419 of this chapter is implemented.

(b) For purposes of determining the blended payment amounts of ambulatory surgical center approved surgical procedures performed in the hospital outpatient setting under §413.118 and hospital outpatient radiology services and other diagnostic procedures under §413.122, the reduction is applicable only to the hospital-specific portion of the blended payment amounts.

§ 413.125 Payment for home health agency services.

(a) For additional rules on the allowability of certain costs incurred by home health agencies, see §§409.46 and 409.49(b) of this chapter.

(b) The reasonable cost of outpatient rehabilitation services furnished by a home health agency to homebound patients who are not entitled to home health benefits may not exceed the amounts payable under the physician fee schedule for comparable services effective January 1, 1999.

Subpart G—Capital-Related Costs

§ 413.130 Introduction to capital-related costs.

(a) General rule. Capital-related costs and an allowance for return on equity are limited to the following:

(1) Net depreciation expense as determined under §§413.134, 413.144, and 413.149, adjusted by gains and losses realized from the disposal of depreciable assets under §413.134(f).

(2) Taxes on land or depreciable assets used for patient care.

(3) Leases and rentals, including license and royalty fees, for the use of depreciable assets or land, as described in paragraph (b) of this section.

(4) The costs of betterments and improvements as described in paragraph (c) of this section.

(5) The costs of minor equipment that are capitalized, rather than expensed, as described in paragraph (d) of this section.

(6) Insurance expense on depreciable assets, as described in paragraph (e) of this section.

(7) Interest expense as determined under §413.153, subject to the qualifications of paragraph (f) of this section.

(8) For certain proprietary providers, return on equity capital, as determined under §413.157.

(9) The capital-related costs of related organizations (as described in §413.17), as determined in accordance with paragraph (g) of this section.

(10) Debt issuance costs, debt discounts, and debt redemption costs, if