

1995, EPA does not expect significant any economic impact at any level of business enterprise if mevinphos tolerances are revoked on May 31, 1996; especially since all use of mevinphos will have ended 6 months before this date. Accordingly, I certify that this regulatory action does not require a separate regulatory flexibility analysis under the Regulatory Flexibility Act.

**C. Paperwork Reduction Act**

This proposed regulatory action does not contain any information collection requirements subject to review by the Office of Management and Budget under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 et seq. (Sec. 408(m) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346 a(m))).

**List of Subjects in Parts 180 and 185**

Environmental protection, Administrative practice and procedure, Agricultural commodities, Food additives, Pesticides and pests, Reporting and recordkeeping requirements.

Dated: July 25, 1995.

**Losi Rossi,**

*Director, Special Review and Reregistration Division, Office of Pesticide Programs.*

Therefore, it is proposed that 40 CFR parts 180 and 185 be amended to read as follows:

- 1. In Part 180:

**PART 180—AMENDED**

- a. The authority citation for part 180 would continue to read as follows:  
**Authority:** 21 U.S.C. 346a and 371.

**§ 180.157 [Removed]**

- b. Section 180.157 is removed.
- 2. In Part 185:
  - a. The authority citation for part 185 would continue to read as follows:  
**Authority:** 21 U.S.C. 346a and 348.

**§ 185.4200 [Removed]**

- b. Section 185.4200 is removed.

[FR Doc. 95-18874 Filed 8-1-95; 8:45 am]

BILLING CODE 6560-50-F

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Health Care Financing Administration**

**42 CFR Parts 412, 413, 424, 485, and 489**

[BPD-825-CN]

RIN 0938-AG95

**Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 1996 Rates; Correction**

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

**ACTION:** Proposed rule; correction.

**SUMMARY:** In the June 2, 1995, issue of the **Federal Register** (60 FR 29202), we published a proposed rule addressing revisions to the Medicare hospital inpatient prospective payment systems for operating costs and capital-related costs to implement necessary changes arising from our continuing experience with the system.

Additionally, in the addendum to that proposed rule, we described proposed changes in the amounts and factors necessary to determine prospective payment rates for Medicare hospital inpatient services for operating costs and capital-related costs. The changes would be applicable to discharges occurring on or after October 1, 1995. We also set proposed rate-of-increase limits as well as proposing policy changes for hospitals and hospital units excluded from the prospective payment systems. This document corrects errors made in the proposed rule.

**FOR FURTHER INFORMATION CONTACT:** Nancy Edwards (410) 966-4532.

**SUPPLEMENTARY INFORMATION:** In our June 2, 1995, proposed rule (60 FR 29202), we stated that we were including as Appendix C the report to Congress on our initial recommendation on the update factors for prospective payment hospitals and hospitals

excluded from the prospective payment system (60 FR 29258). The report consists of letters to the President of the Senate and the Speaker of the House of Representatives. Subsequently, we discovered that the incorrect report was inadvertently printed in the proposed rule.

In addition to publishing the proper report to Congress, we are making several other corrections to the June 2, 1995 proposed rule.

The proposed rule (FR Doc 95-13183) published June 2, 1995 (60 FR 29202) is corrected as follows:

- 1. On page 29250, beginning at the bottom of the second column, section VIII.B.9 of the preamble is deleted and replaced with the following: 9. PPS Payment Impact File

This file contains data used to estimate FY 1996 payments under Medicare's prospective payment systems for hospitals' operating and capital-related costs. The data are taken from various sources, including the Provider-Specific File, the PPS-IX and PPS-X Minimum Data Sets, and prior impact files. The data set is abstracted from an internal file used for the impact analysis of the changes to the prospective payment system published in the **Federal Register**. This file is available for release one month after publication of the proposed rule in the **Federal Register**, with an updated version available one month after publication of the final rule.

Media: Diskette

File Cost: \$145.00

Periods Available: FY 1996 PPS Update

**§ 412.23 [Corrected]**

- 2. On page 29251, second column, in § 412.23(e)(2)(i), at the end of the fifth line, add the word "or".

- 3. On page 29329, Table 6c—Invalid Diagnosis Codes is corrected and new Table 6d—Invalid Procedure Codes is added to read as follows:

TABLE 6C.—INVALID DIAGNOSIS CODES

Diagnosis code	Description	CC	MDC	DRG
005.8 .....	Other bacterial food poisoning .....	N	6	182, 183, 184.
278.0 .....	Obesity .....	N	10	296, 297, 298.
415.1 .....	Pulmonary embolism and infarction .....	Y	4	78
			15	387, 389.
569.6 .....	Colostomy and enterostomy malfunction .....	Y	6	188, 189, 190.
690 .....	Erythemasquamous dermatosis .....	N	9	283, 284.
787.9 .....	Other symptoms involving digestive system .....	N	6	182, 183, 184.
989.8 .....	Toxic effect of other substances, chiefly nonmedicinal as to source .....	N	21	449, 450, 451.
997.0 .....	Central nervous system complications .....	Y	1	34, 35
			15	387, 389.
997.9 .....	Complications affecting other specified body systems, not elsewhere classified .....	Y	21	452, 453.
V12.5 .....	Personal history of diseases of circulatory system .....	N	23	467.

TABLE 6C.—INVALID DIAGNOSIS CODES—Continued

Diagnosis code	Description	CC	MDC	DRG
V43.8 .....	Organ or tissue replaced by other means, not elsewhere classified .....	N	23	467
V59.0 .....	Blood donor .....	N	23	467.

TABLE 6D.—INVALID PROCEDURE CODES

Procedure code	Description	OR	MDC	DRG
33.5 .....	Lung transplant .....	Y	Pre	495.
39.7 .....	Periarterial sympathectomy .....	Y	5	478, 479.
60.2 .....	Transurethral prostatectomy .....	Y	11	306, 307.
			12	336, 337, 476.

4. On pages 29376 through 29379, appendix C is removed and the following added in its place:

**Appendix C—Report to Congress on the Update Factor for Prospective Payment Hospitals and Hospitals Excluded From the Prospective Payment System**

**The Secretary of Health and Human Services**

Washington, DC 20201

May 26, 1995.

The Honorable Albert Gore, Jr.,  
*President of the Senate, Washington, D.C.*  
20510

Dear Mr. President: Section 1886(e)(3)(B) of the Social Security Act (the Act) requires me to report to Congress the initial estimate of the applicable percentage increase in inpatient hospital payment rates for Fiscal Year (FY) 1996 that I will recommend for hospitals subject to the Medicare prospective payment system (PPS) and for hospitals and unites excluded from PPS. This submission constitutes the required report.

My recommendations are consistent with the provisions of the Omnibus Budget Reconciliation Act (OBRA) of 1993 in which I am required to establish the update for PPS hospitals in both large urban areas and other areas as the market basket rate of increase reduced by 2.0 percentage points. The Office of Management and Budget currently estimates the PPS market basket rate of increase for FY 1996 to be 3.4 percent. Accordingly, we recommend an update for both large urban and other areas of 1.4 percent.

Sole community hospitals (SCHs) are the sole source of care in their area and are afforded special payment protection to maintain access to services for Medicare beneficiaries. SCHs are paid the higher of a hospital-specific rate or the Federal PPS rate. Under our recommendation and OBRA 1993, the update to hospital-specific rates equals the increase for all PPS hospitals; that is, market basket rate of increase of 3.4 percent minus 2.0 percentage points, or 1.4 percent.

Hospitals and distinct part hospital units that are excluded from PPS are paid based on their reasonable costs subject to a limit under the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982. Consistent with current law, we recommend an increase in the

TEFRA limit equal to the rate of increase in the excluded hospital market basket (3.4 percent) minus the applicable reduction for each hospital. The applicable reduction with respect to a hospital is the lesser of 1 percentage point or the percentage point difference between 10 percent and the hospital's update adjustment percentage for the fiscal year. Therefore, the hospital-specific update can vary between 2.4 and 3.4 percent. The weighted average update to the payment limit for PPS excluded hospitals and units equals 2.85 percent.

My recommendation for the updates is based on current projections of relevant data. A final recommendation on the appropriate percentage increases for FY 1996 will be made nearer the beginning of the new Federal fiscal year based on the most current market basket projection available at that time. The final recommendation will incorporate our analysis of the latest estimates of all relevant factors, including recommendations by the Prospective Payment Assessment Commission (ProPAC).

Section 1886(d)(4)(C)(iv) of the Act also requires that I include in my report recommendations with respect to adjustments to the diagnosis-related group (DRG) weighting factors. At this time I do not anticipate recommending any adjustment to the DRG weighting factors for FY 1996.

I am pleased to provide my recommendations to you. I am also sending a copy of this letter to the Speaker of the House of Representatives.

Sincerely,  
Donna E. Shalala.

**The Secretary of Health and Human Services**

Washington, DC 20201

May 26, 1995.

The Honorable Newt Gingrich,  
*Speaker of the House of Representatives,*  
*Washington, D.C. 20515*

Dear Mr. Speaker: Section 1886(e)(3)(B) of the Social Security Act (the Act) requires me to report to Congress the initial estimate of the applicable percentage increase in inpatient hospital payment rates for Fiscal Year (FY) 1996 that I will recommend for hospitals subject to the Medicare prospective payment system (PPS) and for hospitals and unites excluded from PPS. This submission constitutes the required report.

My recommendations are consistent with the provisions of the Omnibus Budget Reconciliation Act (OBRA) of 1993 in which I am required to establish the update for PPS hospitals in both large urban areas and other areas as the market basket rate of increase reduced by 2.0 percentage points. The Office of Management and Budget currently estimates the PPS market basket rate of increase for FY 1996 to be 3.4 percent. Accordingly, we recommend an update for both large urban and other areas of 1.4 percent.

Sole community hospitals (SCHs) are the sole source of care in their area and are afforded special payment protection to maintain access to services for Medicare beneficiaries. SCHs are paid the higher of a hospital-specific rate or the Federal PPS rate. Under our recommendation and OBRA 1993, the update to hospital-specific rates equals the increase for all PPS hospitals; that is, market basket rate of increase of 3.4 percent minus 2.0 percentage points, or 1.4 percent.

Hospitals and distinct part hospital units that are excluded from PPS are paid based on their reasonable costs subject to a limit under the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982. Consistent with current law, we recommend an increase in the TEFRA limit equal to the rate of increase in the excluded hospital market basket (3.4 percent) minus the applicable reduction for each hospital. The applicable reduction with respect to a hospital is the lesser of 1 percentage point or the percentage point difference between 10 percent and the hospital's update adjustment percentage for the fiscal year. Therefore, the hospital-specific update can vary between 2.4 and 3.4 percent. The weighted average update to the payment limit for PPS excluded hospitals and units equals 2.85 percent.

My recommendation for the updates is based on current projections of relevant data. A final recommendation on the appropriate percentage increases for FY 1996 will be made nearer the beginning of the new Federal fiscal year based on the most current market basket projection available at that time. The final recommendation will incorporate our analysis of the latest estimates of all relevant factors, including recommendations by the Prospective Payment Assessment Commission (ProPAC).

Section 1886(d)(4)(C)(iv) of the Act also requires that I include in my report recommendations with respect to adjustments to the diagnosis-related group (DRG) weighting factors. At this time I do not anticipate recommending any adjustment to the DRG weighting factors for FY 1996.

I would be pleased to discuss this recommendation with you. I am also sending a copy of this letter to the President of the Senate.

Sincerely,  
Donna E. Shalala.

5. On page 29380, appendix D, second column, the second full paragraph is removed and the following added in its place:

In its March 1, 1995 report, ProPAC recommended update factors to the standardized amounts equal to the percentage increase in the market basket minus 1.8 percentage points for hospitals in both large urban and other areas. Based on its current market basket rate of increase estimate of 3.4 percent, ProPAC's recommended update to the standardized amounts equals 1.6 percent for hospitals in both large urban and other areas. ProPAC recommended that the update for the hospital-specific rates applicable to sole community hospitals be the same factor as the rate for all other prospective payment hospitals. This recommendation would result in a 1.6 percent update to the hospital-specific rates. The components of ProPAC's update factor recommendations are described in detail in the ProPAC report, which is published as Appendix E to this document. We discuss ProPAC's recommendations concerning the update factors and our responses to these recommendations below.

6. On page 29380, appendix D, section III is corrected up to the *Response* on page 29381, column 1 as follows:

**III. ProPAC Recommendation for Updating the Prospective Payment System Standardized Amounts**

For FY 1996, ProPAC recommends that the standardized amounts be updated by the following factors:

- The projected increase in the HCFA hospital market basket index, currently estimated at 3.5 percent, with an adjustment of -0.1 percentage points to account for the different wage and salary price proxies used for the ProPAC market basket rate of increase.

- A negative adjustment of 1.8 percentage points to correct for substantial error in the FY 1994 market basket forecast;

- A positive adjustment of 0.3 percentage points to reflect the cost-increasing effects of scientific and technological advances;

- A negative adjustment of 0.3 percentage points to encourage hospital productivity improvements; and

- A net adjustment of zero percentage points for case-mix change in FY 1995.

Overall, the net increase employing the above factors is the percentage increase in the hospital market basket minus 1.9 percentage points. Based on HCFA's market basket estimate of 3.5 percent, ProPAC recommends that hospitals in large urban and other areas receive a 1.6 percent update.

7. On page 29383, Table 1—Comparison of FY 1996 Update Recommendations is removed and the following added in its place:

TABLE 1.—COMPARISON OF FY 1996 UPDATE RECOMMENDATIONS

	HHS	ProPAC
Market Basket .....	MB	MB
Difference Between HCFA & ProPAC Market Baskets .....		-0.1
Subtotal .....	MB	MB-0.1
Policy Adjustment Factors Productivity .....	-0.7 to -0.8	-0.3
Intensity .....	0.0	
Science and Technology .....		+0.3
Practice Patterns ..		(1)
Real Within DRG Change .....		(2)
Subtotal .....	-0.7 to -0.8	+0.0
Case Mix Adjustment Factors:		
Projected Case Mix Change .....	-0.8	-1.0
Real Across DRG Change .....	0.8	+0.8
Real Within DRG Change .....	(3)	+0.2
Subtotal .....	0.0	0.0
Effect of 1994 Reclassification and Recalibration .....	-0.3	—
Forecast Error Correction .....	-1.8	-1.8
Total Recommended Update	MB-2.8 to MB-2.9	MB-1.9

(1) Included in ProPAC's Productivity Measure.

(2) Included in ProPAC's Case Mix Adjustment.

(3) Included in HHS's Intensity Factor.

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

Dated: July 21, 1995.

Neil J. Stillman,

Deputy Assistant Secretary for Information Resources Management.

[FR Doc. 95-18770 Filed 8-1-95; 8:45 am]

BILLING CODE 4120-01-P

**DEPARTMENT OF TRANSPORTATION**

**Coast Guard**

**46 CFR Parts 5, 10, 12, and 15**

[CGD 95-062]

**International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as revised by the 1995 Amendments to It**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Notice of public meeting, availability of documents, and request for comments.

**SUMMARY:** The Coast Guard is holding a public meeting to discuss the outcome of the 1994 Conference of Parties to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 (STCW), which adopted comprehensive amendments to the Annex to STCW. The amendments are scheduled to come into force on February 1, 1997, and they may affect virtually all phases of the system used in the United States to train, test, evaluate, document, and license merchant mariners. The meeting will provide an opportunity for the public to comment on the steps that the Coast Guard considers necessary to implement the requirements of STCW as amended under the laws of the United States, including regulations of the Coast Guard.

**DATES:** The meeting will be held August 31, 1995, from 9:30 a.m. to 2:30 p.m. Written comments must be received not later than September 29, 1995.

**ADDRESSES:** The meeting will be held in room 2415, Coast Guard Headquarters, 2100 Second Street SW., Washington, DC 20593-0001. Written comments may be mailed to the Executive Secretary, Marine Safety Council (G-LRA), U.S. Coast Guard, 2100 Second Street SW., Washington DC 20593-0001, or may be delivered to room 3406 at the same address between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays. Comments will become part of this docket [CGD 95-062] and will be available for inspection or copying at