amount are adjusted to take into account the change in the order by which they allocate administrative and general costs to interns and residents in approved program cost centers.

(c) Per resident amounts are determined for the base period and updated as described in §413.77. For cost reporting periods beginning on or after January 1, 1986, payment is made based on the methodology described in §413.76.

[69 FR 49254, Aug. 11, 2004]

§ 413.83 Direct GME payments: Adjustment of a hospital’s target amount or prospective payment hospital-specific rate.

(a) Misclassified operating costs—(1) General rule. If a hospital has its base-period GME costs reduced under §413.77(a) of this section because those costs included misclassified operating costs, the hospital may request that the intermediary review the classification of the affected costs in its rate-of-increase ceiling or prospective payment base year for purposes of adjusting the hospital’s target amount or hospital-specific rate. For those cost reports that are not subject to reopening under §405.1885 of this chapter, the hospital’s reopening request must explicitly state that the review is limited to this one issue.

(2) Request for review. The hospital must request review of the classification of its costs no later than 180 days after the date of the intermediary’s notice of the hospital’s base-period average per resident amount. A hospital’s request for review must include sufficient documentation to demonstrate to the intermediary that adjustment of the hospital’s hospital-specific rate or target amount is warranted.

(3) Effect of intermediary’s review. If the intermediary, upon review of the hospital’s costs, determines that the hospital’s hospital-specific rate or target amount should be adjusted, the adjustment of the hospital’s hospital-specific rate or the target amount is effective for the hospital’s cost reporting periods subject to the prospective payment system or the rate-of-increase ceiling that are still subject to reopening under §405.1885 of this chapter.

[69 FR 49254, Aug. 11, 2004]

§ 413.85 Cost of approved nursing and allied health education activities.

(a) Statutory basis. This section implements section 1861(v)(1)(A) of the Act and section 4004(b) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508) by establishing the methodology for Medicare payment of the costs of approved nursing and allied health education activities.