with representatives of tribal governments and a statement supporting the need to issue the regulation. In addition, Executive Order 13084 requires EPA to develop an effective process permitting elected and other representatives of Indian tribal governments to provide meaningful and timely input in the development of regulatory policies on matters that significantly or uniquely affect their communities.

This rule is not subject to E.O. 13084 because it does not significantly or uniquely affect the communities of Indian tribal governments. Wisconsin is not authorized to implement the RCRA hazardous waste program in Indian country. This action has no effect on the hazardous waste program that EPA implements in the Indian country within the State.

Paperwork Reduction Act

Under the Paperwork Reduction Act, 44 U.S.C. 3501 et seq., Federal agencies must consider the paperwork burden imposed by any information request contained in a proposed rule or a final rule. This rule will not impose any information requirements upon the regulated community.

National Technology Transfer and Advancement Act

Section 12(d) of the National Technology Transfer and Advancement Act of 1995 ("NTTAA"), Pub. L. 104-113, section 12(d) (15 U.S.C. 272 note) directs EPA to use voluntary consensus standards in its regulatory activities unless to do so would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., materials specifications, test methods, sampling procedures, and business practices) that are developed or adopted by voluntary consensus standards bodies. The NTTAA directs EPA to provide Congress, through OMB, explanations when the Agency decides not to use available and applicable voluntary consensus standards.

This action does not involve technical standards. Therefore, EPA did not consider the use of any voluntary consensus standards.

List of Subjects in 40 CFR Part 271

Environmental Protection, Administrative practice and procedure, Confidential business information, Hazardous waste, Hazardous waste transportation, Indian lands, Intergovernmental relations, Penalties, Reporting and recordkeeping requirements, Water pollution control, Water supply.

Authority: This document is issued under the authority of sections 2002(a), 3006 and 7004(b) of the Solid Waste Disposal Act as amended 42 U.S.C. 6912(a), 6926, 6974(b).

David A. Ullrich,
Acting Regional Administrator, Region 5.
[FR Doc. 99-19734 Filed 8-4-99; 8:45 am]
BILLING CODE 6560-50-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Health Care Financing Administration
42 CFR Part 413
[HCFA-1883-F]
RIN 0938-AI80

Medicare Program; Revision of the Procedures for Requesting Exceptions to Cost Limits for Skilled Nursing Facilities and Elimination of Reclassifications

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

ACTION: Final rule.

SUMMARY: This final rule revises the procedures for granting exceptions to the cost limits for skilled nursing facilities (SNFs) and retains the current procedures for exceptions to the cost limits for home health agencies (HHAs). It also removes the provision allowing reclassification for all providers.

EFFECTIVE DATE: This final rule is effective September 7, 1999.

FOR FURTHER INFORMATION CONTACT: Steve Raitzyk, (410) 786-4599.

SUPPLEMENTARY INFORMATION:

I. Background

Section 223 of the Social Security Amendments of 1972 (Pub. L. 92-603) amended section 1861(v)(1)(A) of the Social Security Act (the Act) to authorize the Secretary to establish " * * * limits on the direct and indirect overall incurred costs or incurred costs of specific items or services or groups of items or services * * *" as a presumptive estimate of reasonable costs. Under section 1861(v)(1)(A), if a provider's cost exceeds its Medicare cost limit, it is deemed to be unreasonable for the efficient delivery of needed health care services. The Congress, however, in the House Committee report "H.R. Rep. No. 92-231, 92nd Congress, 1st Session 5071 (1971)," stated that providers could obtain relief from the effect of the cost limits based on evidence of the need for an exception.

We published a final rule on June 1, 1979 (44 FR 31802) to implement the legislation. The provisions are presently in 42 CFR 413.30 and concern principles of reasonable cost reimbursement.

Section 413.30 describes the general principles and procedures for establishing cost limits and the process by which providers may appeal the applicability of these cost limits. Under § 413.30(c), a provider may seek relief from the effects of applying cost limits, either by requesting an exemption from its limit as a new provider of inpatient services, by requesting a reclassification of its provider status, or by requesting an exception to the cost limit.

On August 11, 1998, we published a proposed rule concerning procedures for requesting exceptions to cost limits in the Federal Register (63 FR 42797). We proposed to revise the approval process for granting exceptions to the cost limits for skilled nursing facilities (SNFs) and to remove the provision for obtaining a reclassification for all providers. In that proposed rule, we stated the development of cost limits since 1972.

In the proposed rule, we stated that we may find it inappropriate to apply particular limits to a class of providers because of provider class characteristics, the data on which the limits are based, or the method by which the limits are determined (63 FR 42800). We further stated that we may explain our reasoning for exclusion in a notice setting forth the limits for the appropriate cost reporting periods. We explained that estimates of the costs necessary for efficient delivery of health services may be based on cost reports or other data providing indicators of current costs. Current and past period data would be adjusted to arrive at estimated costs for the prospective periods to which limits are being applied.

We described the process of establishing cost limits and the basis on which they were calculated. We also explained that the servicing intermediary would have to notify each SNF or HHA of its cost limit at least 30 days before the appropriate reporting period. Each intermediary cost limit notification would have to contain the following:

- The provider's classification and calculation of the applicable limit.
- A statement that, if the provider believes it has been incorrectly classified, it is the provider's responsibility to furnish to the intermediary evidence that demonstrates the classification is incorrect.
- A statement that the provider may be entitled to an exemption from, or an
II. Provisions of the Proposed Rule

A. Provider Reclassification

In the proposed rule, we noted that under current § 413.30(d), a provider may obtain a reclassification of its provider status if it can show that its classification is at variance with the criteria specified in establishing the limits. We noted that when cost limits were first developed, we manually arrayed the data collected from the providers' cost reports and classified them by type (hospital-based or freestanding) and location (metropolitan area or nonmetropolitan area). We stated there were instances when providers were misclassified. Thus, we allowed providers to file reclassification requests if they could show that the data we used for the classification were incorrect.

We noted that HHAs and SNFs now file specific cost reports, and metropolitan and nonmetropolitan area designations have become linked, through automation, to the county and State where each provider is located. As a result, a SNF or HHA cannot be misclassified. Reclassifications for hospitals, now filed with the Medicare Geographic Review Board, are governed under the provisions of subpart L (The Medicare Geographic Classification Review Board of part 412 (Prospective Payment System for Inpatient Hospital Services). Hospitals no longer apply for reclassifications under § 413.30.

Therefore, we proposed to remove § 413.30(d) to discontinue the use of reclassifications.

B. Exceptions to Cost Limits

In the preamble to the June 1979 final rule (44 FR 31806), we clarified the difference between an exception and an exception. If a provider receives an exception, it is not affected at all by the cost limits and is paid under the standard rules for reasonable costs or customary charges. If a provider receives an exception, it is paid on the basis of the cost limit, plus an incremental sum for the reasonable costs warranted by the circumstances that justified the exception.

Our current regulation at § 413.30(f) (§ 413.30(c) in this final rule) allows a provider that is subject to cost limits to request an exception to the cost limits if its costs exceed, or are expected to exceed, the limits as a result of one of the following unusual situations:

1. Atypical services; extraordinary circumstances; or providers in areas with fluctuating populations; medical and paramedical education costs; and

unusual labor costs. A SNF may request an exception for cost reporting periods occurring before July 1, 1998.

We stated that an adjustment is made only to the extent that the costs are reasonable, attributable to the circumstance specified, separately identified by the provider, and verified by the intermediary. The provider must file a request for an exception to the cost limits no later than 180 days from the date of the intermediary's notice of program pay. The intermediary reviews the request with all supporting documentation. The intermediary also makes and submits to us a recommendation on the provider's request. We make a final determination and respond to the intermediary within 180 days from the date of the intermediary's recommendation. If we do not respond within 180 days, it is considered good cause for the granting of an extension of the time limit to apply for a Provider Reimbursement Review Board review.

In July 1994, we published manual instructions (HCFA Pub. 15–1, Transmittal No. 378) that give SNFs detailed instructions for requesting exceptions to the SNF cost limits. Under this transmittal, in section 2531.1, intermediaries are required to submit their recommendations on a SNF's exception request within 90 days of receipt. We stated that we notify the intermediary of our final determination on the exception within 90 days of the date the request is received. We further stated that our current regulation at § 413.30(c) allows us 180 days to make our final determination.

We explained that after reviewing SNF exception requests submitted by intermediaries under the rules in Transmittal 378, we identified six intermediaries that were profusely adjudicating SNF exceptions within the required time frame. The resulting increase in administrative efficiency has benefited SNFs, fiscal intermediaries, and the Medicare program.

We proposed in the August 1998 rule to revise § 413.30(c) to give all intermediaries the authority to make final determinations on SNF exception requests. We stated that this would result in an increase in administrative efficiency benefiting all SNFs who file SNF exception requests and fiscal intermediaries that process those exception requests.

We also stated our intent to work with the Blue Cross Association to perform additional training for all fiscal intermediaries and to designate a single contact person to handle all inquiries from fiscal intermediaries regarding exception requests.

Under our proposed § 413.30(c), if the intermediary determines that the SNF did not provide adequate documentation from which a proper determination can be made, the intermediary would notify the SNF that the request is denied. The intermediary would also notify the SNF that it has 45 days from the date on the intermediary's denial letter to submit a new exception request with the complete documentation, that we continue to allow the SNF to request a review by the Provider Reimbursement Review Board (PRRB), and that the time we need to review the request (through the intermediary) is considered good cause for extending the time limit for a PRRB review. Otherwise, the denial is our final determination.

We stated, in accordance with section 4432 of the Balanced Budget Act of 1997 (Pub. L. 105–33), that effective with cost reporting periods beginning on or after July 1, 1998, there will be a 3-year transition period to the prospective payment system. During the transition period, SNFs will be paid a blended payment that is based partially on a facility-specific rate and a prospective payment rate. The base period for the facility-specific rate is cost reporting periods beginning during the period October 1, 1994 through September 30, 1995. Exceptions for SNFs will no longer be available for cost reporting periods beginning on or after July 1, 1998.

The procedures for HHA exception requests would remain unchanged and are set forth in this final rule at § 413.30(c)(1). We note that we will not make exception payments to an HHA that is subject to the per-beneficiary limit described in a final rule with comment period that we published on March 31, 1998 (63 FR 15718).

C. Technical Changes

We proposed to remove paragraph (h) of § 413.30, pertaining to hospital cost report adjustments, because it is obsolete, and we also proposed to make minor editorial changes to other portions of § 413.30.

III. Analysis of and Responses to Comments

We received comments on the proposed rule from an organization representing nursing homes and from a consulting company. The comments and our responses to those comments are as follows:

Comment: The commenter expressed concerns that fiscal intermediaries have a mounting workload due to the implementation of the SNF prospective payment system, and that this
regulation will create additional workload responsibilities for fiscal intermediaries.

Response: Fiscal intermediaries have been processing SNF exception requests since July 1994, under Transmittal No. 378 of HCFA Pub. 15-1. An intermediary processes an exception within 90 days of receipt from the SNF and sends its response to our staff who also makes a final determination within 90 days. This final regulation allows an intermediary to implement its regulations without having to submit it to us for a final determination. Not only is there no additional workload required of an intermediary, this regulation will actually reduce the intermediary’s workload by not having to submit the exception to us and wait for our response. We have designated Joseph Menning as the contact person available to assist the intermediaries with any questions or problems and we will monitor the performance of the intermediaries. He may be reached by telephone (410) 786-4394, or by e-mail at jmenning@hcfa.gov, or by mail at: HCFA, 7500 Security Boulevard, Room C5-06-05, Baltimore, MD 21244.

Comment: One commenter requested that we establish a separate arbitration board to hear SNF claims relating to disagreements about exception decisions made by a fiscal intermediary.

Response: If errors in either computations or the application of exception methodologies are detected by the SNF, the SNF should notify the fiscal intermediary and the intermediary will review the SNF’s claim. If there is still a disagreement, the SNF can ask that its intermediary contact the HCFA-designated exceptions contact person in an effort to resolve the disagreement between the SNF and the intermediary. If the SNF still disagrees with the intermediary’s determination, it can request a review by the PRRB.

Comment: A commenter claimed that there are inconsistencies in the methodology and calculation of SNF exceptions among intermediaries and that some intermediaries consistently miss responding to a SNF’s exception request within the required 90-day timeframe.

Response: We have trained all intermediaries to follow the instructions in Transmittal No. 378 of HCFA Pub. 15-1. We are not aware of any inconsistent applications of exceptions policies among intermediaries. We monitor the performance of intermediaries on various pay issues, including exceptions, under the Contractor Performance Evaluation Program (CPEP). Also, if the intermediary misses the 90-day timeframe to respond to a SNF’s exception request, this failure to respond is considered good cause for an extension of the time limit for the SNF to apply for a review by the PRRB.

Comment: One commenter expressed the view that many intermediaries know very little about SNF operations or regulatory compliance issues and this makes it difficult for them to make a proper decision on exceptions issues such as the “low occupancy” adjustment.

Response: All intermediaries employ personnel who deal with operational and regulatory compliance issues. We know of no intermediaries that have had problems in this area. If a fiscal intermediary or SNF encounters a problem concerning any exceptions policy, including operational and regulatory compliance issues, it may contact the HCFA-designated contact person for assistance. Also, a SNF that encounters a problem may contact the HCFA-designated exceptions contact person. Comment: The same commenter indicated that in its estimation, many intermediaries ignore low occupancy arguments and calculations made by SNFs and either make arbitrary partial adjustments or 100 percent low occupancy adjustments.

Response: We have instructed fiscal intermediaries to submit all alternate proposals to the low occupancy adjustment to us for a determination. We have received many alternate proposals to the low occupancy adjustment submitted by fiscal intermediaries on behalf of SNFs and their representatives. We issued program instructions to the fiscal intermediaries based on these proposals.

IV. Provisions of the Final Rule

Based on our review and analysis of comments, we are adopting the proposed rule as final. We are making, however, a technical clarification to the proposed § 413.30(d) to indicate that SNF exemptions apply only to cost adjustments submitted by fiscal intermediaries on behalf of SNFs and their representatives. We issued program instructions to the fiscal intermediaries based on these proposals.

§ 413.30 Limitations on payable costs.

(a) Introduction—(1) Scope. This section implements section 1861(v)(1)(A) of the Act by setting forth the general rules under which HCFA may establish limits on SNF and HHA costs recognized as reasonable in determining Medicare program...
payments. It also sets forth rules governing exemptions and exceptions to limits established under this section that HCFA may make as appropriate in considering special needs or situations.

(2) General principle. Payable SNF and HHA costs may not exceed the costs HCFA estimates to be necessary for the efficient delivery of needed health care services. HCFA may establish estimated cost limits for direct or indirect overall costs or for costs of specific services or groups of services. HCFA imposes these limits prospectively and may calculate them on a per admission, per discharge, per diem, per visit, or other basis.

(b) Procedure for establishing limits.

(1) In establishing limits under this section, HCFA may classify SNFs and HHAs by factors that HCFA finds appropriate and practical, including the following:

(i) Type of services furnished.

(ii) Geographical area where services are furnished, allowing for grouping of noncontiguous areas having similar demographic and economic characteristics.

(iii) Size of institution.

(iv) Nature and mix of services furnished.

(v) Type and mix of patients treated.

(2) HCFA bases its estimates of the costs necessary for efficient delivery of health services on cost reports or other data providing indicators of current costs. HCFA adjusts current and past period data to arrive at estimated costs for the prospective periods to which limits are applied.

(3) Before the beginning of a cost period to which revised limits will be applied, HCFA publishes a notice in the Federal Register, establishing cost limits and explaining the basis on which they are calculated.

(4) In establishing limits under paragraph (b)(1) of this section, HCFA may find it inappropriate to apply particular limits to a class of SNFs or HHAs due to the characteristics of the SNF or HHA class, the data on which HCFA bases those limits, or the method by which HCFA determines the limits. In these cases, HCFA may exclude that class of SNFs or HHAs from the limits, explaining the basis of the exclusion in the notice setting forth the limits for the appropriate cost reporting periods.

(c) Requests regarding applicability of cost limits. For cost reporting periods beginning before July 1, 1998, a SNF may request an exception or exemption to the cost limits imposed under this section. An HHA may request only an exception to the cost limits. The SNF or HHA must make its request to its fiscal intermediary within 180 days of the date on the intermediary's notice of program pay.

(1) Home health agencies. The intermediary makes a recommendation on the HHA's request to HCFA, which makes the decision. HCFA responds to the request within 180 days from the date HCFA receives the request from the intermediary. The intermediary notifies the HHA of HCFA's decision. The time required by HCFA to review the request is considered good cause for the granting of an extension of the time limit for the HHA to apply for a PRRB review, as specified in §405.1841 of this chapter. HCFA's decision is subject to review under subpart R of Part 405 of this chapter.

(2) Skilled nursing facilities. The intermediary makes the final determination on the SNF's request and notifies the SNF of its determination within 90 days from the date that the intermediary receives the request from the SNF. If the intermediary determines that the SNF did not provide adequate documentation from which a proper determination can be made, the intermediary notifies the SNF that its request is denied. The intermediary also notifies the SNF that it has 45 days from the date on the intermediary's denial letter to submit a new exception request with the complete documentation and that otherwise, the denial is the final determination. The time required by the intermediary to review the request is considered good cause for the granting of an extension of the time limit for the SNF to apply for a PRRB review, as specified in §405.1841 of this chapter. The intermediary's determination is subject to review under subpart R of Part 405 of this chapter.

(d) Exemptions. Exemptions from the limits imposed under this section may be granted to a new SNF with cost limits imposed under this section, beginning before July 1, 1998 as stated in §413.1(g)(1). A new SNF is a provider of inpatient services that has operated as the type of SNF (or the equivalent) for which it is certified for Medicare, under present and previous ownership, for less than 3 full years. An exemption granted under this paragraph expires at the end of the SNF's first cost reporting period beginning at least 2 years after the provider accepts its first inpatient.

(e) Exceptions. Limits established under this section may be adjusted upward for a SNF or HHA under the circumstances specified in paragraphs (e)(1) through (e)(5) of this section. An adjustment is made only to the extent that the costs are reasonable, attributable to the circumstances specified, separately identified by the SNF or HHA, and verified by the intermediary.

(1) Atypical services. The SNF or HHA can show that the—

(i) Actual cost of services furnished by a SNF or HHA exceeds the applicable limit because the services are atypical in nature and scope, compared to the services generally furnished by SNFs or HHAs similarly classified; and

(ii) Atypical services are furnished because of the special needs of the patients treated and are necessary in the efficient delivery of needed health care.

(2) Extraordinary circumstances. The SNF or HHA can show that it incurred higher costs due to extraordinary circumstances beyond its control. These circumstances include, but are not limited to, strikes, fire, earthquake, flood, or other unusual occurrences with substantial cost effects.

(3) Areas with fluctuating populations. The SNF or HHA meets the following conditions:

(i) Is located in an area (for example, a resort area) that has a population that varies significantly during the year.

(ii) Is furnishing services in an area for which the appropriate health planning agency has determined does not have a surplus of beds or services and has certified that the beds or services furnished by the SNF or HHA are necessary.

(iii) Meets occupancy or capacity standards established by the Secretary.

(4) Medical and paramedical education. The SNF or HHA can demonstrate that, if compared to other SNFs or HHAs in its group, it incurs increased costs for services covered by limits under this section because of its operation of an approved education program specified in §413.85.

(5) Unusual labor costs. The SNF or HHA has a percentage of labor costs that varies more than 10 percent from that included in the promulgation of the limits.

(f) Operational review. Any SNF or HHA that applies for an exception to the limits established under paragraph (e) of this section must agree to an operational review at the discretion of HCFA. The findings from this review may be the basis for recommendations for improvements in the efficiency and economy of the SNF's or the HHA's operations. If recommendations are made, any future exceptions are contingent on the SNF's or HHA's implementation of these recommendations.

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

47 CFR Part 73

Radio Broadcasting Services; Castle Dale, UT

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: This document allots Channel 237C3 at Castle Dale, Utah, in response to a petition filed by Mountain West Broadcasting. See 64 FR 23254, April 30, 1999. The coordinates for Channel 237C3 at Castle Dale are 39°12′48″ N and 111°01′18″ W. With this action, this proceeding is terminated. A filing window for Channel 237C3 at Castle Dale will not be opened at this time. Instead, the issue of opening a filing window for this channel will be addressed by the Commission in a subsequent order.


FOR FURTHER INFORMATION CONTACT: Kathleen Scheuerle, Mass Media Bureau, (202) 418–2180.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Report and Order, MM Docket No. 99–124, adopted July 14, 1999, and released July 23, 1999. The full text of this Commission decision is available for inspection and copying during normal business hours in the Commission’s Reference Center, 445 12th Street, SW, Washington, DC. The complete text of this decision may also be purchased from the Commission’s copy contractors, International Transcription Services, Inc., 1231 20th Street, NW., Washington, DC. 20036, (202) 857–3800, facsimile (202) 857–3805.

List of Subjects in 47 CFR Part 73

Radio broadcasting.