Policy Changes; Notice

AGENCY: Centers for Medicare & Medicaid Services

ACTION: Final rule; clarification.

SUMMARY: This notice clarifies the availability of certain physician salary proxy data that can be used for purposes of the hospital direct and indirect graduate medical education policy adopted in the final rule. We will work with the commenter to determine whether we can develop proxy salary amounts for supervisory dentists.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Parts 412 and 413

[CMS–1529–N]

RIN 0938–AO30

Medicare Program; Hospital Direct and Indirect Graduate Medical Education Policy Changes; Notice

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

ACTION: Final rule; clarification.

SUMMARY: This notice clarifies the availability of certain physician salary proxy data for purposes of the hospital direct and indirect graduate medical education policy adopted in the “Medicare Program; Prospective Payment System for Long-Term Care Hospitals RY 2008: Annual Payment Rate Updates, and Policy Changes; and Hospital Direct and Indirect Graduate Medical Education Policy Changes” final rule that appeared in the May 11, 2007 Federal Register.

EFFECTIVE DATE: This notice is effective on July 1, 2007.

FOR FURTHER INFORMATION CONTACT: Tzvi Hefter, (410) 786–4487 (General information). Miechal Lefkowitz, (410) 786–5316 (Graduate Medical Education payments). Renate Rockwell, (410) 786–4645 (Graduate Medical Education payments).

SUPPLEMENTARY INFORMATION:

I. Background

In the final rule that appeared in the May 11, 2007 Federal Register (72 FR 26958), we responded erroneously to the following comment, “One commenter stated that CMS should use average compensation figures for dental faculty based on specialty and regional variation. The commenter stated that the commenter would be happy to work with CMS to develop compensation figures for dental programs.” We responded, “The AMGA [American Medical Group Association] data does not apply to dental faculty, at this point we are unaware of a comparable data source for dental faculty salaries. We will work with the commenter to determine whether we can develop proxy salary amounts for supervisory dentists.” After the final rule was issued, we were made aware that the AMGA data, in fact, do apply to dentists and podiatrists. Because AMGA data are available for the dental and podiatry specialties, the AMGA 2006 Medical Group Compensation and Financial Survey data can be used as the salary proxy for both dentistry and podiatry in accordance with the policies adopted in the final rule. We will also correct our posting of 2006 AMGA salary data at the following Web site address to include the median salary data for both dentistry and podiatry:

SUMMARY: This document corrects technical errors in the “Medicare Program; Prospective Payment System for Long-Term Care Hospitals RY 2008: Annual Payment Rate Updates, and Policy Changes; Corrections” published at 72 FR 26898, July 3, 2007.

II. Summary of Errors
In the RY 2008 LTCH PPS final rule, we incorrectly calculated the HCO fixed-loss amount. Specifically, we discovered that there was a typographical error in one of the numeric inputs used in the payment simulation program and this resulted in an understating of the nonlabor share of payments to LTCHs. Since the nonlabor related share is used in the calculation of the fixed-loss amount, this error caused the fixed-loss amount to be inaccurate. We corrected the typographical error in the payment simulation program and computed the payment using the same payment methodology that was discussed and used in the final rule. Consequently, the corrected fixed-loss amount for RY 2008 is $20,738. This document replaces all incorrect HCO fixed-loss amounts references in the RY 2008 LTCH PPS final rule with the corrected fixed-loss amount of $20,738.

Furthermore, the payment simulation program was used in the analysis of payment changes for the impact section of the RY 2008 LTCH PPS final rule. Specifically, Tables 9 and 11 of the final rule address the projected impact of payment rate policy changes by comparing payments based on the policies that were in effect for RY 2007 to LTCH PPS payments based on policies to be in effect for RY 2008, including the RY 2008 HCO fixed-loss amount (72 FR 26870, 26977 through 26978, and 26985 through 26986). In this correction notice, we are providing the revised Tables 9 and 11 to reflect the changes resulting from correcting the typographical error in the payment simulation program. We note that it was necessary to revise only two columns in the revised Tables 9 and 11 to reflect the changes resulting from correcting the typographical error in the payment simulation program. Furthermore, we also project an estimated 2.5 percent decrease in estimated payments per discharge from RY 2007 to RY 2008 due to applied the case-mix adjustment (2.49 percent) to account for the increase in payments in FY 2005. In addition, we are making conforming changes to the preamble of the final rule (as indicated in Section III of this correction notice) that are necessary as a result of the correction of the fixed-loss amount and Tables 9 and 11.

III. Correction of Errors
In FR Doc. 07–2206 (72 FR 26870), make the following corrections:
1. On page 26898:
   a. In the 2nd column, 1st full paragraph, lines 25 and 30, the figure “$22,954” is corrected to read “$20,738”.
   b. In the 3rd column, 2nd full paragraph, lines 4 and 11, the figure “$22,954” is corrected to read “$20,738”.
2. On page 26899:
   a. In the 1st column, line 10, the figure “3.8” is corrected to read “1.2”.
   b. In the 2nd column, line 42, the figure “1.0” is corrected to read “0.5”.
   c. In the 3rd column, line 46 through 48, the sentence “We also project an estimated 2.5 percent decrease in estimated payments per discharge from RY 2007 to RY 2008 due to” is corrected to read, “We also project an estimated 0.4 percent decrease in estimated payments per discharge from RY 2007 to RY 2008 primarily due”.
3. In the 1st full paragraph, line 2, the figure “$22,954” is corrected to read “$20,738”.
4. In the 2nd column, line 14, the figure “10” is corrected to read “4”.
5. In the 1st paragraph, line 31, the figure “10” is corrected to read “8.5”.
6. On page 26900, in the 1st column, in the 3rd full paragraph, in the 2nd line from the bottom, the figure “$22,954” is corrected to read “$20,738”.
7. On page 26977, in the 3rd column, in the 1st partial paragraph, lines 27 and 28, the phrase “approximately $156 million (or about 3.8 percent).” is corrected to read, “approximately $50 million (or about 1.2 percent).” In addition, applying the case-mix adjustment (2.49 percent) to account for the increase in payments in FY 2005, the result is estimated to be an impact of approximately $100 million.
8. On page 26978, in the 3rd column, in the 1st partial paragraph, lines 27 and 28, the phrase “approximately $156 million (or about 3.8 percent).” is corrected to read, “approximately $50 million (or about 1.2 percent).” In addition, applying the case-mix adjustment (2.49 percent) to account for the increase in payments in FY 2005, the result is estimated to be an impact of approximately $100 million.
9. On pages 26977 through 26978, Table 9: Estimated Impact of the