DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

Disease, Disability, and Injury Prevention and Control Special Emphasis Panel (SEP): Early Screening and Diagnosis of Duchenne Muscular Dystrophy, Program Announcement 04216

In accordance with section 10(a)2) of the Federal Advisory Committee Act (Pub. L. 92–463), the Centers for Disease Control and Prevention (CDC) announces the following meeting:

Name: Disease, Disability, and Injury Prevention and Control Special Emphasis Panel (SEP): Early Screening and Diagnosis of Duchenne Muscular Dystrophy, Program Announcement 04216.

Times and Dates: 12:30 p.m.–1:15 p.m., August 20, 2004 (open).

1:45 p.m.–4:30 p.m., August 20, 2004 (closed).

Place: Teleconference Number: USA Toll Free 888–390–0474 Passcode 04216.

Status: Portions of the meeting will be closed to the public in accordance with provisions set forth in section 552b(c) (4) and (6), Title 5 U.S.C., and the Determination of the Director, Management Analysis and Services Office, CDC, pursuant to Public Law 92–463.

Matters To Be Discussed: The meeting will include the review, discussion, and evaluation of applications received in response to: Early Screening and Diagnosis of Duchenne Muscular Dystrophy, Program Announcement 04216.

For Further Information Contact: Owen Devine, PhD, Senior Statistician, National Center on Birth Defects and Developmental Disabilities, CDC, 1600 Clifton Road, Mailstop E–87, Atlanta, GA 30333, telephone, 404–498–3073.

The Director, Management Analysis and Services Office, has been delegated the authority to sign **Federal Register** notices pertaining to announcements of meetings and other committee management activities, for both CDC and the Agency for Toxic Substances and Disease Registry.

Dated: July 23, 2004.

Alvin Hall,

Director, Management Analysis and Services Office, Centers for Disease Control and Prevention.

[FR Doc. 04–17368 Filed 7–29–04; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–1360–N]

RIN 0938–AM82

Medicare Program; Inpatient Rehabilitation Facility Prospective Payment System for Fiscal Year 2005

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice updates prospective payment rates for inpatient rehabilitation facilities for Federal fiscal year (FY) 2005 as authorized under section 1886(j)(3)(C) of the Social Security Act (the Act). Section 1886(j)(5) of the Act requires the Secretary to publish in the **Federal Register** on or before August 1 before each fiscal year, the classifications and weighting factors for the inpatient rehabilitation facility (IRF) case-mix groups and a description of the methodology and data used in computing the prospective payment rates for that fiscal year.

DATES: *Effective Date:* The updated IRF prospective payment rates are effective for discharges occurring on or after October 1, 2004, and on or before September 30, 2005 (FY 2005).

FOR FURTHER INFORMATION CONTACT: Pete Diaz, (410) 786–1235, Jeanette Kranacs, (410) 786–9385, or Robert Kuhl, (410) 786–4597.

SUPPLEMENTARY INFORMATION:

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I. Background

A. Requirements of the Statute for Updating the Prospective Payment System (PPS) for Inpatient Rehabilitation Facilities (IRFs)

On August 7, 2001, we published a final rule entitled ''Medicare Program; Prospective Payment System for Inpatient Rehabilitation Facilities (CMS–1069–F)'' in the **Federal Register** (66 FR 41316), that established a prospective payment system (PPS) for inpatient rehabilitation facilities (IRFs) as authorized under section 1886(j) of the Social Security Act (the Act) and codified at subpart P of part 412 of the Medicare regulations. In the August 7, 2001, final rule, we set forth the per discharge Federal rates for fiscal year (FY) 2002 that provided payment for the inpatient operating and capital costs to IRFs for the covered rehabilitation services they furnished (that is, routine, ancillary, and capital costs), but not costs of approved educational activities, bad debts, and other services or items

that are outside the scope of the IRF PPS. Covered rehabilitation services include services for which benefits are provided under the fee-for-service Part A (Hospital Insurance Program) of the Medicare program.

Annual updates to the IRF PPS rates are required by section 1886(j)(3)(C) of the Act. In the August 1, 2002, notice (67 FR 49928), we set forth the per discharge Federal rates for FY 2003. In the August 1, 2003, final rule (68 FR 45674), we set forth the per discharge Federal rates for FY 2004.

In this notice, we set forth the prospective payment rates applicable for IRFs for discharges occurring during FY 2005. In establishing these payment rates, we update the IRF per discharge payment rates that were published in the August 1, 2003, final rule.

Section 1886(j)(5) of the Act requires the Secretary to publish in the **Federal Register**, on or before August 1 of the preceding fiscal year, the classifications and weighting factors for the IRF case-mix groups (CMGs) and a description of the methodology and data used in computing the prospective payment rates for the upcoming fiscal year. The statute also permits the Secretary to adjust the classification and weighting factors for the IRF CMGs from time to time. However, we continue to perform research on potential improvements to the methods used to establish the CMGs, facility adjustments (such as, teaching, rural, and low-income adjustments), and comorbidities. Because sufficient data from this research supporting potential improvements are currently not available, we are not making any adjustments at this time. Thus, in this notice, we are using the same classifications and weighting factors for the IRF CMGs that were originally set forth in the August 7, 2001, final rule and republished in the August 1, 2003, final rule. Further, the case and facility level adjustments described in the August 7, 2001, final rule will apply to the FY 2005 IRF PPS payment rates described in this notice.

Accordingly, the CMGs, comorbidity tiers, and the corresponding relative weights presented in the August 7, 2001, final rule will be used as the basis for developing the FY 2005 IRF PPS payment rates set forth in this notice.

Specifically, we multiply an increase factor, described in section II.D of this notice, by the FY 2004 IRF standard payment amount. Then we apply the budget neutral wage adjustment to develop the FY 2005 standard payment conversion factor. The FY 2005 standard payment conversion factor is then multiplied by the relative weights presented in Table 1 of this notice, and in the August 7, 2001, final rule, to develop the FY 2005 Federal unadjusted IRF PPS payment rates.

B. Inpatient Rehabilitation Facility Prospective Payment—General Overview

Section 4421 of the Balanced Budget Act of 1997 (BBA) (Pub. L. 105–33), as amended by section 125 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (BBRA) (Pub. L. 106–113), and by section 305 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) (Pub. L. 106–554), provides for the implementation of a per discharge PPS, through new section 1886(j) of the Act, for IRFs—inpatient rehabilitation hospitals and rehabilitation units. Although a complete discussion of the IRF PPS provisions appears in the August 7, 2001, final rule, we provide below a general description of the IRF PPS.

The IRF PPS uses information from the Inpatient Rehabilitation—Patient Assessment Instrument (IRF–PAI), to classify patients into distinct CMGs based on clinical characteristics and expected resource needs. The CMGs were constructed using rehabilitation impairment categories, functional status (both motor and cognitive), age, comorbidities, and other factors that we deemed appropriate to improve the explanatory power of the groups.

Payment for services furnished to a Medicare patient consists of a predetermined, per-discharge amount for each CMG with applicable case and facility level adjustments. Payments under the IRF PPS encompass inpatient operating and capital costs of furnishing covered rehabilitation services (that is, routine, ancillary, and capital costs) but not costs of approved educational activities, bad debts, and other services or items outside the scope of the IRF PPS.

The IRF PPS is comprised of 100 distinct CMGs, and each CMG is associated with a specific payment rate. The existence of a comorbidity may affect the calculation of the Federal prospective payment rate. In general, Federal prospective payment rates are established using a standard payment conversion factor. A set of relative payment weights (which account for the relative difference in resource use across the CMGs) are applied to the standard payment conversion factor. The resulting payment rate may then be modified due to the application of a number of facility level and case level adjustments. The facility level adjustments include those that account for geographic variations in wages (wage index), the percentage of low-income patients (LIPs), and location in a rural area. Case level adjustments include those that apply for transfers, short-stays, interrupted stays, outliers, and cases in which the beneficiary expires.

For cost reporting periods beginning on or after January 1, 2002, and before October 1, 2002, section 1886(j)(1) of the Act and 42 CFR 412.626 of the regulations provided that IRFs transition into the PPS by receiving a ''blended payment.'' For cost reporting periods beginning on or after January 1, 2002, and before October 1, 2002, these blended payments consisted of 66⅔ percent of the Federal IRF PPS rate and 33⅓ percent of the payment the IRF would have been paid had the IRF PPS not been implemented. However, during the transition period, an IRF with a cost reporting period beginning on or after January 1, 2002, and before October 1, 2002, could elect to bypass this blended payment and be paid 100 percent of the Federal IRF PPS rate. For cost reporting periods beginning on or after October 1, 2002 (FY 2003), payments for all IRFs consist of 100 percent of the Federal IRF PPS payment rate.

C. Classification System for the Inpatient Rehabilitation Facility Prospective Payment System

As previously stated, in this notice, we are using the same case-mix classification system that was set forth in the August 7, 2001, final rule. It is our intention to pursue the development of refinements to the case-mix classification system that will improve the ability of the PPS to more accurately pay IRFs. We awarded a contract to the Rand Corporation (RAND) to conduct additional research that will provide us with the data necessary to address the feasibility of developing and implementing refinements. When the study has been completed, we plan to review various approaches so that we can propose an appropriate methodology to develop and apply refinements. Any specific refinement proposal resulting from this research will be published in the **Federal Register** for public review and comment.

Below Table 1, Relative Weights for Case-Mix Groups (CMGs), presents the CMGs, comorbidity tiers, and the corresponding Federal relative weights. We also present the average length of stay for each CMG. As we discussed in the August 7, 2001, final rule, the average length of stay for each CMG is used to determine when an IRF discharge meets the definition of a transfer, which results in a per diem

case level adjustment. Because these data elements are not changing as a result of this notice, Table 1 shown below is identical to Table 1 that was published in the August 7, 2001, final rule (66 FR 41394–41396), and the August 1, 2003, final rule (68 FR 45704–45708). The relative weights reflect the inclusion of cases with an interruption of stay (patient returns on day of discharge or either of the next 2 days). The methodology we used to construct the data elements in Table 1 is described in detail in the August 7, 2001, final rule (66 FR 41350–41353).

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Table 1. – Relative Weights for Case-Mix Groups (CMGs)

CMG	CMG Description (M = motor, C = cognitive, A = age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	None	Tier 1	Tier 2	Tier 3	None
0101	Stroke M=69-84 and C=23-35	0.4778	0.4279	0.4078	0.3859	10	9	6	8
0102	Stroke M=59-68 and C=23-35	0.6506	0.5827	0.5553	0.5255	11	12	10	10
0103	Stroke M=59-84 and C=5-22	0.8296	0.7430	0.7080	0.6700	14	12	12	12
0104	Stroke M=53-58	0.9007	0.8067	0.7687	0.7275	17	13	12	13
0105	Stroke M=47-52	1.1339	1.0155	0.9677	0.9158	16	17	15	15
0106	Stroke M=42-46	1.3951	1.2494	1.1905	1.1267	18	18	18	18
0107	Stroke M=39-41	1.6159	1.4472	1.3790	1.3050	17	20	21	21
0108	Stroke M=34-38 and A>=83	1.7477	1.5653	1.4915	1.4115	25	27	22	23
0109	Stroke M=34-38 and A<=82	1.8901	1.6928	1.6130	1.5265	24	24	22	24
0110	Stroke M=12-33 and A>=89	2.0275	1.8159	1.7303	1.6375	29	25	27	26
0111	Stroke M=27-33 and A=82-88	2.0889	1.8709	1.7827	1.6871	29	26	24	27
0112	Stroke M=12-26 and A=82-88	2.4782	2.2195	2.1149	2.0015	40	33	30	31
0113	Stroke M=27-33 and A<=81	2.2375	2.0040	1.9095	1.8071	30	27	27	28

CMG	CMG Description (M = motor, C = cognitive, A = age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	None	Tier 1	Tier 2	Tier 3	None
0114	Stroke M=12-26 and A<=81	2.7302	2.4452	2.3300	2.2050	37	34	32	33
0201	Traumatic brain injury M=52-84 and C=24-35	0.7689	0.7276	0.6724	0.6170	13	14	14	11
0202	Traumatic brain injury M=40-51 and C=24-35	1.1181	1.0581	0.9778	0.8973	18	16	17	16
0203	Traumatic brain injury M=40-84 and C=5-23	1.3077	1.2375	1.1436	1.0495	19	20	19	18
0204	Traumatic brain injury M=30-39	1.6534	1.5646	1.4459	1.3269	24	23	22	22
0205	Traumatic brain injury M=12-29	2.5100	2.3752	2.1949	2.0143	44	36	35	31
0301	Non-traumatic brain injury M=51-84	0.9655	0.8239	0.7895	0.7195	14	14	12	13
0302	Non-traumatic brain injury M=41-50	1.3678	1.1672	1.1184	1.0194	19	17	17	16
0303	Non-traumatic brain injury M=25-40	1.8752	1.6002	1.5334	1.3976	23	23	22	22
0304	Non-traumatic brain injury M=12-24	2.7911	2.3817	2.2824	2.0801	44	32	34	31
0401	Traumatic spinal cord injury M=50-84	0.9282	0.8716	0.8222	0.6908	15	15	16	14
0402	Traumatic spinal cord injury M=36-49	1.4211	1.3344	1.2588	1.0576	21	18	22	19
0403	Traumatic spinal cord injury M=19-35	2.3485	2.2052	2.0802	1.7478	32	32	31	30
0404	Traumatic spinal cord injury M=12-18	3.5227	3.3078	3.1203	2.6216	46	43	62	40
0501	Non-traumatic spinal cord injury M=51-84 and C=30-35	0.7590	0.6975	0.6230	0.5363	12	13	10	10
0502	Non-traumatic spinal cord injury M=51-84 and C=5-29	0.9458	0.8691	0.7763	0.6683	15	17	10	12
0503	Non-traumatic spinal cord injury M=41-50	1.1613	1.0672	0.9533	0.8206	17	17	15	14
0504	Non-traumatic spinal cord injury M=34-40	1.6759	1.5400	1.3757	1.1842	23	21	21	19
0505	Non-traumatic spinal cord injury M=12-33	2.5314	2.3261	2.0778	1.7887	31	31	29	28
0601	Neurological M=56-84	0.8794	0.6750	0.6609	0.5949	14	13	12	12
0602	Neurological M=47-55	1.1979	0.9195	0.9003	0.8105	15	15	14	15
0603	Neurological M=36-46	1.5368	1.1796	1.1550	1.0397	21	18	18	18
0604	Neurological M=12-35	2.0045	1.5386	1.5065	1.3561	31	24	25	23
0701	Fracture of lower extremity M=52-84	0.7015	0.7006	0.6710	0.5960	13	13	12	11
0702	Fracture of lower extremity M=46-51	0.9264	0.9251	0.8861	0.7870	15	15	16	14
0703	Fracture of lower extremity M=42-45	1.0977	1.0962	1.0500	0.9326	18	17	17	16

CMG	CMG Description (M = motor, C = cognitive, A = age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	None	Tier 1	Tier 2	Tier 3	None
0704	Fracture of lower extremity M=38-41	1.2488	1.2471	1.1945	1.0609	14	20	19	18
0705	Fracture of lower extremity M=12-37	1.4760	1.4740	1.4119	1.2540	20	22	22	21
0801	Replacement of lower extremity joint M=58-84	0.4909	0.4696	0.4518	0.3890	9	9	8	8
0802	Replacement of lower extremity joint M=55-57	0.5667	0.5421	0.5216	0.4490	10	10	9	9
0803	Replacement of lower extremity joint M=47-54	0.6956	0.6654	0.6402	0.5511	9	11	11	10
0804	Replacement of lower extremity joint M=12-46 and C=32-35	0.9284	0.8881	0.8545	0.7356	15	14	14	12
0805	Replacement of lower extremity joint M=40-46 and C=5-31	1.0027	0.9593	0.9229	0.7945	16	16	14	14
0806	Replacement of lower extremity joint M=12-39 and C=5-31	1.3681	1.3088	1.2592	1.0840	21	20	19	18
0901	Other orthopedic M=54-84	0.6988	0.6390	0.6025	0.5213	12	11	11	11
0902	Other orthopedic M=47-53	0.9496	0.8684	0.8187	0.7084	15	15	14	13
0903	Other orthopedic M=38-46	1.1987	1.0961	1.0334	0.8942	18	18	17	16
0904	Other orthopedic M=12-37	1.6272	1.4880	1.4029	1.2138	23	23	23	21
1001	Amputation, lower extremity M=61-84	0.7821	0.7821	0.7153	0.6523	13	13	12	13
1002	Amputation, lower extremity M=52-60	0.9998	0.9998	0.9144	0.8339	15	15	14	15
1003	Amputation, lower extremity M=46-51	1.2229	1.2229	1.1185	1.0200	18	17	17	18
1004	Amputation, lower extremity M=39-45	1.4264	1.4264	1.3046	1.1897	20	20	19	19
1005	Amputation, lower extremity M=12-38	1.7588	1.7588	1.6086	1.4670	21	25	23	23
1101	Amputation, non-lower extremity M=52-84	1.2621	0.7683	0.7149	0.6631	18	11	13	12
1102	Amputation, non-lower extremity M=38-51	1.9534	1.1892	1.1064	1.0263	25	18	17	18
1103	Amputation, non-lower extremity M=12-37	2.6543	1.6159	1.5034	1.3945	33	23	22	25
1201	Osteoarthritis M=55-84 and C=34-35	0.7219	0.5429	0.5103	0.4596	13	10	11	9
1202	Osteoarthritis M=55-84 and C=5-33	0.9284	0.6983	0.6563	0.5911	16	11	13	13

CMG	CMG Description (M = motor, C = cognitive, A = age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	None	Tier 1	Tier 2	Tier 3	None
1203	Osteoarthritis M=48-54	1.0771	0.8101	0.7614	0.6858	18	15	14	13
1204	Osteoarthritis M=39-47	1.3950	1.0492	0.9861	0.8882	22	19	16	17
1205	Osteoarthritis M=12-38	1.7874	1.3443	1.2634	1.1380	27	21	21	20
1301	Rheumatoid, other arthritis M=54-84	0.7719	0.6522	0.6434	0.5566	13	14	13	11
1302	Rheumatoid, other arthritis M=47-53	0.9882	0.8349	0.8237	0.7126	16	14	14	14
1303	Rheumatoid, other arthritis M=36-46	1.3132	1.1095	1.0945	0.9469	20	18	16	17
1304	Rheumatoid, other arthritis M=12-35	1.8662	1.5768	1.5555	1.3457	25	25	29	22
1401	Cardiac M=56-84	0.7190	0.6433	0.5722	0.5156	15	12	11	11
1402	Cardiac M=48-55	0.9902	0.8858	0.7880	0.7101	13	15	13	13
1403	Cardiac M=38-47	1.2975	1.1608	1.0325	0.9305	21	19	16	16
1404	Cardiac M=12-37	1.8013	1.6115	1.4335	1.2918	30	24	21	20
1501	Pulmonary M=61-84	0.8032	0.7633	0.6926	0.6615	15	13	13	13
1502	Pulmonary M=48-60	1.0268	0.9758	0.8855	0.8457	17	17	14	15
1503	Pulmonary M=36-47	1.3242	1.2584	1.1419	1.0906	21	20	18	18
1504	Pulmonary M=12-35	2.0598	1.9575	1.7763	1.6965	30	28	30	26
1601	Pain syndrome M=45-84	0.8707	0.8327	0.7886	0.6603	15	14	13	13
1602	Pain syndrome M=12-44	1.3320	1.2739	1.2066	1.0103	21	20	20	18
1701	Major multiple trauma without brain or spinal cord injury M=46-84	0.9996	0.9022	0.8138	0.7205	16	14	11	13
1702	Major multiple trauma without brain or spinal cord injury M=33-45	1.4755	1.3317	1.2011	1.0634	21	21	20	18
1703	Major multiple trauma without brain or spinal cord injury M=12-32	2.1370	1.9288	1.7396	1.5402	33	28	27	24
1801	Major multiple trauma with brain or spinal cord injury M=45-84 and C=33-35	0.7445	0.7445	0.6862	0.6282	12	12	12	10
1802	Major multiple trauma with brain or spinal cord injury M=45-84 and C=5-32	1.0674	1.0674	0.9838	0.9007	16	16	16	16
1803	Major multiple trauma with brain or spinal cord injury M=26-44	1.6350	1.6350	1.5069	1.3797	22	25	20	22

CMG	CMG Description (M = motor, C = cognitive, A = age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	None	Tier 1	Tier 2	Tier 3	None
1804	Major multiple trauma with brain or spinal cord injury M=12-25	2.9140	2.9140	2.6858	2.4589	41	29	40	40
1901	Guillian Barre M=47-84	1.1585	1.0002	0.9781	0.8876	15	15	16	15
1902	Guillian Barre M=31-46	2.1542	1.8598	1.8188	1.6505	27	27	27	24
1903	Guillian Barre M=12-30	3.1339	2.7056	2.6459	2.4011	41	35	30	40
2001	Miscellaneous M=54-84	0.8371	0.7195	0.6705	0.6029	12	13	11	12
2002	Miscellaneous M=45-53	1.1056	0.9502	0.8855	0.7962	15	15	14	14
2003	Miscellaneous M=33-44	1.4639	1.2581	1.1725	1.0543	20	18	18	18
2004	Miscellaneous M=12-32 and A>=82	1.7472	1.5017	1.3994	1.2583	30	22	21	22
2005	Miscellaneous M=12-32 and A<=81	2.0799	1.7876	1.6659	1.4979	33	25	24	24
2101	Burns M=46-84	1.0357	0.9425	0.8387	0.8387	18	18	15	16
2102	Burns M=12-45	2.2508	2.0482	1.8226	1.8226	31	26	26	29
5001	Short-stay cases, length of stay is 3 days or fewer				0.1651				3
5101	Expired, orthopedic, length of stay is 13 days or fewer				0.4279				8
5102	Expired, orthopedic, length of stay is 14 days or more				1.2390				23
5103	Expired, not orthopedic, length of stay is 15 days or fewer				0.5436				9
5104	Expired, not orthopedic, length of stay is 16 days or more				1.7100				28

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D. Inpatient Rehabilitation Facility Market Basket Index and Labor-Related Share

Section 1886(j)(3)(C) of the Act requires the Secretary to establish an increase factor that reflects changes over time in the prices of an appropriate mix of goods and services included in the covered IRF services, which is referred to as a market basket index. Accordingly, in updating the FY 2005 payment rates set forth in this notice, we apply an appropriate increase factor to the FY 2004 IRF PPS payment rates that is equal to the IRF market basket. In constructing the IRF market basket, we use the methodology set forth in the August 1, 2003 final rule (68 FR 45685–45688). For this notice, the projected FY 2005 IRF market basket increase factor is 3.1 percent.

In addition, we have used the methodology described in the August 1, 2003 final rule (68 FR 45688–45689) to update the labor-related share for FY 2005. In FY 2004, we updated the 1992 market basket data to 1997. We believe that the 1997 market basket data is still the most accurate base year data available. Therefore, for FY 2005, we continue to use the 1997-based excluded hospital market basket with capital costs to determine the FY 2005 labor-related share. As shown in Table 2 the total FY 2005 labor-related share is 72.359 percent.

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TABLE 2. – FY 2005 LABOR-RELATED SHARE RELATIVE IMPORTANCE

Cost Category	FY 2005 Labor-Related Relative Importance
Wages and salaries	48.662
Employee benefits	11.249
Professional fees	4.535
All other labor intensive services	4.508
SUBTOTAL:	68.954
Labor-related share of capital costs	3.405
TOTAL:	72.359

E. Area Wage Adjustment

Section 1886(j)(6) of the Act requires the Secretary to adjust the proportion (as estimated by the Secretary from time to time) of rehabilitation facilities' costs that are attributable to wages and wage-related costs for area differences in wage levels by a factor (established by the Secretary) reflecting the relative hospital wage level in the geographic area of the rehabilitation facility compared to the national average wage level for those facilities. Not later than October 1, 2001, and at least every 36 months thereafter, the Secretary is required to update the factor under the preceding sentence on the basis of information available to the Secretary (and updated as appropriate) of the wages and wage-related costs incurred in furnishing rehabilitation services. Any adjustments or updates made under section 1886(j)(6) of the Act must be made in a budget neutral manner.

In the August 1, 2003, final rule, we established an IRF wage index based on FY 1999 acute care hospital wage data to adjust the FY 2004 IRF payment rates. For the FY 2005 IRF PPS payment rates set forth in this notice, we are using an IRF wage index based on more recent FY 2000 acute care hospital wage data. The methodology for calculating the wage index remains the same and can be found at 66 FR 41358.

To calculate the wage-adjusted facility payments for the payment rates set forth in this notice, the Federal prospective payment is multiplied by the labor-related share (72.359 percent) to determine the labor-related portion of the Federal prospective payments. This labor-related portion is then multiplied by the applicable IRF wage index shown in Table 3A for urban areas and Table 3B for rural areas.

TABLE 3A – URBAN WAGE INDEX

Urban Area (Constituent Counties or County Equivalents)	Wage Index
0040 Abilene, TX	0.7627
Taylor, TX	
0060 Aguadilla, PR	0.4306
Aguada, PR	
Aguadilla, PR	
Moca, PR	
0080 Akron, OH	0.9246
Portage, OH	
Summit, OH	
0120 Albany, GA	1.0863
Dougherty, GA	
Lee, GA	
0160 Albany-Schenectady-Troy, NY	0.8489
Albany, NY	
Montgomery, NY	
Rensselaer, NY	
Saratoga, NY	
Schenectady, NY	
Schoharie, NY	
0200 Albuquerque, NM	0.9300
Bernalillo, NM	
Sandoval, NM	
Valencia, NM	
0220 Alexandria, LA	0.8019
Rapides, LA	
0240 Allentown-Bethlehem-Easton, PA	0.9721
Carbon, PA	
Lehigh, PA	
Northampton, PA	
0280 Altoona, PA	0.8806
Blair, PA	
0320 Amarillo, TX	0.8986
Potter, TX	
Randall, TX	
0380 Anchorage, AK	1.2216
Anchorage, AK	
0440 Ann Arbor, MI	1.1074
Lenawee, MI	
Livingston, MI	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Washtenaw, MI	
0450 Anniston, AL	0.8090
Calhoun, AL	
0460 Appleton-Oshkosh-Neenah, WI	0.9035
Calumet, WI	
Outagamie, WI	
Winnebago, WI	
0470 Arecibo, PR	0.4155
Arecibo, PR	
Camuy, PR	
Hatillo, PR	
0480 Asheville, NC	0.9720
Buncombe, NC	
Madison, NC	
0500 Athens, GA	0.9818
Clarke, GA	
Madison, GA	
Oconee, GA	
0520 Atlanta, GA	1.0130
Barrow, GA	
Bartow, GA	
Carroll, GA	
Cherokee, GA	
Clayton, GA	
Cobb, GA	
Coweta, GA	
De Kalb, GA	
Douglas, GA	
Fayette, GA	
Forsyth, GA	
Fulton, GA	
Gwinnett, GA	
Henry, GA	
Newton, GA	
Paulding, GA	
Pickens, GA	
Rockdale, GA	
Spalding, GA	
Walton, GA	
0560 Atlantic City-Cape May, NJ	1.0795
Atlantic City, NJ	
Cape May, NJ	
0580 Auburn-Opelika, AL	0.8494
Lee, AL	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
0600 Augusta-Aiken, GA-SC	0.9625
Columbia, GA	
McDuffie, GA	
Richmond, GA	
Aiken, SC	
Edgefield, SC	
0640 Austin-San Marcos, TX	0.9609
Bastrop, TX	
Caldwell, TX	
Hays, TX	
Travis, TX	
Williamson, TX	
0680 Bakersfield, CA	0.9810
Kern, CA	
0720 Baltimore, MD	0.9919
Anne Arundel, MD	
Baltimore, MD	
Baltimore City, MD	
Carroll, MD	
Harford, MD	
Howard, MD	
Queen Annes, MD	
0733 Bangor, ME	0.9904
Penobscot, ME	
0743 Barnstable-Yarmouth, MA	1.2956
Barnstable, MA	
0760 Baton Rouge, LA	0.8406
Ascension, LA	
East Baton Rouge, LA	
Livingston, LA	
West Baton Rouge, LA	
0840 Beaumont-Port Arthur, TX	0.8424
Hardin, TX	
Jefferson, TX	
Orange, TX	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
0860 Bellingham, WA	1.1757
Whatcom, WA	
0870 Benton Harbor, MI	0.8935
Berrien, MI	
0875 Bergen-Passaic, NJ	1.1692
Bergen, NJ	
Passaic, NJ	
0880 Billings, MT	0.8961
Yellowstone, MT	
0920 Biloxi-Gulfport-Pascagoula, MS	0.9029
Hancock, MS	
Harrison, MS	
Jackson, MS	
0960 Binghamton, NY	0.8428
Broome, NY	
Tioga, NY	
1000 Birmingham, AL	0.9212
Blount, AL	
Jefferson, AL	
St. Clair, AL	
Shelby, AL	
1010 Bismarck, ND	0.7965
Burleigh, ND	
Morton, ND	
1020 Bloomington, IN	0.8662
Monroe, IN	
1040 Bloomington-Normal, IL	0.8832
McLean, IL	
1080 Boise City, ID	0.9209
Ada, ID	
Canyon, ID	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
1123 Boston-Worcester-Lawrence-Lowell-Brockton, MA-NH	1.1233
Bristol, MA	
Essex, MA	
Middlesex, MA	
Norfolk, MA	
Plymouth, MA	
Suffolk, MA	
Worcester, MA	
Hillsborough, NH	
Merrimack, NH	
Rockingham, NH	
Strafford, NH	
1125 Boulder-Longmont, CO	1.0049
Boulder, CO	
1145 Brazoria, TX	0.8137
Brazoria, TX	
1150 Bremerton, WA	1.0580
Kitsap, WA	
1240 Brownsville-Harlingen-San Benito, TX	1.0303
Cameron, TX	
1260 Bryan-College Station, TX	0.9019
Brazos, TX	
1280 Buffalo-Niagara Falls, NY	0.9604
Erie, NY	
Niagara, NY	
1303 Burlington, VT	0.9704
Chittenden, VT	
Franklin, VT	
Grand Isle, VT	
1310 Caguas, PR	0.4158
Caguas, PR	
Cayey, PR	
Cidra, PR	
Gurabo, PR	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
San Lorenzo, PR	
1320 Canton-Massillon, OH	0.9071
Carroll, OH	
Stark, OH	
1350 Casper, WY	0.9095
Natrona, WY	
1360 Cedar Rapids, IA	0.8874
Linn, IA	
1400 Champaign-Urbana, IL	0.9907
Champaign, IL	
1440 Charleston-North Charleston, SC	0.9332
Berkeley, SC	
Charleston, SC	
Dorchester, SC	
1480 Charleston, WV	0.8880
Kanawha, WV	
Putnam, WV	
1520 Charlotte-Gastonia-Rock Hill, NC-SC	0.9730
Cabarrus, NC	
Gaston, NC	
Lincoln, NC	
Mecklenburg, NC	
Rowan, NC	
Stanly, NC	
Union, NC	
York, SC	
1540 Charlottesville, VA	1.0025
Albemarle, VA	
Charlottesville City, VA	
Fluvanna, VA	
Greene, VA	
1560 Chattanooga, TN-GA	0.9086
Catoosa, GA	
Dade, GA	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Walker, GA	
Hamilton, TN	
Marion, TN	
1580 Cheyenne, WY	0.8796
Laramie, WY	
1600 Chicago, IL	1.0892
Cook, IL	
De Kalb, IL	
Du Page, IL	
Grundy, IL	
Kane, IL	
Kendall, IL	
Lake, IL	
McHenry, IL	
Will, IL	
1620 Chico-Paradise, CA	1.0193
Butte, CA	
1640 Cincinnati, OH-KY-IN	0.9413
Dearborn, IN	
Ohio, IN	
Boone, KY	
Campbell, KY	
Gallatin, KY	
Grant, KY	
Kenton, KY	
Pendleton, KY	
Brown, OH	
Clermont, OH	
Hamilton, OH	
Warren, OH	
1660 Clarksville-Hopkinsville, TN-KY	0.8244
Christian, KY	
Montgomery, TN	
1680 Cleveland-Lorain-Elyria, OH	0.9671
Ashtabula, OH	
Geauga, OH	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Cuyahoga, OH	
Lake, OH	
Lorain, OH	
Medina, OH	
1720 Colorado Springs, CO	0.9833
El Paso, CO	
1740 Columbia, MO	0.8695
Boone, MO	
1760 Columbia, SC	0.8902
Lexington, SC	
Richland, SC	
1800 Columbus, GA-AL	0.8694
Russell, AL	
Chattanoochee, GA	
Harris, GA	
Muscogee, GA	
1840 Columbus, OH	0.9648
Delaware, OH	
Fairfield, OH	
Franklin, OH	
Licking, OH	
Madison, OH	
Pickaway, OH	
1880 Corpus Christi, TX	0.8521
Nueces, TX	
San Patricio, TX	
1890 Corvallis, OR	1.1516
Benton, OR	
1900 Cumberland, MD-WV	0.8200
Allegany, MD	
Mineral, WV	
1920 Dallas, TX	0.9974
Collin, TX	
Dallas, TX	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Denton, TX	
Ellis, TX	
Henderson, TX	
Hunt, TX	
Kaufman, TX	
Rockwall, TX	
1950 Danville, VA	0.9035
Danville City, VA	
Pittsylvania, VA	
1960 Davenport-Moline-Rock Island, IA-IL	0.8985
Scott, IA	
Henry, IL	
Rock Island, IL	
2000 Dayton-Springfield, OH	0.9518
Clark, OH	
Greene, OH	
Miami, OH	
Montgomery, OH	
2020 Daytona Beach, FL	0.9060
Flagler, FL	
Volusia, FL	
2030 Decatur, AL	0.8828
Lawrence, AL	
Morgan, AL	
2040 Decatur, IL	0.8161
Macon, IL	
2080 Denver, CO	1.0837
Adams, CO	
Arapahoe, CO	
Denver, CO	
Douglas, CO	
Jefferson, CO	
2120 Des Moines, IA	0.9106
Dallas, IA	
Polk, IA	
Warren, IA	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
2160 Detroit, MI	1.0101
Lapeer, MI	
Macomb, MI	
Monroe, MI	
Oakland, MI	
St. Clair, MI	
Wayne, MI	
2180 Dothan, AL	0.7741
Dale, AL	
Houston, AL	
2190 Dover, DE	0.9805
Kent, DE	
2200 Dubuque, IA	0.8886
Dubuque, IA	
2240 Duluth-Superior, MN-WI	1.0171
St. Louis, MN	
Douglas, WI	
2281 Dutchess County, NY	1.0934
Dutchess, NY	
2290 Eau Claire, WI	0.9064
Chippewa, WI	
Eau Claire, WI	
2320 El Paso, TX	0.9196
El Paso, TX	
2330 Elkhart-Goshen, IN	0.9783
Elkhart, IN	
2335 Elmira, NY	0.8377
Chemung, NY	
2340 Enid, OK	0.8559
Garfield, OK	
2360 Erie, PA	0.8601
Erie, PA	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
2400 Eugene-Springfield, OR	1.1456
Lane, OR	
2440 Evansville-Henderson, IN-KY	0.8429
Posey, IN	
Vanderburgh, IN	
Warrick, IN	
Henderson, KY	
2520 Fargo-Moorhead, ND-MN	0.9797
Clay, MN	
Cass, ND	
2560 Fayetteville, NC	0.8986
Cumberland, NC	
2580 Fayetteville-Springdale-Rogers, AR	0.8396
Benton, AR	
Washington, AR	
2620 Flagstaff, AZ-UT	1.1333
Coconino, AZ	
Kane, UT	
2640 Flint, MI	1.0858
Genesee, MI	
2650 Florence, AL	0.7747
Colbert, AL	
Lauderdale, AL	
2655 Florence, SC	0.8709
Florence, SC	
2670 Fort Collins-Loveland, CO	1.0108
Larimer, CO	
2680 Ft. Lauderdale, FL	1.0163
Broward, FL	
2700 Fort Myers-Cape Coral, FL	0.9816
Lee, FL	
2710 Fort Pierce-Port St. Lucie, FL	1.0008

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Martin, FL St. Lucie, FL	
2720 Fort Smith, AR-OK Crawford, AR Sebastian, AR Sequoyah, OK	0.8424
2750 Fort Walton Beach, FL Okaloosa, FL	0.8966
2760 Fort Wayne, IN Adams, IN Allen, IN De Kalb, IN Huntington, IN Wells, IN Whitley, IN	0.9585
2800 Forth Worth-Arlington, TX Hood, TX Johnson, TX Parker, TX Tarrant, TX	0.9359
2840 Fresno, CA Fresno, CA Madera, CA	1.0142
2880 Gadsden, AL Etowah, AL	0.8206
2900 Gainesville, FL Alachua, FL	0.9693
2920 Galveston-Texas City, TX Galveston, TX	0.9279
2960 Gary, IN Lake, IN Porter, IN	0.9410
2975 Glens Falls, NY	0.8475

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Warren, NY Washington, NY	
2980 Goldsboro, NC Wayne, NC	0.8622
2985 Grand Forks, ND-MN Polk, MN Grand Forks, ND	0.8636
2995 Grand Junction, CO Mesa, CO.	0.9633
3000 Grand Rapids-Muskegon-Holland, MI Allegan, MI Kent, MI Muskegon, MI Ottawa, MI	0.9469
3040 Great Falls, MT Cascade, MT	0.8809
3060 Greeley, CO Weld, CO	0.9372
3080 Green Bay, WI Brown, WI	0.9461
3120 Greensboro-Winston-Salem- High Point, NC Alamance, NC Davidson, NC Davie, NC Forsyth, NC Guilford, NC Randolph, NC Stokes, NC Yadkin, NC	0.9166
3150 Greenville, NC Pitt, NC	0.9098
3160 Greenville-Spartanburg-Anderson, SC	0.9335

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Anderson, SC	
Cherokee, SC	
Greenville, SC	
Pickens, SC	
Spartanburg, SC	
3180 Hagerstown, MD	0.9172
Washington, MD	
3200 Hamilton-Middletown, OH	0.9214
Butler, OH	
3240 Harrisburg-Lebanon-Carlisle, PA	0.9164
Cumberland, PA	
Dauphin, PA	
Lebanon, PA	
Perry, PA	
3283 Hartford, CT	1.1555
Hartford, CT	
Litchfield, CT	
Middlesex, CT	
Tolland, CT	
3285 Hattiesburg, MS	0.7307
Forrest, MS	
Lamar, MS	
3290 Hickory-Morganton-Lenoir, NC	0.9242
Alexander, NC	
Burke, NC	
Caldwell, NC	
Catawba, NC	
3320 Honolulu, HI	1.1098
Honolulu, HI	
3350 Houma, LA	0.7771
Lafourche, LA	
Terrebonne, LA	
3360 Houston, TX	0.9834

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Chambers, TX	
Fort Bend, TX	
Harris, TX	
Liberty, TX	
Montgomery, TX	
Waller, TX	
3400 Huntington-Ashland, WV-KY-OH	0.9595
Boyd, KY	
Carter, KY	
Greenup, KY	
Lawrence, OH	
Cabell, WV	
Wayne, WV	
3440 Huntsville, AL	0.9245
Limestone, AL	
Madison, AL	
3480 Indianapolis, IN	0.9916
Boone, IN	
Hamilton, IN	
Hancock, IN	
Hendricks, IN	
Johnson, IN	
Madison, IN	
Marion, IN	
Morgan, IN	
Shelby, IN	
3500 Iowa City, IA	0.9548
Johnson, IA	
3520 Jackson, MI	0.8986
Jackson, MI	
3560 Jackson, MS	0.8357
Hinds, MS	
Madison, MS	
Rankin, MS	
3580 Jackson, TN	0.8984
Chester, TN	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Madison, TN	
3600 Jacksonville, FL	0.9529
Clay, FL	
Duval, FL	
Nassau, FL	
St. Johns, FL	
3605 Jacksonville, NC	0.8544
Onslow, NC	
3610 Jamestown, NY	0.7762
Chautaqua, NY	
3620 Janesville-Beloit, WI	0.9282
Rock, WI	
3640 Jersey City, NJ	1.1115
Hudson, NJ	
3660 Johnson City-Kingsport-Bristol, TN-VA	0.8253
Carter, TN	
Hawkins, TN	
Sullivan, TN	
Unicoi, TN	
Washington, TN	
Bristol City, VA	
Scott, VA	
Washington, VA	
3680 Johnstown, PA	0.8158
Cambria, PA	
Somerset, PA	
3700 Jonesboro, AR	0.7794
Craighead, AR	
3710 Joplin, MO	0.8681
Jasper, MO	
Newton, MO	
3720 Kalamazoo-Battle Creek, MI	1.0500
Calhoun, MI	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Kalamazoo, MI	
Van Buren, MI	
3740 Kankakee, IL	1.0419
Kankakee, IL	
3760 Kansas City, KS-MO	0.9715
Johnson, KS	
Leavenworth, KS	
Miami, KS	
Wyandotte, KS	
Cass, MO	
Clay, MO	
Clinton, MO	
Jackson, MO	
Lafayette, MO	
Platte, MO	
Ray, MO	
3800 Kenosha, WI	0.9761
Kenosha, WI	
3810 Killeen-Temple, TX	0.9159
Bell, TX	
Coryell, TX	
3840 Knoxville, TN	0.8820
Anderson, TN	
Blount, TN	
Knox, TN	
Loudon, TN	
Sevier, TN	
Union, TN	
3850 Kokomo, IN	0.9045
Howard, IN	
Tipton, IN	
3870 La Crosse, WI-MN	0.9247
Houston, MN	
La Crosse, WI	
3880 Lafayette, LA	0.8207

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Acadia, LA Lafayette, LA St. Landry, LA St. Martin, LA	
3920 Lafayette, IN Clinton, IN Tippecanoe, IN	0.9036
3960 Lake Charles, LA Calcasieu, LA	0.7841
3980 Lakeland-Winter Haven, FL Polk, FL	0.8811
4000 Lancaster, PA Lancaster, PA	0.9282
4040 Lansing-East Lansing, MI Clinton, MI Eaton, MI Ingham, MI	0.9714
4080 Laredo, TX Webb, TX	0.8091
4100 Las Cruces, NM Dona Ana, NM	0.8688
4120 Las Vegas, NV-AZ Mohave, AZ Clark, NV Nye, NV	1.1528
4150 Lawrence, KS Douglas, KS	0.0000
4200 Lawton, OK Comanche, OK	0.8267
4243 Lewiston-Auburn, ME	0.9383

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Androscoggin, ME	
4280 Lexington, KY	0.8685
Bourbon, KY	
Clark, KY	
Fayette, KY	
Jessamine, KY	
Madison, KY	
Scott, KY	
Woodford, KY	
4320 Lima, OH	0.9522
Allen, OH	
Auglaize, OH	
4360 Lincoln, NE	1.0033
Lancaster, NE	
4400 Little Rock-North Little Rock, AR	0.8923
Faulkner, AR	
Lonoke, AR	
Pulaski, AR	
Saline, AR	
4420 Longview-Marshall, TX	0.9113
Gregg, TX	
Harrison, TX	
Upshur, TX	
4480 Los Angeles-Long Beach, CA	1.1795
Los Angeles, CA	
4520 Louisville, KY-IN	0.9242
Clark, IN	
Floyd, IN	
Harrison, IN	
Scott, IN	
Bullitt, KY	
Jefferson, KY	
Oldham, KY	
4600 Lubbock, TX	0.8272

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Lubbock, TX	
4640 Lynchburg, VA	0.9134
Amherst, VA	
Bedford City, VA	
Bedford, VA	
Campbell, VA	
Lynchburg City, VA	
4680 Macon, GA	0.8953
Bibb, GA	
Houston, GA	
Jones, GA	
Peach, GA	
Twiggs, GA	
4720 Madison, WI	1.0264
Dane, WI	
4800 Mansfield, OH	0.9180
Crawford, OH	
Richland, OH	
4840 Mayaguez, PR	0.4795
Anasco, PR	
Cabo Rojo, PR	
Hormigueros, PR	
Mayaguez, PR	
Sabana Grande, PR	
San German, PR	
4880 McAllen-Edinburg-Mission, TX	0.8381
Hidalgo, TX	
4890 Medford-Ashland, OR	1.0772
Jackson, OR	
4900 Melbourne-Titusville-Palm Bay, FL	0.9776
Brevard, Fl	
4920 Memphis, TN-AR-MS	0.9009

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Crittenden, AR	
De Soto, MS	
Fayette, TN	
Shelby, TN	
Tipton, TN	
4940 Merced, CA	0.9692
Merced, CA	
5000 Miami, FL	0.9894
Dade, FL	
5015 Middlesex-Somerset-Hunterdon, NJ	1.1366
Hunterdon, NJ	
Middlesex, NJ	
Somerset, NJ	
5080 Milwaukee-Waukesha, WI	0.9988
Milwaukee, WI	
Ozaukee, WI	
Washington, WI	
Waukesha, WI	
5120 Minneapolis-St Paul, MN-WI	1.1001
Anoka, MN	
Carver, MN	
Chisago, MN	
Dakota, MN	
Hennepin, MN	
Isanti, MN	
Ramsey, MN	
Scott, MN	
Sherburne, MN	
Washington, MN	
Wright, MN	
Pierce, WI	
St. Croix, WI	
5140 Missoula, MT	0.8718
Missoula, MT	
5160 Mobile, AL	0.7994

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Baldwin, AL	
Mobile, AL	
5170 Modesto, CA	1.1275
Stanislaus, CA	
5190 Monmouth-Ocean, NJ	1.0956
Monmouth, NJ	
Ocean, NJ	
5200 Monroe, LA	0.7922
Ouachita, LA	
5240 Montgomery, AL	0.7907
Autauga, AL	
Elmore, AL	
Montgomery, AL	
5280 Muncie, IN	0.8775
Delaware, IN	
5330 Myrtle Beach, SC	0.9112
Horry, SC	
5345 Naples, FL	0.9790
Collier, FL	
5360 Nashville, TN	0.9855
Cheatham, TN	
Davidson, TN	
Dickson, TN	
Robertson, TN	
Rutherford TN	
Sumner, TN	
Williamson, TN	
Wilson, TN	
5380 Nassau-Suffolk, NY	1.3140
Nassau, NY	
Suffolk, NY	
5483 New Haven-Bridgeport-Stamford-Waterbury-Danbury, CT	1.2385
Fairfield, CT	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
New Haven, CT	
5523 New London-Norwich, CT	1.1631
New London, CT	
5560 New Orleans, LA	0.9174
Jefferson, LA	
Orleans, LA	
Plaquemines, LA	
St. Bernard, LA	
St. Charles, LA	
St. James, LA	
St. John The Baptist, LA	
St. Tammany, LA	
5600 New York, NY	1.4018
Bronx, NY	
Kings, NY	
New York, NY	
Putnam, NY	
Queens, NY	
Richmond, NY	
Rockland, NY	
Westchester, NY	
5640 Newark, NJ	1.1518
Essex, NJ	
Morris, NJ	
Sussex, NJ	
Union, NJ	
Warren, NJ	
5660 Newburgh, NY-PA	1.1509
Orange, NY	
Pike, PA	
5720 Norfolk-Virginia Beach-Newport News, VA-NC	0.8619
Currituck, NC	
Chesapeake City, VA	
Gloucester, VA	
Hampton City, VA	
Isle of Wight, VA	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
James City, VA	
Mathews, VA	
Newport News City, VA	
Norfolk City, VA	
Poquoson City, VA	
Portsmouth City, VA	
Suffolk City, VA	
Virginia Beach City VA	
Williamsburg City, VA	
York, VA	
5775 Oakland, CA	1.4921
Alameda, CA	
Contra Costa, CA	
5790 Ocala, FL	0.9728
Marion, FL	
5800 Odessa-Midland, TX	0.9327
Ector, TX	
Midland, TX	
5880 Oklahoma City, OK	0.8984
Canadian, OK	
Cleveland, OK	
Logan, OK	
McClain, OK	
Oklahoma, OK	
Pottawatomie, OK	
5910 Olympia, WA	1.0963
Thurston, WA	
5920 Omaha, NE-IA	0.9745
Pottawattamie, IA	
Cass, NE	
Douglas, NE	
Sarpy, NE	
Washington, NE	
5945 Orange County, CA	1.1372
Orange, CA	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
5960 Orlando, FL	0.9654
Lake, FL	
Orange, FL	
Osceola, FL	
Seminole, FL	
5990 Owensboro, KY	0.8374
Daviess, KY	
6015 Panama City, FL	0.8202
Bay, FL	
6020 Parkersburg-Marietta, WV-OH	0.8039
Washington, OH	
Wood, WV	
6080 Pensacola, FL	0.8753
Escambia, FL	
Santa Rosa, FL	
6120 Peoria-Pekin, IL	0.8734
Peoria, IL	
Tazewell, IL	
Woodford, IL	
6160 Philadelphia, PA-NJ	1.0883
Burlington, NJ	
Camden, NJ	
Gloucester, NJ	
Salem, NJ	
Bucks, PA	
Chester, PA	
Delaware, PA	
Montgomery, PA	
Philadelphia, PA	
6200 Phoenix-Mesa, AZ	1.0129
Maricopa, AZ	
Pinal, AZ	
6240 Pine Bluff, AR	0.7865
Jefferson, AR	
6280 Pittsburgh, PA	0.8901

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Allegheny, PA	
Beaver, PA	
Butler, PA	
Fayette, PA	
Washington, PA	
Westmoreland, PA	
6323 Pittsfield, MA	1.0276
Berkshire, MA	
6340 Pocatello, ID	0.9042
Bannock, ID	
6360 Ponce, PR	0.4708
Guayanilla, PR	
Juana Diaz, PR	
Penuelas, PR	
Ponce, PR	
Villalba, PR	
Yauco, PR	
6403 Portland, ME	0.9949
Cumberland, ME	
Sagadahoc, ME	
York, ME	
6440 Portland-Vancouver, OR-WA	1.1213
Clackamas, OR.	
Columbia, OR	
Multnomah, OR	
Washington, OR	
Yamhill, OR	
Clark, WA	
6483 Providence-Warwick-Pawtucket, RI	1.0977
Bristol, RI	
Kent, RI	
Newport, RI	
Providence, RI	
Washington, RI	
6520 Provo-Orem, UT	0.9976
Utah, UT	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
6560 Pueblo, CO	0.8778
Pueblo, CO	
6580 Punta Gorda, FL	0.9510
Charlotte, FL	
6600 Racine, WI	0.8814
Racine, WI	
6640 Raleigh-Durham-Chapel Hill, NC	0.9959
Chatham, NC	
Durham, NC	
Franklin, NC	
Johnston, NC	
Orange, NC	
Wake, NC	
6660 Rapid City, SD	0.8806
Pennington, SD	
6680 Reading, PA	0.9133
Berks, PA	
6690 Redding, CA	1.1352
Shasta, CA	
6720 Reno, NV	1.0682
Washoe, NV	
6740 Richland-Kennewick-Pasco, WA	1.0609
Benton, WA	
Franklin, WA	
6760 Richmond-Petersburg, VA	0.9349
Charles City County, VA	
Chesterfield, VA	
Colonial Heights City, VA	
Dinwiddie, VA	
Goochland, VA	
Hanover, VA	
Henrico, VA	
Hopewell City, VA	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
New Kent, VA	
Petersburg City, VA	
Powhatan, VA	
Prince George, VA	
Richmond City, VA	
6780 Riverside-San Bernardino, CA	1.1348
Riverside, CA	
San Bernardino, CA	
6800 Roanoke, VA	0.8700
Botetourt, VA	
Roanoke, VA	
Roanoke City, VA	
Salem City, VA	
6820 Rochester, MN	1.1739
Olmsted, MN	
6840 Rochester, NY	0.9430
Genesee, NY	
Livingston, NY	
Monroe, NY	
Ontario, NY	
Orleans, NY	
Wayne, NY	
6880 Rockford, IL	0.9666
Boone, IL	
Ogle, IL	
Winnebago, IL	
6895 Rocky Mount, NC	0.9076
Edgecombe, NC	
Nash, NC	
6920 Sacramento, CA	1.1845
El Dorado, CA	
Placer, CA	
Sacramento, CA	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
6960 Saginaw-Bay City-Midland, MI	1.0032
Bay, MI	
Midland, MI	
Saginaw, MI	
6980 St. Cloud, MN	0.9506
Benton, MN	
Stearns, MN	
7000 St. Joseph, MO	0.0000
Andrews, MO	
Buchanan, MO	
7040 St. Louis, MO-IL	0.9033
Clinton, IL	
Jersey, IL	
Madison, IL	
Monroe, IL	
St. Clair, IL	
Franklin, MO	
Jefferson, MO	
Lincoln, MO	
St. Charles, MO	
St. Louis, MO	
St. Louis City, MO	
Warren, MO	
Sullivan City, MO	
7080 Salem, OR	1.0482
Marion, OR	
Polk, OR	
7120 Salinas, CA	1.4339
Monterey, CA	
7160 Salt Lake City-Ogden, UT	0.9913
Davis, UT	
Salt Lake, UT	
Weber, UT	
7200 San Angelo, TX	0.8535
Tom Green, TX	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
7240 San Antonio, TX	0.8870
Bexar, TX	
Comal, TX	
Guadalupe, TX	
Wilson, TX	
7320 San Diego, CA	1.1147
San Diego, CA	
7360 San Francisco, CA	1.4514
Marin, CA	
San Francisco, CA	
San Mateo, CA	
7400 San Jose, CA	1.4626
Santa Clara, CA	
7440 San Juan-Bayamon, PR	0.4909
Aguas Buenas, PR	
Barceloneta, PR	
Bayamon, PR	
Canovanas, PR	
Carolina, PR	
Catano, PR	
Ceiba, PR	
Comerio, PR	
Corozal, PR	
Dorado, PR	
Fajardo, PR	
Florida, PR	
Guaynabo, PR	
Humacao, PR	
Juncos, PR	
Los Piedras, PR	
Loiza, PR	
Luguillo, PR	
Manati, PR	
Morovis, PR	
Naguabo, PR	
Naranjito, PR	
Rio Grande, PR	
San Juan, PR	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
Toa Alta, PR	
Toa Baja, PR	
Trujillo Alto, PR	
Vega Alta, PR	
Vega Baja, PR	
Yabucoa, PR	
7460 San Luis Obispo-Atascadero-Paso Robles, CA	1.1429
San Luis Obispo, CA	
7480 Santa Barbara-Santa Maria-Lompoc, CA	1.0441
Santa Barbara, CA	
7485 Santa Cruz-Watsonville, CA	1.2942
Santa Cruz, CA	
7490 Santa Fe, NM	1.0653
Los Alamos, NM	
Santa Fe, NM	
7500 Santa Rosa, CA	1.2877
Sonoma, CA	
7510 Sarasota-Bradenton, FL	0.9964
Manatee, FL	
Sarasota, FL	
7520 Savannah, GA	0.9472
Bryan, GA	
Chatham, GA	
Effingham, GA	
7560 Scranton--Wilkes-Barre--Hazleton, PA	0.8412
Columbia, PA	
Lackawanna, PA	
Luzerne, PA	
Wyoming, PA	
7600 Seattle-Bellevue-Everett, WA	1.1562
Island, WA	
King, WA	
Snohomish, WA	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
7610 Sharon, PA	0.7751
Mercer, PA	
7620 Sheboygan, WI	0.8624
Sheboygan, WI	
7640 Sherman-Denison, TX	0.9700
Grayson, TX	
7680 Shreveport-Bossier City, LA	0.9083
Bossier, LA	
Caddo, LA	
Webster, LA	
7720 Sioux City, IA-NE	0.8993
Woodbury, IA	
Dakota, NE	
7760 Sioux Falls, SD	0.9309
Lincoln, SD	
Minnehaha, SD	
7800 South Bend, IN	0.9821
St. Joseph, IN	
7840 Spokane, WA	1.0901
Spokane, WA	
7880 Springfield, IL	0.8944
Menard, IL	
Sangamon, IL	
7920 Springfield, MO	0.8457
Christian, MO	
Greene, MO	
Webster, MO	
8003 Springfield, MA	1.0543
Hampden, MA	
Hampshire, MA	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
8050 State College, PA	0.8740
Centre, PA	
8080 Steubenville-Weirton, OH-WV	0.8398
Jefferson, OH	
Brooke, WV	
Hancock, WV	
8120 Stockton-Lodi, CA	1.0404
San Joaquin, CA	
8140 Sumter, SC	0.8243
Sumter, SC	
8160 Syracuse, NY	0.9412
Cayuga, NY	
Madison, NY	
Onondaga, NY	
Oswego, NY	
8200 Tacoma, WA	1.1116
Pierce, WA	
8240 Tallahassee, FL	0.8520
Gadsden, FL	
Leon, FL	
8280 Tampa-St. Petersburg-Clearwater, FL	0.9103
Hernando, FL	
Hillsborough, FL	
Pasco, FL	
Pinellas, FL	
8320 Terre Haute, IN	0.8325
Clay, IN	
Vermillion, IN	
Vigo, IN	
8360 Texarkana,AR-Texarkana, TX	0.8150
Miller, AR	
Bowie, TX	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
8400 Toledo, OH	0.9381
Fulton, OH	
Lucas, OH	
Wood, OH	
8440 Topeka, KS	0.9108
Shawnee, KS	
8480 Trenton, NJ	1.0517
Mercer, NJ	
8520 Tucson, AZ	0.8981
Pima, AZ	
8560 Tulsa, OK	0.9185
Creek, OK	
Osage, OK	
Rogers, OK	
Tulsa, OK	
Wagoner, OK	
8600 Tuscaloosa, AL	0.8212
Tuscaloosa, AL	
8640 Tyler, TX	0.9404
Smith, TX	
8680 Utica-Rome, NY	0.8403
Herkimer, NY	
Oneida, NY	
8720 Vallejo-Fairfield-Napa, CA	1.3377
Napa, CA	
Solano, CA	
8735 Ventura, CA	1.1064
Ventura, CA	
8750 Victoria, TX	0.8184
Victoria, TX	
8760 Vineland-Millville-Bridgeton, NJ	1.0405
Cumberland, NJ	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
8780 Visalia-Tulare-Porterville, CA	0.9856
Tulare, CA	
8800 Waco, TX	0.8394
McLennan, TX	
8840 Washington, DC-MD-VA-WV	1.0904
District of Columbia, DC	
Calvert, MD	
Charles, MD	
Frederick, MD	
Montgomery, MD	
Prince Georges, MD	
Alexandria City, VA	
Arlington, VA	
Clarke, VA	
Culpepper, VA	
Fairfax, VA	
Fairfax City, VA	
Falls Church City, VA	
Fauquier, VA	
Fredericksburg City, VA	
King George, VA	
Loudoun, VA	
Manassas City, VA	
Manassas Park City, VA	
Prince William, VA	
Spotsylvania, VA	
Stafford, VA	
Warren, VA	
Berkeley, WV	
Jefferson, WV	
8920 Waterloo-Cedar Falls, IA	0.8366
Black Hawk, IA	
8940 Wausau, WI	0.9692
Marathon, WI	
8960 West Palm Beach-Boca Raton, FL	0.9798
Palm Beach, FL	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
9000 Wheeling, OH-WV	0.7494
Belmont, OH	
Marshall, WV	
Ohio, WV	
9040 Wichita, KS	0.9238
Butler, KS	
Harvey, KS	
Sedgwick, KS	
9080 Wichita Falls, TX	0.8341
Archer, TX	
Wichita, TX	
9140 Williamsport, PA	0.8158
Lycoming, PA	
9160 Wilmington-Newark, DE-MD	1.0882
New Castle, DE	
Cecil, MD	
9200 Wilmington, NC	0.9563
New Hanover, NC	
Brunswick, NC	
9260 Yakima, WA	1.0372
Yakima, WA	
9270 Yolo, CA	0.9204
Yolo, CA	
9280 York, PA	0.9119
York, PA	
9320 Youngstown-Warren, OH	0.9214
Columbiana, OH	
Mahoning, OH	
Trumbull, OH	

Urban Area (Constituent Counties or County Equivalents)	Wage Index
9340 Yuba City, CA	1.0196
Sutter, CA	
Yuba, CA	
9360 Yuma, AZ	0.8895
Yuma, AZ	

TABLE 3B--WAGE INDEX FOR RURAL AREAS

Rural Area	Wage Index
Alabama	0.7492
Alaska	1.1886
Arizona	0.9270
Arkansas	0.7734
California	0.9967
Colorado	0.9328
Connecticut	1.2183
Delaware	0.9557
Florida	0.8855
Georgia	0.8369
Guam	
Hawaii	0.9958
Idaho	0.8974
Illinois	0.8254
Indiana	0.8824
Iowa	0.8416
Kansas	0.8074
Kentucky	0.7973
Louisiana	0.7451
Maine	0.8812
Maryland	0.9125
Massachusetts	1.0432
Michigan	0.8877
Minnesota	0.9330
Mississippi	0.7778
Missouri	0.8056
Montana	0.8800
Nebraska	0.8822
Nevada	0.9806
New Hampshire	1.0030

Rural Area	Wage Index
New Jersey 1/	
New Mexico	0.8270
New York	0.8526
North Carolina	0.8456
North Dakota	0.7778
Ohio	0.8820
Oklahoma	0.7537
Oregon	0.9994
Pennsylvania	0.8378
Puerto Rico	0.4018
Rhode Island 1/	
South Carolina	0.8498
South Dakota	0.8195
Tennessee	0.7886
Texas	0.7780
Utah	0.8974
Vermont	0.9307
Virginia	0.8498
Virgin Islands	
Washington	1.0388
West Virginia	0.8018
Wisconsin	0.9304
Wyoming	0.9110

1/ All counties within the State are classified urban.

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In addition, because any adjustment or update to the IRF wage index made under section 1886(j)(6) of the Act must be made in a budget neutral manner, we have calculated a budget neutral wage adjustment factor as established in the August 1, 2003 final rule and codified at 42 CFR 412.624(e)(1). We use the following steps to ensure that the FY 2005 IRF standard payment conversion factor reflects the update to the wage indices and to the labor-related share in a budget neutral manner:

Step 1. We determine the total amount of the FY 2004 IRF PPS rates using the FY 2004 standard payment conversion factor and the labor-related share and the wage indices from FY 2004 (as published in the August 1, 2003 final rule).

Step 2. We then calculate the total amount of IRF PPS payments using the FY 2004 standard payment conversion factor and the updated FY 2005 labor-related share and wage indices described above.

Step 3. We divide the amount calculated in step 1 by the amount calculated in step 2, which equals the FY 2005 budget neutral wage adjustment factor of 1.0035.

Step 4. We then apply the FY 2005 budget neutral wage adjustment factor from step 3 to the FY 2004 IRF PPS standard payment conversion factor after the application of the market basket update, described above, to determine the FY 2005 standard payment conversion factor.

F. Update of Payment Rates Under the Prospective Payment System for Inpatient Rehabilitation Facilities for Fiscal Year 2005

Once we calculate the IRF market basket increase factor and determine the budget neutral wage adjustment factor, this calculation enables us to determine the updated Federal prospective payments for FY 2005. In accordance with § 412.624(c)(3)(ii), we apply the market basket increase factor (3.1 percent) to the standard payment conversion factor for FY 2004 ($12,525) which equals $12,913. Then, we apply the budget neutral wage adjustment of 1.0035 to $12,913, which results in a final updated standard payment conversion factor for FY 2005 of $12,958. The FY 2005 standard payment conversion factor is applied to each CMG weight shown in Table 1, Relative Weights for Case-Mix Groups (CMGs), to compute the unadjusted IRF prospective payment rates for FY 2005 shown in Table 4.

Table 4, Federal Prospective Payments for Case-Mix Groups (CMGs) for FY 2005, displays the CMGs, and the comorbidity tiers, for FY 2005.

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TABLE 4.— FISCAL YEAR 2005 FEDERAL PROSPECTIVE PAYMENTS FOR CASE-MIX GROUPS (CMGS)

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidities
0101	$6,191.33	$5,544.73	$5,284.27	$5,000.49
0102	$8,430.47	$7,550.63	$7,195.58	$6,809.43
0103	$10,749.96	$9,627.79	$9,174.26	$8,681.86
0104	$11,671.27	$10,453.22	$9,960.81	$9,426.95
0105	$14,693.08	$13,158.85	$12,539.46	$11,866.94
0106	$18,077.71	$16,189.73	$15,426.50	$14,599.78
0107	$20,938.83	$18,752.82	$17,869.08	$16,910.19
0108	$22,646.70	$20,283.16	$19,326.86	$18,290.22
0109	$24,491.92	$21,935.30	$20,901.25	$19,780.39
0110	$26,272.35	$23,530.43	$22,421.23	$21,218.73
0111	$27,067.97	$24,243.12	$23,100.23	$21,861.44
0112	$32,112.52	$28,760.28	$27,404.87	$25,935.44
0113	$28,993.53	$25,967.83	$24,743.30	$23,416.40
0114	$35,377.93	$31,684.90	$30,192.14	$28,572.39
0201	$9,963.41	$9,428.24	$8,712.96	$7,995.09
0202	$14,488.34	$13,710.86	$12,670.33	$11,627.21
0203	$16,945.18	$16,035.53	$14,818.77	$13,599.42
0204	$21,424.76	$20,274.09	$18,735.97	$17,193.97
0205	$32,524.58	$30,777.84	$28,441.51	$26,101.30
0301	$12,510.95	$10,676.10	$10,230.34	$9,323.28
0302	$17,723.95	$15,124.58	$14,492.23	$13,209.39
0303	$24,298.84	$20,735.39	$19,869.80	$18,110.10
0304	$36,167.07	$30,862.07	$29,575.34	$26,953.94
0401	$12,027.62	$11,294.19	$10,654.07	$8,951.39

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidities
0402	$18,414.61	$17,291.16	$16,311.53	$13,704.38
0403	$30,431.86	$28,574.98	$26,955.23	$22,647.99
0404	$45,647.15	$42,862.47	$40,432.85	$33,970.69
0501	$9,835.12	$9,038.21	$8,072.83	$6,949.38
0502	$12,255.68	$11,261.80	$10,059.30	$8,659.83
0503	$15,048.13	$13,828.78	$12,352.86	$10,633.33
0504	$21,716.31	$19,955.32	$17,826.32	$15,344.86
0505	$32,801.88	$30,141.60	$26,924.13	$23,177.97
0601	$11,395.27	$8,746.65	$8,563.94	$7,708.71
0602	$15,522.39	$11,914.88	$11,666.09	$10,502.46
0603	$19,913.85	$15,285.26	$14,966.49	$13,472.43
0604	$25,974.31	$19,937.18	$19,521.23	$17,572.34
0701	$9,090.04	$9,078.37	$8,694.82	$7,722.97
0702	$12,004.29	$11,987.45	$11,482.08	$10,197.95
0703	$14,224.00	$14,204.56	$13,605.90	$12,084.63
0704	$16,181.95	$16,159.92	$15,478.33	$13,747.14
0705	$19,126.01	$19,100.09	$18,295.40	$16,249.33
0801	$6,361.08	$6,085.08	$5,854.42	$5,040.66
0802	$7,343.30	$7,024.53	$6,758.89	$5,818.14
0803	$9,013.58	$8,622.25	$8,295.71	$7,141.15
0804	$12,030.21	$11,508.00	$11,072.61	$9,531.90
0805	$12,992.99	$12,430.61	$11,958.94	$10,295.13
0806	$17,727.84	$16,959.43	$16,316.71	$14,046.47
0901	$9,055.05	$8,280.16	$7,807.20	$6,755.01
0902	$12,304.92	$11,252.73	$10,608.71	$9,179.45
0903	$15,532.75	$14,203.26	$13,390.80	$11,587.04
0904	$21,085.26	$19,281.50	$18,178.78	$15,728.42
1001	$10,134.45	$10,134.45	$9,268.86	$8,452.50
1002	$12,955.41	$12,955.41	$11,848.80	$10,805.68
1003	$15,846.34	$15,846.34	$14,493.52	$13,217.16
1004	$18,483.29	$18,483.29	$16,905.01	$15,416.13
1005	$22,790.53	$22,790.53	$20,844.24	$19,009.39
1101	$16,354.29	$9,955.63	$9,263.67	$8,592.45
1102	$25,312.16	$15,409.65	$14,336.73	$13,298.80

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidities
1103	$34,394.42	$20,938.83	$19,481.06	$18,069.93
1201	$9,354.38	$7,034.90	$6,612.47	$5,955.50
1202	$12,030.21	$9,048.57	$8,504.34	$7,659.47
1203	$13,957.06	$10,497.28	$9,866.22	$8,886.60
1204	$18,076.41	$13,595.53	$12,777.88	$11,509.30
1205	$23,161.13	$17,419.44	$16,371.14	$14,746.20
1301	$10,002.28	$8,451.21	$8,337.18	$7,212.42
1302	$12,805.10	$10,818.63	$10,673.50	$9,233.87
1303	$17,016.45	$14,376.90	$14,182.53	$12,269.93
1304	$24,182.22	$20,432.17	$20,156.17	$17,437.58
1401	$9,316.80	$8,335.88	$7,414.57	$6,681.14
1402	$12,831.01	$11,478.20	$10,210.90	$9,201.48
1403	$16,813.01	$15,041.65	$13,379.14	$12,057.42
1404	$23,341.25	$20,881.82	$18,575.29	$16,739.14
1501	$10,407.87	$9,890.84	$8,974.71	$8,571.72
1502	$13,305.27	$12,644.42	$11,474.31	$10,958.58
1503	$17,158.98	$16,306.35	$14,796.74	$14,131.99
1504	$26,690.89	$25,365.29	$23,017.30	$21,983.25
1601	$11,282.53	$10,790.13	$10,218.68	$8,556.17
1602	$17,260.06	$16,507.20	$15,635.12	$13,091.47
1701	$12,952.82	$11,690.71	$10,545.22	$9,336.24
1702	$19,119.53	$17,256.17	$15,563.85	$13,779.54
1703	$27,691.25	$24,993.39	$22,541.74	$19,957.91
1801	$9,647.23	$9,647.23	$8,891.78	$8,140.22
1802	$13,831.37	$13,831.37	$12,748.08	$11,671.27
1803	$21,186.33	$21,186.33	$19,526.41	$17,878.15
1804	$37,759.61	$37,759.61	$34,802.60	$31,862.43
1901	$15,011.84	$12,960.59	$12,674.22	$11,501.52
1902	$27,914.12	$24,099.29	$23,568.01	$21,387.18
1903	$40,609.08	$35,059.16	$34,285.57	$31,113.45
2001	$10,847.14	$9,323.28	$8,688.34	$7,812.38
2002	$14,326.36	$12,312.69	$11,474.31	$10,317.16
2003	$18,969.22	$16,302.46	$15,193.26	$13,661.62
2004	$22,640.22	$19,459.03	$18,133.43	$16,305.05

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidities
2005	$26,951.34	$23,163.72	$21,58 6.73	$19,409.79
2101	$13,420.60	$12,212.92	$10,8(7.87	$10,867.87
2102	$29,165.87	$26,540.58	$23,61 7.25	$23,617.25
5001				$2,139.37
5101				$5,544.73
5102				$16,054.96
5103				$7,043.97
5104				$22,158.18

G. Examples of Computing the Total Adjusted Inpatient Rehabilitation Facility Prospective Payments

We will adjust the Federal prospective payments, described above, to account for geographic wage variation, low-income patients and, if applicable, facilities located in rural areas.

To illustrate the methodology that we will use for adjusting the Federal prospective payments, we provide the following example. One beneficiary is in rehabilitation facility A and another beneficiary is in rehabilitation facility B.

Rehabilitation facility A's disproportionate share hospital (DSH) adjustment is 5 percent, with a low-income patient (LIP) adjustment of 1.0239 and a wage index of 0.8946, and the facility is located in a rural area with an adjustment of 1.1914 percent.

Rehabilitation facility B's DSH is 15 percent, with a LIP adjustment of 1.0700 and a wage index of 1.4414, and the facility is located in an urban area. Both Medicare beneficiaries are classified to CMG 0111 (without comorbidities). This CMG represents a stroke with motor scores in the 27 to 33 range and the patient is between 82 and 88 years old. To calculate each IRF's total adjusted Federal prospective payment, we compute the wage-adjusted Federal prospective payment and multiply the result by the appropriate LIP adjustment and the rural adjustment (if applicable). The following table illustrates the components of the adjusted payment calculation.

TABLE 5.--EXAMPLES OF COMPUTING AN IRF'S FEDERAL PROSPECTIVE PAYMENT

	Facility A	Facility B
Federal Prospective Payment..	$ 21861.44	$ 21861.44
Labor Share.....	x .72359	x .72359
Labor Portion of Federal Payment	= $ 15818.72	= $ 15818.72
Wage Index.....	x 0.8946	x 1.4414
Wage-Adjusted Amount.....	= $ 14151.43	= $ 22801.10
Non-Labor Amount.....	+ $ 6042.72	+ $ 6042.72
Wage-Adjusted Federal Payment.	$ 20194.15	$ 28843.82
Rural Adjustment.....	x 1.1914	x 1.0000
Subtotal.....	= $ 24059.31	= $ 28843.82
LIP Adjustment.....	x 1.0239	x 1.0700
Total FY 2005 Adjusted Federal Prospective Payment	= $ 24634.33	= $ 30862.89

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Thus, the adjusted payment for facility A will be $ 24,634.33, and the adjusted payment for facility B will be $ 30,862.89.

The FY 2005 IRF PPS rates set forth in this notice will apply to all discharges on or after October 1, 2004 and on or before September 30, 2005.

H. Outlier Payment Provision

Section 1886(j)(4) of the Act provides the Secretary with the authority to make payments in addition to the basic IRF prospective payments for cases incurring extraordinarily high costs. In the August 7, 2001 IRF PPS final rule, we codified at § 412.624(e)(4) of the regulations the provision to make an adjustment for additional payments for outlier cases that have extraordinarily high costs relative to the costs of most discharges. Providing additional payments for outliers strongly improves the accuracy of the IRF PPS in determining resource costs at the patient and facility level. These additional payments reduce the financial losses that would otherwise be caused by treating patients who require more costly care and, therefore, reduce the incentives to underserve these patients.

Under § 412.624(e)(4), we make outlier payments for any discharges if the estimated cost of a case exceeds the adjusted IRF PPS payment for the CMG plus the adjusted threshold amount ($11,211 which is then adjusted for each IRF by the facility's wage adjustment, its low-income patient adjustment, and its rural adjustment, if applicable). We calculate the estimated cost of a case by multiplying the IRF's overall cost-to-charge ratio by the Medicare allowable covered charge. In accordance with § 412.624(e)(4), we pay outlier cases 80 percent of the difference between the estimated cost of the case and the outlier threshold (the sum of the adjusted IRF PPS payment for the CMG and the adjusted threshold amount).

In the August 1, 2003, final rule, we stated that we will continue to pay outlier cases at 80 percent of the difference between the estimated cost of the case and the outlier threshold (the sum of the adjusted IRF PPS payment for the CMG and the adjusted threshold amount) (68 FR 45692). However, using the methodology stated in the August 1, 2003, final rule (68 FR 45692–45693), we will apply a ceiling to an IRF's cost-to-charge ratios (CCR). Also, in the August 1, 2003, final rule (68 FR 45693–45694), we stated the methodology we will use to adjust IRF outlier payments and the methodology we will use to make these adjustments. We indicated that the methodology is codified in § 412.624(e)(4) and § 412.84(i)(3).

On February 6, 2004, CMS issued manual instructions in Change Request 2998 stating that we would set forth the upper threshold (ceiling) and the national CCRs applicable to IRFs in each year's annual notice of prospective payment rates published in the **Federal Register**. The upper threshold CCR for IRFs for FY 2005 is 1.461.

In addition, we are updating the national urban and rural CCRs for IRFs. Pursuant to § 412.624(e)(4) and § 412.84(i)(3), the national CCR is applied to the following situations:

- New IRFs that have not yet submitted their first Medicare cost report.
- IRFs whose operating or capital CCR is in excess of 3 standard deviations above the corresponding national geometric mean.
- Other IRFs for whom the fiscal intermediary obtains accurate data with which to calculate either an operating or capital CCR (or both) are not available.

The national CCR based on the facility location of either urban or rural will be

used in each of the three situations cited above. Specifically, for FY 2005, we have estimated a national CCR of 0.636 for rural IRFs and 0.531 for urban IRFs. For new facilities, these national ratios will be used until the facility's actual CCR can be computed using the first tentative settled or final settled cost report data, which will then be used for the subsequent cost report period.

II. Future Updates

Medicare payments to IRFs are based on a predetermined national payment rate per discharge. Annual updates to these payment rates are required by section 1886(j)(3)(C) of the Act. These updates are based on increases to the IRF market basket amount. For FY 2005, the update is established at the market basket amount. The IRF market basket, or input price index, developed by our Office of the Actuary (OACT), is just one component in determining a change to the IRF cost per discharge amount. It captures only the pure price change of inputs (labor, materials, and capital) used by an IRF to produce a constant quantity and quality of care. Other factors also contribute to the change in costs per discharge, which include changes in case-mix, intensity, and productivity.

An update framework, used in combination with the market basket, seeks to enhance the system for updating payments by addressing factors beyond changes in pure input price. Such a framework has been used under the inpatient hospital PPS for years by both CMS and the Medicare Payment Advisory Commission (MedPAC).

In general, an update framework in the context of the IRF PPS would provide a tool for measuring and understanding changes in cost per discharge. This has the potential to support the continued accuracy of IRF payments and ensure that the IRF PPS keeps pace with changing economic and health care market trends. Accordingly, we are examining the potential for developing and using an update framework under the IRF PPS. It has the potential to provide information useful to policy makers in determining the magnitude of the annual updates.

III. Collection of Information Requirements

This document does not impose information collection and recordkeeping requirements. Consequently, it need not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995.

IV. Waiver of Proposed Rulemaking

We ordinarily publish a proposed notice in the **Federal Register** to provide a period for public comment before the provisions of a notice such as this take effect. We can waive this procedure, however, if we find good cause that a notice-and-comment procedure is impracticable, unnecessary, or contrary to the public interest and we incorporate a statement of finding and its reasons in the notice issued. We find it is unnecessary to undertake notice and comment rulemaking as the statute requires annual updates, and this notice does not make any substantive changes in policy, but merely reflects the application of previously established methodologies. Therefore, under 5 U.S.C. 553(b)(B), for good cause, we waive notice and comment procedures.

V. Regulatory Impact Analysis

A. Introduction

The August 7, 2001 final rule established the IRF PPS for the payment of Medicare services for cost reporting periods beginning on or after January 1, 2002. We incorporated a number of elements into the IRF PPS, such as case-level adjustments, a wage adjustment, an adjustment for the percentage of low-income patients, a rural adjustment, and outlier payments. This notice sets forth updates of the IRF PPS rates contained in the August 7, 2001 final rule.

The purpose of this notice is not to initiate policy changes with regard to the IRF PPS; rather, it is to provide an update to the IRF payment rates for discharges during FY 2005. We note that some individual providers may experience larger increases in payments than others due to the distributional impact of the FY 2005 wage indices.

In constructing these impacts, we do not attempt to predict behavioral responses, and we do not make adjustments for future changes in such variables as discharges or case-mix. We note that certain events may combine to limit the scope or accuracy of our impact analysis, because such an analysis is future-oriented and, thus, susceptible to forecasting errors due to other changes in the forecasted impact time period. Some examples of such possible events are newly legislated general Medicare program funding changes by the Congress, or changes specifically related to IRFs. In addition, changes to the Medicare program may continue to be made as a result of the BBA, the BBRA, the BIPA, or new statutory provisions. Although these changes may not be specific to the IRF PPS, the nature of the Medicare program is such that the changes may interact, and the complexity of the interaction of these changes could make it difficult to predict accurately the full scope of the impact upon IRFs.

We have examined the impacts of this notice as required by Executive Order 12866 (September 1993, Regulatory Planning and Review), the Regulatory Flexibility Act (RFA) and Impact on Small Hospitals (September 16, 1980, Pub. L. 96–354), section 1102(b) of the Social Security Act, the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4), and Executive Order 13132.

1. Executive Order 12866

Executive Order 12866 (as amended by Executive Order 13258, which merely reassigns responsibility of duties) directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for major rules with economically significant effects ($100 million or more in any 1 year).

We estimate that the cost to the Medicare program for IRF services in FY 2005 will increase by $170 million over FY 2004 levels. The updates to the IRF labor-related share and wage indices are made in a budget neutral manner. Thus, updating the IRF labor-related share and the wage indices to FY 2005 have no overall effect on estimated costs to the Medicare program. Therefore, this estimated cost to the Medicare program is due to the application of the updated IRF market basket of 3.1 percent. Because the combined distributional effects and the cost to the Medicare program are greater than $100 million, this update notice is considered a major rule as defined above.

2. Regulatory Flexibility Act (RFA)

The RFA requires agencies to analyze the economic impact of our regulations on small entities. If we determine that the regulation will impose a significant burden on a substantial number of small entities, we must examine options for reducing the burden. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and governmental agencies. Most hospitals are considered small entities, either by nonprofit status or by having receipts of $6 million to $29 million in any 1 year. (For details, see the Small Business Administration's regulation that set forth size standards for health care industries at 65 FR 69432.) Because we lack data on individual hospital

receipts, we cannot determine the number of small proprietary IRFs. Therefore, we assume that all IRFs (approximate total of 1,200 IRFs of which approximately 60 percent are nonprofit facilities) are considered small entities for the purpose of the analysis that follows. Medicare fiscal intermediaries and carriers are not considered to be small entities. Individuals and States are not included in the definition of a small entity.

This notice establishes a 3.1 percent increase to the Federal PPS rates. We do not expect an incremental increase of 3.1 percent to the Medicare Federal rates to have a significant effect on the overall revenues of IRFs. Most IRFs are units of hospitals that provide many different types of services (for example, acute care, outpatient services) and the rehabilitation component of their business is relatively minor in comparison. In addition, IRFs provide services to (and generate revenues from) patients other than Medicare beneficiaries.

3. Impact on Rural Hospitals

Section 1102(b) of the Act requires us to prepare a regulatory impact analysis for any notice that will have a significant impact on the operations of a substantial number of small rural hospitals. This 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 of a Metropolitan Statistical Area (MSA) and has fewer than 100 beds.

As indicated above, this notice establishes a 3.1 percent increase to the Federal PPS rates. We do not expect an incremental increase of 3.1 percent to the Federal rates to have a significant effect on overall revenues or operations since most rural hospitals provide many different types of services (for example, acute care, outpatient services) and we believe that the rehabilitation component of their business is relatively minor in comparison.

4. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 also requires that agencies assess anticipated costs and benefits before issuing any rule that may result in an expenditure in any 1 year by State, local, or tribal governments, in the aggregate, or by the private sector, of at least $110 million. This notice will not have an effect on the governments mentioned nor will it affect private sector costs.

5. Executive Order 13132

We examined this notice in accordance with Executive Order 13132 and determined that it will not have any negative impact on the rights, roles, or responsibilities of State, local, or tribal governments.

6. Overall Impact

For the reasons stated above, we have not prepared an analysis under the RFA and section 1102(b) of the Act because we believe that the effect of this notice will not increase burden but will benefit most IRFs through the increase in the payment rates as shown in the regulatory impact analysis below.

B. Anticipated Effects of the Notice

We discuss below the impacts of this notice on the Federal budget and on IRFs.

1. Budgetary Impact

Section 1886(j)(3)(C) of the Act requires annual updates to the IRF PPS payment rates. We project that updating the IRF PPS for discharges occurring on or after October 1, 2004 and on or before September 30, 2005 will cost the Medicare program $170 million. The budgetary impact is the result of the application of the updated IRF market basket of 3.1 percent.

2. Impact on Providers

For the impact analyses shown in the August 7, 2001 final rule, we simulate payments for 1,024 facilities. To construct the impact analyses set forth in this notice, we use the latest available data. For FY 2005, we used 1999 and 2000 Medicare claims and Functional Independence Measure (FIM) data for the same facilities that were used in constructing the impact analyses provided in the August 7, 2001 IRF PPS final rule (66 FR 41364–41365, and 41372) which was effective for cost reporting periods beginning on or after January 1, 2002. We still do not have enough post-IRF PPS data to determine the distributional impact on providers. Further, we will need a sufficient amount of these data to be able to rely on them as the basis for the impact analysis. Because IRFs began to be paid under the IRF PPS based on their cost report start date that occurred on or after January 1, 2002, sufficient Medicare claims data will not be available for those facilities whose cost report start date occurs later in the calendar year. The estimated distributional impacts among the various classification of IRFs for discharges occurring on or after October 1, 2004 and on or before September 30, 2005 is reflected in Table 6, Projected Impact of FY 2005 Update to the IRF PPS, of this notice. These impacts reflect the updated IRF wage adjustment and the application of the 3.1 percent IRF market basket increase.

3. Calculation of the Estimated FY 2004 IRF Prospective Payments

To estimate payments under the IRF PPS for FY 2004, we multiplied each facility's case-mix index by the facility's number of Medicare discharges, the FY 2004 standard payment conversion factor, the applicable wage index, a low-income patient adjustment, and a rural adjustment (if applicable). The adjustments include the following:

The wage adjustment, calculated as follows:

((1–Labor Share) + (Labor Share × Wage Index)) = (.27641 + (.72359 × Wage Index))

The disproportionate share adjustment, calculated as follows:

(1 + Disproportionate Share Percentage) raised to the power of .4838)

The rural adjustment, if applicable, calculated by multiplying payments by 1.1914.

4. Calculation of the Estimated FY 2005 IRF Prospective Payments

To calculate FY 2005 payments, we use the payment rates described in this notice that reflect the 3.1 percent market basket increase factor. Further, we use the same facility level adjustments described above.

Table 6 illustrates the aggregate impact of the estimated FY 2005 updated payments among the various classifications of facilities compared to the estimated IRF PPS payment rates applicable for FY 2004.

The first column, Facility Classification, identifies the type of facility. The second column identifies the number of facilities for each classification type, and the third column lists the number of cases. The fourth column indicates the impact of the budget neutral wage adjustment. The last column reflects the combined changes including the update to the FY 2004 payment rates by 3.1 percent and the budget neutral wage adjustment (including the FY 2005 labor-related share and the FY 2005 wage indices).

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TABLE 6.—PROJECTED IMPACT OF FY 2005 UPDATE TO THE IRF PPS

Facility Classification	Number of Facilities	Number of Cases	Wage Index Percentage	Total Percent Change
Total				
	1,024	347,809	0.0	3.1
Urban unit	725	206,926	-0.1	3.0
Rural unit	131	26,507	0.5	3.6
Urban hospital	156	109,691	0.1	3.2
Rural hospital	12	4,685	-0.3	2.8
Total urban	881	316,617	0.0	3.1
Total rural	143	31,192	0.3	3.5
Urban by Region				
New England	32	15,039	0.3	3.4
Middle Atlantic	133	64,042	-0.6	2.5
South Atlantic	112	52,980	0.2	3.3
East North Central	171	55,071	-0.4	2.7
East South Central	41	23,434	0.7	3.8
West North Central	70	18,087	-1.2	1.9
West South Central	154	52,346	0.4	3.5
Mountain	56	14,655	0.8	3.9
Pacific	112	20,963	0.2	3.3
Rural by region				
New England	4	829	0.7	3.8
Middle Atlantic	10	2,424	-0.2	2.9
South Atlantic	20	6,192	0.3	3.4
East North Central	29	5,152	0.7	3.8
East South Central	10	3,590	-0.2	3.0
West North Central	22	3,820	1.4	4.6
West South Central	32	7,317	0.2	3.3
Mountain	9	1,042	-1.2	1.9
Pacific	7	826	0.5	3.6

As Table 6 illustrates, all IRFs will benefit from the 3.1 percent market basket increase that is applied to FY 2004 IRF PPS payment rates to develop the FY 2005 rates. However, there may be distributional impacts among various IRFs due to the application of the updates to the labor-related share and wage indices in a budget neutral manner.

To summarize, all facilities will receive a 3.1 percent increase in their unadjusted IRF PPS payments. The estimated positive impact for all IRFs reflected in Table 6 is due to the effect of the update to the IRF market basket index.

In accordance with the provisions of Executive Order 12866, this notice was reviewed by the Office of Management and Budget (OMB).

Authority: Section 1886 (j) of the Social Security Act (42 U.S.C. 1395ww(j)) (Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance Program; and No. 93.774, Medicare—Supplementary Medical Insurance Program)

Dated: June 24, 2004.

Mark B. McClellan,

Administrator, Centers for Medicare & Medicaid Services.

Approved: July 27, 2004.

Tommy G. Thompson,

Secretary.

[FR Doc. 04–17444 Filed 7–29–04; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–1249–N]

RIN 0938–AM46

Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities—Update—Notice

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice updates the payment rates used under the prospective payment system (PPS) for skilled nursing facilities (SNFs), for fiscal year (FY) 2005, as required by statute. Annual updates to the PPS rates are required by section 1888(e) of the Social Security Act (the Act), as amended by the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (the BBRA), the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (the BIPA), and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the MMA), relating to Medicare payments and consolidated billing for SNFs.

EFFECTIVE DATE: This notice is effective on October 1, 2004.

FOR FURTHER INFORMATION CONTACT: John Davis, (410) 786–0008 (for information related to the Wage Index, and to swing-bed providers). Ellen Gay, (410) 786–4528 (for information related to the case-mix classification methodology). Jeanette Kranacs, (410) 786–9385 (for information related to the development of the payment rates). Bill Ullman, (410) 786–5667 (for information related to level of care determinations, consolidated billing, and general information).

SUPPLEMENTARY INFORMATION: Because of the many terms to which we refer by abbreviation in this notice, we are listing these abbreviations and their corresponding terms in alphabetical order below:

ADL Activity of Daily Living
AHE Average Hourly Earnings
AIDS Acquired Immune Deficiency Syndrome
ARD Assessment Reference Date
BBA Balanced Budget Act of 1997, Pub.L. 105–33
BBRA Medicare, Medicaid and SCHIP Balanced Budget Refinement Act of 1999, Pub.L. 106–113
BEA (U.S.) Bureau of Economic Analysis
BIPA Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, Pub.L. 106–554
CAH Critical Access Hospital
CFR Code of Federal Regulations
CMS Centers for Medicare & Medicaid Services
CPT (Physicians') Current Procedural Terminology
DRG Diagnosis Related Group
FI Fiscal Intermediary
FQHC Federally Qualified Health Center
FR Federal Register
FY Fiscal Year
GAO General Accounting Office
HCPCS Healthcare Common Procedure Coding System
ICD–9-CM International Classification of Diseases, Ninth Edition, Clinical Modification
IFC Interim Final Rule with Comment Period
MDS Minimum Data Set
MEDPAR Medicare Provider Analysis and Review File
MIP Medicare Integrity Program
MMA Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Pub.L. 108–173
MSA Metropolitan Statistical Area
NECMA New England County Metropolitan Area
OIG Office of the Inspector General
OMRA Other Medicare Required Assessment
PCE Personal Care Expenditures
PPI Producer Price Index
PPS Prospective Payment System
PRM Provider Reimbursement Manual
RAI Resident Assessment Instrument
RAP Resident Assessment Protocol
RAVEN Resident Assessment Validation Entry
RFA Regulatory Flexibility Act, Pub. L. 96–354
RHC Rural Health Clinic
RIA Regulatory Impact Analysis
RUG Resource Utilization Groups
SCHIP State Children's Health Insurance Program
SNF Skilled Nursing Facility
STM Staff Time Measure
UMRA Unfunded Mandates Reform Act, Pub. L. 104–4

I. Background

On August 4, 2003, we published in the **Federal Register** (68 FR 46036) a final rule that set forth updates to the payment rates used under the prospective payment system (PPS) for skilled nursing facilities (SNFs) for fiscal year (FY) 2004. (We subsequently published a correction notice (68 FR 55882, September 29, 2003) with respect to those payment rate updates.) Annual updates to the PPS rates are required by section 1888(e) of the Social Security Act (the Act), as amended by the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (BBRA), the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA), and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) relating to Medicare payments and consolidated billing for SNFs.

A. Current System for Payment of Skilled Nursing Facility Services Under Part A of the Medicare Program

Section 4432 of the Balanced Budget Act of 1997 (BBA) amended section 1888 of the Act to provide for the implementation of a per diem PPS for SNFs, covering all costs (routine, ancillary, and capital-related) of covered SNF services furnished to beneficiaries under Part A of the Medicare program, effective for cost reporting periods beginning on or after July 1, 1998. In this notice, we are updating the per diem payment rates for SNFs for FY 2005. Major elements of the SNF PPS include:

• *Rates.* Per diem Federal rates were established for urban and rural areas using allowable costs from FY 1995 cost reports. These rates also included an estimate of the cost of services that, before July 1, 1998, had been paid under Part B but furnished to Medicare beneficiaries in a SNF during a Part A covered stay. The rates were adjusted annually using a SNF market basket index. Rates were case-mix adjusted using a classification system (Resource Utilization Groups, version III (RUG–III)) based on beneficiary assessments (using the Minimum Data Set (MDS) 2.0). The rates were also adjusted by the hospital wage index to account for geographic variation in wages. (In section II.C of this notice, we discuss the wage index adjustment in greater detail.) A correction notice was published on October 10, 2003 (68 FR 58756) that announced a wage index for a particular MSA that had been inadvertently omitted from the September 29, 2003 correction notice