DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

42 CFR Parts 409, 410, 411, 413, 424, 483, and 489

†HCFA—1993—N2†

RIN 0938—A147

Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities; Reopening of Comment Period

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

ACTION: Notice of reopening of comment period for interim final rule.

SUMMARY: We published an interim final rule with comment period in the Federal Register on May 12, 1998 (63 FR 26252). That interim final rule implements provisions in section 4432 of the Balanced Budget Act of 1997 related to Medicare payment for skilled nursing facility services. Those include the implementation of a Medicare prospective payment system for skilled nursing facilities, consolidated billing, and a number of related changes.

A document published on July 13, 1998 extended the comment period for the May 12, 1998 interim final rule until September 11, 1998. This document reopen and extends the comment period for an additional 30 days after the date of publication of this notice. The document also clarifies the explanation of the Federal rates.

DATES: The comment period is reopened and extended to 5 p.m. on December 28, 1998.

ADDRESSES: Mail written comments (one original and three copies) to the following address: Health Care Financing Administration, Department of Health and Human Services, Attention: HCFA—1913—IFC, P.O. Box 26688, Baltimore, MD 21207—0488.

If you prefer, you may deliver your written comments (one original and three copies) to one of the following addresses: Room 309—G, Hubert H. Humphrey Building, 200 Independence Avenue, SW, Washington, DC 20201, or Room C5—09—26, Central Building, 7500 Security Boulevard, Baltimore, MD 21244—1850.

Because of staffing and resource limitations, we cannot accept comments by facsimile (FAX) transmission. In commenting, please refer to file code HCFA—1913—IFC. Comments received timely will be available for public inspection as they are received, generally beginning approximately 3 weeks after publication of a document, in Room 309—G of the Department’s offices at 200 Independence Avenue, SW, Washington, DC, on Monday through Friday of each week from 8:30 a.m. to 5 p.m. (phone: (202) 690—7890). For comments that relate to information collection requirements, mail a copy of comments to: Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503, Attn: Allison Herron Eydt, HCFA Desk Officer.


SUPPLEMENTARY INFORMATION: On May 12, 1998, we issued our interim final rule with comment period in the Federal Register (63 FR 26252) that implements provisions in section 4432 of the Balanced Budget Act of 1997 related to Medicare payment for skilled nursing facility services. Those include the implementation of a Medicare prospective payment system for skilled nursing facilities, consolidated billing, and a number of related changes. We indicated that comments would be considered if we received them by July 13, 1998.

Because of the complexity and scope of the interim final rule and because numerous members of the industry and professional associations requested more time to analyze the potential consequences of the rule, we published a notice on July 13, 1998, which extended the comment period until September 11, 1998.

Because of further requests from industry and professional associations to extend the comment period, we have decided to reopen and extend the comment period. This document announces the reopening and extension of the public comment period to December 28, 1998.

Additionally, because of a request from industry and professional associations, we are clarifying our explanation of the Federal rates. Paragraph A.3.a in section II of the May 12, 1998 interim final rule on the prospective payment system for skilled nursing facilities describes the cost data used in the development of the Federal rates. This paragraph indicates that, in developing the per diem costs of skilled nursing facilities, the cost data (including the estimate of Part B costs) are separated into components based on their relationship to the case-mix indices described earlier in the rule. This is done to facilitate standardization of the Federal rates and the application of the case-mix adjustment. This paragraph goes on to detail that costs related to nursing (excluding nurse management) and social service salaries (including benefits) and total costs (after allocation of overhead expenses) of non-therapy ancillary services are grouped into the component related to the nursing case-mix index. As indicated in the rule, this component of cost was related to the “nursing component” of the Federal rates detailed in Tables 2.A, 2.B, 2.E, and 2.F.

Members of the public requested that we publish information in the Federal Register concerning this area of the rate-setting process. Specifically, members of the public requested information on the proportion of non-therapy ancillary to nursing and social services costs included in the nursing component of the rates enumerated in the tables cited above. Accordingly, we have determined the approximate percentage of non-therapy ancillary costs and nursing and social services salary costs (including benefits) included in this component of the Federal rate. For the Federal rates associated with urban areas (Tables 2.A and 2.E), 43.4 percent of the nursing component is related to non-therapy ancillary costs (including Part B non-therapy ancillary services) and 56.6 percent is related to nursing and social services salary costs. For the Federal rates associated with rural areas (Tables 2.B and 2.F), 42.7 percent of the nursing component is related to non-
therapy ancillary costs (including Part B non-therapy ancillary services) and 57.3 percent is related to nursing and social services salary costs. We invite comments on this or other aspects of the May 12, 1998 interim final rule.

**Authority:** Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

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