Corrections'' (hereinafter referred to as the ''FY 2007 IPPS correction notice'') in order to reflect the recalculations included in the two Joint Signature Memoranda. Since the publication of the January 5, 2007 correction notice, we have become aware of several technical errors included in the January 5, 2007 correction notice. The Joint Signature Memoranda used to inform fiscal intermediaries of hospital payment rates did not contain such errors, in part because those Memoranda use a slightly different format for presenting wage index data. Thus, the corrections in this notice do not alter the rates already being used by fiscal intermediaries to pay hospitals. Rather, the corrections ensure that the **Federal Register** accurately reflects the rates actually in place.

In sections II. and III. of this correction notice, we summarize, identify, and correct the errors in the January 5, 2007 correction notice. We note that the corrections to items 1a, 1b and 2 of section III. of this notice are effective November 3, 2006; the correction to item 1c of section III of this notice is effective November 21, 2006, and the correction to item 3 of section III of this notice is effective October 1, 2006.

II. Summary of the Corrections to the FY 2007 IPPS Correction Notice

We made corrections to several of the wage index values that were published in Table 2 in order to ensure that the published tables accurately reflect the rates actually being used by fiscal intermediaries. We also added a sentence to the note that appears at the end of Table 2. In addition, we are making a technical correction in Table 5 to the relative weighting factor listed for DRG 525.

III. Correction of Errors

In FR Doc. 06–9976 of January 5, 2007 (72 FR 569), make the following corrections:

1. On pages 570 through 571, in Table 2.—Hospital Case-Mix Indexes for Discharges Occurring in Federal Fiscal Year 2005; Hospital Wage Indexes for Federal Fiscal Year 2007; Hospital Average Hourly Wages for Federal Fiscal Years 2005 (2001 Wage Data), 2006 (2002 Wage Data), and 2007 (2003 Wage Data); Wage Indexes and 3-Year Average of Hospital Average Hourly Wages, is corrected by—

a. Correcting the following entries effective November 3, 2006:

Provider No.	FY 2007 wage index
070003	1.2452
070038	1.2591
260015	0.8353
260047	0.8341
340073	0.9775
390044	1.0996
390096	1.0996

b. Deleting the following entries effective November 3, 2006:

Provider No.	FY 2007 wage index
530008	0.9057
530009	0.9057
530010	0.9057
530011	0.9057
530014	0.9057
530017	0.9057
530032	0.9057

c. Correcting the following entries effective November 21, 2006:

Provider No.	FY 2007 wage index
230013	1.0492
230019	1.0492
230029	1.0492
230071	1.0492
230130	1.0492
230151	1.0492
230207	1.0492
230223	1.0492
230254	1.0492
230269	1.0492
230277	1.0492

2. On page 571, third column, second full paragraph, that ends with the parenthetical phrase ''(April 1–September 30, 2007),'' the paragraph is corrected by adding a sentence to read as follows:

The separate wage index values for the first and second halves of FY 2007 can be viewed in Supplemental Table 2 on the CMS Web site at: *http://www.cms.hhs.gov/AcuteInpatientPPS/WIFN/list.asp#TopOfPage.*

3. On page 573 in Table 5.—List of Diagnosis-Related Groups (DRGs), Relative Weighting Factors, and Geometric and Arithmetic Mean Length of Stay (LOS), first line (DRG 525), seventh column (weights), the figure ''2.2268'' is corrected to read ''12.2268''.

IV. Discussion of Effective Date and Notice and Comment Rulemaking

We ordinarily publish a notice of proposed rulemaking in the **Federal Register** to provide a period for public comment before the provisions of a rule take effect in accordance with section 553(b) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b). In addition, a final rule would ordinarily require a 30-day delay in effective date after the date of publication in the **Federal Register**. This correction of the rates published in the FY 2007 IPPS notice and subsequent FY 2007 IPPS correction notice does constitute a rule under the Administrative Procedure Act, because in our FY 2007 IPPS final rule (71 FR 47870, August 18, 2006), we already published the methodologies and formulas we use for determining the wage index, geographic adjustment factors, and other rates. This notice does not change our methodology or formulas, but merely ensures that our notice accurately reflects the rates that are already being used to pay hospitals. As this notice is not a rule under the Administrative Procedure Act, no notice of proposed rulemaking or delay in effective date is necessary.

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

Dated: March 16, 2007.

Ann C. Agnew,

Executive Secretary to the Department.

[FR Doc. E7–5290 Filed 3–22–07; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–1384–N]

Medicare Program; Extension of Certain Hospital Wage Index Reclassifications

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

ACTION: Notice.

SUMMARY: This notice announces the extension of the expiration date for certain geographic reclassifications as implemented by Division B, Title I, section 106 of the Tax Relief and Health Care Act of 2006. These geographic classifications, which affected hospitals' wage indices, were previously set to expire on March 31, 2007 and are now extended to September 30, 2007.

DATES: *Effective Date:* April 1, 2007.

FOR FURTHER INFORMATION CONTACT: Brian Slater, for hospital inpatient prospective payment systems questions, (410) 786–5229. Chris Smith-Ritter, for hospital outpatient prospective payment systems questions, (410) 786–4636.

SUPPLEMENTARY INFORMATION:

I. Background

Section 508 of Pub. L. 108–173 (hereinafter referred to as ''section 508'') permitted a qualifying hospital to appeal the wage index classification otherwise applicable to the hospital and apply for reclassification to another area of the State in which the hospital was located (or, at the discretion of the Secretary, to an area within a contiguous State). Hospitals were required to submit their applications by February 15, 2004. In the February 13, 2004 **Federal Register** (69 FR 7340), we published a notice that described our implementation of section 508. The Congress limited the reclassifications under section 508 to a 3-year period beginning April 1, 2004 and ending March 31, 2007.

Generally, geographic reclassifications are in effect for at least one entire Federal fiscal year (October 1 to September 30). However, in the FY 2006 IPPS final rule, to coincide with the end of section 508 reclassifications on March 31, 2007, we established special procedural rules under which individual and group reclassifications could take effect for only the second half of the fiscal year, from April 1 through September 30, 2007 (70 FR 47382, August 12, 2005). Consistent with those procedural rules, for FY 2007, some hospitals or geographic areas were assigned different geographic reclassifications and wage indices for the 1st half of FY 2007 than were assigned for the 2nd half of FY 2007 (71 FR 59886). Further, in accordance to section 1886(d)(8)(D) of the Act, we apply an adjustment to the IPPS standardized amounts to ensure that the effects of geographic reclassification are budget neutral. For FY 2008, we calculated one budget neutrality adjustment that reflects the average of the adjustments required for 1st and 2nd half fiscal year reclassifications, respectively. We received only favorable comments on our policy of providing for half-year reclassifications in FY 2007.

II. Provisions of the Notice

Division B, Title I, section 106 of the Tax Relief and Health Care Act of 2006 (Pub. L. 109–432) extends any geographic reclassification that was set to expire on March 31, 2007 by 6 months until September 30, 2007. Consistent with the mid-year manner in which we originally implemented section 508 (Pub. L. 108–173) in FY 2005, we will not alter previously announced wage indices or geographic reclassifications for hospitals whose reclassifications are not extended by section 106. Such hospitals will continue to receive the wage indices and reclassifications previously announced in the October 11, 2006 IPPS **Federal Register** notice (71 FR 59885) (or any corrections to such notice). Also, consistent with the mid-year implementation of section 508, we have made no changes to the budget neutrality adjustments applied to the standardized amounts previously announced.

Also, as with the section 508 reclassifications, the 6-month extension applies to both hospital inpatient and outpatient department services. However, because the Congress limited the extensions available under section 106 to a 6-month period, for hospital outpatient department services and payment under OPPS, a hospital that has a geographic reclassification extended from March 31, 2007 to September 30, 2007 will revert to its previously scheduled April 1st reclassification or its home area wage index from October 1, 2007 to December 31, 2007. As discussed in the previous paragraph, the OPPS wage index received for October 1 through December 31, 2007 will not be affected by the section 106 extension.

We have instructed the Medicare Administrative Contractors (MAC) for the affected providers to continue any geographic reclassifications that were set to expire on March 31, 2007 through September 30, 2007.

As described in section I of this Notice, for FY 2007, we allowed some reclassifications to take effect for only half of the fiscal year, and we calculated separate wage indices for the first and second halves of the year for the areas affected by such reclassifications. Hospitals receiving a section 508 reclassification receive the wage index for reclassified hospitals, when such a wage index applies. Because there may be two separate wage indices for hospitals for the first and second halves of the year, a small number of hospitals whose reclassifications are being extended under section 106 will receive the April 1–September 30, 2007 wage index (that is, the wage index value for the second half of the year). Thus, even if these hospitals are reclassified to the same area as in the first half of the year, the hospitals may see a change in their wage indices (see Tables 4A–2, 4B–2, and 4C–2 further corrected on January 5, 2007 (72 FR 569) and March xx, 2007 (72 FR XXX) for a listing of areas where the wage index is changing between the 1st and 2nd half of the fiscal year). We believe such a change is appropriate given section 106's focus on extending the actual geographic reclassification, and not the specific wage index assignment, for the additional 6 months.

When applying section 508, we required each hospital to submit a request in writing by February 15, 2004, to the Medicare Geographic Classification Review Board (MGCRB), with a copy to CMS. CMS will neither require nor accept written requests for the extension required by section 106, since that section simply provides a 6-month continuation for any reclassification set to expire March 31, 2007. Thus, for example, hospitals that were not reclassified under section 508 should not send written requests to the MGCRB requesting section 106 extensions.

Providers affected by section 106 are listed below:

Provider No.	Wage index 4/1/2007–9/30/2007
010150	0.8371
020008	1.2183
050494	1.4116
050549	1.4116
060075	1.0877
070001	1.2730
070005	1.2730
070010	1.3113
070016	1.2730
070017	1.2730
070019	1.2730
070022	1.2730
070028	1.3113
070031	1.2730
070036	1.2930
070039	1.2730
160040	0.8708
160064	0.9701
160067	0.8708
160110	0.8708
220046	1.1343
230003	1.0797
230004	1.0797
230013	1.0602
230019	1.0602
230020	1.0440
230024	1.0440
230029	1.0602
230036	1.0602
230038	1.0797
230053	1.0440
230059	1.0797
230066	1.0797
230071	1.0602
230072	1.0797
230089	1.0440
230097	1.0797
230104	1.0440
230106	1.0797
230119	1.0440
230130	1.0602
230135	1.0440
230146	1.0440
230151	1.0602
230165	1.0440
230174	1.0797
230176	1.0440
230207	1.0602
230223	1.0602

Provider No.	Wage index 4/1/2007–9/30/2007
230236	1.0797
230254	1.0602
230269	1.0602
230270	1.0440
230273	1.0440
230277	1.0602
250002	0.8461
250122	0.8461
270023	0.8956
270032	0.8956
270057	0.8956
310021	1.3113
310028	1.3113
310051	1.3113
310060	1.3113
310115	1.3113
310120	1.3113
330049	1.3113
330106	1.4779
330126	1.3113
330135	1.3113
330205	1.3113
330209	1.2730
330264	1.2730
340002	0.9413
350002	0.8367
350003	0.8367
350006	0.8367
350010	0.8367
350014	0.8367
350015	0.8367
350017	0.8367
350030	0.8367
380090	1.1162
390001	0.9990
390003	0.9990
390045*	0.9990
390054	0.9942
390072	0.9990
390095	0.9990
390119	0.9990
390137	0.9990
390169	0.9990
390185	0.9942
390192	0.9990
390237	0.9990
390270	0.9942
430005	0.8708
430015	0.9238
430048	0.9238
430060	0.9238
430064	0.9238
430077	0.9238
430091	0.9238
450010	0.8794
450072	1.0094
450591	1.0094
470003	1.1343
490001	0.8600
530015	1.0060

*This hospital is assigned a wage index value under a special exceptions policy (69 FR 49105).

III. Regulatory Impact Statement

We have examined the impact of this notice using the requirements of Executive Order 12866 (September 1993, Regulatory Planning and Review), and Executive Order 13132.

Executive Order 12866 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). This notice implements a statutory provision that would increase payments to hospitals by less than $100 million and is therefore not a major rule.

Executive Order 13132 establishes certain requirements that an agency must meet when it promulgates a proposed rule (and subsequent final rule) that imposes substantial direct requirement costs on State and local governments, preempts State law, or otherwise has Federalism implications. Again, although we do not consider this notice to be a rule subject to notice and comment rulemaking, we note that this notice does not impose any costs on State or local governments. Therefore, the requirements of Executive Order 13132 would not be applicable.

Section 106 of the Tax Relief and Health Care Act of 2006 extends any geographic reclassification that was set to expire on March 31, 2007 by six months until September 30, 2007. We estimate the impact of this provision will be to increase payments to hospitals by $80 million.

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

Authority: Section 106 of Public Law 109–432.

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

Dated: March 8, 2007.

Leslie V. Norwalk,

Acting Administrator, Centers for Medicare & Medicaid Services.

[FR Doc. E7–5298 Filed 3–22–07; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–4083–NR]

Medicare Program; Applicability of Part 405 Medicare Appeals Council Own Motion Review Provisions to the Part 423 Medicare Prescription Drug (Part D) Appeals Process

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

ACTION: Notice of CMS Ruling.

SUMMARY: This notice announces a CMS Ruling that establishes a process for own motion review of Medicare Prescription Drug Program (Part D) cases by the Medicare Appeals Council.

FOR FURTHER INFORMATION CONTACT: Arrah Tabe-Bedward, (410) 786–7129 or Kathryn McCann Smith, (410) 786–7623.

SUPPLEMENTARY INFORMATION: The CMS Acting Administrator signed Ruling CMS–4083–NR on March 15, 2007. The text of the CMS Ruling is as follows:

Implementation of a Process for Own Motion Review of Part D Cases by the Medicare Appeals Council

Summary: This Ruling establishes a process, consistent with the current Medicare fee-for-service (FFS) appeals rules in title 42 of the Code of Federal Regulations, part 405, subpart I, for own motion review of Part D cases by the Medicare Appeals Council. This Ruling is effective on the date the Acting Administrator signs the Ruling.

Citations: Sections 1852(g), 1860D–4(g)–(h), and 1869 of the Social Security Act (42 U.S.C. 1395w–22, 1395w–104 and 1395ff).

I. Background on Part D Appeals

Sections 1860D–4(g) and (h) of the Social Security Act (the Act) and the implementing regulations at 42 CFR part 423, subpart M, establish a Part D enrollee's right to appeal an adverse coverage determination made by a Part D plan sponsor (''plan sponsor''), as defined at 42 CFR 423.4, that results in the denial of prescription drug coverage the enrollee believes he or she is entitled to receive under the Part D program. This includes a plan sponsor's decision not to provide or pay for a Part D drug, failure to provide a coverage determination in a timely manner when a delay would adversely affect the enrollee's health, a decision concerning a tiering or non-formulary exceptions request, and a decision on the amount